HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1321 CS — Entertainment Industry Economic Development
SPONSOR(S): Davis
TIED BILLS: — **IDEN./SIM. BILLS:** SB 2110

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Tourism Committee	8 Y, 0 N, w/CS	McDonald	McDonald
2) Finance & Tax Committee		Rice	Diez-Arguelles
3) State Infrastructure Council			
4)			
5)			

SUMMARY ANALYSIS

The bill moves the location of the Entertainment Industry Financial Incentive Program in the statutes and changes the program from a reimbursement of expenditures to a credit that can be applied against corporate income tax and sales and use tax liability.

Productions of filmed entertainment qualified by the Office of Film and Entertainment and certified by the Governor's Office of Tourism, Trade, and Economic Development are eligible for a tax credit of 15% of qualified expenditures in the state.

There are three separate queues eligible to receive an allocation of the credits: the film, television, and episodic queue; the television pilot queue; and the commercial and music video queue. Productions in the first queue must have a minimum of $625,000 in qualified expenditures for the entire run of the project, or $625,000 in qualified expenditures per episode for a high-impact television series. Qualified high-impact television series will be allowed first position in this queue for its first five production seasons. Productions in the second queue must have $625,000 in expenditures for the pilot episode. Productions in the third queue must have a minimum of $500,000 in total qualified expenditures in a state fiscal year, with a minimum of $75,000 for each production. A single production under a queue may receive no more than $3 million in tax credits. The first queue receives 60% of the available tax credits each fiscal year. The second and third queues each receive 20%.

There is a total tax credit cap of $25 million per fiscal year. If applications for credit exceed that amount, the excess will be treated as having been applied for on the first day of the next fiscal year in which tax credits remain available. No more than $200 million in tax credits will be allocated over the life of the program.

Tax credits may be carried forward for up to five years for corporate income tax and up to one year for sales tax. The tax credits may be sold or assigned, in whole or in part. Credits cannot be exchanged for less than 85% of their value. The purchaser cannot sell, assign, or otherwise transfer the tax credit. A qualified production company that is not a corporation can sell or assign credits or distribute credits to its partners or members in proportion to the respective distributive share of their income or loss for the state fiscal year in which the credits were approved.

The entertainment industry tax credits authorized under this bill are repealed July 1, 2014.

The bill takes effect July 1, 2006.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Ensure lower taxes – The bill creates a tax credit for productions of filmed entertainment that can be applied toward corporate income and sales and use tax liability.

B. EFFECT OF PROPOSED CHANGES:

Present Situation:

Entertainment Industry Financial Incentive Program

Section 288.1254, F.S., is the Entertainment Industry Financial Incentive Program. The amount of incentives available for the program is based upon an annual legislative appropriation. The program was enacted in 2003 but did not receive funding until FY 2004-05 when $2.45 million was appropriated. The program received another appropriation of $10 million for FY 2005-06.

The purpose of this program is to encourage the use of Florida as a site for film and video production, to advocate the hiring of Florida residents as staff, cast or crew and to support and encourage the use of other Florida services and equipment companies in the production of filmed entertainment. The program is also to encourage the relocation to and/or expansion of digital-media-effects companies and motion picture, television production and postproduction companies in Florida.

Production Incentive:

A qualified production[1] is eligible to receive up to 15% in a cash reimbursement of in-state qualifying expenditures up to a maximum of $2 million provided that the production has a minimum in total qualified expenditures of $850,000 for the entire run of the project. In determining the expenditures, the wages, salaries, or other compensation of the two highest paid employees is excluded. The final reimbursement is determined after receipts and other information has been submitted to the Office of Film and Entertainment (OFE) for review.

By statute, 60% of the incentive funding is dedicated to theatrical or direct-to-video motion pictures, made-for-TV movies, commercials, music videos, industrial and education films, promotional videos or films, documentary films, TV specials, and digital-media-effects productions by entertainment industry to be sold or displayed in an electronic medium. The remaining 40% is dedicated to TV pilots or TV series to be sold or displayed in an electronic medium.[2]

Funding for the two queues remains separate until February 1 of the fiscal year when the funding and queues are combined.

