

SUMMARY ANALYSIS OF AMENDED BILL

Author: Fuentes Analyst: John Pavalasky Bill Number: AB 1069
 Related Bills: See Prior Analysis Telephone: 845-4335 Amended Date: July 13, 2011
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: California Motion Picture Credit/California Film Commission Extend The Allocation Of Credits Until July 1, 2019, & Extend Limit On Aggregate Amount Of Credits Allocated Through The 2018–19 Fiscal Year

SUMMARY

This bill would extend, for five additional years, until July 1, 2019, the California Motion Picture Credit.

SUMMARY OF AMENDMENTS

The July 13, 2011, amendments would require the California Film Commission (CFC) to provide the Legislative Analyst’s Office (LAO) specified application materials, and specifically require the LAO to conduct a study relating to the economic activity created by this credit, as specified. In addition, the July 13, 2011, amendments would make several nonsubstantive technical amendments. Except for the “THIS BILL” section, the department’s analysis of the bill as introduced February 18, 2011, still applies.

ANALYSIS

THIS BILL

This bill would extend the CFC’s authorization to allocate the tax credits for five additional years, until July 1, 2019. This bill would also extend the limit on the aggregate amount of credits that may be allocated through the 2018–19 fiscal year.

Additionally, this bill would require the CFC to provide the LAO with specified application materials, and would specifically require the LAO to conduct a study relating to the economic activity created by this credit, as specified.

IMPLEMENTATION CONSIDERATIONS

On page 11, lines 8 – 14 and on page 22, lines 17 – 23, all qualified taxpayers that are part of a controlled group are required to provide a list of all other members of the commonly controlled group or members of the combined reporting group that filmed productions or planned to film productions. Because many entities that apply for and receive a credit allocation are single member limited liability companies (SMLLCs) that are disregarded as separate entities for income tax purposes, it may be argued that this reporting requirement does not apply to them especially since often the credit is immediately assigned. Additionally, SMLLCs that are disregarded cannot be "members" of the commonly controlled group.

Board Position:	Interim Legislative Director	Date
_____ S	_____ NA	<u> X </u> NP
_____ SA	_____ O	_____ NAR
_____ N	_____ OUA	Anne Maitland
		08/03/11

TECHNICAL CONSIDERATIONS

The July 13, 2011, amendments replaced the term “commission” or “film commission” with the term “California Film Commission” in several places. However these amendments included new references to “film commission” rather than California Film Commission. In order to consistently use the term “California Film Commission” rather than “film commission” the following amendments are required.

On page 10, line 35, strikeout “film commission” and insert “California Film Commission”

On page 11, line 22, strikeout “film commission” and insert “California Film Commission”

On page 11, line 24, strikeout “film commission” and insert “California Film Commission”

On page 22, line 5, strikeout “film commission” and insert “California Film Commission”

On page 22, line 31, strikeout “film commission” and insert “California Film Commission”

On page 22, line 33, strikeout “film commission” and insert “California Film Commission”

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