



FISCAL NOTE

House Bill 429

Committee: Ways and Means Education

Sponsor: Representative Kiel

Analyst: Riley Aaron

Date: 05/09/2023

House Bill 429 as introduced would amend the Entertainment Industry Incentive Act of 2009 by renaming it the Film and Music Incentive Act of 2023 and by increasing the production expenditures rebate cap, the cap on state sales, use and lodgings tax exemptions, and the aggregate annual cap on entertainment incentives for qualified production companies for production expenditures from \$20 million, currently, to \$65 million for fiscal year 2024, \$110 million for fiscal year 2025, and \$150 million for each subsequent fiscal year thereafter. This bill could reduce potential income, sales, and use tax receipts to the Education Trust Fund and lodgings and use tax receipts to the State General Fund and/or the Alabama Tourism Department by an undetermined amount dependent on the number of companies that meet the expenditure requirement to qualify for the rebates and exemptions.

This bill would also: (1) provide for rebates to be available for production expenditures for music albums of \$20,000 to \$200,000; and (2) reserve one-third of the annual aggregate cap for qualified productions created at certain qualified production facilities located at a historic location.