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[1] A "qualified production" is filmed entertainment that makes expenditures in this state for the total or partial production of filmed entertainment. Productions cannot contain obscene content as defined by the United States Supreme Court. A production is not qualified if it is determined that the first day of principal photography in this state occurred on or before the date of submitting an application to OFE or prior to certification by OTTED. Also, note that electronic gaming industry and sporting events are specifically excluded.

[2] Included in the 40% are drama, reality, comedy, soap opera, telenovela, game show, or miniseries productions.

Digital Media Effects Company:

The statute provides that a digital-media-effects company in the state may be eligible for a payment of not more than five percent of its annual gross revenues of qualified expenditures as defined in s. 288.1254(2)(c), F.S. OFE reviews applications for reimbursement eligibility.

Qualified Relocation Project:

A qualified relocation project is a corporation, limited liability company, partnership, corporate headquarters, or other private entity that is domiciled in another state or country and relocates its operations in this state, is organized under the laws of this or any other state or country, and includes as one of its primary purposes digital-media-effects or motion picture and television production or postproduction.

The project may receive a one-time incentive payment in an amount equal to five percent of its annual gross revenues before taxes for the first 12 months of conducting business in its Florida domicile or $200,000, whichever is less.

The Entertainment Industry Financial Incentive Program

Production Impact:

With no multiplier effect included, the return on investment for the $2.45 million appropriated for the entertainment industry incentive in 2004-05 was 7.5:1 with estimated total in-Florida production expenditures of almost $18.5 million with more than $9.1 million being Florida resident wages. The return on the $10 million for FY 05-06 is estimated to be 7.4:1 with an estimated total in-Florida production expenditure of $73.9 million with Florida resident salaries accounting for more than $36.6 million. In the first year, four productions were certified for funding while 15 productions were certified as of December, 2005 for funding in the second year.

Digital Media Effects Company Impact:

According to the OFE, only two digital media applications have been approved in two years.

Qualified Relocation Project Impact:

According to the OFE, there have been no applications received for company relocations over the two years that funding has been available. As stated earlier, company relocations are often encouraged through other, more lucrative economic development incentives available through the Governor's Office of Tourism, Trade, and Economic Development (OTTED) with recommendation by Enterprise Florida and through local government economic development agencies.

Florida Film and Entertainment Advisory Council (FFEAC)

The FFEAC is a statutorily-created advisory body to OTTED and to OFE. The 17 member council is composed of members appointed by the Governor, President of the Senate, and Speaker of the House of Representatives. One of the duties of FFEAC is to advise and consult on laws governing the entertainment industry.

Based upon a series of public meetings, the following changes were approved for recommendation at the December 9, 2005 meeting. These changes addressed concerns relating to commercial production, television pilots and episodes, minimum expenditure requirements, encouraging independent production, application process, and method of funding of the incentive. The following were recommended:

- Eliminate specific incentives in law relating to qualified relocation projects and digital-media-effects companies because of lack of use.
- Change the current law allowing for two queues to four queues to do the following:
  1. Recognize the differences between commercial and music video production and film, television movies, and specials by splitting into two queues, with 58% of funding for the film queue and 20% for the commercial and video production;
  2. Provide emphasis on TV pilots by changing the current TV pilots or TV series queue to include only TV pilots and shift the series (episodics) to the film queue, with 20% of funding to be used for TV pilots; and,
  3. Create a new queue for an independent film and video distribution bonus to encourage independent, indigenous productions, with 2% of funding set aside for this purpose.
- Reduce the minimum Florida qualified expenditure requirement from $850,000 to $625,000 for the film, TV Movie, TV series, and TV pilots to conform to what is the current Screen Actors Guild minimum threshold for low-budget films.
- Reduce minimum expenditure to $500,000 and reduce the $2 million reimbursement cap to $500,000 for commercials and music videos and allow production companies to add up qualified expenditures from multiple commercials within fiscal year to reach minimum expenditures. Also allow for cumulative spend over a fiscal year to meet minimum expenditure level.
- Modify the application and reimbursement process, provide for rules, and specify marketing requirements for Florida recognition in productions.
- Retain the current maximum reimbursement of 15% up to the maximum payout of $2 million.

The FFEAC was reviewing and comparing the current funding of the incentive through appropriation to the use of a transferable tax credit similar to what most of Florida's competitor states use as their incentive. The official recommendation was not provided at the meeting.

