



Sen. Rickey R. Hendon

Filed: 2/15/2006

09400SB2983sam002

LRB094 19114 BDD 56084 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, 40, 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7 (Section scheduled to be repealed on January 1, 2007)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 or Illinois
12 production spending included in the cost of the production, in
13 the period that ends 12 months after the time principal filming
14 or taping of the production began, exceed \$100,000 for
15 productions of 30 minutes or longer, or \$50,000 for productions
16 of less than 30 minutes; but does not include a production
17 that:

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

20 (2) is a talk show;

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

23 (4) is a sports event or activity;

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

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

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

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

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

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

21 "Credit" means:

22 (1) for an accredited production approved by the
23 Department on or before January 1, 2005 and commencing
24 before May 1, 2006, the amount equal to 25% of the Illinois
25 labor expenditure approved by the Department. The
26 applicant is deemed to have paid, on its balance due day
27 for the year, an amount equal to 25% of its qualified
28 Illinois labor expenditure for the tax year. For Illinois
29 labor expenditures generated by the employment of
30 residents of geographic areas of high poverty or high
31 unemployment, as determined by the Department, in an
32 accredited production commencing before May 1, 2006 and
33 approved by the Department after January 1, 2005, the
34 applicant shall receive an enhanced credit of 10% in

1 addition to the 25% credit; and-

2 (2) for an accredited production commencing on or after
3 May 1, 2006, the amount equal to 20% of the Illinois
4 production spending for the taxable year plus 15% of the
5 Illinois labor expenditures generated by the employment of
6 residents of geographic areas of high poverty or high
7 unemployment, as determined by the Department.

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

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

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

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

17 (1) Reasonable in the circumstances.

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

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

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

25 (5) Limited to the first \$25,000 of wages paid or
26 incurred to each employee of a the production commencing
27 before May 1, 2006 and the first \$100,000 of wages paid or
28 incurred to each employee of a production commencing on or
29 after May 1, 2006.

30 (6) For a production commencing before May 1, 2006,
31 exclusive ~~Exclusive~~ of the salary or wages paid to or
32 incurred for the 2 highest paid employees of the
33 production.

34 (7) Directly attributable to the accredited

1 production.

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

5 (9) Paid to persons resident in Illinois at the time
6 the payments were made.

7 (10) Paid for services rendered in Illinois.

8 "Illinois production spending" means the expenses incurred
9 by the applicant for an accredited production, including,
10 without limitation, all of the following:

11 (1) expenses to purchase, from vendors within
12 Illinois, tangible personal property that is used in the
13 accredited production;

14 (2) expenses to acquire services, from vendors in
15 Illinois, for film production, editing, or processing; and

16 (3) the compensation, not to exceed \$100,000 for any
17 one employee, for contractual or salaried employees who are
18 Illinois residents performing services with respect to the
19 accredited production.

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

21 (35 ILCS 15/40)

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

23 Sec. 40. Amount and duration of the credit. The amount of
24 the credit awarded under this Act is based on the amount of the
25 Illinois labor expenditure and Illinois production spending
26 approved by the Department for the production as set forth
27 under Section 10. The duration of the credit may not exceed one
28 taxable year.

29 (Source: P.A. 93-543, eff. 1-1-04.)

30 (35 ILCS 15/90)

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

32 Sec. 90. Repeal. This Act is repealed on January 1, 2009

1 ~~2007.~~

2 (Source: P.A. 93-543, eff. 1-1-04; 93-840, eff. 7-30-04;
3 94-171, eff. 7-11-05.)

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.".