

May 17, 2006

**H 2157. VIDEO GAME PRODUCER TAX CREDIT.** Filed 5/17/06. *TO ALLOW A TAX CREDIT FOR VIDEO GAME PRODUCERS.* Amends GS Chapter 105, Article 4, Part 1 (Corporate Income Tax), by adding new section 105-130.48, and GS Chapter 105, Article 4, Part 2 (Individual Income Tax) by adding new section 105-151.30, each of which allows to corporate and individual taxpayers, respectively, that produce digital interactive media a credit against taxes equal to 15% of the taxpayer's qualifying expenses, except that in no case may the credit exceed the amount of tax imposed for the taxable year reduced by the sum of all credits allowable. Digital interactive media is defined in both new GS 105-130.48 and 105-151.30 as products that are intended for commercial use or distribution and that are produced for distribution on electronic media, including file downloads over the Internet, that contain a computer-controlled virtual universe with which users may interact in order to achieve a goal, and contain an appreciable amount of at least three of text, sound, fixed images, animated images, and 3D geometry. Both new sections direct the Department of Revenue to publish an annual report about the use and cost of these new tax credits. Both new GS 105-130.48 and 105-151.30 are repealed for tax years beginning on or after January 1, 2011. Effective for taxable years beginning on or after January 1, 2006.

**Intro. by Gibson.**

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