

Louisiana Economic Development
Office of Economic Development

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: **Small Business Loan Guaranty Program**

Motion Picture Production Tax Credit Program
(LAC 61:I.Chapter 61)

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule change is not anticipated to result in any direct material effect on governmental expenditures or savings to state or local governmental units. To the extent the removal of the 750 job limit for credit support in the proposed rules results in additional credit extended to small businesses, this may increase utilization of existing federal budget authority within Louisiana Economic Development (LED), as additional federal State Small Business Credit Initiative (SSBCI) funds from ARPA 2021 may be deployed to support small businesses through the SSBCI Loan Guaranty Program. However, any administrative duties brought about by the proposed rule changes will be carried out utilizing the existing staff and resources of LA Economic Development (LED).

The proposed rule change amends the Small Business Loan Guaranty Program in an effort to extend additional credit to small businesses. The proposed amendments align the regulations with U.S. Treasury guidelines, the agency's mission, and further align with Title 19, Part VII, as required by the Office of the Governor Executive Order No. 25-038.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed amendments are not anticipated to materially affect revenue collections for state or local governmental units. While the proposed rules introduce an application fee for the program of up to \$150, certain provisions of the amendments relax restrictions related to the 2 percent program fee collected. The guaranty fee and the application fee are capable of being waived for the program, and the guaranty fee continues to be mandatorily waived for socially and economically disadvantaged individual (SEDI) owned businesses and very small businesses (VSB).

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

Applicants/borrowers, small businesses, and lenders participating in the program will be affected by the proposed action. The proposed amendment to the rule removed and changed certain regulations for lending institutions and the use of funds for applicants/borrowers. To the extent these amendments extend additional credit to small businesses, program participants may receive additional benefits. Additionally, the proposed rules introduce an optional application fee for the program of up to \$150, and certain provisions of the amendments relax restrictions related to the 2 percent program fee collected. However, the proposed rules continue to allow the guaranty fee to be waived and mandate that the fee be waived for SEDI owned businesses and VSBs.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Small businesses benefiting from the program are anticipated to gain a competitive advantage over other businesses that do not receive the program's benefits.

Anne G. Villa, CFO
Deputy Secretary
2602#047

Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office

Louisiana Economic Development (LED), as authorized by and pursuant to the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., R.S. 36:104 and Act 44 of the 2025 Regular Legislative Session, hereby provide notice of their intent to promulgate rules to be used by LED in administration of the Motion Picture Production Tax Credit Program.

Title 61

REVENUE AND TAXATION

Part I. Taxes Collected and Administered by the Secretary of Revenue

Chapter 61. Motion Picture Production Tax Credit Program

Subchapter A. Program Rules for Projects with Applications Received on or After July 1, 2017 and prior to July 1, 2025

§6103. General Description

A. For application received on or after July 1, 2017 and prior to July 1, 2025, state-certified productions may be eligible for up to a 40 percent tax credit on total qualified in-state expenditures, including resident and non-labor as follows:

A.1. - 3. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1125.1., R.S. 47:6007

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, Office of Entertainment Industry Development and the Office of the Governor, Division of Administration, LR 36:53 (January 2010), repromulgated by the Department of Economic Development, Office of Business Development, LR 45:868 (July 2019), amended LR 48:1494 (June 2022), LR 48:1915 (July 2022, amended by Louisiana Economic Development, Office of Economic Development, LR 52:

§6105. Definitions

A. - B. ...

Office—means the Office of Entertainment Industry Development until July 1, 2025, and thereafter means the office of economic development in Louisiana Economic Development.

Program Issuance Cap—for applications submitted on or after July 1, 2017 and prior to July 1, 2023, the office may issue no more than \$150,000,000 in tax credits (“total cap”) in any fiscal year, with \$7,500,000 reserved for qualified entertainment companies (“QEC cap”), \$7,500,000 reserved for Louisiana screenplay productions (“LA screenplay cap”), \$15,000,000 reserved for independent film productions (“independent film cap”), with the remaining \$120,000,000 available for general allocation to any state certified production (“general cap”); for applications received on or after July 1, 2023 but prior to July 1, 2025, the office may issue no more than \$150,000,000 in tax credits in any fiscal year.

Secretary—Secretary of Louisiana Economic Development.