Subsequent to the meeting, the FFEAC endorsed the use of a transferable tax credit. The FFEAC also agreed to remove the proposed queue on distribution for independent films because of difficulty in implementing the proposal at this time.

<u>Other States</u>[3]

Some states without a strong infrastructure, such as Louisiana, are using incentives to lure business while infrastructure is being brought in from outside until a base can be built in the state. The director of the Louisiana Film Office has compared the state to Canada ten years ago before it had developed its infrastructure.

Louisiana and seven other states have enacted transferable tax credits that are assignable, can be sold, or can be carried forward for a number of years. Depending upon the state, these credits are offered to production companies on investments (LA, GA), payroll (LA, GA, IL, MA), and production costs (LA, AZ, GA, MA, MO, PA, RI). Nine states offer income tax refunds, rebates, or credits on payroll, production costs, or investments. New Mexico and New Jersey offer low interest loans or loan guarantees to encourage film production. Three states, Louisiana, Oklahoma, and South Carolina, offer incentives for investment in facilities, productions, and certain entertainment businesses.

Unlike Florida's incentive that does not require the hiring of a percentage of residents, the production incentives offered by many other states are tied to employment of residents, with some requiring the hiring of a percentage of local crew, or the use of soundstages or other facilities. Some states offer additional incentives related to employment and to the training or mentoring of crew by a production. Often these are used to help build the infrastructure base of a state.

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[3] Florida's Entertainment Industry Infrastructure: *Are We Growing the Indigenous Industry as well as Support Production?*, Tourism Committee, Florida House of Representatives, 2006, p 16.

Proposed Changes:

The bill moves the entertainment industry incentive program from s. 288.1254, F.S., to s. 220.192, F.S., changes the program from a reimbursement of expenditures to a credit against corporate income tax, and sales and use tax liability.

The digital media-effects company and qualified relocation project incentives that were in s. 288.1254, F.S., are deleted. The incentive in s. 220.192, F.S., pertains only to the production of filmed entertainment.

Definitions are amended to make clarifications and to reflect the change to a tax credit program. The definition of "filmed entertainment" is changed to add "television special" to the list and to change the exclusions from the definition to include only news shows and sporting events. Also, a definition of "high-impact television series" is added to distinguish it from other television series. The high-impact television series is created to run multiple seasons with at least seven episodes per season and qualified expenditures of at least $625,000 per episode. "Production costs" now include wages, salaries, or other compensation paid through payroll services companies. "Qualified expenditures" is modified to include changes made in the definition of "production costs" and to clarify that only production costs incurred in this state within the current fiscal year are qualified expenditures. The definition is also changed by removing "employees" which is not accurate. A definition of "qualified production company" is added.

The application procedure and application approval process for filmed entertainment have been changed to reflect change to a tax credit. In addition to technical changes and the shift of language to the section on rules, the following changes are made in the bill relating to application:

- the signed affirmation that information on an application form has been verified and is correct is shifted from OFE to the applicant;
- the time frame for OFE to review the application, determine if the applicant is a qualified production, make recommendation to OTTED regarding the maximum amount of the tax credit award, and notify an applicant that the information provided is not complete has been increased from five days to ten business days; and,
- Within ten days after receiving notice from OFE, OTTED shall certify the maximum tax credit award, if any. Certification will be transmitted to the applicant and to the executive director of the Department of Revenue (DOR). The applicant is responsible for forwarding a certified application to DOR.

Productions of filmed entertainment that are qualified by OFE and certified by OTTED are eligible for a tax credit of 15% of qualified expenditures in the state, excluding wages, salaries, and other compensation paid to the two highest-paid residents of this state working on the production.

The bill provides that a qualified production that starts in one state fiscal year and finishes in the next state fiscal year to have all qualified expenditures from both fiscal years certified for the latter state fiscal year. This provision does not apply to commercials and music videos.

There is a total credit cap of $25 million per fiscal year. If applications for credit exceed that amount for a fiscal year, the excess will be treated as having been applied for on the first day of the next fiscal year in which tax credits remain available for allocation. The bill provides for limits on the aggregate amount of tax credits that can be allocated and provides that when the total amount of tax credits allocated reaches $200 million, no more credits can be allocated.

