

HOUSE RESEARCH

Bill Summary

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Overview

This bill establishes a refundable 15 percent income tax credit for film production expenditures in Minnesota that are directly related to production of movies, documentaries, music videos, and television shows and commercials in Minnesota.

Section

1 **Film production credit.** Establishes an income tax credit equal to 15 percent of Minnesota film production expenditures that are directly attributable to film production in Minnesota.

Defines "film" to mean a movie, television show, documentary, music video, or television commercial, but excludes various specific items including sexually explicit productions regulated by federal law. Defines "film production" to include activities occurring before, during, and after the shooting of a film.

Requires qualifying expenditures to be subject to Minnesota taxation. States that the following are qualifying expenditures:

(1) payment to a Minnesota resident of wages, fringe benefits, or fees for talent, management, or labor

(2) payment to personal services corporations for the services of a performing artist who

Section

pays Minnesota income tax are qualifying expenditures

(3) the following provided by a vendor:

- the story and scenario to be used for a film;
- set construction and operations, wardrobe, accessories and related services;
- photography, sound synchronization, lighting, and related services;
- editing and related services;
- rental of facilities and equipment; leasing of vehicles; and
- food and lodging.

Makes the credit refundable and appropriates the amount necessary for refunds from the general fund

Makes this section effective for taxable years beginning after December 31, 2005.