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AUTHORITY NOTE: Promulgated in accordance with R.S. 47:6007.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, Office of Entertainment Industry Development and the Office of the Governor, Division of Administration, LR 36:53 (January 2010), amended by the Department of Economic Development, Office of Business Development, Office of Entertainment Industry Development, LR 43:300 (February 2017), LR 43:2102 (November 2017), repromulgated by the Department of Economic Development, Office of Business Development, LR 45:869 (July 2019), amended by the Department of Economic Development, Office of Entertainment Industry Development, LR 46:179 (February 2020), LR 48:1495 (June 2022), LR 48:1915 (July 2022), LR 49:2089 (December 2023), amended by Louisiana Economic Development, Office of Economic Development, LR 52:

§6107. Certification Procedures

A. - C.1.b.ii. ...

c. Project-Based Production Tax Credit—for Applications Submitted on or after July 1, 2023 but prior to July 1, 2025.

C.1.c.i. - C.5.c.i. ...

6. Duration of Effect—for Applications Submitted on or after July 1, 2023 but prior to July 1, 2025

C.6.a. - D.3.b.iii. ...

c. Project-Based Production Credit—for Applications Submitted on or after July 1, 2023 but prior to July 1, 2025.

D.3.c.i. - D.4.f.iii. ...

iv. If the total amount of released credits available for re-issuance is less than the total amount of requested credits, the department shall issue credits to all qualified applicants on a first come, first served basis, as determined by the completion notification date, except that legacy credit projects with tax credit reservations that have expired or been released in accordance with the provisions of §6107 (“late requests”), shall receive priority funding over legacy credit projects seeking tax credits in an earlier fiscal year than their reservation (“early requests”). Any requests that cannot be paid in full will remain eligible for payment at a later date, subject to availability of released credits.

E. - E.2.e. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:6007 and R.S. 36:104.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, Office of Entertainment Industry Development and the Office of the Governor, Division of Administration, LR 36:55 (January 2010), amended by the Department of Economic Development, Office of the Secretary, Office of Business Development and the Louisiana Economic Development Corporation, LR 37:514 (February 2011), amended by the Department of Economic Development, Office of Business Development, Office of Entertainment Industry Development, LR 42:39 (January 2016), amended by the Department of Economic Development, Office of Entertainment Industry Development, LR 43:2102 (November 2017), repromulgated LR 43:2473 (December 2017), repromulgated by the Department of Economic Development, Office of Business Development, LR 45:871 (July 2019), amended by the Department of Economic Development, Office of Entertainment Industry Development, LR 46:179 (February 2020), LR 48:1496 (June 2022),

LR 48:1916 (July 2022), LR 49:2089 (December 2023), amended by Louisiana Economic Development, Office of Economic Development, LR 52:

§6109. Additional Program Provisions

A. The following additional provisions shall apply to applications received on or after July 1, 2017 but prior to July 1, 2025:

1. LED program issuance cap.

a. For applications for state-certified productions and qualified entertainment companies submitted on or after July 1, 2017, but prior to July 1, 2023, the total amount of all tax credits granted in a final certification letter by the department in any fiscal year shall not exceed one hundred fifty million dollars. Twenty percent of the annual program cap shall be reserved as follows: five percent for qualified entertainment companies, five percent for Louisiana screenplay productions, and ten percent for independent film productions. If the total amount of credits applied for in any particular year exceeds the aggregate amount of tax credits allowed for that year, the excess shall be treated as having been applied for on the first day of the subsequent year.

b. For applications for state-certified productions and qualified entertainment companies submitted on or after July 1, 2023, but prior to July 1, 2025, the total amount of all tax credits granted in a final certification letter by the department in any fiscal year shall not exceed one hundred fifty million dollars. If the total amount of credits applied for in any particular year exceeds the aggregate amount of tax credits allowed for that year, the excess shall be treated as having been applied for on the first day of the subsequent year.

2. LED individual project issuance cap. The maximum amount of credits certified by LED for a single state-certified production shall be \$20,000,000, which may be structured over two or more years in the initial certification letter;

a. Except for state-certified productions for scripted episodic content that may be granted up to \$25,000,000 in credits per season.

3. LED individual salary cap. The maximum amount of qualifying payroll expenditures per individual shall be \$3,000,000. Payroll payments in excess of \$3,000,000 made directly or indirectly to an individual or loan-out shall be excluded.

