

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5522S.01I
 Bill No.: SB 1079
 Subject: Entertainment, Sports and Amusements; Tax Credits
 Type: Original
 Date: March 2, 2026

Bill Summary: This proposal modifies provisions relating to the Show Mo Tax Credit.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2031)
General Revenue*	\$0	\$0	\$0	Up to (\$16,000,000)
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0	Up to (\$16,000,000)

*Oversight reflects extension of the series and movie production tax credit from December 31, 2029 to December 31, 2035.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2031)
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2031)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2031)
Total Estimated Net Effect on FTE	0	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2031)
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§135.750 - Show Mo Act Tax Credit

Officials from the **Department of Revenue (DOR)** assume this proposal modifies the Show Me Act tax credit program which is currently credit for film production and credit for series production. This credit is not refundable and has a \$16 million annual cap with \$8 million reserved for film production and \$8 million for series production.

Starting January 1, 2027, this proposal would allow the 2 types of programs to share the same \$16 million cap. This proposal also will allow a taxpayer to carry forward the credits up to five tax periods over 10 years.

DOR assumes that sharing the cap will not result in any additional fiscal impact on general revenue. DOR will need to change our forms (\$2,200) and computer programming (\$1,887) at the cost of \$4,087.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Officials from the **Office of Administration – Budget & Planning (B&P)** assume §135.750.6(2) is added combining the caps for motion media tax credit program for film productions and series productions beginning on January 1, 2027. The current separate caps will sunset on December 31, 2025. While this could mean that one production type could get more tax credits than the other in any given year, this would not fiscally impact GR once the caps are combined.

Oversight notes the latest tax credit analysis, as provided by the DED in FY 2025, for this specific program, in table below:

Fiscal Year	2024	2025
Certificates Issued (#)	1	10
Projects (#)	4	10
Amount Authorized	\$8,425,087	\$16,000,000
Amount Issued	\$2,752,510	\$16,000,000
Amount Redeemed	\$0	\$8,000,000

Oversight notes §135.750.6(2) states “For all tax years beginning on or after January 1, 2027, the total amount of tax credits authorized by this section for film or series production shall not exceed a total of sixteen million dollars per year.” Oversight assumes that this proposal

discontinues the individualized maximum caps of \$8 million for each program, as of December 31, 2026, and allows the two programs to share the combined \$16 million maximum cap.

Oversight assumes that sharing the cap will not result in any additional fiscal impact to general revenue.

Oversight notes §135.750.10 (1) extends the sunset from December 31, 2029, to December 31, 2035. Therefore, Oversight will show continued impact as of FY 2031 in full amount of the maximum cap for both tax credits.

Officials from the **Department of Economic Development (DED)** note:

§135.750.6(1) - This section of the legislation puts an end date of December 31, 2026, for the annual tax credit cap of \$8M for film and \$8M for series. (Total \$16M)

§135.750.6(2) - A new section of the legislation that combines the annual tax credit cap for film and series (\$16M) beginning January 1, 2027, forward.

§135.750.10(1) - The sunset date is changing from December 31, 2029, to December 31, 2035.

Officials from the **Department of Economic Development (DED)** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for the DED.

The **Oversight Division** is responsible for providing a Sunset Report pursuant to Section 23.253 RSMo; however, Oversight can absorb the cost with the current budget authority.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029	Fully Implemented (FY 2031)
GENERAL REVENUE				
<u>Cost – (\$135.750.10(1)) Sunset extension of series and film production tax credit(s) p.4</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	Up to (\$16,000,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	Up to <u>(\$16,000,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029	Fully Implemented (FY 2031)
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

A direct fiscal impact on small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Current law authorizes a tax credit for certain motion media production projects, with \$8 million per year allowed for film production, and \$8 million per year allowed for series production. This act provides that, for all tax years beginning on or after January 1, 2027, a total of \$16 million per year may be authorized with no specific limits for either film or series production.

Additionally, the tax credit is scheduled to sunset on December 31, 2029. This act extends such date to December 31, 2035.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Revenue
Office of Administration – Budget & Planning
Department of Economic Development
Office of the Secretary of State
Joint Committee on Administrative Rules
Oversight Division



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March 2, 2026



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