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PROPOSED COMMITTEE AMENDMENT
SALISBURY

Amend the bill by striking Secs 1 to 7 and substituting the following:

Sec. 1. 5 MRSA §13090-L, sub-§2-A, ¶F is amended to read:

F. "Visual media production expense" means an expense directly incurred in this State for preproduction, production or postproduction of a visual media production certified under this section. "Visual media production expense" includes wages and salaries of individuals employed in the production on which taxes have been paid or accrued if those wages do not exceed ~~\$50,000~~ \$75,000 per individual and payments to a temporary employee-leasing company, as defined in Title 36, section 6901, subsection 3-A, and other contractual payments for the services of individuals working in the State if those payments do not exceed ~~\$50,000~~ \$75,000 per individual providing services in the production. "Visual media production expense" includes the cost of construction; operations; editing and related services; music, photography and film processing, including transferring film to tape or a digital format; sound recording, mixing and synchronization; lighting, makeup, wardrobe and accessories; transportation; food and lodging for cast and crew; insurance and bonding; and the rental of facilities and equipment, including location fees. "Visual media production expense" does not include expenses incurred in marketing or advertising a visual media production or in printing or disseminating a visual media production.

Sec. 2. 5 MRSA §13090-L, sub-§3, ¶C is amended to read:

C. Provide financial information that demonstrates that the visual media production is fully financed and that at least ~~\$75,000~~ \$25,000 of visual media production expense will be incurred for the visual media production certified in accordance with this subsection;

Sec. 3. 36 MRSA §5219-Y is amended to read:

§5219-Y. Certified visual media production credit

1. Credit allowed. A visual media production company, as defined in Title 5, section 13090-L, subsection 2-A, paragraph E, is allowed a refundable credit against the taxes imposed by this Part in an amount equal to ~~5%~~ 10% of its nonwage visual media production expenses incurred with respect to a certified visual media production as defined in section 6901, subsection 1, if the visual media production company has visual media production expenses of ~~\$75,000~~ \$25,000 or more with respect to that certified visual media production. For purposes of this section, "nonwage visual media production expenses" means visual media production expenses as defined in Title 5, section 13090-L, subsection 2-A, paragraph F, except that "nonwage visual media production expenses" does not include certified production wages as

defined in section 6901, subsection 2 or any amount that would be included in certified production wages but for the ~~\$50,000~~ \$75,000 limit provided by section 6901, subsection 2.

2. Limitation. The credit allowed by this section ~~may not reduce the tax otherwise due under this Part below zero and~~ may be used only for the taxable year in which the certified visual media production, as defined in section 6901, subsection 1, is completed. Taxpayers claiming a credit under section 5219-W are not eligible for this credit.

Sec. 4. 36 MRS §6902, sub-§1 is amended to read:

1. Generally. A visual media production company is allowed a reimbursement equal to ~~12%~~ 15% of certified production wages paid to or with respect to an individual who is a resident of Maine and 10% of certified production wages paid to or with respect to an individual who is not a resident of Maine.

Summary

This amendment replaces provisions of the bill other than the application section. The amendment increases the credit from 5% to 10% of the nonwage visual media production with respect to a certified production and changes the threshold for eligibility for visual media production companies from those with visual media production expenses of \$75,000 or more to those with visual media production expenses of \$25,000 or more. The amendment increases the amount of wages and salaries per individual that may be included in visual media production expense from \$50,000 to \$75,000 per individual. and makes credit refundable. The amendment also changes the percentage of reimbursement for certified production wages for Maine residents from 12% to 15%,