

Revenue Information Bulletin No. 09-041
October 15, 2009
Income Tax
Motion Picture Investor Tax Credit Changes

[Act 478](#) and [Act 530](#) of the 2009 Regular Session of the Louisiana Legislature amended R.S. 47:6007 to make changes to the Motion Picture Investor Tax Credit.

Act 478 changes the Motion Picture Investor Tax Credit term definitions, increases the 25 percent investor tax credit to 30 percent, and decreases the additional tax credit allowed for Louisiana resident payroll expenditures from 10 to 5 percent. Projects which receive initial certification on or after July 9, 2009, but incurred qualifying expenditures prior to that date will be granted a credit of 25 percent for expenditures incurred prior to the effective date of Act 478.

Additionally, Act 478 allows investors of projects initially certified on or after July 1, 2009, to transfer the credit back to the state for 85 percent of the face value of the credit. Transfer back to the state is only allowed for initial investors and does not apply to taxpayers who purchased the credits. Investors who choose to transfer the credits back to the state must notify the Louisiana Department of Economic Development (LED) and LED will submit the investor's tax credit certification letter to the Louisiana Department of Revenue (LDR). When LDR receives the letter, a payment for 85 percent of the approved tax credit amount will be issued to the investor. The nonrefundable credit can still be transferred or sold to other Louisiana taxpayers.

Act 530 amends the requirement that provides that tax credits are allowed for infrastructure project expenditures made after December 31, 2008 only if 50 percent of the project's initially certified total base investment has been expended by December 31, 2008, to allow arms length transactions to qualify as expenditures if the obligation is secured by the object of the transaction and the maturity date for the obligation occurs after December 31, 2008, if the transaction was executed before December 31, 2008.

Investors may claim the nonrefundable Motion Picture Investor Tax Credit as follows:

- Individuals—Nonrefundable Tax Credit Schedule G of the Individual Income Tax Return, Form IT-540.
- Corporations—Nonrefundable Tax Credit Schedule NRC of the Corporation Tax Return, Form CIFT-620.
- Trusts and Estates—Line 14B of Fiduciary Tax Return, Form IT-541.

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

Cynthia Bridges
Secretary

Historical Note: The RIB was amended on April 30, 2010 to clarify which percentage of credit certain expenditures would receive.

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