B. LDR Taxpayer Claims Cap.

1. Beginning July 1, 2017 through June 30, 2025, tax credit claims and transfers to the Department of Revenue (“state buy-back”) shall be limited to an aggregate total of \$180,000,000 each fiscal year.

2. Beginning July 1, 2025, tax credit claims and transfers to the Department of Revenue (“state buy-back”) shall be limited to an aggregate total of \$125,000,000 each fiscal year.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1125.1., 47:6007

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, Office of Entertainment Industry Development and the Office of the Governor, Division of Administration, LR 36:56 (January 2010), repromulgated by the Department of Economic Development, Office of Business Development, LR 45:874 (July 2019), amended LR 48:1496 (June 2022), amended by Louisiana Economic Development, Office of Economic Development, LR 52:

§6113. Application of the Tax Credit

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:6007.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, Office of Entertainment Industry Development and the Office of the Governor, Division of Administration, LR 36:57 (January 2010), amended by the Department of Economic Development, Office of the Secretary, Office of Business Development, and the Louisiana Economic Development Corporation, LR 37:515 (February 2011), repromulgated by the Department of Economic Development, Office of Business Development, LR 45:876 (July 2019), repealed by Louisiana Economic Development, Office of Economic Development, LR 52:

§6119. Louisiana Promotional Graphic

A. - A.3. ...

B. For applications for state-certified productions received on or after July 1, 2023 but prior to July 1, 2025 at time of request for final certification, state certified productions shall be required to acknowledge the financial assistance of the state of Louisiana as follows:

B.1. - B.3. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:6007

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, Office of Entertainment Industry Development, LR 42:1656 (October 2016), repromulgated by the Department of Economic Development, Office of Business Development, LR 45:878 (July 2019), LR 48:1497 (June 2022), amended LR 48:1917 (July 2022), LR 49:2091 (December 2023), amended by Louisiana Economic Development, Office of Economic Development, LR 52:

Subchapter B. Program Rules for Projects with applications received on or after July 1, 2025

§6121. Purpose

A. The purpose of this Sub-Chapter is to implement the Motion Picture Production Tax Credit Program, in accordance with R.S. 47:6007, as amended by Act 44 of the 2025 Regular Legislative Session.

B. This Sub-Chapter shall be administered to achieve the following purposes:

1. To support the state's commitment to the motion picture production industry; and

2. To support industry sectors and goals identified in Louisiana Economic Development's strategic plan, as may be amended from time to time.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 47:6007

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

§6123. General Description

A. For applications for state-certified productions or Qualified Entertainment Companies approved by the office on or after July 1, 2025, there is hereby authorized a tax credit of up to 40 percent for approved projects.

B. The program provisions outlined in Subchapter A shall apply to projects with applications received on or after July 1, 2025, but before the effective date of the provisions outlined in this Subchapter B, except that:

1. the total amount of all tax credits granted in a final certification letter by Louisiana Economic Development in any fiscal year shall not exceed \$125,000,000;

2. beginning July 1, 2025, tax credit claims and transfers to the Department of Revenue ("state buy-back") shall be limited to an aggregate total of \$125,000,000 each fiscal year; and

3. in exceptional circumstances, for good cause shown, LED may enter into long term agreements that support motion picture production industry initiatives determined by the secretary to be in the best interest of the state.

C. The program provisions outlined in this Subchapter B shall apply to projects with applications received after their effective date, which is contingent upon final rule promulgation and approval of the rules by the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 47:6007

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

§6125. Definitions.

A. Terms not otherwise defined in this Chapter shall have the same meaning given to them in R.S. 47:6007, unless the context clearly requires otherwise.

B. In this Chapter, the following terms shall have the meanings provided herein, unless the context clearly indicates otherwise.

Base Investment—cash or cash equivalent investment made and used for production expenditures in the state for a state-certified production.

Cost Report of Production Expenditures—a report of production expenditures formatted in accordance with LED accounting guidelines, which may be issued with initial certification, posted on LED's website or otherwise communicated by LED to applicant in writing.

Expenditure—actual payment of cash or cash equivalent, paid by or on behalf of a state certified production exchanged for goods or services, as evidenced by an invoice, receipt or other such document.

