

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the bill in section 1 in §13090-L in subsection 1 in the last line (page 1, line 9 in L.D.) by striking out the following: "5219-DD" and inserting the following: '5219-EE'

Amend the bill in section 1 in §13090-L in subsection 2 by inserting after paragraph D the following:

'E. "Maine State Film Office" means the Maine State Film Office in the department's Office of Tourism.'

Amend the bill in section 1 in §13090-L in subsection 3-A by striking out all of the last paragraph (page 4, lines 5 to 15 in L.D.) and inserting the following:

'To qualify for a visual media production certificate, a visual media production company must demonstrate to the satisfaction of the commissioner that the visual media production company has met the requirements of this subsection. If the department determines that the applicant does not qualify for a visual media production certificate, it must inform the applicant of that determination in writing within 4 weeks after receiving the application. As soon as practicable, the department shall issue a visual media production certificate for a visual media production that qualifies. The department shall include with the certificate information regarding qualification for a tax credit certificate pursuant to subsection 4 and procedures for claiming the credit under Title 36, section 5219-EE. The department may not issue visual media production certificates that total more than \$3,000,000 during any fiscal year. If certificates issued during a fiscal year are less than \$3,000,000, the department may add the excess amount to the succeeding year's limit.'

Amend the bill in section 1 in §13090-L in subsection 4 in the 3rd line from the end (page 4, line 23 in L.D.) by striking out the following: "5219-DD" and inserting the following: '5219-EE'

Amend the bill in section 1 in §13090-L in subsection 4 by striking out all of the last underlined sentence (page 4, lines 23 to 25 in L.D.) and inserting the following: 'The tax credit certificate must indicate whether the visual media production company is eligible for a Level 1 credit under Title 36, section 5219-EE, subsection 1 or a Level 2 credit under Title 36, section 5219-EE, subsection 2.'

Amend the bill in section 1 in §13090-L in subsection 5 in the last line (page 4, line 31 in L.D.) by striking out the following: "5219-DD" and inserting the following: '5219-EE'

Amend the bill in section 1 in §13090-L by inserting after subsection 6 the following:

'7. **Report.** The Maine State Film Office shall submit a report by January 15th annually to the joint standing committee of the Legislature having jurisdiction over taxation matters regarding the implementation of the visual media production credit under Title 36, section 5219-EE and any low-interest loan program for visual media production companies established by the Finance Authority of Maine. The report must include at least a description of any rule-making activity related to implementation of the credit and any loan programs, outreach efforts to visual media production companies and information regarding the number of applications for the visual media production credit and any low-

interest loan program, the number of credits or loans granted, the revenue loss associated with the credit and the amount of visual media production expenses generated in the State as a result of the credit.'

Amend the bill in section 2 in paragraph KK in the 3rd line (page 4, line 39 in L.D.) by striking out the following: "5219-DD" and inserting the following: '5219-EE'

Amend the bill by striking out all of section 4 and inserting the following:

'**Sec. 4. 36 MRSA §5219-EE** is enacted to read:

§ 5219-EE. Certified visual media production credit

A visual media production company that has received a tax credit certificate under Title 5, section 13090-L, subsection 4 is allowed a credit against the taxes imposed by this Part as provided in this section.

1. Level 1 credit. A visual media production company with visual media production expenses of more than \$50,000 but less than \$500,000 is allowed a credit equal to 7% of visual media production expenses for the visual media production or 15% of the visual media production expenses if the Maine State Film Office finds that the production will significantly advance the development of visual media production in the State.

2. Level 2 credit. A visual media production company with visual media production expenses of \$500,000 or more is eligible for a credit equal to 20% of visual media production expenses for the visual media production. A visual media production company with visual media production expenses of \$500,000 or more is eligible for an additional 5% credit if at least 2 of the following conditions are met:

- A. The visual media production company hires 15% or more of its cast and crew in the State;
- B. The visual media production company shoots or produces at least 25% of the project time in a military redevelopment zone, as defined under Title 30-A, section 5250-I, subsection 11, Aroostook County, Franklin County, Oxford County, Piscataquis County, Somerset County or Washington County. Project time includes days of preproduction, production and postproduction; and
- C. The visual media production company participates in an internship program approved by the Maine State Film Office.

3. Refundable. The credit provided by this section is refundable.

4. Definitions. Terms defined under Title 5, section 13090-L apply to this section.

5. Audit. The State Tax Assessor may audit a visual media production company. If the assessor determines that a visual medial production company has received a credit larger that that to which it is entitled, the visual media production company must repay the excess amount to the State. For enforcement purposes, an excess credit must be treated in the same way as an underpayment of tax under this Part.'

Amend the bill in section 6 in the 3rd line (page 5, line 36 in L.D.) by striking out the following: "\$750,000" and inserting the following: '\$500,000'

Amend the bill by inserting after section 6 the following:

Sec. 7. Appropriations and allocations. The following appropriations and allocations are made.

FINANCE AUTHORITY OF MAINE

Visual Media Low-interest Loan Program N076

Initiative: Provides funds for the initial and ongoing costs associated with establishing and administering the low-interest loan program for visual media production companies.

GENERAL FUND	2009-10	2010-11
All Other	\$30,000	\$15,000
GENERAL FUND TOTAL	\$30,000	\$15,000

SUMMARY

This amendment changes the line between the Level 1 credit and the Level 2 credit from \$750,000 to \$500,000, changes the conditions for increases in the amount of credit and changes the annual limit on credit certificates from \$5,000,000 to \$3,000,000. The amendment also clarifies the audit authority of the State Tax Assessor and requires an annual report by the Department of Economic and Community Development, Office of Tourism, Maine State Film Office to the joint standing committee of the Legislature having jurisdiction over taxation matters regarding implementation and administration of the credit.

The amendment also adds an appropriations and allocations section to the bill.

FISCAL NOTE REQUIRED
(See attached)