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LEGISLATIVE ACTION

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| Senate | . | House |
| Comm: OO | . | |
| 03/07/2012 | . | |
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The Committee on Budget Subcommittee on Finance and Tax (Altman) recommended the following:

Senate Amendment (with title amendment)

Delete lines 445 - 588
and insert:

Section 8. Paragraphs (b), (d), and (f) of subsection (1) and paragraph (b) of subsection (4) of section 288.1254, Florida Statutes, are amended, present paragraphs (c) through (o) of subsection (1) of that section are redesignated as paragraphs (d) through (p), respectively, and a new paragraph (c) is added to that subsection, to read:

288.1254 Entertainment industry financial incentive program.—



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13 (1) DEFINITIONS.—As used in this section, the term:
14 (b) “Digital media project” means a production of
15 interactive entertainment that is produced for distribution in
16 commercial or educational markets. The term includes a video
17 game or production intended for Internet or wireless
18 distribution, digital animation, and visual effects, including,
19 but not limited to, three-dimensional movie productions and
20 movie conversions. The term does not include a production that
21 contains ~~obscene~~ content that is obscene as defined in s.
22 847.001(10).
23 (c) “High-impact digital media” means a digital media
24 project that has qualified expenditures greater than \$4.5
25 million.
26 (e) ~~(d)~~ “Off-season certified production” means a feature
27 film, independent film, or television series or pilot that ~~which~~
28 films 75 percent or more of its principal photography days from
29 June 1 through November 30, or a high-impact television series
30 that films principal photography during at least 75 percent of
31 the days from June 1 through November 30.
32 (g) ~~(f)~~ “Production” means a theatrical or direct-to-video
33 motion picture; a made-for-television motion picture; visual
34 effects or digital animation sequences produced in conjunction
35 with a motion picture; a commercial; a music video; an
36 industrial or educational film; an infomercial; a documentary
37 film; a television pilot program; a presentation for a
38 television pilot program; a television series, including, but
39 not limited to, a drama, a reality show, a comedy, a soap opera,
40 a telenovela, a game show, an awards show, or a miniseries
41 production; or a digital media project by the entertainment



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42 industry. One season of a television series is considered one
43 production. The term does not include a weather or market
44 program; a sporting event or a sporting event broadcast; a
45 sports show; a gala; a production that solicits funds; a home
46 shopping program; a political program; a political documentary;
47 political advertising; a gambling-related project or production;
48 a concert production; or a local, regional, or Internet-
49 distributed-only news show or ~~current-events show~~; a sports
50 news or sports recap show; ~~a~~ ~~pornographic production~~; ~~or~~ any
51 production deemed obscene under chapter 847 ~~current-affairs~~
52 ~~show~~. A production may be produced on or by film, tape, or
53 otherwise by means of a motion picture camera; electronic camera
54 or device; tape device; computer; any combination of the
55 foregoing; or any other means, method, or device.

56 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;
57 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;
58 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND
59 ACQUISITIONS.—

60 (b) *Tax credit eligibility.*—

61 1. General production queue.—Ninety-four percent of tax
62 credits authorized pursuant to subsection (6) in any state
63 fiscal year must be dedicated to the general production queue.
64 The general production queue consists of all qualified
65 productions other than those eligible for the commercial and
66 music video queue or the independent and emerging media
67 production queue. A qualified production that demonstrates a
68 minimum of \$625,000 in qualified expenditures is eligible for
69 tax credits equal to 20 percent of its actual qualified
70 expenditures, up to a maximum of \$8 million. A qualified



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71 production that incurs qualified expenditures during multiple
72 state fiscal years may combine those expenditures to satisfy the
73 \$625,000 minimum threshold.

74 a. An off-season certified production that is a feature
75 film, independent film, or television series or pilot is
76 eligible for an additional 5 percent ~~5-percent~~ tax credit on
77 actual qualified expenditures. An off-season certified
78 production that does not complete 75 percent of principal
79 photography, or a high-impact television series that is an off-
80 season certified production that does not film principal
81 photography during at least 75 percent of the days from June 1
82 through November 30, due to a disruption caused by a hurricane
83 or tropical storm may not be disqualified from eligibility for
84 the additional 5 percent ~~5-percent~~ credit as a result of the
85 disruption.

86 ~~b. If more than 25 percent of the sum of total tax credits~~
87 ~~awarded to productions after July 1, 2010, and total tax credits~~
88 ~~certified, but not yet awarded, to productions currently in this~~
89 ~~state has been awarded for television series, then no television~~
90 ~~series or pilot shall be eligible for tax credits under this~~
91 ~~subparagraph.~~

92 ~~e. The calculations required by this sub-subparagraph shall~~
93 ~~use only credits available to be certified and awarded on or~~
94 ~~after July 1, 2011.~~

95 ~~(I) If the provisions of sub-subparagraph b. are not~~
96 ~~applicable and less than 25 percent of the sum of the total tax~~
97 ~~credits awarded to productions and the total tax credits~~
98 ~~certified, but not yet awarded, to productions currently in this~~
99 ~~state has been to high-impact television series, any qualified~~



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100 ~~high-impact television series shall be allowed first position in~~
101 ~~this queue for tax credit awards not yet certified.~~

102 ~~(II) If less than 20 percent of the sum of the total tax~~
103 ~~credits awarded to productions and the total tax credits~~
104 ~~certified, but not yet awarded, to productions currently in this~~
105 ~~state has been to digital media projects, any digital media~~
106 ~~project with qualified expenditures of greater than \$4,500,000~~
107 ~~shall be allowed first position in this queue for tax credit~~
108 ~~awards not yet certified.~~

109 b.(III) First priority in the queue for tax credit awards
110 not yet certified shall be given to high-impact television
111 series and high-impact digital media projects. For the purposes
112 of determining priority position between a high-impact
113 television series allowed first position and a high-impact
114 digital media project allowed first position under this sub-
115 paragraph, the first position shall go to the first
116 application received. Thereafter, priority shall be determined
117 by alternating between a high-impact television series and a
118 high-impact digital media project tax credits shall be awarded
119 on a first-come, first-served basis. However, if the Office of
120 Film and Entertainment receives an application for a high-impact
121 television series or high-impact digital media project that
122 would be certified but for the alternating priority, the office
123 may certify the project as being in the priority position if an
124 application that would normally be prioritized is not received
125 within 5 business days.

