

CHAPTER.....

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:

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

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

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

Section 1. NRS 360.7594 is hereby amended to read as follows:
360.7594 1. Except as otherwise provided in this subsection, the Office of Economic Development shall not approve any application for transferable tax credits submitted pursuant to NRS 360.759 if approval of the application would cause the total amount of transferable tax credits approved pursuant to NRS 360.759 for ~~the current~~ *each* fiscal year to exceed the ~~amount appropriated or authorized for expenditure for that purpose for that fiscal year. If the Office does not approve transferable tax credits of the full amount so appropriated or authorized during any fiscal year, the remaining amount of transferable tax credits must be carried forward and made available for approval during the immediately following 2 fiscal years.~~ *sum of \$10,000,000. Any portion of the \$10,000,000 per fiscal year for which transferable tax credits have not previously been approved may be carried forward and made available for approval during the next or any future fiscal year.*



2. The transferable tax credits issued to any production company for any qualified production pursuant to NRS 360.759:

(a) Must not exceed a total amount of \$6,000,000; and

(b) Expire 4 years after the date on which the transferable tax credits are issued to the production company.

3. For the purposes of calculating qualified direct production expenditures:

(a) The compensation payable to all producers who are Nevada residents must not exceed 10 percent of the portion of the total budget of the qualified production that was expended in or attributable to any expenses incurred in this State.

(b) The compensation payable to all producers who are not Nevada residents must not exceed 5 percent of the portion of the total budget of the qualified production that was expended in or attributable to any expenses incurred in this State.

(c) The compensation payable to any employee, independent contractor or any other person paid a wage or salary as compensation for providing labor services on the production of the qualified production must not exceed \$750,000.

Sec. 2. This act becomes effective on July 1, 2017.

