

# SENATE BILL NO. 94

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOSKINS.

0360S.01H

KRISTINA MARTIN, Secretary

## AN ACT

To repeal section 135.750, RSMo, and to enact in lieu thereof one new section relating to tax credits for qualified motion media projects.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Section 135.750, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 135.750, to read as follows:

135.750. 1. **This section shall be referred to as the "Show MO Act".**

2. As used in this section, the following terms mean:

(1) **["Highly compensated individual", any individual who receives compensation in excess of one million dollars in connection with a single qualified film production project]"Above-the-line individual", any individual hired or credited on screen for a qualified motion media production project as any type of producer, principal cast that is at a screen actors guild schedule f and above payment rate, screenwriter, and the director;**

(2) **"Qualified [film]motion media production project", any film[, video, commercial, or television production]or series production, including videos, commercials, video games, webisodes, music videos, content-based mobile applications, virtual reality, augmented reality, multi-media, and new media, as well as standalone visual effects and post-production for such motion media production**

**EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

19 **project**, as approved by the department of economic  
20 development and the office of the Missouri film commission,  
21 **that features a statement and logo designated by the**  
22 **department of economic development in the credits of the**  
23 **completed production indicating that the project was filmed**  
24 **in Missouri and** that is under thirty minutes in length with  
25 [an] expected [in-state expenditure budget]**qualifying**  
26 **expenses** in excess of fifty thousand dollars[, ] or [that] is  
27 over thirty minutes in length with [an] expected [in-state  
28 expenditure budget]**qualifying expenses** in excess of one  
29 hundred thousand dollars. Regardless of the production  
30 costs, "qualified [film production]**motion media** project"  
31 shall not include any:

- 32 (a) News or current events programming;
  - 33 (b) Talk show;
  - 34 (c) Production produced primarily for industrial,  
35 corporate, or institutional purposes, and for internal use;
  - 36 (d) Sports event or sports program;
  - 37 (e) Gala presentation or awards show;
  - 38 (f) Infomercial or any production that directly  
39 solicits funds;
  - 40 (g) Political ad;
  - 41 (h) Production that is considered obscene, as defined  
42 in section 573.010;
- 43 (3) "Qualifying expenses", the sum of the total amount  
44 spent in this state for the following by a production  
45 company in connection with a qualified [film]**motion media**  
46 production project:
- 47 (a) Goods and services leased or purchased by the  
48 production company. For goods with a purchase price of  
49 twenty-five thousand dollars or more, the amount included in  
50 qualifying expenses shall be the purchase price less the

51 fair market value of the goods at the time the production is  
52 completed;

53 (b) Compensation and wages paid by the production  
54 company on which the production company remitted withholding  
55 payments to the department of revenue under chapter 143.

56 For purposes of this section, compensation and wages [shall  
57 not include any amounts paid to a highly compensated  
58 individual] **paid to all above-the-line individuals shall be  
59 limited to twenty-five percent of the overall qualifying  
60 expenses;**

61 (4) "Tax credit", a credit against the tax otherwise  
62 due under chapter 143, excluding withholding tax imposed by  
63 sections 143.191 to 143.265, or otherwise due under chapter  
64 148;

65 (5) "Taxpayer", any individual, partnership, or  
66 corporation as described in section 143.441, 143.471, or  
67 section 148.370 that is subject to the tax imposed in  
68 chapter 143, excluding withholding tax imposed by sections  
69 143.191 to 143.265, or the tax imposed in chapter 148 or any  
70 charitable organization which is exempt from federal income  
71 tax and whose Missouri unrelated business taxable income, if  
72 any, would be subject to the state income tax imposed under  
73 chapter 143.

74 **[2. For all taxable years beginning on or after**  
75 **January 1, 1999, but ending on or before December 31, 2007,**  
76 **a taxpayer shall be granted a tax credit for up to fifty**  
77 **percent of the amount of investment in production or**  
78 **production-related activities in any film production project**  
79 **with an expected in-state expenditure budget in excess of**  
80 **three hundred thousand dollars. For all taxable years**  
81 **beginning on or after January 1, 2008, a taxpayer shall be**  
82 **allowed a tax credit for up to thirty-five percent of the**

83 amount of qualifying expenses in a qualified film production  
84 project. Each film production company shall be limited to  
85 one qualified film production project per year.]

86 3. (1) For all tax years beginning on or after  
87 January 1, 2023, a taxpayer shall be allowed a tax credit  
88 equal to twenty percent of qualifying expenses.

89 (2) An additional five percent may be earned for  
90 qualifying expenses if at least fifty percent of the  
91 qualified motion media production project is filmed in  
92 Missouri.

93 (3) An additional five percent may be earned for  
94 qualifying expenses if at least fifteen percent of the  
95 qualified motion media production project that is filmed in  
96 Missouri takes place in a rural or blighted area in Missouri.

97 (4) An additional five percent may be earned for  
98 qualifying expenses if at least three departments of the  
99 qualified motion media production hire a Missouri resident  
100 ready to advance to the next level in a specialized craft  
101 position or learn a new skillset.

102 (5) An additional five percent may be earned for  
103 qualifying expenses if the department of economic  
104 development determines that the script of the qualified  
105 motion media production project positively markets a city or  
106 region of the state, the entire state, or a tourist  
107 attraction located in the state, and the qualified motion  
108 media production provides no less than five high resolution  
109 photographs containing cast with the rights cleared for  
110 promotional use by the Missouri film commission, accompanied  
111 by a list with the title of production, location, names, and  
112 titles of the individuals shown in the photography and  
113 photographer credit.

