

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE BILL 994

Short Title: Make Film Credit Nonrefundable. (Public)

Sponsors: Representatives Luebke, Catlin, Millis, and Stam (Primary Sponsors).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Rules, Calendar, and Operations of the House, if favorable, Commerce and Job Development, if favorable, Finance.

April 18, 2013

A BILL TO BE ENTITLED

AN ACT TO MAKE THE FILM PRODUCTION CREDIT NONREFUNDABLE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-130.47 reads as rewritten:

"§ 105-130.47. Credit for qualifying expenses of a production company.

...

(e) ~~Credit Refundable.~~—If a credit allowed by this section exceeds the amount of tax imposed by this Part for the taxable year reduced by the sum of all credits allowable, the Secretary must refund the excess to the taxpayer. The refundable excess is governed by the provisions governing a refund of an overpayment by the taxpayer of the tax imposed in this Part. In computing the amount of tax against which multiple credits are allowed, nonrefundable credits are subtracted before refundable credits.

(f) Limitations. — The amount of credit allowed under this section with respect to a production that is a feature film may not exceed the lesser of twenty million dollars (\$20,000,000) or the amount of tax imposed by this Part for the taxable year reduced by the sum of all other credits allowable, except tax payments made by or on behalf of the taxpayer. This limitation applies to the cumulative amount of the credit allowed in any tax year, including carryforwards claimed by the taxpayer under this section for previous tax years. Any unused portion of a credit allowed in this section may be carried forward for the next succeeding five years. No credit is allowed under this section for any production that satisfies one of the following conditions:

- (1) It is political advertising.
- (2) It is a television production of a news program or live sporting event.
- (3) It contains material that is obscene, as defined in G.S. 14-190.1.
- (4) It is a radio production.

...."

SECTION 2. G.S. 105-151.29 reads as rewritten:

"§ 105-151.29. Credit for qualifying expenses of a production company.

...

(e) ~~Credit Refundable.~~—If a credit allowed by this section exceeds the amount of tax imposed by this Part for the taxable year reduced by the sum of all credits allowable, the Secretary must refund the excess to the taxpayer. The refundable excess is governed by the provisions governing a refund of an overpayment by the taxpayer of the tax imposed in this



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- 12 (1) It is political advertising.
- 13 (2) It is a television production of a news program or live sporting event.
- 14 (3) It contains material that is obscene, as defined in G.S. 14-190.1.
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16"

17 **SECTION 3.** This act is effective for taxable years beginning on or after January 1,
18 2013.