Tax credits awarded in a fiscal year will be made based on the production's principal photography start date for the queue in which it is placed, within the first two weeks after the queue's opening. Other qualified productions entering into a queue after the initial two weeks will be on a first come, first served basis.

There are three queues: the film, television, and episodic queue; the television pilot queue; and the commercials and music video queue.

The film, television, and episodic queue. Productions in this queue must have a minimum of $625,000 in total qualified expenditures for the entire run of the project except for high-impact television series which must have a minimum of $625,000 in qualified expenditures for each episode. A single production in this queue may receive a maximum credit of $2 million, with the exception of a high-impact television series which may receive a maximum credit of $3 million. This queue receives 60% of the available tax credit in any fiscal year. Television series, including, but not limited to, high-impact television series, are not allowed tax credits after five seasons. Qualified high-impact television series will be allowed first position in this queue for their first five production seasons in the state, if an application is received by OFE within the first two weeks after the queue opens. Unless otherwise provided in the section, high-impact television series must file an application for each state fiscal year in which it is eligible to receive the tax credit.

The television pilot queue. Productions in this queue must demonstrate $625,000 in expenditures for the pilot episode or presentation. A single production in this queue may receive a maximum credit of $2 million. This queue receives 20% of the available tax credit in any fiscal year.

The commercials and music video queue. This queue requires productions to demonstrate a minimum of $500,000 in combined total qualified expenditures in a state fiscal year, with a minimum of $75,000 in qualified expenditure for each production. A single production in this queue may receive no more than $500,000. This queue receives 20% of the available tax credit in any fiscal year.

On March 1 of each year, credits remaining in the first two queues will be merged and placed into a general queue for use for other purposes as determined by OFE. On April 1 of each fiscal year, credits remaining in the third queue will be merged into the general queue.

If a qualified production is not continued subject to a reasonable schedule or if OFE has been notified that a qualified production will no longer be produced, OFE shall withdraw its eligibility and reallocate the funds to the next qualified productions already in the queue that have not received their full tax credit.

OFE is required to develop a process for receiving information on qualified expenditures from certified productions at the conclusion of the production. OFE is to verify data to substantiate the qualified expenditures. OFE reports the verified amount available for the tax credit to OTTED. OTTED then notifies DOR that the qualified production has met all requirements and recommends the final amount of the credit.

Unused tax credits applied against corporate income tax liability may be carried forward for up to five years and up to one year for sales and use tax liability.

Upon application and approval by DOR, a taxpayer may sell or assign, in whole or in part, tax credits granted under this section. Credits cannot be exchanged for consideration of less than 85% of the tax credit to be transferred. Purchasers of the credit may use it subject to the same limitations as the taxpayer to whom the credit was granted. The purchaser cannot sell, assign, or otherwise transfer the tax credit. Tax credits cannot be sold or assigned until all credits the taxpayer is eligible to use under ch. 220 (corporate income tax) and ch. 212 (sales and use tax), F.S., are used.

A qualified production company that is not a corporation, as defined in s. 220.03(1)(e), F.S., can make an application to DOR to transfer credits or to distribute credits to its partners or members in proportion to the respective distributive share of the partners' or members' income or loss for the year in which the credits were approved. Unused credits may be carried forward five years.

A company may use the tax credit against the tax liability imposed under ch. 220, F.S., in whole or in part, and against the liability imposed under ch. 212, F.S., as long as the credits are used only once.

The bill requires OFE to ensure that appropriate marketing materials, when appropriate, are included in filmed entertainment.

The bill requires the development of rules by OTTED and authorizes DOR to adopt rules.

The bill provides that an applicant who submits fraudulent information on an application is liable for reimbursement of reasonable costs and fees associated with the review, processing, investigation, and prosecution of the fraudulent application.

The entertainment industry tax credits authorized under ch. 220 and 212, F.S., are repealed July 1, 2014.

The bill amends s. 212.08(5), F.S., to authorize the use of certain entertainment industry tax credits as a refund against the state sales and use taxes reported on returns and remitted in the 12 months preceding the date of application to DOR for the credit. Requirements, procedures, and limitations are provided. DOR may adopt rules to implement the new provision established under s. 212.08(5), F.S.