LDR—Louisiana Department of Revenue

LED—Louisiana Economic Development

Office—the Office of Economic Development in Louisiana Economic Development.

Procurement Company—any person or entity that purchases, leases or otherwise obtains goods or services from sources outside of the state, for the ultimate use, benefit or enjoyment of a state-certified production company.

Resident or Resident of Louisiana—a natural person who is required to file a Louisiana resident individual income tax return.

Secretary—Secretary of Louisiana Economic Development.

State-Certified Production—a production approved by the office which is produced by a motion picture production company domiciled and headquartered in Louisiana and which has a viable multi-market commercial distribution plan.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 47:6007

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

§6127. General Principles

A. The following general principles will direct the administration of the program.

1. Awards are not be considered as an entitlement for companies, and the secretary has the final authority to determine whether or not each particular applicant is eligible and meets the criteria of the program, and in all such circumstances, the exercise of that discretion shall be deemed to be a final determination of the applicant's program status.

2. Applications shall be accepted on a year round basis, subject to availability of funding in any given year, or as otherwise determined by LED.

3. As a general rule applicants may apply for more than one statutory benefit program administered by LED, provided that:

a. Separate applications are submitted per program; and

b. Program applicants do not receive a double benefit on the same expenditure or job.

4. Except that notwithstanding any other provision of law to the contrary, a company seeking the benefits of this program shall not also receive rebates provided for under the Quality Jobs Program as provided for in R.S. 51:2451 through 2461.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 47:6007

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

§6129. General Program Description

A. For applications received on or after July 1, 2025, state certified productions with a base investment equal to or greater than \$150,000 may be eligible for a tax credit, in a varying percentage amount up to 40 percent.

B. At the invitation of the secretary, Qualified Entertainment Companies may be eligible for an award of tax credits, on terms and conditions as negotiated and approved by the secretary.

C. Applicants shall be required to acknowledge the financial assistance of the state of Louisiana through the inclusion of a Louisiana promotional graphic, in a form, manner and placement as approved by LED.

D. To ensure fair and transparent use of tax credits allocated for this program, sole proprietorships shall be considered ineligible for QEC program participation, and small companies seeking to hire individuals closely connected to the business owner may be subject to heightened scrutiny.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 47:6007

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

§6131. Application Procedure

A. Applications may be filed through LED's online Fastlane portal, or as otherwise directed by LED.

B. The application shall include, but not be limited to, the following information:

1. For film productions:

a. working title of the production. Should the title change, the state-certified production needs to inform the office as soon as that change is made;

b. name of the requesting production company;

c. name, telephone number, e-mail address and attesting signature of the requesting production company's contact person;

d. approximate beginning and ending date of production in Louisiana;

e. Louisiana office address;

f. telephone number of requesting company's Louisiana office address;

g. estimated total production-related costs of production;

h. estimated total amount of production- related costs to be expended in Louisiana;

i. estimated total payroll to be paid by the requesting production company to Louisiana residents employed by the requesting production company in connection with the production;

j. a preliminary budget including the estimated Louisiana payroll and estimated in-state investment

k. a copy of script (including synopsis) will be made available to LED;

l. list of principal creative elements such as principal cast, producer, and director; and

m. facts sufficient for the office to determine that the requesting production company:

(i) is a motion picture production company as defined in R.S. 47:6007(B)(6);

(ii) is domiciled and headquartered in Louisiana; and

(iii) has either a viable multi market distribution plan or a signed distribution agreement with either a major theatrical exhibitor, television network or cable television programmer for distribution of the production.

2. For QEC's, at the invitation of the secretary:

a. business name;

b. contact person and their title;

c. business physical address;

d. business phone number and email address;

e. brief description of the nature of the business;

f. number of existing employees;

g. number of proposed new jobs;

h. Secretary of State registration;

i. letter of project support from the applicable regional economic development organization.

C. A non-refundable application fee shall be submitted with the application in accordance with R.S. 36:104.

D. A refundable expenditure verification report deposit shall also be submitted with the application, in accordance with R.S. 36:104.1.

1. The expenditure verification report deposit fee may be waived or reduced at the discretion of the secretary for good cause shown. In which case, the applicant will remain liable for payment in full of the actual cost of accounting services, with payment to be made in full at a later date.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 47:6007

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

§6133. Selection Criteria

A. It is the intent of the Louisiana Legislature that the benefits provided in this program should be used primarily to support the state's commitment to the motion picture production industry.

