



Sen. Elgie R. Sims, Jr.

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10100SB1595sam003

LRB101 08982 HLH 57511 a

1 AMENDMENT TO SENATE BILL 1595

2 AMENDMENT NO. _____. Amend Senate Bill 1595, AS AMENDED,
3 with reference to page and line numbers of Senate Amendment No.
4 1, on page 1, line 5, by replacing "Section 42" with "Sections
5 10 and 42"; and

6 on page 1, immediately below line 5, by inserting the
7 following:

8 "(35 ILCS 16/10)

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

10 "Accredited production" means: (i) for productions
11 commencing before May 1, 2006, a film, video, or television
12 production that has been certified by the Department in which
13 the aggregate Illinois labor expenditures included in the cost
14 of the production, in the period that ends 12 months after the
15 time principal filming or taping of the production began,
16 exceed \$100,000 for productions of 30 minutes or longer, or

1 \$50,000 for productions of less than 30 minutes; and (ii) for
2 productions commencing on or after May 1, 2006, a film, video,
3 or television production that has been certified by the
4 Department in which the Illinois production spending included
5 in the cost of production in the period that ends 12 months
6 after the time principal filming or taping of the production
7 began exceeds \$100,000 for productions of 30 minutes or longer
8 or exceeds \$50,000 for productions of less than 30 minutes.

9 "Accredited production" does not include a production that:

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

12 (2) is a talk show produced for local or regional
13 markets;

14 (3) is a production in respect of a game,
15 questionnaire, or contest, not including a reality
16 competition production;

17 (4) is a sports event or activity;

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

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

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

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

1 "Accredited animated production" means an accredited
2 production in which movement and characters' performances are
3 created using a frame-by-frame technique and a significant
4 number of major characters are animated. Motion capture by
5 itself is not an animation technique.

6 "Accredited production certificate" means a certificate
7 issued by the Department certifying that the production is an
8 accredited production that meets the guidelines of this Act.

9 "Applicant" means a taxpayer that is a film production
10 company that is operating or has operated an accredited
11 production located within the State of Illinois and that (i)
12 owns the copyright in the accredited production throughout the
13 Illinois production period or (ii) has contracted directly with
14 the owner of the copyright in the accredited production or a
15 person acting on behalf of the owner to provide services for
16 the production, where the owner of the copyright is not an
17 eligible production corporation.

18 "Credit" means:

19 (1) for an accredited production approved by the
20 Department on or before January 1, 2005 and commencing
21 before May 1, 2006, the amount equal to 25% of the Illinois
22 labor expenditure approved by the Department. The
23 applicant is deemed to have paid, on its balance due day
24 for the year, an amount equal to 25% of its qualified
25 Illinois labor expenditure for the tax year. For Illinois
26 labor expenditures generated by the employment of

1 residents of geographic areas of high poverty or high
2 unemployment, as determined by the Department, in an
3 accredited production commencing before May 1, 2006 and
4 approved by the Department after January 1, 2005, the
5 applicant shall receive an enhanced credit of 10% in
6 addition to the 25% credit; and

7 (2) for an accredited production commencing on or after
8 May 1, 2006, the amount equal to:

9 (i) 20% of the Illinois production spending for the
10 taxable year; plus

11 (ii) 15% of the Illinois labor expenditures
12 generated by the employment of residents of geographic
13 areas of high poverty or high unemployment, as
14 determined by the Department; and

15 (3) for an accredited production commencing on or after
16 January 1, 2009, the amount equal to:

17 (i) 30% of the Illinois production spending for the
18 taxable year; plus

19 (ii) 15% of the Illinois labor expenditures
20 generated by the employment of residents of geographic
21 areas of high poverty or high unemployment, as
22 determined by the Department.

23 "Department" means the Department of Commerce and Economic
24 Opportunity.

25 "Director" means the Director of Commerce and Economic
26 Opportunity.

1 "Illinois labor expenditure" means salary or wages paid to
2 employees of the applicant for services on the accredited
3 production. †

4 To qualify as an Illinois labor expenditure, the
5 expenditure must be:

6 (1) Reasonable in the circumstances.

7 (2) Included in the federal income tax basis of the
8 property.

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

11 (4) Incurred for the production stages of the
12 accredited production, from the final script stage to the
13 end of the post-production stage.

14 (5) Limited to: (A) the first \$25,000 of wages paid or
15 incurred to each employee of a production commencing before
16 May 1, 2006; (B) ~~and~~ the first \$100,000 of wages paid or
17 incurred to each employee of a production commencing on or
18 after May 1, 2006 and prior to July 1, 2019; or (C) for a
19 production commencing on or after July 1, 2019, (i) the
20 first \$200,000 of wages paid or incurred to each
21 out-of-State employee of the production, whether paid or
22 incurred by the production company or by a loan out
23 corporation, subject to withholding payments provided for
24 in Article 7 of the Illinois Income Tax Act, and (ii) 100%
25 of the wages paid or incurred to each employee of the
26 production who is a resident of the State, whether paid or

1 incurred by the production company or by a loan out
2 corporation.

3 (6) For a production commencing before May 1, 2006,
4 exclusive of the salary or wages paid to or incurred for
5 the 2 highest paid employees of the production.

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

8 (8) (Blank).

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

11 (10) Paid for services rendered in Illinois.

12 "Illinois production spending" means the expenses incurred
13 by the applicant for an accredited production, including,
14 without limitation, all of the following:

15 (1) expenses to purchase, from vendors within
16 Illinois, tangible personal property that is used in the
17 accredited production;

18 (2) expenses to acquire services, from vendors in
19 Illinois, for film production, editing, or processing; ~~and~~

20 (3) the compensation, not to exceed \$100,000 for any
21 one employee, other than an employee specified in item (4),
22 for contractual or salaried employees who are Illinois
23 residents performing services with respect to the
24 accredited production; and -

25 (4) the compensation, not to exceed \$1,000,000 per
26 employee, for up to 4 contractual or salaried employees who

1 perform services with respect to the accredited
2 production; the employees referenced under this item (4)
3 are not required to be residents of the State.

4 "Qualified production facility" means stage facilities in
5 the State in which television shows and films are or are
6 intended to be regularly produced and that contain at least one
7 sound stage of at least 15,000 square feet.

8 Rulemaking authority to implement this amendatory Act of
9 the 95th General Assembly, if any, is conditioned on the rules
10 being adopted in accordance with all provisions of the Illinois
11 Administrative Procedure Act and all rules and procedures of
12 the Joint Committee on Administrative Rules; any purported rule
13 not so adopted, for whatever reason, is unauthorized.

14 (Source: P.A. 97-796, eff. 7-13-12.)".