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09300HB5180ham001

LRB093 20669 BDD 47946 a

1 AMENDMENT TO HOUSE BILL 5180

2 AMENDMENT NO. _____. Amend House Bill 5180 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Income Tax Act is amended by
5 changing Section 213 as follows:

6 (35 ILCS 5/213)

7 Sec. 213. Film production services credit. For tax years
8 beginning on or after January 1, 2004, a taxpayer who has been
9 awarded a tax credit under the Film Production Services Tax
10 Credit Act is entitled to a credit against the taxes imposed
11 under subsections (a) and (b) of Section 201 of this Act in an
12 amount determined by the Department of Commerce and Economic
13 Opportunity ~~Community Affairs~~ under the Film Production
14 Services Tax Credit Act. If the taxpayer is a partnership or
15 Subchapter S corporation, the credit is allowed to the partners
16 or shareholders in accordance with the determination of income
17 and distributive share of income under Sections 702 and 704 and
18 Subchapter S of the Internal Revenue Code. The Department, in
19 cooperation with the Department of Commerce and Economic
20 Opportunity ~~Community Affairs~~, must prescribe rules to enforce
21 and administer the provisions of this Section. This Section is
22 exempt from the provisions of Section 250 of this Act.

23 ~~The credit may not be carried forward or back. In no event~~
24 ~~shall a credit under this Section reduce the taxpayer's~~

1 ~~liability to less than zero.~~

2 (Source: P.A. 93-543, eff. 1-1-04; revised 12-6-03.)

3 Section 10. The Film Production Services Tax Credit Act is
4 amended by changing Sections 10 and 90 as follows:

5 (35 ILCS 15/10)

6 (Section scheduled to be repealed on January 1, 2005)

7 Sec. 10. Definitions. As used in this Act:

8 "Accredited production" means a film, video, or television
9 production that has been certified by the Department in which
10 the aggregate Illinois labor expenditures included in the cost
11 of the production, in the period that ends 12 months after the
12 time principal filming or taping of the production began,
13 exceed \$100,000 for productions of 30 minutes or longer, or
14 \$50,000 for productions of less than 30 minutes; but does not
15 include a production that:

16 (1) is news, current events, or public programming, or
17 a program that includes weather or market reports;

18 (2) is a talk show;

19 (3) is a production in respect of a game,
20 questionnaire, or contest;

21 (4) is a sports event or activity;

22 (5) is a gala presentation or awards show;

23 (6) is a finished production that solicits funds;

24 (7) is a production produced by a film production
25 company if records, as required by 18 U.S.C. 2257, are to
26 be maintained by that film production company with respect
27 to any performer portrayed in that single media or
28 multimedia program; or

29 (8) is a production produced primarily for industrial,
30 corporate, or institutional purposes.

31 "Accredited production certificate" means a certificate
32 issued by the Department certifying that the production is an

1 accredited production that meets the guidelines of this Act.

2 "Applicant" means a taxpayer that is a film production
3 company that is operating or has operated an accredited
4 production located within the State of Illinois and that (i)
5 owns the copyright in the accredited production throughout the
6 Illinois production period or (ii) has contracted directly with
7 the owner of the copyright in the accredited production or a
8 person acting on behalf of the owner to provide services for
9 the production, where the owner of the copyright is not an
10 eligible production corporation.

11 "Credit" means the amount equal to 25% of the Illinois
12 labor expenditure approved by the Department. The applicant is
13 deemed to have paid, on its balance due day for the year, an
14 amount equal to 25% of its qualified Illinois labor expenditure
15 for the tax year.

16 "Department" means the Department of Commerce and Economic
17 Opportunity ~~Community Affairs~~.

18 "Director" means the Director of Commerce and Economic
19 Opportunity ~~Community Affairs~~.

20 "Illinois labor expenditure" means salary or wages paid to
21 employees of the applicant for services on the accredited
22 production;

23 To qualify as an Illinois labor expenditure, the
24 expenditure must be:

25 (1) Reasonable in the circumstances.

26 (2) Included in the federal income tax basis of the
27 property.

28 (3) Incurred by the applicant for services on or after
29 January 1, 2004.

30 (4) Incurred for the production stages of the
31 accredited production, from the final script stage to the
32 end of the post-production stage.

33 (5) Limited to the first \$25,000 of wages paid or
34 incurred to each employee of the production.

1 (6) Exclusive of the salary or wages paid to or
2 incurred, for tax year 2004, for the 2 highest paid
3 employees of the production or, for tax year 2005 and
4 thereafter, for the 2 highest paid employees on productions
5 that are 30 minutes or longer.

6 (7) Directly attributable to the accredited
7 production.

8 (8) Paid in the tax year for which the applicant is
9 claiming the credit or no later than 60 days after the end
10 of the tax year.

11 (9) Paid to persons resident in Illinois at the time
12 the payments were made.

13 (10) Paid for services rendered in Illinois.

14 (Source: P.A. 93-543, eff. 1-1-04; revised 12-6-03.)

15 (35 ILCS 15/90)

16 (Section scheduled to be repealed on January 1, 2005)

17 Sec. 90. Repeal. This Act is repealed 5 years ~~1 year~~ after
18 its effective date.

19 (Source: P.A. 93-543, eff. 1-1-04.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law."