

**SUMMARY ANALYSIS OF AMENDED BILL**

Author: Fuentes Analyst: John Pavalasky Bill Number: AB 1069  
 Related Bills: See Prior Analysis Telephone: 845-4335 Amended Date: August 31, 2011  
 Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** California Motion Picture Credit/California Film Commission Extend The Allocation Of Credits Until July 1, 2015, & Extend Limit On Aggregate Amount Of Credits Allocated Through The 2014–15 Fiscal Year/FTB Provide LAO Information For Study

**SUMMARY**

This bill would extend, for one additional year, until July 1, 2015, the California Motion Picture Credit.

**SUMMARY OF AMENDMENTS**

The August 31, 2011, amendments would eliminate the allocation of the film tax credit from July 1, 2014, to July 1, 2015, inclusive, pursuant to Sections 17053.85 and 23685, if specified revenue projections are less than a specified amount. In addition, the August 31, 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. The August 31, 2011, amendments also make several nonsubstantive technical amendments. Except for the "EFFECTIVE/OPERATIVE DATE," "THIS BILL," and "ECONOMIC IMPACT" sections, the department's analysis of the bill as introduced February 18, 2011, still applies.

**EFFECTIVE/OPERATIVE DATE**

As a tax levy, this bill would be effective immediately upon enactment. Thus, upon enactment, the California Film Commission (CFC) would be able to accept applications for credit allocations in fiscal year 2014/2015.

However, on or after January 1, 2012, this bill would require the elimination of the allocation of the film tax credit from July 1, 2014, to July 1, 2015, inclusive, pursuant to Sections 17053.85 and 23685, if specified revenue projections are less than a specified amount.

**ANALYSIS****THIS BILL**

This bill would extend the CFC's authorization to allocate the tax credits for one additional year, until July 1, 2015. This bill would also extend the limit on the aggregate amount of credits that may be allocated through the 2014–15 fiscal year. This bill would authorize the Franchise Tax Board (FTB), Board of Equalization (BOE), and the Employment Development Department (EDD) to share information while retaining taxpayer confidentiality.

Board Position:	Interim Legislative Director	Date
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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.

**ECONOMIC IMPACT**

Revenue Estimate

Estimated Revenue Impact of AB 1069 As Amended August 31, 2011 For Taxable Years Beginning On or After January 1, 2011 Enactment Assumed After June 30, 2011 (\$ in Millions)				
2011-12	2012-13	2013-14	2014-15	2015-16
\$0	\$0	-\$11	-\$38	-\$33

This analysis does not account for changes in employment, personal income, or gross state product that could result from this bill.

TECHNICAL CONSIDERATIONS

The August 31, 2011, amendments omitted the term “the following” before the word “information” on page 12, line 24 and again on page 26, line 13.

The August 31, 2011, amendments to the LAO study specify, in paragraph (1) of subdivision (k) the committees of the Legislature to which the study is to be provided. Thus, the general requirement in paragraph (4) of subdivision (k) is duplicative and no longer necessary. On page 15, strikeout lines 15-16, inclusive; and on page 29, strikeout lines 4-5, inclusive.

**LEGISLATIVE STAFF CONTACT**

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