

1 SB255  
2 127704-3  
3 By Senators Dial, Holley, Scofield, Blackwell, Whatley,  
4 Keahey, Waggoner, Ward and Marsh  
5 RFD: Finance and Taxation General Fund  
6 First Read: 22-MAR-11

1 SB255

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4 ENROLLED, An Act,

5 To amend Sections 41-7A-43 and 41-7A-45 of the Code  
6 of Alabama 1975, relating to the Entertainment Industry  
7 Incentive Act of 2009; to further provide for rebates for  
8 qualified production companies; to limit the tax exemptions to  
9 the state portion of sales, use, and lodging taxes; and to cap  
10 the rebate for certain amounts in excess of allowed production  
11 expenditures.

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

13 Section 1. Sections 41-7A-43 and 41-7A-45 of the  
14 Code of Alabama 1975, are amended to read as follows:

15 "§41-7A-43.

16 "(a) Beginning January 1, 2009, a qualified  
17 production company shall be entitled to a rebate for  
18 production expenditures, as defined in subdivision (7) of  
19 Section 41-7A-41, related to a state-certified production. The  
20 rebate shall be equal to 25 percent of the state-certified  
21 production's production expenditures excluding payroll paid to  
22 residents of Alabama plus 35 percent of all payroll paid to  
23 residents of Alabama for the state-certified production,  
24 provided the total production expenditures for a project must  
25 equal or exceed at least five hundred thousand dollars

1 (\$500,000), but no rebate shall be available for production  
2 expenditures incurred after the first ten million dollars  
3 (\$10,000,000) of production expenditures expended in Alabama  
4 on a state-certified production.

5 "(b) A single episode in a television series or  
6 miniseries may be considered a single production project for  
7 purposes of this section. However, in determining the total  
8 production expenditures incurred by a qualified production  
9 company on a qualified production, the total production  
10 expenditures of a television series or miniseries, whether a  
11 single season or multiple seasons thereof, to be filmed within  
12 a period of 12 consecutive months, each individual episode of  
13 which separately and independently meets the definition of a  
14 qualified production, may be aggregated to meet the monetary  
15 requirements set forth in subsection (a) as long as each  
16 individual episode within the series pertains to the same  
17 subject as the other episodes in the series.

18 "(c) A single commercial may be considered a single  
19 production project for purposes of this section. However, in  
20 determining the total production expenditures incurred by a  
21 qualified production company on a qualified production, the  
22 total production expenditures of a series of commercials to be  
23 filmed within a period of 12 consecutive months, each of which  
24 separately and independently meets the definition of a  
25 qualified production, may be aggregated to meet the monetary

1 requirements set forth in subsection (a) as long as each  
2 individual commercial within the series pertains to the same  
3 subject as the other commercials in the series and was planned  
4 as part of a series of commercials to be filmed within a  
5 period of 12 consecutive months at the time the qualified  
6 production company applied for the incentives.

7 "(d) A qualified production company shall be  
8 entitled to the rebate for production expenditures as provided  
9 in subsection (a) for a qualified project that is limited only  
10 to the production of a soundtrack used in a motion picture or  
11 documentary, provided that the production expenditures for the  
12 soundtrack project must equal or exceed at least fifty  
13 thousand dollars (\$50,000), but no rebate shall be available  
14 for production expenditures incurred after the first three  
15 hundred thousand dollars (\$300,000) of production expenditures  
16 expended in Alabama.

17 "(e) A qualified production company shall be  
18 entitled to the rebate for production expenditures as provided  
19 in subsection (a) for a qualified project that is limited only  
20 to the production of a music video, provided that the  
21 production expenditures for the music video equal or exceed  
22 fifty thousand dollars (\$50,000), but no rebate shall be  
23 available for production expenditures incurred after the first  
24 two hundred thousand dollars (\$200,000) of production  
25 expenditures expended in Alabama.

1           "(f) The rebate described in this section may be  
2 applied to offset any income tax liability applicable to a  
3 qualified production company for the tax year in which  
4 production activity in Alabama on the state-certified  
5 production concludes.

6           "(g) The Commissioner of the Department of Revenue  
7 and the office shall promulgate rules necessary to administer  
8 this section.

9           "§41-7A-45.

10           "A qualified production company that intends to  
11 expend in the aggregate one hundred fifty thousand dollars  
12 (\$150,000) or more in connection with a qualified productions  
13 in the State of Alabama within a consecutive 12-month period,  
14 upon making application for, meeting the requirements of, and  
15 receiving written certification of that designation from the  
16 office, shall be exempted from the payment of the state  
17 portion, but not the local portion of sales, use, and lodging  
18 taxes levied pursuant to Sections 40-23-2, 40-23-61, and  
19 40-26-1, respectively, on production expenditures expended in  
20 Alabama in connection with the state-certified productions.  
21 The exemption provided by this section shall not be available  
22 for production expenditures incurred by a qualified production  
23 company after the first ten million dollars (\$10,000,000) of  
24 production expenditures expended in Alabama on a  
25 state-certified project."

1                   Section 2. This act shall become effective  
2 immediately following its passage and approval by the  
3 Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

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Speaker of the House of Representatives

SB255

Senate 05-MAY-11

I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris  
Secretary

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House of Representatives  
Passed: 09-JUN-11

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By: Senator Dial