The bill amends s. 220.02, F.S., revising the order in which credits against the corporate income or franchise tax may be applied. The bill requires that the entertainment industry tax credits created in s. 220.192, F.S., only be used after all other applicable credits are exhausted.

Finally, the bill makes a cross-reference change in s. 477.0135, F.S.

C. SECTION DIRECTORY:

Section 1. Amends s. 212.08(5), F.S; authorizing the use of certain entertainment industry tax credits as a refund against sales and use tax liability under specified circumstances; providing requirements, procedures, and limitations; authorizing the Department of Revenue to adopt rules.
Section 2. Amends s. 220.02, F.S.; revising the order in which credits against the corporate income or franchise tax may be applied.
Section 3. Transfers and renumbers s. 288.1254, F.S., as s. 220.192, F.S.; revising the entertainment industry financial incentive program, authorizing a tax credit; revising definitions; revising application procedures; requiring an annual report; providing criteria and limitations for awards of tax credits; providing stipulations; authorizing credits to be used against tax liability under chapter 212, F.S.; providing marketing requirements; providing for rules; providing liability for fraudulent applications; and providing for repeal of the section on July 1, 2014.
Section 4. Amends s. 477.0135(5), F.S., correcting a cross-reference.
Section 5. Providing an effective date of July 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

	FY 2006-07	FY 2007-08
General Revenue	($25)m	($25)m
Total	($25)m	($25)m

2. Expenditures:

The Department of Revenue has indicated a need for an additional $286,257 in FY 2006-2007 and $93,571 on a recurring basis thereafter.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   None

2. Expenditures:

   None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The credit is intended to encourage more television series to work in Florida. Since a television series generally runs for a number of years, this bill will bring longer term employment and stability to the state's entertainment industry infrastructure. The bill also provides greater incentive for commercials and music videos which generally are filmed during a time when other segments of filmed entertainment are not as active in the state.

The purpose of the credit is to encourage the state as a site for filming and to develop and sustain the workforce and infrastructure for filmed entertainment. Additional funds from more production as well as a sustained level of production business will help the state to maintain and possibly increase its trained, experienced crew base and other infrastructure. The Florida Agency for Workforce Innovation stated that in 2004 the average salary for crew in Florida was $52,972, excluding health care and retirement benefits.[4]

An increase in filmed entertainment in the state will impact not only the persons directly employed by the production but will impact ancillary businesses such as building supply companies, nurseries, restaurants, and hotels.

D. FISCAL COMMENTS:

The aggregate amount of tax credits allowed under the bill is $25 million in any fiscal year from FY 2006-07 to FY 2013-2014. The total aggregate credit allowed over the eight years is $200 million. At this time, it is not known how much of the credit will be used in any year.

There could be some impact on OFE if there is an increase in applications for the incentive when it is changed from an appropriation to a tax credit. OFE has not requested any additional resources to implement the legislation.

The FY 2005-06 appropriation of $10 million for the entertainment industry incentive yielded an estimated $73.9 million in in-state production expenditures, hiring 3,775 Florida residents, and having 12,444 hotel room nights. The Florida wages paid were almost $37 million. The return on investment was 7.4:1[5].

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

[4] Florida Agency for Workforce Innovation, Labor Market Statistics, 2001 – 2004.

[5] "Florida's Entertainment Industry Infrastructure: Are We Growing the Indigenous Industry as well as Supporting Production? 2006" Florida House of Representatives Tourism Committee, Appendix F.

1. Applicability of Municipality/County Mandates Provision:

The bill does not require a municipality or county to expend funds or to take any action requiring the expenditure of funds. The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate. The bill does not reduce the percentage of state tax shared with municipalities or counties.

2. Other[6]:

In *Cuno v. DaimlerChrysler*,[7] the Sixth Circuit Court of Appeals invalidated an Ohio state corporate franchise tax credit on grounds that it violated the dormant Commerce Clause of the United States Constitution. The Ohio tax credit applied to the purchase of manufacturing machinery and equipment used in the state and was intended to provide an incentive for the location or expansion of business within the state.

