

**Revenue Information Bulletin No. 16-051**  
**September 2, 2016**

**Liability for Application of Penalties and Interest for Taxpayers Denied a Motion Picture Investor Credit Due to Credit Cap Restrictions**

The purpose of this Revenue Information Bulletin is to clarify the application of penalties and interest for taxpayers who claimed a motion picture investor tax credit on a return and were subsequently denied credit after the due date of the tax as a result of the credit cap restrictions. Currently, R.S. 47:6007 imposes a credit cap on motion picture investor credits limiting the aggregate total of credits which may be utilized to \$180 million per fiscal year. The credit cap is applicable for Fiscal Years 2015-2016, 2016-2017, and 2017-2018. *See* R.I.B. 15-033 for further details.

On July 14, 2016 the Department of Revenue announced that the entire credit cap allotment of \$180 million dollars for Fiscal Year 2016 -2017 and the carryforward amount from Fiscal Year 2015-2016 had been exceeded, leaving no remaining funds available under the cap to satisfy any additional claims or transfers to the state (buy-backs) for the duration of the Fiscal Year 2016-2017. Accordingly, any claims or transfers to the state of motion picture investor credits submitted prospectively during this period will be denied. Any claims or transfers to the state received during this period will receive a priority date based upon the date filed or submitted for purposes of administering the first-come, first-served provision for the Fiscal Year 2017-2018 credit cap.

For taxpayers who claimed a motion picture investor credit on a return filed on or before July 14, 2016 and are subsequently denied credit as a result of the credit cap being reached after the original due date of the tax, currently May 15 for individual income calendar year filers and April 15 for corporate income calendar year filers, payment of any tax due must be submitted to the Department of Revenue by September 15, 2016 in order to avoid liability for the application of penalties and interest from the original due date of the tax. The September 15, 2016 date for the payment of tax on returns filed on or before July 14, 2016 only applies when: (1) the credit is claimed on a return filed on or before July 14, 2016; (2) the denial of the motion picture investor credit was due to the above-mentioned credit cap restrictions; and (3) the denial occurred after the original due date of the tax.

For taxpayers who purchased motion picture investor credits on or before July 14, 2016 and have not yet filed a return claiming the credits, if the original due date of the 2015 calendar or fiscal year return, without regard to extensions was on or before July 14, 2016, the payment of any tax due for the 2015 calendar or fiscal year must be submitted to the Department of Revenue by September 15, 2016 in order to avoid liability for the application of penalties and interest from the original due date of the tax.

A Revenue Information Bulletin (RIB) is issued under the authority of LAC 61:III.101.D. A RIB is an informal statement of information issued for the public and employees that is general in nature. A RIB does not have the force and effect of law and is not binding on the public or the Department.

Tax due as a result of the denial for credits claimed on a return filed on or after July 15, 2016 or for any reason other than the above-mentioned credit cap restrictions remains subject to penalties and interest from the due date of the tax. For qualifying taxpayers, failure to submit payment of the tax due on or before September 15, 2016 will result in liability for the application of penalties and interest on any tax due from the original due date of the tax.

For questions concerning a taxpayer's return, please contact the Customer Contact Center at (855) 307-3893.

Kimberly Lewis Robinson  
Secretary