

## ASSEMBLY BILL NO. 492—COMMITTEE ON WAYS AND MEANS

APRIL 17, 2017

## Referred to Committee on Ways and Means

SUMMARY—Revises provisions relating to transferable tax credits to attract film and other productions to Nevada. (BDR 32-1166)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Yes.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxation; revising provisions governing the total amount of transferable tax credits that may be approved by the Office of Economic Development pursuant to applications submitted to the Office by a production company that produces film, television or other media productions in this State; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 Existing law establishes a program for the issuance of transferable tax credits  
2 by the Office of Economic Development to production companies that produce  
3 films and certain other productions. (NRS 360.758-360.7598) In addition, existing  
4 law requires the Legislature, during each legislative session, to determine the  
5 amount of film tax credits allowed for each fiscal year of the upcoming biennium.  
6 (NRS 360.7594) This bill removes the provision requiring the Legislature to set the  
7 maximum dollar amount of transferrable tax credits on a biennial basis and instead  
8 provides that beginning on July 1, 2017, the total amount of transferable tax credits  
9 the Office of Economic Development is allowed to approve for the production of  
10 films and certain other productions is \$10,000,000 per fiscal year. Finally, this bill  
11 specifically provides that any portion of the \$10,000,000 per fiscal year for which  
12 transferable tax credits have not previously been approved may be carried forward  
13 and made available for approval during the next or any future fiscal year.



\* A B 4 9 2 \*

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1       **Section 1.** NRS 360.7594 is hereby amended to read as follows:  
2       360.7594 1. Except as otherwise provided in this subsection,  
3 the Office of Economic Development shall not approve any  
4 application for transferable tax credits submitted pursuant to NRS  
5 360.759 if approval of the application would cause the total amount  
6 of transferable tax credits approved pursuant to NRS 360.759 for  
7 ~~the current~~ *each* fiscal year to exceed the ~~amount appropriated or~~  
8 ~~authorized for expenditure for that purpose for that fiscal year. If the~~  
9 ~~Office does not approve transferable tax credits of the full amount~~  
10 ~~so appropriated or authorized during any fiscal year, the remaining~~  
11 ~~amount of transferable tax credits must be carried forward and made~~  
12 ~~available for approval during the immediately following 2 fiscal~~  
13 ~~years.~~ *sum of \$10,000,000. Any portion of the \$10,000,000 per*  
14 *fiscal year for which transferable tax credits have not previously*  
15 *been approved may be carried forward and made available for*  
16 *approval during the next or any future fiscal year.*  
17 2. The transferable tax credits issued to any production  
18 company for any qualified production pursuant to NRS 360.759:  
19 (a) Must not exceed a total amount of \$6,000,000; and  
20 (b) Expire 4 years after the date on which the transferable tax  
21 credits are issued to the production company.  
22 3. For the purposes of calculating qualified direct production  
23 expenditures:  
24 (a) The compensation payable to all producers who are Nevada  
25 residents must not exceed 10 percent of the portion of the total  
26 budget of the qualified production that was expended in or  
27 attributable to any expenses incurred in this State.  
28 (b) The compensation payable to all producers who are not  
29 Nevada residents must not exceed 5 percent of the portion of the  
30 total budget of the qualified production that was expended in or  
31 attributable to any expenses incurred in this State.  
32 (c) The compensation payable to any employee, independent  
33 contractor or any other person paid a wage or salary as  
34 compensation for providing labor services on the production of the  
35 qualified production must not exceed \$750,000.  
36 **Sec. 2.** This act becomes effective on July 1, 2017.

