

## NOTICE OF INTENT

### Department of Revenue Policy Services Division

#### Public Registry of Motion Picture Investor Tax Credit Brokers

(LAC: 61:III.2701)

Under the authority of R.S. 15:587, R.S. 47:287.785, R.S. 47:295, R.S. 47:1511, and R.S. 47:6007 and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, proposes to adopt LAC 61:III.2701.

The primary purpose of this proposed regulation is to create a Public Registry of Motion Picture Investor Tax Credit Brokers as required by Act 451 of the 2015 Regular Session of the Louisiana Legislature.

### Title 61

#### REVENUE AND TAXATION

##### Part III. Administrative Provisions and Miscellaneous

##### Chapter 27. Transferable Income and Franchise Tax Credits

##### §2701. Public Registry of Motion Picture Investor Tax Credit Brokers

- A. This Section is applicable to all persons or persons employed by or representing an entity engaged in the sale or brokerage of motion picture investor tax credits which are granted, issued or authorized by the state pursuant to R.S. 47:6007.

- B. Definitions.

*Department*-Louisiana Department of Revenue

*Secretary*-the Secretary of the Department of Revenue

*Seller or broker*-any person or person employed by or representing an entity engaged in the sale or brokerage of motion picture investor tax credits whose duties include the sale or brokerage of motion picture investor tax credits on behalf of the entity. A seller or broker includes any person or person employed by or representing an entity when the person or entity meets any of the following criteria: The person or entity: 1.) holds himself/herself/itself out to be engaged in the business of selling or brokering motion picture investor tax credits, or; 2.) has a history of frequent, regular, and repeated sales of motion picture investor tax credits, or 3.) did not purchase the credits at issue for his/her/its own personal use. Any person failing to meet any of the above-mentioned criteria shall be presumed a non-seller or non-broker and thus not subject to the requirements of R.S. 47:6007(C)(7).

- C. Initial Registration. Beginning January 1, 2016, all sellers or brokers of motion picture investor tax credits shall apply for the registry and be deemed qualified after meeting the requirements of R.S. 47:6007(C)(aa)-(cc) and undergoing a criminal history background examination by the Louisiana Bureau of Criminal Identification and Information as provided for in R.S. 15:587(A)(1)(h) at the expense of the applicant. Applicants for the registry shall follow the procedure for registration provided for in R.I.B. 15-036. However, no seller or broker shall be prevented from transferring motion picture investor tax credits until the effective date of this regulation.

1. Any person deemed qualified to sell or broker motion picture investor tax credits shall be included in the Public Registry of Motion Picture Investor Tax Credit Brokers, which shall be maintained by the Department and made available on its website, [www.revenue.la.gov/brokerregistry](http://www.revenue.la.gov/brokerregistry).
2. No person may sell or broker motion picture investor tax credits on or after the effective date of this regulation without first qualifying for and being included on the Public Registry of Motion Picture Investor Tax Credit Brokers. All transfers made on or after the effective date of this regulation by a person subject to the requirements of R.S. 47:6007(C)(7) who is not listed on the Public Registry of Motion Picture Investor Tax Credits shall be inoperable and of no legal effect and any such transfers shall be deemed ineligible for registration in the Louisiana Tax Credit Registry established pursuant to R.S. 47:1524. Further, failure to so qualify and register with the Department prior to selling or brokering tax credits issued pursuant to R.S. 47:6007 shall be punishable by a fine of not more than ten thousand

dollars or imprisonment at hard labor for not more than five years, or both. In addition to the foregoing penalties, a person convicted under the provisions of R.S. 47:6007(C)(7) shall be ordered to make full restitution to any person who has suffered a financial loss as a result of this offense. If a person ordered to make restitution is found to be indigent and therefore unable to make restitution in full at the time of conviction, the court shall order a periodic payment plan consistent with the person's ability to pay.

3. Any person who is determined to no longer be in compliance with the requirements of R.S. 47:6007(C)(7) and LAC 61:III.2701(C) after initial qualification may be removed from the Public Registry of Motion Picture Investor Tax Credit Brokers and prohibited from thereafter engaging in the transfer, sale or brokerage of motion picture investor tax credits.

AUTHORITY NOTE: Promulgated in accordance with R.S. 15:587(1)(h), R.S. 47:6007 and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, LR 42:0000 (January 2016).

### **Family Impact Statement For Administrative Rules**

**Rule Title:** LAC 61:III.2701 Public Registry of Motion Picture Investor Tax Credit Brokers  
The proposed adoption of LAC 61:III.2907, regarding the creation of the Public Registry of Motion Picture Investor Tax Credit Brokers, should not have any known or foreseeable impact on any family as defined by R.S. 49:972(D) or on family formation, stability and autonomy. Specifically, the implementation of this proposed rule will have no known or foreseeable effect on:

1. The stability of the family.
2. The authority and rights of parents regarding the education and supervision of their children.
3. The functioning of the family.
4. Family earnings and family budget.
5. The behavior and personal responsibility of children.
6. The ability of the family or a local government to perform this function.

### **Poverty Statement**

The proposed regulation will have no impact on poverty as described in R.S. 49:973.

### **Provider Impact Statement**

The proposed regulation will have no known or foreseeable effect on:

1. The staffing levels requirements or qualifications required to provide the same level of service.
2. The total direct and indirect effect on the cost to the provider to provide the same level of service.
3. The overall effect on the ability of the provider to provide the same level of service.

Any interested person may submit written data, views, arguments or comments regarding this proposed regulation to Brad Blanchard, Attorney Supervisor, Policy Services Division, Office of Legal Affairs by mail to P.O. Box 44098, Baton Rouge, LA 70804-4098. All comments must be received no later than 4:00 p.m., December 28, 2015. A public hearing will be held on December 29, 2015, at 10:00 a.m. in the Calcasieu Room, on the second floor of the LaSalle Building, 617 North Third Street, Baton Rouge, Louisiana.

**Tim Barfield**  
**Secretary, Department of Revenue**