B. LED shall consider various discretionary factors when determining which applications will be approved, and at what applicable credit percentage. Among the factors which may be taken into consideration are the following;

1. use of Louisiana soundstages;
2. the extent and duration of in-state production activity;
3. employment of Louisiana resident in key creative roles;
4. prominent placement of a Louisiana logo, with placement and logo details as approved by LED;
5. workforce development, career training, or educational initiatives;
6. product placement of Louisiana based products;
7. other marketing opportunities as negotiated and agreed to by LED;
8. disbursing of funding statewide;
9. availability of funding; and
10. best interests of the state.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 47:6007

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

§6135. LED Action—Approval, Denial and Appeal Provisions

A. In the event LED determines that an applicant is eligible, funding is available and approval would be appropriate, the estimated total tax credit amount, the credit percentage and any applicable terms and conditions will be issued by LED as follows:

1. An approved state certified film production will be issued an initial certification letter.
2. An approved qualified entertainment company (QEC) will be issued a contract.

B. In the event an application is denied, in whole or part, LED shall issue a written denial, specifying the basis for denial.

C. Appeal Process. In the event that a request for initial or final certification or a request for tax credits is denied:

1. LED shall promptly provide written notice of such denial to the Senate Committee on Revenue and Fiscal Affairs and the House Committee on Ways and Means;
2. The applicant may appeal as follows:
 - a. an applicant may appeal within 30 days from receipt of a denial. Receipt will be conclusively presumed from the sending of the denial by electronic mail to an address provided by the applicant or by a return receipt evidencing delivery by U.S. Postal Service or private carrier;
 - b. the appeal is made by delivery of a written objection, with supporting documentation to the secretary;
 - c. within 30 days of receipt of a timely appeal, the secretary (or their designee) will review the appeal, and issue a written determination. The secretary may extend the time for the determination for an additional 30 days. In the event the secretary fails to issue a determination within the required time, the appeal is deemed denied;
 - d. the written determination shall be the final agency decision of LED;
 - e. the applicant may appeal an adverse decision to the Nineteenth Judicial District Court, which shall be limited to a review of the administrative record.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 47:6007

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

§6137. Production Expenditures

A. Eligible expenditures are limited to the costs directly and immediately related to the physical production of the motion picture within the state, as verified by a Louisiana CPA and documented in an expenditure verification report.

B. Unless otherwise approved by the Secretary, the following categories of expenditures shall be deemed ineligible for inclusion in calculating the base investment eligible for tax credits:

1. expenditures for marketing and distribution;
2. non-production related overhead;
3. related party transactions;
4. insurance premiums and any associated administrative or processing costs;
5. payments made to procurement companies or similar intermediary entities;
6. airfare;
7. finance fees;
8. real estate purchases;
9. payments made to parties that share in profit participation;
10. state and local taxes;
11. fees submitted in connection with participation in the program;

C. Nothing in this section shall preclude the secretary from issuing additional guidance or interpretations with respect to eligible or ineligible production expenditures or applying further criteria as may be appropriate for compliance and oversight.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 47:6007

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

§6139. Request for Tax Credits

A. An approved state certified production with an executed initial certification letter, or a qualified entertainment company with an executed contract shall make a request for reimbursement as follows:

1. Company shall notify LED that they are ready to proceed and make a cost report of expenses available for inspection by the independent certified accountant assigned by LED, and submit any additional information as may be requested, including but not limited to evidence of public acknowledgement for the financial assistance of the state of Louisiana.
2. For state certified productions, requests shall be submitted no later than six months after the expiration of the approved initial certification period, as set forth in the initial certification letter, or as otherwise approved by the secretary;
3. For qualified entertainment companies, requests may be submitted after at least twelve months of qualifying payroll activity, but no later than six months after the expiration of the contract term, in accordance with the contract terms and conditions.
4. Upon completion, independent CPA shall submit the expenditure verification report to LED and the applicant, and a final invoice for accounting services rendered.

5. Company shall be refunded any amount in excess of its advance deposit or notified of any final amount due for accounting services.

