

SUMMARY ANALYSIS OF AMENDED BILL

Author: Calderon Analyst: John Pavalasky Bill Number: SB 1167
 Related Bills: See Prior Analysis Telephone: 845-4335 Amended Date: June 4, 2012
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Motion Picture Credit/California Film Commission Extend The Allocation Of Credits Until July 1, 2020, & Extend Limit On Aggregate Amount Of Credits Allocated Through The 2019–20 Fiscal Year

SUMMARY

This bill would extend, for five additional years, until July 1, 2020, the California Motion Picture Credit.

RECOMMENDATION

No position.

SUMMARY OF AMENDMENTS

The June 4, 2012, 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 prepare reports related to the effectiveness and administration of the California Motion Picture Credit. In addition, the amendments would make several nonsubstantive technical changes. As a result of the amendments, a Technical Concern has been identified. Except for the “THIS BILL” section and the new concern, the department’s analysis of the bill as introduced February 18, 2011, still applies. The “ECONOMIC IMPACT” remains unchanged and is restated for convenience.

ANALYSIS

THIS BILL

This bill would extend the CFC’s requirement to allocate the California Motion Picture tax credits for five additional years, until July 1, 2020. This bill would also extend the \$100 million limit on the aggregate amount of credits that may be allocated for each fiscal year through the 2019–20 fiscal year.

This bill would authorize the Franchise Tax Board (FTB), Board of Equalization (BOE), and the Employment Development Department (EDD) to share information with the LAO while retaining taxpayer confidentiality.

Board Position:	Legislative Director	Date
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	Gail Hall	06/19/12

Additionally, this bill would require the CFC to provide the LAO with specified application materials, and would specifically require the LAO to prepare reports related to the effectiveness and administration of the credit.

TECHNICAL CONSIDERATIONS

The bill would require certain information to be provided to the CFC, including information about “qualified motion pictures” that were produced in other states or jurisdictions. However, as defined, a “qualified motion picture” must have 75 percent of production or 75 percent of production costs within California. This issue would be resolved by striking out the word “qualified” on page 12, lines 23, 25, and 28; on page 13, lines 5 and 10; on page 24, lines 25, 27, and 30; on page 25, lines 7 and 12.

ECONOMIC IMPACT

Revenue Estimate

Estimated Revenue Impact of SB 1167 For Taxable Years Beginning On or After January 1, 2012 Enactment Assumed After June 30, 2012 (\$ in Millions)			
2012-13	2013-14	2014-15	2015-16
\$0	\$0	-\$5.1	-\$22

The table does not show revenue losses for later fiscal years, which are estimated to total -\$473 million. This estimate does not account for changes in employment, personal income, or gross state product that could result from this bill.

LEGISLATIVE STAFF CONTACT

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