

SUMMARY ANALYSIS OF AMENDED BILL

Author: Calderon Analyst: Michelle Chan Bill Number: SB 1167
 Related Bills: See Prior Analysis Telephone: 845-6805 Amended Date: July 5, 2012
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Motion Picture Credit/California Film Commission Extend The Allocation Of Credits Until July 1, 2017 & Extend Limit On Aggregate Amount Of Credits Allocated Through The 2016-17 Fiscal Year

SUMMARY

This bill would extend, for two additional years, until July 1, 2017, the California Motion Picture Credit.

RECOMMENDATION

No position.

SUMMARY OF AMENDMENTS

The July 5, 2012, amendments (1) revised the credit extension period from five years to two years, (2) added provisions that would require the California Film Commission (CFC) to annually post on its Web site and make available for public release information relating to the credit, as specified, and (3) made several nonsubstantive technical changes. As a result of the amendments, the "Effective/Operative Date," "This Bill," "Technical Considerations" and "Economic Impact" sections of the department's analyses of the bill as introduced February 22, 2012, and as amended June 4, 2012, have been revised. The remainder of those analyses still applies.

EFFECTIVE/OPERATIVE DATE

As a tax levy, this bill would be effective immediately upon enactment. Thus, upon enactment, the CFC would be able to accept applications for credit allocations in fiscal years 2015-2016 and 2016-2017.

ANALYSIS

THIS BILL

This bill would extend the CFC's requirement to allocate the California Motion Picture tax credits for two additional years, until July 1, 2017. 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 2016-17 fiscal year.

Board Position:	Legislative Director	Date
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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.

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.

Further, this bill would require the CFC to annually post on its Web site and make available for public release specified information, including a list of qualified taxpayers and the tax credit amounts allocated to each qualified taxpayer by the CFC.

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 29, 31, and 34; on page 13, lines 11 and 17; on page 24, lines 30, 32, and 35; on page 25, lines 11 and 16.

ECONOMIC IMPACT

Revenue Estimate

Estimated Revenue Impact of SB 1167 as Amended July 5, 2012 For Taxable Years Beginning On or After January 1, 2013 Enactment Assumed After September 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 -\$161 million. This analysis does not account for changes in employment, personal income, or gross state product that could result from this bill.

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