



Sen. Rickey R. Hendon

Filed: 2/8/2006

09400SB2983sam001

LRB094 19114 BDD 54918 a

1 AMENDMENT TO SENATE BILL 2983

2 AMENDMENT NO. _____. Amend Senate Bill 2983 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Film Production Services Tax Credit Act is
5 amended by changing Sections 10 and 90 as follows:

6 (35 ILCS 15/10)

7 (Section scheduled to be repealed on January 1, 2007)

8 Sec. 10. Definitions. As used in this Act:

9 "Accredited production" means a film, video, or television
10 production that has been certified by the Department in which
11 the aggregate Illinois labor expenditures included in the cost
12 of the production, in the period that ends 12 months after the
13 time principal filming or taping of the production began,
14 exceed \$100,000 for productions of 30 minutes or longer, or
15 \$50,000 for productions of less than 30 minutes; but does not
16 include a production that:

17 (1) is news, current events, or public programming, or
18 a program that includes weather or market reports;

19 (2) is a talk show;

20 (3) is a production in respect of a game,
21 questionnaire, or contest;

22 (4) is a sports event or activity;

23 (5) is a gala presentation or awards show;

24 (6) is a finished production that solicits funds;

1 (7) is a production produced by a film production
2 company if records, as required by 18 U.S.C. 2257, are to
3 be maintained by that film production company with respect
4 to any performer portrayed in that single media or
5 multimedia program; or

6 (8) is a production produced primarily for industrial,
7 corporate, or institutional purposes.

8 "Accredited production certificate" means a certificate
9 issued by the Department certifying that the production is an
10 accredited production that meets the guidelines of this Act.

11 "Applicant" means a taxpayer that is a film production
12 company that is operating or has operated an accredited
13 production located within the State of Illinois and that (i)
14 owns the copyright in the accredited production throughout the
15 Illinois production period or (ii) has contracted directly with
16 the owner of the copyright in the accredited production or a
17 person acting on behalf of the owner to provide services for
18 the production, where the owner of the copyright is not an
19 eligible production corporation.

20 "Credit" means:

21 (1) the amount equal to 25% of the Illinois labor
22 expenditure approved by the Department. The applicant is
23 deemed to have paid, on its balance due day for the year,
24 an amount equal to 25% of its qualified Illinois labor
25 expenditure for the tax year;~~;~~

26 (2) ~~for~~ For Illinois labor expenditures generated by
27 the employment of residents of geographic areas of high
28 poverty or high unemployment, as determined by the
29 Department, in an accredited production approved by the
30 Department after January 1, 2005, the applicant shall
31 receive an enhanced credit of 10% in addition to the 25%
32 credit; ~~and~~

33 (3) for Illinois labor expenditures generated during
34 the use, for at least 30 days in the taxable year, of a

1 studio facility that is located in the City of Chicago and
2 that is comprised of 175,000 or more square feet, in an
3 accredited production approved by the Department after
4 January 1, 2006, the applicant shall receive an enhanced
5 credit of 5% in addition to the credits under items (1) and
6 (2).

7 "Department" means the Department of Commerce and Economic
8 Opportunity.

9 "Director" means the Director of Commerce and Economic
10 Opportunity.

11 "Illinois labor expenditure" means salary or wages paid to
12 employees of the applicant for services on the accredited
13 production;

14 To qualify as an Illinois labor expenditure, the
15 expenditure must be:

16 (1) Reasonable in the circumstances.

17 (2) Included in the federal income tax basis of the
18 property.

19 (3) Incurred by the applicant for services on or after
20 January 1, 2004.

21 (4) Incurred for the production stages of the
22 accredited production, from the final script stage to the
23 end of the post-production stage.

24 (5) Limited to the first \$25,000 of wages paid or
25 incurred to each employee of the production.

26 (6) Exclusive of the salary or wages paid to or
27 incurred for the 2 highest paid employees of the
28 production.

29 (7) Directly attributable to the accredited
30 production.

31 (8) Paid in the tax year for which the applicant is
32 claiming the credit or no later than 60 days after the end
33 of the tax year.

34 (9) Paid to persons resident in Illinois at the time

1 the payments were made.

2 (10) Paid for services rendered in Illinois.

3 (11) Paid to employees earning \$15 or more per hour.

4 (Source: P.A. 93-543, eff. 1-1-04; 94-171, eff. 7-11-05.)

5 (35 ILCS 15/90)

6 (Section scheduled to be repealed on January 1, 2007)

7 Sec. 90. Repeal. This Act is repealed on January 1, 2008
8 ~~2007~~.

9 (Source: P.A. 93-543, eff. 1-1-04; 93-840, eff. 7-30-04;
10 94-171, eff. 7-11-05.)

11 Section 99. Effective date. This Act takes effect upon
12 becoming law."