



Rep. Kenneth Dunkin

Filed: 03/02/04

09300HB5180ham002

LRB093 20669 BDD 48372 a

1 AMENDMENT TO HOUSE BILL 5180

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

5 "Section 5. The Film Production Services Tax Credit Act is
6 amended by changing Sections 10 and 90 as follows:

7 (35 ILCS 15/10)

8 (Section scheduled to be repealed on January 1, 2005)

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

10 "Accredited production" means a film, video, or television
11 production that has been certified by the Department in which
12 the aggregate Illinois labor expenditures included in the cost
13 of the production, in the period that ends 12 months after the
14 time principal filming or taping of the production began,
15 exceed \$100,000 for productions of 30 minutes or longer, or
16 \$50,000 for productions of less than 30 minutes; but does not
17 include a production that:

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

20 (2) is a talk show;

21 (3) is a production in respect of a game,
22 questionnaire, or contest;

23 (4) is a sports event or activity;

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

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

2 (7) is a production produced by a film production
3 company if records, as required by 18 U.S.C. 2257, are to
4 be maintained by that film production company with respect
5 to any performer portrayed in that single media or
6 multimedia program; or

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

9 "Accredited production certificate" means a certificate
10 issued by the Department certifying that the production is an
11 accredited production that meets the guidelines of this Act.

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

21 "Credit" means the amount equal to 25% of the Illinois
22 labor expenditure approved by the Department. The applicant is
23 deemed to have paid, on its balance due day for the year, an
24 amount equal to 25% of its qualified Illinois labor expenditure
25 for the tax year.

26 "Department" means the Department of Commerce and Economic
27 Opportunity ~~Community Affairs~~.

28 "Director" means the Director of Commerce and Economic
29 Opportunity ~~Community Affairs~~.

30 "Illinois labor expenditure" means salary or wages paid to
31 employees of the applicant for services on the accredited
32 production;

33 To qualify as an Illinois labor expenditure, the
34 expenditure must be:

- 1 (1) Reasonable in the circumstances.
- 2 (2) Included in the federal income tax basis of the
3 property.
- 4 (3) Incurred by the applicant for services on or after
5 January 1, 2004.
- 6 (4) Incurred for the production stages of the
7 accredited production, from the final script stage to the
8 end of the post-production stage.
- 9 (5) Limited to the first \$25,000 of wages paid or
10 incurred to each employee of the production.
- 11 (6) Exclusive of the salary or wages paid to or
12 incurred, for tax year 2004, for the 2 highest paid
13 employees of the production or, for tax year 2005 and
14 thereafter, for the 2 highest paid employees on productions
15 that are 30 minutes or longer.
- 16 (7) Directly attributable to the accredited
17 production.
- 18 (8) Paid in the tax year for which the applicant is
19 claiming the credit or no later than 60 days after the end
20 of the tax year.
- 21 (9) Paid to persons resident in Illinois at the time
22 the payments were made.
- 23 (10) Paid for services rendered in Illinois.

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

25 (35 ILCS 15/90)

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

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

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

30 Section 99. Effective date. This Act takes effect upon
31 becoming law."