

**Revenue Information Bulletin No. 09-039**  
**October 15, 2009**  
**Individual Income, Corporation Income and Corporation Franchise Tax**

**Act 454 Changes to the Digital Interactive Media Tax Credit**

Act 454 of the Regular Session of the 2009 Louisiana Legislature, effective July 1, 2009, makes significant changes to the digital interactive media tax credit program. The credit can now be used to offset Louisiana income and franchise taxes. Prior to July 1, 2009, the credits could only offset Louisiana income tax. Additionally, after July 1, 2009, state-certified productions are eligible for credits of 25 percent of base investment and an additional 10-percent credit for base investment amounts spent on payroll. The differences between the application of the credit prior to July 1, 2009 and the application of the credit subsequent to Act 454 are outlined below.

**State-Certified Projects Submitted to LED Prior to July 1, 2009:**

- Credits are nonrefundable, transferable credits with a 10-year carryover period.
- The credits will be allowed to offset state income tax liabilities only.
- Percentages of credit are determined as follows: 1) 20 percent of base investments each year for the first and second years following certification; 2) 15 percent of base investments each year for the third and fourth years following certification; and 3) 10 percent of base investments each year for the fifth and sixth years following certification.
- No additional credit for the percentage of base investment spent of payroll of Louisiana residents employed in connection with a state-certified production is allowed.
- The credits will be claimed on Schedule G of Form IT-540 for individuals claiming the credit, on Schedule NRC of Form CIFT-620 for corporations claiming the credit and on Line 14B of Form IT-541 for trusts and estates filing fiduciary returns claiming the credit. Any nonrefundable credits in excess of the taxpayer's tax liability may be carried forward to the next taxable year or sold to another Louisiana taxpayer.

**State-Certified Projects Submitted to LED On or After July 1, 2009:**

- Credits are nonrefundable, transferable credits with a 10-year carryover period.
- Credits will be allowed to offset state income and franchise tax liabilities.
- The digital interactive media company will earn credits at a rate of 25 percent of base investment in all years; however projects submitted to LED on or after July 1, 2009, which incurred qualifying expenditures prior to that date, will be granted a credit based on the applicable percentage allowed by law on the date the expenditure was made.
- An additional credit equal to 10 percent of base investment expended on payroll of Louisiana residents employed in connection with a state-certified production will be granted.

- The credits will be claimed on Schedule G of Form IT-540 for individuals claiming the credit, on Schedule NRC of Form CIFT-620 for corporations claiming the credit and on Line 14B of Form IT-541 for trusts and estates filing fiduciary returns claiming the credit. Any nonrefundable credits in excess of the taxpayer's tax liability may be carried forward to the next taxable year or sold to another Louisiana taxpayer.

Interested parties should contact LDR Special Programs at (225) 219-0067.

Cynthia Bridges  
Secretary

**Historical Note:** The RIB was amended on April 28, 2010 to clarify the percentage of credit certain expenditures would receive.