126 ~~c.d.~~ A qualified production for which that incurs at least
127 25 85 percent of its principal photography days occur qualified
128 expenditures within a region designated as an underutilized



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129 region at the time that the production is certified is eligible
130 for an additional 5 percent ~~5-percent~~ tax credit.

131 ~~d.e.~~ A Any qualified production that employs students
132 enrolled full-time in a film and entertainment-related or
133 digital media-related course of study at an institution of
134 higher education in this state is eligible for an additional 15
135 percent ~~15-percent~~ tax credit on qualified expenditures that are
136 wages, salaries, or other compensation paid to such students.
137 The additional 15 percent ~~15-percent~~ tax credit is ~~shall~~ also ~~be~~
138 applicable to persons hired within 12 months after ~~of~~ graduating
139 from a film and entertainment-related or digital media-related
140 course of study at an institution of higher education in this
141 state. The additional 15 percent ~~15-percent~~ tax credit applies
142 ~~shall apply~~ to qualified expenditures that are wages, salaries,
143 or other compensation paid to such recent graduates for 1 year
144 after ~~from~~ the date of hiring.

145 ~~e.f.~~ A qualified production for which 25 ~~50~~ percent or more
146 of its principal photography occurs at a qualified production
147 facility, or a qualified digital media project or the digital
148 animation component of a qualified production for which 25 ~~50~~
149 percent or more of the project's or component's qualified
150 expenditures are related to a qualified digital media production
151 facility, is ~~shall be~~ eligible for an additional 5 percent ~~5-~~
152 ~~percent~~ tax credit ~~on actual qualified expenditures for~~
153 ~~production activity at that facility.~~

154 ~~f.g.~~ A No qualified production is not ~~shall be~~ eligible for
155 tax credits provided under this paragraph totaling more than 30
156 percent of its actual qualified expenses.

157 2. Commercial and music video queue.—Three percent of tax



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158 credits authorized pursuant to subsection (6) in any state
159 fiscal year must be dedicated to the commercial and music video
160 queue. A qualified production company that produces national or
161 regional commercials or music videos may be eligible for a tax
162 credit award if it demonstrates a minimum of \$100,000 in
163 qualified expenditures per national or regional commercial or
164 music video and exceeds a combined threshold of \$500,000 after
165 combining actual qualified expenditures from qualified
166 commercials and music videos during a single state fiscal year.
167 After a qualified production company that produces commercials,
168 music videos, or both reaches the threshold of \$500,000, it is
169 eligible to apply for certification for a tax credit award. The
170 maximum credit award shall be equal to 20 percent of its actual
171 qualified expenditures up to a maximum of \$500,000. If there is
172 a surplus at the end of a fiscal year after the Office of Film
173 and Entertainment certifies and determines the tax credits for
174 all qualified commercial and video projects, such surplus tax
175 credits shall be carried forward to the following fiscal year
176 and are ~~be~~ available to any eligible qualified productions under
177 the general production queue.

178 3. Independent and emerging media production queue.—Three
179 percent of tax credits authorized pursuant to subsection (6) in
180 any state fiscal year must be dedicated to the independent and
181 emerging media production queue. This queue is intended to
182 encourage ~~Florida~~ independent film and emerging media production
183 in this state. Any qualified production, excluding commercials,
184 infomercials, or music videos, which ~~that~~ demonstrates at least
185 \$100,000, but not more than \$625,000, in total qualified
186 expenditures is eligible for tax credits equal to 20 percent of



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187 its actual qualified expenditures. If a surplus exists at the
188 end of a fiscal year after the Office of Film and Entertainment
189 certifies and determines the tax credits for all qualified
190 independent and emerging media production projects, such surplus
191 tax credits shall be carried forward to the following fiscal
192 year and are ~~be~~ available to any eligible qualified productions
193 under the general production queue.

194 4. Family-friendly productions.—A certified theatrical or
195 direct-to-video motion picture production or video game
196 determined by the Commissioner of Film and Entertainment, with
197 the advice of the Florida Film and Entertainment Advisory
198 Council, to be family-friendly, based on ~~the~~ review of the
199 script and ~~the~~ review of the final release version, is eligible
200 for an additional tax credit equal to 5 percent of its actual
201 qualified expenditures. Family-friendly productions are those
202 that have cross-generational appeal; would be considered
203 suitable for viewing by children age 5 or older; are appropriate
204 in theme, content, and language for a broad family audience;
205 embody a responsible resolution of issues; and do not exhibit or
206 imply any act of smoking, sex, nudity, or vulgar or profane
207 language.

208
209 ===== T I T L E A M E N D M E N T =====

210 And the title is amended as follows:

211 Delete lines 33 - 35

212 and insert:

213 revising definitions; providing that a disruption
214 caused by a hurricane does not disqualify certain
215 high-impact television series that are off-season



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216 certified productions from eligibility for an
217 additional tax credit; deleting provisions limiting
218 the amount of tax credits for high-impact television
219 series and digital media productions; providing
220 criteria for determining priority for tax credits that
221 have not yet been certified; reducing the required
222 percent of certain production components necessary to
223 qualify for additional credits; amending s. 288.9914,
224 F.S.;