At present the case has no precedent value to courts in the Eleventh Circuit, which includes Florida, because it has been decided in the Sixth Circuit. On September 27, 2005, however, the Supreme Court granted petitions for certiorari by the State of Ohio and DaimlerChrysler, challenging the *Cuno* decision. Arguments were heard by the Court on March 1, 2006. The Court should issue a ruling in the summer of 2006. If the Court affirms the *Cuno* decision, it will become the law of the land, and similar tax incentives in Florida will be at risk of being struck down.

As a general rule, a tax credit or exemption will violate the dormant Commerce Clause if it discriminates on its face or if, on the basis of "a sensitive, case-by-case analysis of purposes and effects," the provision "will in its practical operation work discrimination against interstate commerce" by "providing a direct commercial advantage to local business."[8] The high court has defined "discrimination" in this context to mean the "differential treatment of in-state and out-state economic interests that benefits the former and burdens the latter."[9]

Under *Cuno*, the constitutional challenge that a tax incentive faces will turn on whether the taxpayer is subject to the state's taxing power and whether the tax incentive favors in-state as opposed to out-of-state activities. The *Cuno* test may be explained as follows:

1. Is the business subject to Florida's taxing power?
2. Will the business reduce its Florida tax liability by availing itself of the tax incentive for location or expansion of business in Florida and not by locating or expanding business activity out-of-state? or Will its location or expansion of business activity out-of-state result in a comparative tax increase, as to a similarly-situated business expanding in Florida, because it will not be able to avail itself of the in-state tax incentive?

If the answer is questions 1 and 2 are "yes", the tax incentive likely fails the *Cuno* test.[10]

B. RULE-MAKING AUTHORITY:

The bill requires rulemaking by OTTED and authorizes DOR to adopt rules to implement the bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

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[6] Information taken from *An Analysis of Cuno v.DaimlerChrysler And Its Possible Effects on Florida Business Location Tax Incentives*, November 3, 2005, prepared by staff of the Economic Development, Trade and Banking Committee, Florida House of Representatives.
[7] Cuno v. DaimlerChrysler, 386 F.3d 738(6th Cir. 2004)
[8] Id. at 743 (quoting West Lynn Creamery v. Healy, 512 U.S. 186, 201 (1994)).
[9] Id. (quoting Oregon Waste Sys., Inc. v. Dep't of Envtl. Quality, 511 U.S. 93, 99 (1994)).
[10] *An Analysis of Cuno v. DaimlerChrysler And Its Possible Effects on Florida Business Location Tax Incentives*, November 3, 2005, prepared by staff of the Economic Development, Trade and Banking Committee, Florida House of Representatives, p. 7.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

On March 21, 2006, the Tourism Committee adopted a strike-all amendment to HB 1321. Other than technical and clarifying changes, the differences between the original bill and the committee substitute are as follows:

- Provides rulemaking authorization for DOR to implement provisions of the bill related to corporate tax credits and the use of tax credits as a refund of sales and use tax liability.
- Amends s. 212.08(5), F.S., authorizing the use of certain entertainment industry tax credits as a refund against sales and use tax liability under circumstances; providing the procedures, requirements, and limitations on the use of credits.
- Amends s. 220.02, F.S., revising the order of priority list of applicable credits against certain taxes.
- Provides that the tax credit award is 15% of qualified expenditures.
- Requires that no tax credits awarded under s. 220.192, F.S., could be sold or assigned until all credits the taxpayer is eligible to use is exhausted.
- Authorizes companies to use tax credit against the corporate tax liability and against liability for sales and use taxes. Broadens the base of companies that may purchase credits or to which credits can be assigned.
- Requires that the sale or assignment of a credit shall not be for less than 85% of the transferred amount of the credit.
- Provides that the non-corporate distribution of credits includes sale or assignment of credits.
- Requires that once the maximum amount of total credits has been allocated, no more credits can be allocated.
- Provides for maximum of credit allocations allowed in specified fiscal years.
- Provides for a process for verification of tax credit award by OFE.
- Provides that a qualified production spanning two years shall have all qualified expenditures from both state fiscal years certified for the latter state fiscal year. Excludes commercials and music videos.
- Requires a qualified high-impact television series file an application for each state fiscal year in which it is eligible to receive the credit, unless otherwise provided in s. 220.192, F.S.
- Provides that no television series shall receive a tax credit after its fifth production season in the state.