

SENATE BILL NO. 350—SENATOR DENIS

MARCH 24, 2021

Referred to Committee on Revenue and  
Economic Development

SUMMARY—Revises provisions governing transferrable tax credits for film and other productions. (BDR 32-963)

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

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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 calculation of certain tax credits issued to production companies financing or supervising film or other qualified productions; 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 the producer of a motion picture or  
3 other qualified production, based upon production-related expenditures made for  
4 the purchase of personal property or services from a Nevada business. (NRS  
5 360.758-360.7598) Existing law requires the Office of Economic Development to  
6 calculate the amount of transferable tax credits issued to an eligible production  
7 company such that the base amount of transferable tax credits issued to an eligible  
8 production company equals 15 percent of the qualified direct production  
9 expenditures. (NRS 360.7592) This bill provides for an increase in the base amount  
10 of transferable tax credits issued to an eligible production company if the  
11 production company incurs: (1) qualified production expenditures equal to or  
12 exceeding certain amounts for a qualified production in this State; or (2) \$1 billion  
13 or more in qualified production expenditures for a qualified production of the  
14 production company and makes certain capital investments in and improvements to  
15 real property.

16 Existing law provides that: (1) the total amount of transferable tax credits the  
17 Office of Economic Development is allowed to approve for the production of films  
18 and certain other productions is \$10,000,000 per fiscal year; and (2) the maximum  
19 amount of transferable tax credits that may be issued for a qualified production is  
20 \$6,000,000. (NRS 360.7594) This bill maintains these limitations and, thus, an  
21 eligible production company that qualified for the increase in the base of amount of  
22 transferable tax credits set forth in this bill would be subject to the limitation on the



23 amount of transferable tax credits that may be issued for a qualified production and  
24 the limitation on the total amount of transferable tax credits that may be approved for  
25 for a fiscal year.

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

1 **Section 1.** NRS 360.7592 is hereby amended to read as  
2 follows:

3 360.7592 1. Except as otherwise provided in ~~subsection 4~~  
4 *subsections 2 and 5* and NRS 360.7593 and 360.7594, the base  
5 amount of transferable tax credits issued to an eligible production  
6 company pursuant to NRS 360.759 must equal 15 percent of the  
7 qualified direct production expenditures.

8 2. *If an eligible production company:*

9 (a) *Incurs at least \$200 million in qualified direct production*  
10 *expenditures during a period of 1 year for a qualified production*  
11 *of the production company in this State, the base amount of*  
12 *transferable tax credits issued to the eligible production company*  
13 *pursuant to NRS 360.759 must equal 20 percent of the qualified*  
14 *direct production expenditures.*

15 (b) *Incurs at least \$500 million in qualified direct production*  
16 *expenditures during a period of 2 years for a qualified production*  
17 *of the production company in this State, the base amount of*  
18 *transferable tax credits issued to the eligible production company*  
19 *pursuant to NRS 360.759 must equal 25 percent of the qualified*  
20 *direct production expenditures.*

21 (c) *Incurs at least \$1 billion in qualified direct production*  
22 *expenditures during a period of 10 years for a qualified*  
23 *production of the production company in this State and the*  
24 *production company has made a capital investment in this State*  
25 *consisting of the lease, rental or acquisition of not less than 30*  
26 *acres of real property and improvements to real property*  
27 *consisting of not less than 100,000 square feet, the base amount of*  
28 *transferable tax credits issued to the eligible production company*  
29 *pursuant to NRS 360.759 must equal 30 percent of the qualified*  
30 *direct production expenditures.*

31 3. Except as otherwise provided in subsections ~~3~~ 4 and ~~4~~ 5  
32 and NRS 360.7594, in addition to the base amount calculated  
33 pursuant to subsection 1 ~~1~~ or 2, transferable tax credits issued to an  
34 eligible production company pursuant to NRS 360.759 must include  
35 credits in an amount equal to:

36 (a) An additional 5 percent of the qualified direct production  
37 expenditures if more than 50 percent of the below-the-line personnel  
38 of the qualified production are Nevada residents; and



(b) An additional 5 percent of the qualified direct production expenditures if more than 50 percent of the filming days of the qualified production occurred in a county in this State in which, in each of the 2 years immediately preceding the date of application, qualified productions incurred less than ~~[\$10,000,000]~~ \$25,000,000 of qualified direct production expenditures.

~~[3.]~~ 4. For the purposes of paragraph (a) of subsection ~~[2.]~~ 3:

(a) Except as otherwise provided in paragraph (b) of this subsection, the percentage of the below-the-line personnel who are Nevada residents must be determined by dividing the number of workdays worked by Nevada residents by the number of workdays worked by all below-the-line personnel.

(b) Any work performed by an extra must not be considered in determining the percentage of the below-the-line personnel who are Nevada residents.

~~[4.]~~ 5. The Office may:

(a) Reduce the cumulative amount of transferable tax credits that are calculated pursuant to this section by an amount equal to any damages incurred by the State or any political subdivision of the State as a result of a qualified production that is produced in this State; or

(b) Withhold the transferable tax credits, in whole or in part, until any pending legal action in this State against a production company or involving a qualified production is resolved.

**Sec. 2.** NRS 360.7593 is hereby amended to read as follows:

360.7593 1. In calculating the base amount of transferable tax credits pursuant to subsection 1 *or* 2 of NRS 360.7592:

(a) Wages and salaries, including fringe benefits, paid to above-the-line personnel who are not Nevada residents must be included in the calculation at a rate of 12 percent.

(b) Wages and salaries, including fringe benefits, paid to below-the-line personnel who are not Nevada residents:

(1) For the period beginning January 1, 2014, and ending December 31, 2014, must be included in the calculation at a rate of 12 percent.

(2) For the period beginning January 1, 2015, and ending December 31, 2015, must be included in the calculation at a rate of 10 percent.

(3) For the period beginning January 1, 2016, and ending December 31, 2016, must be included in the calculation at a rate of 8 percent.

(4) For the period beginning January 1, 2017, must not be included in the calculation.

2. As used in this section, "fringe benefits" means employee expenses paid by an employer for the use of a person's services,



1 including, without limitation, payments made to a governmental  
2 entity, union dues, health insurance premiums, payments to a  
3 pension plan and payments for workers' compensation insurance.  
4 **Sec. 3.** This act becomes effective on July 1, 2021.

