

1 SB49
2 146160-3
3 By Senator Dial
4 RFD: Finance and Taxation Education
5 First Read: 05-FEB-13
6 PFD: 01/22/2013

1 SB49

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4 ENROLLED, An Act,

5 To amend Section 41-7A-43, as amended by Act
6 2012-212, of the Code of Alabama 1975, relating to rebated
7 production expenses of a qualified production company; to
8 clarify that certain qualified production expenses shall be
9 rebated to qualified production companies, retroactively
10 effective to June 14, 2011.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

12 Section 1. Section 41-7A-43, as amended by Act
13 2012-212, of the Code of Alabama 1975, is amended to read as
14 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-42, 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 twenty million dollars
3 (\$20,000,000) 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) If the rebate available under this section
7 exceeds a qualified production company's Alabama income tax
8 liability for the tax year in which production activity in
9 Alabama concludes on the state-certified production, the
10 excess of the rebate over a qualified production company's
11 Alabama income tax liability shall be rebated to the qualified
12 production company.

13 "~~(g)~~ (h) The Commissioner of the Department of
14 Revenue and the office shall promulgate rules necessary to
15 administer this section."

16 Section 2. Subject to its passage and approval, or
17 its otherwise becoming a law, this act shall be effective
18 retroactively to June 14, 2011.

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB49
Senate 12-FEB-13
I hereby certify that the within Act originated in and passed
the Senate.

Patrick Harris
Secretary

House of Representatives
Passed: 26-FEB-13

By: Senator Dial