GA H 655, Introduced

Georgia

SUMMARY: Relates to imposition, rate, computation, exemptions, and credits for income taxes, so as to renew a tax credit for postproduction expenditures; increases the annual aggregate limit; provides for an additional credit if certain qualified expenditures are incurred in certain rural counties; provides for qualified productions and expenditures; allows the credit with respect to special venue projects; provides for related matters; provides for an effective date and applicability; repeals conflicting laws.~SAME AS:

Changes in Bill text reflected as:

~~Text Deleted~~

Text Added

~~Text Vetoed~~

Current Legislative Status

02/26/2025 INTRODUCED.

02/27/2025 To HOUSE Committee on WAYS AND MEANS.

02/28/2025 In HOUSE: Read 2nd time.

~

session: Georgia 158th General Assembly 2025-26 Regular Session

cite: 2025 GA H 655

Introduced

February 26, 2025

Hilton

House Bill 655

By: Representatives Hilton of the 48 th, Burchett of the 176 th, Clark of the 100 th, Carpenter of the 4 th, Sainz of the 180 th, and others

A BILL TO BE ENTITLED

AN ACT

To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to imposition, rate, computation, exemptions, and credits for income taxes, so as to renew a tax credit for postproduction expenditures; to increase the annual aggregate limit; to provide for an additional credit if certain qualified expenditures are incurred in certain rural counties; to provide for qualified productions and expenditures; to allow the credit with respect to special venue projects; to provide for related matters; to provide for an effective date and applicability; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to imposition, rate, computation, exemptions, and credits for income taxes, is amended in Code Section 48-7-40.26A, relating to tax credits for postproduction expenditures, by revising paragraphs (5) and (6) of subsection (b) and subsections (d) and (f) and by adding a new subsection to read as follows:

"(5) 'Qualified postproduction expenditures' means expenditures incurred in this state directly in qualified postproduction activities, including without limitation the following:

(A) Costs associated with photography and sound synchronization;

(B) Expenditures, excluding license fees, incurred with Georgia companies for sound recordings and musical compositions, lighting, and related services and materials;

(C) Editing and related services;

(D) Rental of facilities and equipment;

(E) Leasing of vehicles;

(F) Costs of food and lodging;

(G) Digital or tape editing, film processing, transfers of film to tape or digital format, sound mixing, computer graphics services, ~~special~~ ***visual*** effects services, and animation services;

(H) Total aggregate payroll;

(I) Airfare, if purchased through a Georgia travel agency or travel company;

(J) Insurance costs and bonding, if purchased through a Georgia insurance agency; and

(K) Other direct postproduction costs for the project in accordance with generally accepted entertainment industry practices.

~~This~~ ***Such*** term includes expenditures incurred in this state ~~for footage shot~~ ***with respect to a qualified production shot, recorded, or originally created*** inside ***this state*** or outside this state.

(6) 'Qualified production' means a film, video, or digital project, including only the following: feature films, series, pilots, movies for television, televised commercial advertisements, music videos, interactive entertainment, ***special venue projects,*** or sound recording projects used in feature films, series, pilots, or movies for television. ~~This~~ ***Such*** term shall include projects shot, recorded, or originally created ***, whether inside this state or outside this state,*** in either short or long form, animation and music, fixed on a delivery system which includes without limitation film, videotape, computer disc, laser disc, and any element of the digital domain, from which the program is viewed or reproduced, and which is intended for multimarket commercial distribution via theaters, ***special venues,*** video on demand, direct to DVD, digital platforms designed for the distribution of interactive games, licensing for exhibition by individual television stations, groups of stations, networks, advertiser supported sites, cable television stations, or public broadcasting stations. Such term shall not include the coverage of news and athletic events, local interest programming, instructional videos, and corporate videos."

" ***(c.2) A postproduction company allowed a tax credit pursuant to subsection (c) or (c.1) of this Code section shall be allowed an additional tax credit equal to 5 percent of the qualified postproduction expenditures actually invested and expended by the postproduction company in a taxable year if $250,000.00 or more of the qualified postproduction expenditures are incurred in one or more counties in this state that individually have a population of less than 100,000 with 10 percent or more of such population living in poverty based upon the most recent, reliable, and applicable data published by the United States Bureau of the Census. On or before December 31 of each year, the commissioner of community affairs shall publish a list of such counties.***

(d) ~~The tax credits allowed under this Code section for all postproduction companies shall be subject to the following aggregate annual caps:~~

~~(1)~~ For taxable years beginning on or after January 1, ~~2018~~ ***2026***, and before January 1, ~~2019~~ ***2031***, the aggregate amount of tax credits allowed under this Code section shall not exceed ~~$10~~ ***$60*** million ***per year*** ~~;~~

~~(2) For taxable years beginning on or after January 1, 2019, and before January 1, 2020, the aggregate amount of tax credits allowed under this Code section shall not exceed $10 million;~~

~~(3) For taxable years beginning on or after January 1, 2020, and before January 1, 2023, the aggregate amount of tax credits allowed under this Code section shall not exceed $10 million per year;~~

~~(4) The tax credits allowed under this Code section shall not be available for taxable years beginning on or after January 1, 2023; and~~

~~(5) If~~ ***; provided, however, that, if*** the aggregate amount of tax credits claimed by taxpayers under this Code section during a year is less than the aggregate annual cap applicable to such year, the unclaimed portion of the aggregate annual cap shall be added to the aggregate annual cap applicable to the next succeeding year or years until it is fully claimed."

"(f) For taxable years beginning on or after January 1, ~~2018~~ ***2026***, and before January 1, ~~2023~~ ***2031***, the postproduction company shall report to the Department of Revenue on its Georgia income tax return the monthly average number of full-time employees subject to Georgia income tax withholding for the taxable year. ***As used in*** ~~**For purposes of**~~ this subsection, the term 'full-time employee' ~~**shall mean**~~ ***means*** a person who performs a job that requires a minimum of 35 hours ~~**a**~~ ***per*** week, and pays at or above the average wage earned in the county with the lowest average wage earned in this state, as reported in the most recently available annual issue of the Georgia Employment and Wages Averages Report of the Department of Labor. Notwithstanding Code Sections 48-2-15, 48-7-60, and 48-7-61, for such taxable years, the commissioner shall annually report to the House Committee on Ways and Means and the Senate Finance Committee. The report shall include the name, tax year beginning, and monthly average number of full-time employees for each postproduction company. The ~~**first**~~ report shall be submitted ***annually*** by June 30, ~~**2018, and each year thereafter by June 30**~~."

SECTION 2.

This Act shall become effective on July 1, 2025, and shall be applicable to all taxable years beginning on or after January 1, 2026.

SECTION 3.

All laws and parts of laws in conflict with this Act are repealed.