6. After company payment of any outstanding fees, LED shall review the expenditure verification report and any other applicable support documentation, and upon a determination of qualification, LED shall issue tax credits to the company in the form of a Final Tax Credit Certification Letter.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 47:6007

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

§6141. Irrevocable Designee: Non-transferable; Exception for transfer to LDR

A. State certified productions may elect to name a bank or other lender as an irrevocable designee, in the initial certification letter or other document approved by LED and submitted to LED prior to tax credit issuance. The potential irrevocable designee must be listed as a source of funding in the expenditure verification report.

B. LED shall issue tax credits to only one named taxpayer, the approved state certified production company, the approved Qualified Entertainment Company, or its singular approved irrevocable designee on file with LED at the time of tax credit issuance.

1. Any revision, reissuance or exception request to be submitted in writing.

2. LED's determination granting or denying the request shall be issued in writing.

C. Motion picture tax credits may not be transferred or sold to another taxpayer, except as provided for in Subparagraph D of this Section.

D. Motion picture tax credits may be transferred to the Department of Revenue (LDR), otherwise known informally as the state buy-back option, at an amount recognized and in accordance with the requirements of La. R.S. 47:6007, or as otherwise directed by LDR.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 47:6007

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

§6143. Delinquent tax filing clearance requirement

A. No motion picture production tax credit may be earned, certified, issued to, transferred by, or used to reduce a Louisiana tax liability if there exists a delinquent federal, state or local tax obligation.

B. Compliance with this requirement shall now be certified by the motion picture production company, irrevocable designee, taxpayer, or claimant before any credit may be certified, transferred, or sold.

C. The prohibition in this Section shall not apply to any tax liability which has been properly protested or appealed by the motion picture production company, pursuant to La. R.S. 47:1561 et. seq.

D. The prohibition in this Section shall remain in effect until all delinquent returns have been filed and delinquent taxes have been paid and until a Notice of Cancellation or equivalent form is properly filed and recorded to cancel all federal, state, or local tax obligations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 47:6007.

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR.

§6145. Non-performance, Return of Benefits, Disallowance and Recapture of Credits

A. If a taxpayer receives a tax credit pursuant to this Motion Picture Production Tax Credit Program and it is subsequently determined that it did not qualify for the benefit then: (i) future payments shall be reduced by the amount wrongfully received by the taxpayer; or, (ii) If there are no future payments due from which to deduct the amount owed, the secretary of the Department of Revenue may recover any monies wrongfully obtained, pursuant to the provisions of La. R.S. 47:6007 (E) or any other collection remedy authorized by law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 47:6007.

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

Family Impact Statement

The proposed Rule is not anticipated to have an impact on family formation, stability, and autonomy as described in R.S. 49:972.

Poverty Impact Statement

The proposed Rule is not anticipated to have an impact on poverty as described in R.S. 49:973.

Small Business Analysis

The proposed Rule is not anticipated to have a significant adverse impact on small businesses as defined in the Regulatory Flexibility Act. The agency, consistent with health, safety, environmental and economic factors has considered and, where possible, utilized regulatory methods in drafting the proposed rule to accomplish the objectives of applicable statutes while minimizing any anticipated adverse impact on small businesses.

Provider Impact Statement

The proposed Rule is not anticipated to have an impact on providers of services as described in HCR 170 of the 2014 Regular Legislative Session.

Public Comments

Interested persons should submit written comments on the proposed Rules to Amanda Hafford through the close of business on Tuesday, March 31, 2026 at Louisiana Economic Development, 100 North Street, 9th Floor, Baton Rouge, LA 70802 or via email to Amanda.Hafford@la.gov.

Public Hearing

A meeting for the purpose of receiving the presentation of oral comments will be held at 10 a.m. on Wednesday, April 1, 2026 in the Griffon Conference Room at the LaSalle Building, 617 North 3rd Street, Baton Rouge, LA 70802.

Anne G. Villa
Deputy Secretary/CFO

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Motion Picture Production Tax Credit Program

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

The proposed rule change is not anticipated to result in any direct material effect on governmental expenditures or savings for state or local governmental units. The proposed amendments

better align the rules with current statutory provisions as required by Act 44 of the 2025 Regular Session. Any administrative duties brought about by the proposed rule change will be carried out utilizing existing staff and resources at the Louisiana Economic Development (LED).

