

House Bill 339

By: Representatives Burns of the 159th, Stephens of the 164th, Strickland of the 111th, Rice of the 95th, Peake of the 141st, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated,
2 relating to the imposition, rate, and computation of state income taxes, so as to extend the tax
3 credit for film, video, or digital production in this state; to provide for related matters; to
4 repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**SECTION 1.**

7 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the
8 imposition, rate, and computation of state income taxes, is amended by revising subsection
9 (e) of Code Section 48-7-40.26, relating to the tax credit for film, video, or digital production
10 in this state, as follows:

11 "(e)(1) In no event shall the aggregate amount of tax credits allowed under this Code
12 section for qualified interactive entertainment production companies and affiliates exceed
13 \$25 million for taxable years beginning on or after January 1, 2013, and before January
14 1, 2014. The maximum credit for any qualified interactive entertainment production
15 company and its affiliates shall be \$5 million for such taxable year. When the \$25
16 million cap is reached, the tax credit for qualified interactive entertainment production
17 companies shall expire for such taxable years.

18 (2) For taxable years beginning on or after January 1, 2014, and before January 1, 2015,
19 the amount of tax credits allowed under this Code section for qualified interactive
20 entertainment production companies and affiliates shall not exceed \$12.5 million.

21 (3) For taxable years beginning on or after January 1, 2015, and before January 1, 2016,
22 the amount of tax credits allowed under this Code section for qualified interactive
23 entertainment production companies and affiliates shall not exceed \$12.5 million.

24 ~~(4) The tax credits allowed under this Code section for qualified interactive~~
25 ~~entertainment production companies and affiliates shall not be available for taxable years~~
26 ~~beginning on or after January 1, 2016~~ For taxable years beginning on or after January 1,

27 2016, and before January 1, 2019, the amount of tax credits allowed under this Code
 28 section for qualified interactive entertainment production companies and affiliates shall
 29 not exceed \$12.5 million for each taxable year.

30 (5) The maximum allowable credit claimed for any qualified interactive entertainment
 31 production company and its affiliates shall not exceed \$1.5 million in any single year.

32 (6) The commissioner shall allow the tax credits for qualified interactive entertainment
 33 production companies on a first come, first served basis based on the date the credits are
 34 claimed.

35 (7) No qualified interactive entertainment production company shall be allowed to claim
 36 an amount of tax credits under this Code section for any single year in excess of its total
 37 aggregate payroll expended to employees working within this state for the calendar year
 38 directly preceding the start of the year the qualified interactive entertainment production
 39 company claims the tax credits. Any amount in excess of such limit shall not be eligible
 40 for carry forward to the succeeding years' tax liability, nor shall such excess amount be
 41 eligible for use against the qualified interactive entertainment production company's
 42 quarterly or monthly payment under Code Section 48-7-103, nor shall such excess
 43 amount be assigned, sold, or transferred to any other taxpayer.

44 (8) Before the Department of Economic Development issues its approval to the qualified
 45 interactive entertainment production company for the qualified production activities
 46 related to interactive entertainment, the qualified interactive entertainment production
 47 company must certify to the department that:

48 (A) The qualified interactive entertainment production company maintains a business
 49 location physically located in this state; and

50 (B) The qualified interactive entertainment production company had expended a total
 51 aggregate payroll of \$500,000.00 or more for employees working within this state
 52 during the calendar year directly preceding the start of the taxable year of the qualified
 53 interactive entertainment production company.

54 The department shall issue a certification that the qualified interactive entertainment
 55 production company meets the requirements of this paragraph; provided, however, that
 56 the department shall not issue any certifications before July 1, 2014. The qualified
 57 interactive entertainment production company shall provide such certification to the
 58 Department of Economic Development. The Department of Economic Development
 59 shall not issue its approval until it receives such certification."

60 **SECTION 2.**

61 All laws and parts of laws in conflict with this Act are repealed.