



## FISCAL NOTE

### House Bill 373

Committee: Economic Development and  
Tourism

Sponsor: Representative Jamie Kiel

Analyst: Jennifer Farish

Date: 04/02/2025

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**House Bill 373** as reported by the Committee on Economic Development and Tourism could decrease potential income and sales tax receipts to the Education Trust Fund and lodgings tax receipts to the State General Fund and the Alabama Tourism Department by an undetermined amount dependent upon the amount of rebates and tax exemptions provided to qualified production companies pursuant to the following changes to the Entertainment Industry Incentive (EII) Act of 2009 provided by this bill: (1) increasing the maximum production expenditure threshold eligible for a rebate by \$5 million for a total cap of \$25 million; (2) providing rebates for certain production expenditures for music albums of greater than \$30,000, up to \$200,000; and (3) increasing the aggregate cap on incentives authorized by the EII Act by \$10 million for an aggregate annual cap of \$30 million, for fiscal year 2026 and thereafter.

This bill would also: (1) reserve \$2 million of the annual aggregate cap for the production of music albums, with exceptions; (2) allow up to \$3 million of unspent incentives to be carried forward to the following fiscal year; and (3) require production companies to withhold and remit a 5% estimated income tax withholding on payments made to loan-out companies for payments to such loan-out companies to be eligible for rebate as a production expense.