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

Because the rule revisions occur under the auspices of the statutory credit issuance and claims caps, aggregate revenue for the state is not anticipated to be materially affected. The proposed rule change updates provisions for program applicants on or after July 1, 2025. Consistent with Act 44 of the 2025 Regular Session, LED will award credits by applying discretionary factors when considering which applications to approve and the amount and percentage rate of credits. However, issuance activity continues to operate under a cap of \$125 M each fiscal year. Furthermore, film tax credit claims with the Louisiana Department of Revenue (LDR) are capped at \$125 M each fiscal year.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

The proposed rules for the program are anticipated to directly benefit applicants that prioritize employment of Louisiana residents, utilization of local production infrastructure, and generation of in-state spending. These businesses will be subject to compliance requirements, but these requirements should not be significant and should be outweighed by the benefits received. Applicants that do not prioritize in-state spending may receive an indeterminable decrease in expected tax credits. Firms that are eligible for film tax credits may realize a reduction in tax liabilities to the extent they qualify for the credit.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Companies receiving benefits under this program will gain competitively over companies that do not receive the program's benefits.

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NOTICE OF INTENT

Department of Revenue Tax Policy and Planning Division

Election of Pass-Through Entities (LAC 61:I.1001)

Under the authority of R.S. 47:1511, 287.732.2, 300.6, and 300.7, and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Tax Policy and Planning Division, proposes to amend LAC 61:I.1001. The amendment changes the requirement that an individual or fiduciary income taxpayer with an ownership interest in an entity making the pass-through entity election submit a pro forma Federal Form 1040, 1041 or NPR Worksheet of the Louisiana Form IT-540B. Under the proposed Rule, these forms would only be required upon the department's request.

The purpose of this proposed Rule is to simplify and streamline the pass-through election procedure for shareholders of S corporations, and partners and members of other entities taxed as partnerships for federal income tax purposes, by clarifying and reducing documentation requirements related to calculating the amount a taxpayer may

exclude from taxable income based upon their ownership interest in an electing entity.

Title 61

REVENUE AND TAXATION

Part I. Taxes Collected and Administered by the Secretary of Revenue

Chapter 10. Income: Pass-Through Entities

§1001. Election of Pass-Through Entities

A. Louisiana Revised Statute 47:287.732.2, allows S corporations, and other entities taxed as partnerships for federal income tax purposes, to make an election to be taxed in the same manner as if the entity was required to file a tax return with the Internal Revenue Service as a C corporation.

1. - 2.c. Repealed.

B. - B.2. ...

a. a resolution signed by the secretary of the corporation or equivalent officer or manager verifying that more than one-half of the ownership interest in the entity based upon capital account balances approved the election, or

B.2.b. - B.3.a.i. ...

ii. federal returns for the entity for the preceding three taxable years if applicable, including federal Schedules K-1 and pass-through or disregarded entity forms such as Schedules C, E, and F;

iii. - iv. ...

4. Any entity that files a composite partnership return pursuant to R.S. 47:201.1 is prohibited from making the election.

5. ...

a. Repealed.

B.5.b. - C. ...

1. Each entity making the election shall file Louisiana Form CIT-620, *Corporation Income Return*, for the applicable taxable year for which the election was made and all taxable years thereafter unless the election is terminated.

2. Each entity making the election and filing the Louisiana Form CIT-620 with all supporting documentation as required by the Department shall be required to file the return electronically in accordance with LAC 61:III.1505. Failure to comply with the electronic filing requirement of this section will result in the assessment of a penalty as provided for in R.S. 47:1520(B).

3. The following documents shall be attached to the Louisiana Form CIT-620 when filed:

a. Federal Schedules K-1 as actually issued to the owners of the entity for the taxable year as well as Louisiana Form R-6981, *Statement of Owner's Share of Entity Level Tax Items*, reflecting any income that remains taxable to the entity's owners in Louisiana after the election such as dividends and interest; and

C.3.b. - 4. ...

a. Taxpayers with an ownership interest in an entity making the election shall make a modification to exclude the net income subject to tax or net loss used to compute the entity's corporate income tax liability, as reported on the corporation income tax return filed by the entity, as follows:

i. - ii. ...

b. The modification shall be made for all income or loss of the entity that was included by the individual or fiduciary owners in the calculation of federal adjusted gross income or federal taxable income, respectively, but which is being taxed at the entity level for Louisiana income tax