114           (6) The total dollar amount of tax credits authorized  
115 pursuant to subdivision (1) of this subsection shall be  
116 increased by ten percent for qualified film production  
117 projects located in a county of the second, third, or fourth  
118 class.

119           (7) Activities qualifying a taxpayer for the tax  
120 credit pursuant to this subsection shall be approved by the  
121 office of the Missouri film commission and the department of  
122 economic development.

123           4. A qualified motion media production project shall  
124 not be eligible for tax credits pursuant to this section  
125 unless such project employs at least the following number of  
126 Missouri registered apprentices or veterans residing in  
127 Missouri with transferable skills:

128           (1) If the qualifying expenses are less than five  
129 million dollars, two;

130           (2) If the qualifying expenses are at least five  
131 million dollars but less than ten million dollars, three;

132           (3) If the qualifying expenses are at least ten  
133 million dollars but less than fifteen million dollars, six;  
134 or

135           (4) If the qualifying expenses are at least fifteen  
136 million dollars, eight.

137           [3.]5. Taxpayers shall apply for the [film]motion  
138 media production tax credit by submitting an application to  
139 the department of economic development, on a form provided  
140 by the department. As part of the application, the expected  
141 [in-state expenditures]qualifying expenses of the qualified  
142 [film]motion media production project shall be documented.  
143 In addition, the application shall include an economic  
144 impact statement, showing the economic impact from the  
145 activities of the [film]qualified motion media production

146 project. Such economic impact statement shall indicate the  
147 impact on the region of the state in which the  
148 **[film]qualified motion media** production or production-  
149 related activities are located and on the state as a whole.  
150 **Final applications shall be accompanied by a report by a**  
151 **certified public accountant located and licensed by the**  
152 **state of Missouri, prepared at the expense of the applicant,**  
153 **attesting that the amounts in the final application are**  
154 **qualifying expenses.**

155 **[4.]6.** **[For all taxable years ending on or before**  
156 **December 31, 2007, tax credits certified pursuant to**  
157 **subsection 2 of this section shall not exceed one million**  
158 **dollars per taxpayer per year, and shall not exceed a total**  
159 **for all tax credits certified of one million five hundred**  
160 **thousand dollars per year.]** For all **[taxable]tax** years  
161 beginning on or after January 1, **[2008]2023, the total**  
162 **amount of** tax credits **[certified under subsection 1**  
163 **of]authorized by** this section **for film production** shall not  
164 exceed a total **[for all tax credits certified]** of  
165 **[four]eight** million **[five hundred thousand]** dollars per  
166 year, **and the total amount of all tax credits authorized by**  
167 **this section for series production shall not exceed a total**  
168 **of eight million dollars per year.** Taxpayers may carry  
169 forward unused credits for up to five tax periods, provided  
170 all such credits shall be claimed within ten tax periods  
171 following the tax period in which the **[film]qualified motion**  
172 **media** production or production-related activities for which  
173 the credits are certified by the department occurred.

174 **[5.]7.** Notwithstanding any provision of law to the  
175 contrary, any taxpayer may sell, assign, exchange, convey or  
176 otherwise transfer tax credits allowed in subsection **[2]3** of  
177 this section. The taxpayer acquiring the tax credits may

178 use the acquired credits to offset the tax liabilities  
179 otherwise imposed by chapter 143, excluding withholding tax  
180 imposed by sections 143.191 to 143.265, or chapter 148.  
181 Unused acquired credits may be carried forward for up to  
182 five tax periods, provided all such credits shall be claimed  
183 within ten tax periods following the tax period in which the  
184 [film]qualified motion media production or production-  
185 related activities for which the credits are certified by  
186 the department occurred.

187       **8. The tax credit authorized by this section shall be**  
188 **considered a business recruitment tax credit, as defined in**  
189 **section 135.800, and shall be subject to the provisions of**  
190 **sections 135.800 to 135.830.**

191       **9. The department of economic development may adopt**  
192 **such rules, statements of policy, procedures, forms, and**  
193 **guidelines as may be necessary to implement the provisions**  
194 **of this section. Any rule or portion of a rule, as that**  
195 **term is defined in section 536.010, that is created under**  
196 **the authority delegated in this section shall become**  
197 **effective only if it complies with and is subject to all of**  
198 **the provisions of chapter 536 and, if applicable, section**  
199 **536.028. This section and chapter 536 are nonseverable and**  
200 **if any of the powers vested with the general assembly**  
201 **pursuant to chapter 536 to review, to delay the effective**  
202 **date, or to disapprove and annul a rule are subsequently**  
203 **held unconstitutional, then the grant of rulemaking**  
204 **authority and any rule proposed or adopted after August 28,**  
205 **2023, shall be invalid and void.**

206       **[6.]10. Under section 23.253 of the Missouri sunset**  
207 **act:**

208       (1) The provisions of the [new] program authorized  
209 under this section shall automatically sunset [six years

210 after November 28, 2007] **on December 31, 2029**, unless  
211 reauthorized by an act of the general assembly; and

212 (2) If such program is reauthorized, the program  
213 authorized under this section shall automatically sunset **on**  
214 **December thirty-first**, twelve years after the effective date  
215 of the reauthorization of this section; and

216 (3) This section shall terminate on September first of  
217 the calendar year immediately following the calendar year in  
218 which the program authorized under this section is sunset;  
219 **and**

220 (4) **The provisions of this subsection shall not be**  
221 **construed to limit or in any way impair the department's**  
222 **ability to redeem tax credits authorized on or before the**  
223 **date the program authorized pursuant to this section**  
224 **expires, or a taxpayer's ability to redeem such tax credits.**

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