SB255
127704-3
By Senators Dial, Holley, Scofield, Blackwell, Whatley, Keahey, Waggoner, Ward and Marsh
RFD: Finance and Taxation General Fund
First Read: 22-MAR-11
ENROLLED, An Act,

To amend Sections 41-7A-43 and 41-7A-45 of the Code of Alabama 1975, relating to the Entertainment Industry Incentive Act of 2009; to further provide for rebates for qualified production companies; to limit the tax exemptions to the state portion of sales, use, and lodging taxes; and to cap the rebate for certain amounts in excess of allowed production expenditures.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 41-7A-43 and 41-7A-45 of the Code of Alabama 1975, are amended to read as follows:

"§41-7A-43.

"(a) Beginning January 1, 2009, a qualified production company shall be entitled to a rebate for production expenditures, as defined in subdivision (7) of Section 41-7A-41, related to a state-certified production. The rebate shall be equal to 25 percent of the state-certified production's production expenditures excluding payroll paid to residents of Alabama plus 35 percent of all payroll paid to residents of Alabama for the state-certified production, provided the total production expenditures for a project must equal or exceed at least five hundred thousand dollars
($500,000), but no rebate shall be available for production
expenditures incurred after the first ten million dollars
($10,000,000) of production expenditures expended in Alabama
on a state-certified production.

"(b) A single episode in a television series or
miniseries may be considered a single production project for
purposes of this section. However, in determining the total
production expenditures incurred by a qualified production
company on a qualified production, the total production
expenditures of a television series or miniseries, whether a
single season or multiple seasons thereof, to be filmed within
a period of 12 consecutive months, each individual episode of
which separately and independently meets the definition of a
qualified production, may be aggregated to meet the monetary
requirements set forth in subsection (a) as long as each
individual episode within the series pertains to the same
subject as the other episodes in the series.

"(c) A single commercial may be considered a single
production project for purposes of this section. However, in
determining the total production expenditures incurred by a
qualified production company on a qualified production, the
total production expenditures of a series of commercials to be
filmed within a period of 12 consecutive months, each of which
separately and independently meets the definition of a
qualified production, may be aggregated to meet the monetary
requirements set forth in subsection (a) as long as each
individual commercial within the series pertains to the same
subject as the other commercials in the series and was planned
as part of a series of commercials to be filmed within a
period of 12 consecutive months at the time the qualified
production company applied for the incentives.

"(d) A qualified production company shall be
entitled to the rebate for production expenditures as provided
in subsection (a) for a qualified project that is limited only
to the production of a soundtrack used in a motion picture or
documentary, provided that the production expenditures for the
soundtrack project must equal or exceed at least fifty
thousand dollars ($50,000), but no rebate shall be available
for production expenditures incurred after the first three
hundred thousand dollars ($300,000) of production expenditures
expended in Alabama.

"(e) A qualified production company shall be
entitled to the rebate for production expenditures as provided
in subsection (a) for a qualified project that is limited only
to the production of a music video, provided that the
production expenditures for the music video equal or exceed
fifty thousand dollars ($50,000), but no rebate shall be
available for production expenditures incurred after the first
two hundred thousand dollars ($200,000) of production
expenditures expended in Alabama.
"(f) The rebate described in this section may be applied to offset any income tax liability applicable to a qualified production company for the tax year in which production activity in Alabama on the state-certified production concludes.

"(g) The Commissioner of the Department of Revenue and the office shall promulgate rules necessary to administer this section.

"$41-7A-45.

"A qualified production company that intends to expend in the aggregate one hundred fifty thousand dollars ($150,000) or more in connection with a qualified productions in the State of Alabama within a consecutive 12-month period, upon making application for, meeting the requirements of, and receiving written certification of that designation from the office, shall be exempted from the payment of the state portion, but not the local portion of sales, use, and lodging taxes levied pursuant to Sections 40-23-2, 40-23-61, and 40-26-1, respectively, on production expenditures expended in Alabama in connection with the state-certified productions. The exemption provided by this section shall not be available for production expenditures incurred by a qualified production company after the first ten million dollars ($10,000,000) of production expenditures expended in Alabama on a state-certified project."
Section 2. This act shall become effective immediately following its passage and approval by the Governor, or its otherwise becoming law.
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President and Presiding Officer of the Senate

Speaker of the House of Representatives

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Senate 05-MAY-11
I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris
Secretary

House of Representatives
Passed: 09-JUN-11

By: Senator Dial

June 14, 2011
3:00 p.m.

Robert Bentley
GOVERNOR

Alabama Secretary Of State
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Bill Num....: S-255
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