

LEGAL SERVICES

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MEMORANDUM

February 8, 2011

SUBJECT: Sectional summary (HB 67 (Work Order No. 27-LS0356\A))

TO: Representative Chris Tuck
Attn: Aurah Landau

FROM: Alpheus Bullard *AB*
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Doubles the amount of transferable film production tax credits that the Department of Revenue, in cooperation with the film office in the Department of Commerce, Community, and Economic Development, may provide a producer for certain qualified production expenditures. Limits the amount of credits that the Department of Revenue may provide before July 1, 2018, to \$100,000,000.

Section 2. Permits a film production to be eligible for a tax credit if the producer has \$100,000 or more in qualified expenditures in a consecutive 36-month period. At present, a producer must have \$100,000 or more in qualified expenditures in a consecutive 24-month period.

Section 3. Makes certain information submitted to the film office by a producer confidential.

Section 4. Adds the cost of transferring digital media to film or tape to the list of expenditures that may qualify as a "qualified expenditure" in calculating a tax credit.

Section 5. Permits the film office to determine a film production's qualified expenditures, award a tax credit, or review a tax credit that has been provided to a film production that has received a notice of qualification under AS 44.33.234(b) before July 1, 2023.

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Section 6. Requires the commissioner of revenue to notify the presiding officers of each house of the legislature and the revisor of statutes in writing when the amount of tax credits provided under AS 43.98.030(f) and the estimated amount of tax credits that can be claimed, based on notices of qualification issued under AS 44.33.234(b), together equal \$200,000,000.

Section 7. Extends the sunset date for the transferable film tax credit program to July 1, 2023, if the amount of tax credits awarded under the program has not reached \$200,000,000 before that time.

Section 8. Extends the period that the film office, in cooperation with the Department of Revenue, may review, audit, and bring legal proceedings to recover any amount of a tax credit issued under AS 44.33.235.

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