

ADOPTED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 763*

AMENDMENT NO. A1
(to be filled in by
Principal Clerk)

S763-ALB-152 [v.1]

Page 1 of 4

Comm. Sub. [YES]
Amends Title [YES]
4th Edition

Date _____, 2014

Representative Davis

1 moves to amend the bill on page 13, lines 11-13, by rewriting the lines to read:
2 "located in this State is allowed a credit equal to ~~twenty percent (20%) of the expenditures that~~
3 ~~qualify for the federal credit.~~the sum of the following:"

4
5 And on page 17, lines 4 and 5, by inserting the following between those lines to read:

6 "**SECTION 26.(a)** G.S. 105-130.47 reads as rewritten:
7 "**§ 105-130.47. Credit for qualifying expenses of a production company.**

8 ...
9 (b) Credit. —~~A~~Subject to the limitation in subsection (c1) of this section, a taxpayer
10 that meets the requirements of this subsection is a production company and has qualifying
11 expenses of at least two hundred fifty thousand dollars (\$250,000) with respect to a production
12 is allowed a credit against the taxes imposed by this Part equal to ~~twenty five percent (25%)~~
13 twenty-two and one-half percent (22.5%) of the ~~production company's taxpayer's~~ qualifying
14 expenses. ~~expenses.~~ The applicable requirements are:

- 15 (1) The taxpayer's taxable year is a calendar year.
- 16 (2) The taxpayer files a timely return and does not apply for an extension of
17 time to file a return.
- 18 (3) The taxpayer is a production company.
- 19 (4) The taxpayer has qualifying expenses of at least two hundred fifty thousand
20 dollars (\$250,000) with respect to a production. For the purposes of this
21 subdivision, ~~For the purposes of this section,~~ in the case of an episodic
22 television series, an entire season of episodes is one production. The credit is
23 computed based on all of the taxpayer's qualifying expenses incurred with
24 respect to the production, not just the qualifying expenses incurred during
25 the taxable year.

26 (c1) Credit Cap. — The total amount of all tax credits allowed to taxpayers under
27 G.S. 105-151.29 and this section for qualifying expenses incurred in a taxable year may not
28 exceed forty million dollars (\$40,000,000). The Secretary must calculate the total amount of all
29 tax credits claimed under 105-151.29 and under this section. If the total amount of all tax
30 credits claimed exceeds this maximum amount, the Secretary must apportion the credits
31 claimed by allocating the maximum amount in proportion to the size of the credit claimed by
32 each taxpayer. The Secretary's allocations are final.



* S 7 6 3 - A L B - 1 5 2 - V - 1 *

NORTH CAROLINA GENERAL ASSEMBLY

AMENDMENT

Senate Bill 763*

ADOPTED

AMENDMENT NO. A1

(to be filled in by
Principal Clerk)

S763-ALB-152 [v.1]

Page 2 of 4

1 ...
2 (j) NC Film Office. – To claim a credit under this section, a taxpayer must notify the
3 Division of Tourism, Film, and Sports Development in the Department of Commerce of the
4 taxpayer's intent to claim the production tax credit. The notification must include the title of the
5 production, the name of the production company, a financial contact for the production
6 company, the proposed dates on which the production company plans to begin filming the
7 production, and any other information required by the Division. For productions that have
8 production credits, a taxpayer claiming a credit under this section must acknowledge all of the
9 following in the production ~~credits both~~ credits:

- 10 (1) ~~the~~ The North Carolina Film Office and the regional film office responsible
11 for the geographic area in which the filming of the production occurred.
- 12 (2) The identity of each location in the State in which the filming of the
13 production occurred.
- 14 (3) The phrase "Filmed in North Carolina" and a logo provided by the North
15 Carolina Film Office.

16 (k) Sunset. – This section is repealed for qualifying expenses occurring on or after
17 ~~January 1, 2015.~~ January 1, 2016.

