

**REPORT ON SECOND INTERESTED PARTIES MEETING  
REGULATION SECTION 25137-8  
MOTION PICTURE AND TELEVISION FILM PRODUCERS  
AND TELEVISION NETWORKS**

The second interested parties meeting was held at 10:00 a.m. on May 15, 2009, at the Franchise Tax Board's Central Office in Sacramento. The facilitator was Carole Rouin, Tax Counsel III for the Franchise Tax Board.

Prior to the interested parties meeting, the proposed, interlineated regulation was made available together with an explanation of all changes made. In addition, a third handout provided a proposed modification to the definition of "distributor." All of these documents were posted on the FTB public website for review.

The meeting was attended by motion picture and television industry representatives as well as representatives from cable and satellite industries. Participants were invited to make both oral and written comments.

Oral comments regarding the proposed regulation included a concern over whether the cable and satellite industries should be included in this regulation, the possible need to expand the definition of "film," the differences between distributors and exhibitors and the exclusion of theaters. Comments regarding the lack of consistency in the explanation of these changes in sections 5, 6, and 9 was also expressed.

It is the intent of staff to request permission to commence formal regulatory proceedings at the June 16, 2009 meeting of the Franchise Tax Board. In order to prepare all necessary materials concerning this proposed regulation in time for that meeting, participants were asked to supplement oral comments and express any additional concerns in writing on or before May 22, 2009. Participants were also assured that should this not be possible, all comments received thus far would be made public and the opportunity for making additional comments would continue at the Board hearing on June 16, 2009 as well as throughout the formal regulatory process.