

ACT No. 2011 - 695

1 SB255
2 127704-3
3 By Senators Dial, Holley, Scofield, Blackwell, Whatley,
4 Keahey, Waggoner, Ward and Marsh
5 RFD: Finance and Taxation General Fund
6 First Read: 22-MAR-11



1 SB255

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4 ENROLLED, An Act,

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

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

15 "§41-7A-43.

16 "(a) Beginning January 1, 2009, a qualified
17 production company shall be entitled to a rebate for
18 production expenditures, as defined in subdivision (7) of
19 Section 41-7A-41, related to a state-certified production. The
20 rebate shall be equal to 25 percent of the state-certified
21 production's production expenditures excluding payroll paid to
22 residents of Alabama plus 35 percent of all payroll paid to
23 residents of Alabama for the state-certified production,
24 provided the total production expenditures for a project must
25 equal or exceed at least five hundred thousand dollars

1 (\$500,000), but no rebate shall be available for production
2 expenditures incurred after the first ten million dollars
3 (\$10,000,000) of production expenditures expended in Alabama
4 on a state-certified production.

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

18 "(c) A single commercial may be considered a single
19 production project for purposes of this section. However, in
20 determining the total production expenditures incurred by a
21 qualified production company on a qualified production, the
22 total production expenditures of a series of commercials to be
23 filmed within a period of 12 consecutive months, each of which
24 separately and independently meets the definition of a
25 qualified production, may be aggregated to meet the monetary

1 requirements set forth in subsection (a) as long as each
2 individual commercial within the series pertains to the same
3 subject as the other commercials in the series and was planned
4 as part of a series of commercials to be filmed within a
5 period of 12 consecutive months at the time the qualified
6 production company applied for the incentives.

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

17 "(e) A qualified production company shall be
18 entitled to the rebate for production expenditures as provided
19 in subsection (a) for a qualified project that is limited only
20 to the production of a music video, provided that the
21 production expenditures for the music video equal or exceed
22 fifty thousand dollars (\$50,000), but no rebate shall be
23 available for production expenditures incurred after the first
24 two hundred thousand dollars (\$200,000) of production
25 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."

1 Section 2. This act shall become effective
2 immediately following its passage and approval by the
3 Governor, or its otherwise becoming law.

Kay Ivey

President and Presiding Officer of the Senate

[Signature]

Speaker of the House of Representatives

SB255

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

APPROVED *June 14, 2011*

TIME *3:00 p.m.*
Robert Bentley
GOVERNOR

Alabama Secretary Of State

Act Num....: 2011-695
Bill Num....: S-255

Recv'd 06/15/11 02:40pmJJB