

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Film Production Services Tax Credit Act of
5 2008 is amended by changing Section 10 as follows:

6 (35 ILCS 16/10)

7 (Section scheduled to be repealed on January 1, 2009)

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

9 "Accredited production" means: (i) for productions
10 commencing before May 1, 2006, 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; and (ii) for
17 productions commencing on or after May 1, 2006, a film, video,
18 or television production that has been certified by the
19 Department in which the Illinois production spending included
20 in the cost of production in the period that ends 12 months
21 after the time principal filming or taping of the production
22 began exceeds \$100,000 for productions of 30 minutes or longer
23 or exceeds \$50,000 for productions of less than 30 minutes.

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

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

4 (2) is a talk show;

5 (3) is a production in respect of a game,
6 questionnaire, or contest;

7 (4) is a sports event or activity;

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

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

10 (7) is a production produced by a film production
11 company if records, as required by 18 U.S.C. 2257, are to
12 be maintained by that film production company with respect
13 to any performer portrayed in that single media or
14 multimedia program; or

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

17 "Accredited production certificate" means a certificate
18 issued by the Department certifying that the production is an
19 accredited production that meets the guidelines of this Act.

20 "Applicant" means a taxpayer that is a film production
21 company that is operating or has operated an accredited
22 production located within the State of Illinois and that (i)
23 owns the copyright in the accredited production throughout the
24 Illinois production period or (ii) has contracted directly with
25 the owner of the copyright in the accredited production or a
26 person acting on behalf of the owner to provide services for

1 the production, where the owner of the copyright is not an
2 eligible production corporation.

3 "Credit" means:

4 (1) for an accredited production approved by the
5 Department on or before January 1, 2005 and commencing
6 before May 1, 2006, the amount equal to 25% of the Illinois
7 labor expenditure approved by the Department. The
8 applicant is deemed to have paid, on its balance due day
9 for the year, an amount equal to 25% of its qualified
10 Illinois labor expenditure for the tax year. For Illinois
11 labor expenditures generated by the employment of
12 residents of geographic areas of high poverty or high
13 unemployment, as determined by the Department, in an
14 accredited production commencing before May 1, 2006 and
15 approved by the Department after January 1, 2005, the
16 applicant shall receive an enhanced credit of 10% in
17 addition to the 25% credit; and

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

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

22 (ii) 15% of the Illinois labor expenditures
23 generated by the employment of residents of geographic
24 areas of high poverty or high unemployment, as
25 determined by the Department; and -

26 (3) for an accredited production commencing on or after

1 January 1, 2009, the amount equal to:

2 (i) 30% of the Illinois production spending for the
3 taxable year; plus

4 (ii) 15% of the Illinois labor expenditures
5 generated by the employment of residents of geographic
6 areas of high poverty or high unemployment, as
7 determined by the Department.

8 "Department" means the Department of Commerce and Economic
9 Opportunity.

10 "Director" means the Director of Commerce and Economic
11 Opportunity.

12 "Illinois labor expenditure" means salary or wages paid to
13 employees of the applicant for services on the accredited
14 production;

15 To qualify as an Illinois labor expenditure, the
16 expenditure must be:

17 (1) Reasonable in the circumstances.

18 (2) Included in the federal income tax basis of the
19 property.

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

22 (4) Incurred for the production stages of the
23 accredited production, from the final script stage to the
24 end of the post-production stage.

25 (5) Limited to the first \$25,000 of wages paid or
26 incurred to each employee of a production commencing before

1 May 1, 2006 and the first \$100,000 of wages paid or
2 incurred to each employee of a production commencing on or
3 after May 1, 2006.

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

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

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

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

14 (10) Paid for services rendered in Illinois.

15 "Illinois production spending" means the expenses incurred
16 by the applicant for an accredited production, including,
17 without limitation, all of the following:

18 (1) expenses to purchase, from vendors within
19 Illinois, tangible personal property that is used in the
20 accredited production;

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

23 (3) the compensation, not to exceed \$100,000 for any
24 one employee, for contractual or salaried employees who are
25 Illinois residents performing services with respect to the
26 accredited production.

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

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

11 (Source: P.A. 95-720, eff. 5-27-08.)

12 (35 ILCS 16/95 rep.)

13 Section 10. The Film Production Services Tax Credit Act of
14 2008 is amended by repealing Section 95.

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.