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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1484 Session of  
2017

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INTRODUCED BY ELLIS AND O'BRIEN, JUNE 2, 2017

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REFERRED TO COMMITTEE ON FINANCE, JUNE 2, 2017

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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," in entertainment production tax credit, further  
11 providing for definitions, establishing the Multimedia Tax  
12 Credit Fund, providing for State-certified production  
13 companies and making an inconsistent repeal.

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

16 Section 1. Section 1702-D of the act of March 4, 1971  
17 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended  
18 by adding a definition to read:

19 Section 1702-D. Definitions.

20 The following words and phrases when used in this article  
21 shall have the meanings given to them in this section unless the  
22 context clearly indicates otherwise:

23 \* \* \*

24 "Qualified Pennsylvania production company." A motion

1 picture production company, organized under the laws of this  
2 Commonwealth or otherwise domiciled and authorized to do  
3 business in this Commonwealth, having its principal place of  
4 business in this Commonwealth, which files Pennsylvania income  
5 tax returns and meets the following requirements:

6 (1) Has the power and authority to make creative  
7 decisions with respect to a motion picture being produced by  
8 a State-certified production company, including final cut  
9 authority.

10 (2) One of the following:

11 (i) the company is at least 50% owned by a  
12 Pennsylvania resident or residents who are natural  
13 persons who have been domiciled in and maintained a  
14 permanent place of abode in this Commonwealth for no less  
15 than 12 consecutive months prior to beginning of  
16 preproduction; or

17 (ii) the company has directly employed a minimum of  
18 three full-time Pennsylvania residents for a minimum of  
19 12 months prior to beginning of preproduction.

20 Section 2. Article XVII-D of the act is amended by adding a  
21 subarticle to read:

22 SUBARTICLE E

23 MISCELLANEOUS PROVISIONS

24 Section 1771-D. Multimedia Tax Credit Fund.

25 (a) Establishment.--There is established in the department  
26 the Multimedia Tax Credit Fund. All money allocated for the  
27 purposes of a tax credit under this article shall be deposited  
28 in the fund.

29 (b) Usage.--The funds shall be used in accordance with the  
30 following:

1           (1) Eighty percent of the money in the fund shall be  
2           used for the film production tax credit under Subarticle B.

3           (2) Ten percent of the money in the fund shall be used  
4           for the concert rehearsal and tour tax credit under  
5           Subarticle C.

6           (3) Ten percent of the money in the fund shall be used  
7           for the video game production tax credit under Subarticle D.

8           (c) Unused funds.--If the available money for one or two of  
9           the tax credits under this article are not fully used, the  
10           remaining money may be used for the remaining tax credits.

11           Section 1772-D. State-certified production companies.

12           (a) Additional tax credit.--For State-certified productions  
13           with expenditures occurring on or after July 1, 2017, a State-  
14           certified production company which demonstrates that it owned or  
15           optioned to own a Pennsylvania screenplay, which has been held  
16           by a qualified Pennsylvania production company for a minimum of  
17           12 months prior to production, may be eligible for an additional  
18           10% tax credit.

19           (b) Approved companies.--The department shall post on its  
20           publicly accessible Internet website a listing of approved  
21           Pennsylvania publishers and qualified Pennsylvania production  
22           companies.

23           Section 4. Any provision of Article XVII-D of the act of  
24           March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of  
25           1971, is repealed to the extent that it is inconsistent with  
26           this act.

27           Section 5. This act shall take effect take effect  
28           immediately.