18 **SECTION 26.(b)** G.S. 105-151.29 reads as rewritten:

19 **"§ 105-151.29. Credit for qualifying expenses of a production company.**

20 ...
21 (b) Credit. —~~A Subject to the limitation in subsection (c1) of this section, a taxpayer~~
22 ~~that meets the requirements of this subsection is a production company and has qualifying~~
23 ~~expenses of at least two hundred fifty thousand dollars (\$250,000) with respect to a production~~
24 ~~is allowed a credit against the taxes imposed by this Part equal to twenty five percent (25%)~~
25 ~~twenty-two and one-half percent (22.5%) of the production company's taxpayer's qualifying~~
26 ~~expenses. expenses. The applicable requirements are:~~

- 27 (1) The taxpayer's taxable year is a calendar year.
- 28 (2) The taxpayer files a timely return and does not apply for an extension of
29 time to file a return.
- 30 (3) The taxpayer is a production company.
- 31 (4) The taxpayer has qualifying expenses of at least two hundred fifty thousand
32 dollars (\$250,000) with respect to a production. For the purposes of this
33 subdivision, For the purposes of this section, in the case of an episodic
34 television series, an entire season of episodes is one production. The credit is
35 computed based on all of the taxpayer's qualifying expenses incurred with
36 respect to the production, not just the qualifying expenses incurred during
37 the taxable year.

38 ...
39 (c1) Credit Cap. – The total amount of all tax credits allowed to taxpayers under
40 G.S. 105-130.47 and this section for qualifying expenses incurred in a taxable year may not
41 exceed the amount set in G.S. 105-130.47(c1). The Secretary must calculate the total amount of
42 all tax credits claimed under G.S. 105-130.47 and under this section. If the total amount of all
43 tax credits claimed exceeds this maximum amount, the Secretary must apportion the credits

NORTH CAROLINA GENERAL ASSEMBLY

AMENDMENT

Senate Bill 763*

ADOPTED

AMENDMENT NO. A1

(to be filled in by
Principal Clerk)

S763-ALB-152 [v.1]

Page 3 of 4

1 claimed by allocating the maximum amount in proportion to the size of the credit claimed by
2 each taxpayer. The Secretary's allocations are final.

3 ...
4 (j) NC Film Office. – To claim a credit under this section, a taxpayer must notify the
5 Division of Tourism, Film, and Sports Development in the Department of Commerce of the
6 taxpayer's intent to claim the production tax credit. The notification must include the title of the
7 production, the name of the production company, a financial contact for the production
8 company, the proposed dates on which the production company plans to begin filming the
9 production, and any other information required by the Division. For productions that have
10 production credits, a taxpayer claiming a credit under this section must acknowledge all of the
11 following in the production credits both credits:

- 12 (1) ~~the~~ The North Carolina Film Office and the regional film office responsible
13 for the geographic area in which the filming of the production occurred.
- 14 (2) The identity of each location in the State in which the filming of the
15 production occurred.
- 16 (3) The phrase "Filmed in North Carolina" and a logo provided by the North
17 Carolina Film Office.

18 (k) Sunset. – This section is repealed for qualifying expenses occurring on or after
19 January 1, 2015. January 1, 2016."

20 **SECTION 26.(c)** The Joint Legislative Program Evaluation Oversight Committee
21 shall include in the 2014-2015 Work Plan for the Program Evaluation Division of the General
22 Assembly a study to evaluate the income tax credits for qualifying expenses of a production
23 company provided in Chapter 105 of the General Statutes. The Program Evaluation Division
24 shall include the following within this study:

- 25 (1) Consideration of the return on investment of the credit to the State.
- 26 (2) Consideration of methods to increase the benefit to the State resulting from
27 the credit.
- 28 (3) Consideration of programs in other states, best practices of other states, and
29 other ways used by other states to compete for film investment in the State.

30 **SECTION 26.(d)** The Program Evaluation Division shall submit its findings and
31 recommendations from this section to the Joint Legislative Program Evaluation Oversight
32 Committee and Revenue Laws Study Committee on or before February 1, 2016.

33 **SECTION 26.(e)** Subsections (a) and (b) of this section become effective for
34 taxable years beginning on or after January 1, 2015. The remainder of this section is effective
35 when it becomes law.";

36
37 And by renumbering the remaining section accordingly.

NORTH CAROLINA GENERAL ASSEMBLY

AMENDMENT

Senate Bill 763*

ADOPTED

AMENDMENT NO. A1

(to be filled in by
Principal Clerk)

S763-ALB-152 [v.1]

Page 4 of 4

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

**The official copy of this document, with signatures
and vote information, is available in the
House Principal Clerk's Office**