

House Bill 1125

By: Representatives Neal of the 79<sup>th</sup> and Carpenter of the 4<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 48-7-40.26 of the Official Code of Georgia Annotated, the "Georgia  
2 Entertainment Industry Investment Act," so as to add independent filmmakers to the list of  
3 entities eligible to claim tax credits for qualified production activities; to provide a definition;  
4 to provide for related matters; to provide an effective date and applicability; to repeal  
5 conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Code Section 48-7-40.26 of the Official Code of Georgia Annotated, the "Georgia  
9 Entertainment Industry Investment Act," is amended in subsection (b) by adding a new  
10 paragraph to read as follows:

11 "(4.1) 'Independent filmmaker' means a production company other than a qualified  
12 interactive entertainment production company with gross income less than \$1 million for  
13 the taxable year that is primarily engaged in qualified production activities."

**SECTION 2.**

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Said Code section is further amended by revising subsection (c) as follows:

“(c) For any production company or qualified interactive entertainment production company and its affiliates that invest in a state certified production approved by the Department of Economic Development and whose average annual total production expenditures in this state did not exceed \$30 million for 2002, 2003, and 2004, there shall be allowed an income tax credit against the tax imposed under this article. The tax credit under this subsection shall be allowed if the base investment in this state equals or exceeds \$500,000.00 for qualified production activities, except that any independent filmmaker shall be allowed the tax credit under this subsection irrespective of the amount of its base investment in this state, and that any qualified interactive entertainment production company shall be allowed the tax credit under this subsection if the base investment in this state equals or exceeds \$250,000.00 for qualified production activities on or after January 1, 2018, and shall be calculated as follows:

(1) The production company or qualified interactive entertainment production company shall be allowed a tax credit equal to 20 percent of the base investment in this state; and

(2)(A) The production company or qualified interactive entertainment production company shall be allowed an additional tax credit equal to 10 percent of such base investment if the qualified production activity includes a qualified Georgia promotion. Such additional tax credit shall be allowed for any qualified production that includes a qualified Georgia promotion upon its release to the general public. In lieu of the inclusion of the Georgia promotional logo, the production company or qualified interactive entertainment production company may offer alternative marketing opportunities to be evaluated by the Department of Economic Development to ensure that they offer equal or greater promotional value to the State of Georgia. The Department of Economic Development shall electronically certify to the Department

40 of Revenue when the requirements of this paragraph and paragraph (2) of subsection  
41 (d) of this Code section have been met.

42 (B) The Department of Economic Development shall prepare an annual report detailing  
43 the marketing opportunities it has approved under the provisions of subparagraph (A)  
44 of this paragraph. The report shall include, but not be limited to:

45 (i) The goals and strategy behind each marketing opportunity approved pursuant to  
46 the provisions of subparagraph (A) of this paragraph;

47 (ii) The names of all production companies approved by the Department of Economic  
48 Development to provide alternative marketing opportunities;

49 (iii) The estimated value to the state of each approved alternative marketing  
50 opportunity compared to the estimated value of the Georgia promotional logo; and

51 (iv) The names of all production companies who chose to include the Georgia  
52 promotional logo in their final production instead of offering the state an alternative  
53 marketing proposal.

54 The report required under this subparagraph shall be completed no later than January  
55 1 of each year and presented to each member of the House Committee on Ways and  
56 Means, the Senate Finance Committee, the Senate Economic Development and  
57 Tourism Committee, the House Committee on Economic Development and Tourism,  
58 and the Governor.

59 (C) The additional percentage of tax credit allowed by this paragraph and by  
60 paragraph (2) of subsection (d) of this Code section shall not be allowed to a production  
61 company for any qualified production activity or state certified production that has not  
62 been commercially distributed in multiple markets.

63 (D) The additional percentage of tax credit ~~that is~~ allowed by this paragraph and by  
64 paragraph (2) of subsection (d) of this Code section shall not be issued final  
65 certification pursuant to subsection (l) of this Code section unless and until the state  
66 certified production has been commercially distributed in multiple markets within five

67 years of the date that the project was first certified by the Department of Economic  
68 Development.

69 (3) The base investment and the amount of the credit allowed by this subsection and by  
70 subsection (d) of this Code section with respect to a production company shall be subject  
71 to the limitations of and any reductions required by subsection (l) of this Code section."

72 **SECTION 3.**

73 This Act shall become effective on January 1, 2027, and shall be applicable to taxable years  
74 beginning on or after such date.

75 **SECTION 4.**

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