

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," further providing for credit for qualified film
11 production expenses and for report to General Assembly; and
12 providing for diversity goals.

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. Section 1703-D(b) of the act of March 4, 1971
16 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended
17 July 9, 2013 (P.L.270, No.52), is amended to read:

18 Section 1703-D. Credit for qualified film production expenses.

19 * * *

20 (b) Review and approval.--The department shall establish
21 application periods not to exceed 90 days each. All applications
22 received during the application period shall be reviewed and

1 evaluated by the department based on the following criteria:

2 (1) The anticipated number of production days in a
3 qualified production facility.

4 (2) The anticipated number of Pennsylvania employees.

5 (3) The number of preproduction days through
6 postproduction days in Pennsylvania.

7 (4) The anticipated number of days spent in Pennsylvania
8 hotels.

9 (5) The Pennsylvania production expenses in comparison
10 to the production budget.

11 (6) The use of studio resources.

12 (6.1) The promotion and implementation of a diversity
13 plan in order to ensure diversity and promote the
14 participation of diverse groups by affording equal access to
15 employment opportunities pursuant to section 1713-D.

16 (7) Other criteria that the Director of the Pennsylvania
17 Film Office deems appropriate to ensure maximum employment
18 and benefit within this Commonwealth.

19 Upon determining the taxpayer has incurred or will incur
20 qualified film production expenses, the department may approve
21 the taxpayer for a tax credit. Applications not approved may be
22 reviewed and considered in subsequent application periods. The
23 department may approve a taxpayer for a tax credit based on its
24 evaluation of the criteria under this subsection.

25 * * *

26 Section 2. Section 1711-D(a) of the act, added July 25, 2007
27 (P.L.373, No.55), is amended to read:

28 Section 1711-D. Report to General Assembly.

29 (a) General rule.--No later than June 1, 2008, and September
30 1 of each year thereafter, the Secretary of Community and

1 Economic Development shall submit a report to the General
2 Assembly summarizing the effectiveness of the tax credit
3 provided by this article. The report shall include the name of
4 the film produced, the names of all taxpayers utilizing the
5 credit as of the date of the report and the amount of credits
6 approved for, utilized by or sold or assigned by each taxpayer.
7 The report may also include any recommendations for changes in
8 the calculation or administration of the tax credit. The report
9 shall be submitted to the chairman and minority chairman of the
10 Appropriations and Finance Committees of the Senate and the
11 chairman and minority chairman of the Appropriations and Finance
12 Committees of the House of Representatives. In addition to the
13 information set forth above, the report shall include the
14 following information, which shall be separated by geographic
15 location within this Commonwealth:

16 (1) The amount of credits claimed during the fiscal year
17 by film.

18 (2) The total amount spent in this Commonwealth during
19 the fiscal year by film.

20 (3) The total amount of tax revenues generated by this
21 Commonwealth during the fiscal year by film.

22 (4) The total number of jobs created during the fiscal
23 year by film, including the duration of the jobs.

24 (5) The total number of hires and employment offers
25 made, including data relating to the race, gender and
26 residence of those hired or offered employment.

27 (6) All contracting and subcontracting data involving
28 the taxpayer and minority-owned business enterprises and
29 women-owned business enterprises.

30 * * *

1 Section 3. The act is amended by adding a section to read:

2 Section 1713-D. Diversity goals.

3 (a) Intent.--It is the intent and goal of the General
4 Assembly that the Pennsylvania Film Office and the department
5 promote and ensure diversity to enhance the representation of
6 diverse groups in all aspects of the Film Production Tax Credit
7 authorized under this section.

8 (b) General rule.--The Pennsylvania Film Office and the
9 department shall work with the taxpayer seeking a credit or a
10 taxpayer under contract to enhance the representation of diverse
11 groups, employees or business entities utilized under or
12 associated with production expenses under this section.

13 Section 4. This act shall take effect in 60 days.