

SB 6558-S2 - DIGEST

(DIGEST AS ENACTED)

Finds in recent years that the state has realized a drastic decline in motion picture production that precludes economic expansion and threatens the state's reputation as a production destination. With the emergence of tax incentives in thirty states nationwide, in-state producers are taking their projects to more competitive economic climates, such as Oregon and Vancouver, British Columbia, where compelling tax incentive packages and subsidies are already in effect.

Finds that in recent years increasingly workers in Washington state are without health insurance coverage and retirement income protections, causing hardships on workers and their families and higher costs to the state.

Declares an intent to recognize both national and international competition in the motion picture production marketplace. The legislature is committed to leveling the competitive playing field and interested in a partnership with the private sector to regain Washington's place as a premier destination to make motion pictures, television, and television commercials. While at the same time the legislature is committed to ensuring that workers in the motion picture and television industry are covered under health insurance and retirement income plans.

Directs the department to adopt criteria for an approved motion picture competitiveness program with the sole purpose of revitalizing the state's economic, cultural, and educational standing in the national and international market of motion picture production. Rules adopted by the department shall allow the program, within the established criteria, to provide funding assistance only when it captures economic opportunities for Washington's communities and businesses and shall only be provided under a contractual arrangement with a private entity.

Provides that a credit is allowed against the tax imposed under chapter 82.04 RCW for contributions made by a person to a Washington motion picture competitiveness program.

Requires that the person must make the contribution before claiming a credit authorized under this act. Credits earned under this act may be claimed against taxes due for the calendar year in which the contribution is made. The amount of credit claimed for a reporting period shall not exceed the tax otherwise due under this chapter for that reporting period. No person may claim more than one million dollars of credit in any calendar year, including credit carried over from a previous calendar year. No refunds may be granted for any unused credits.

Provides that the maximum credit that may be earned for each calendar year under this act for a person is limited to the lesser of: (1) One million dollars; or

(2) (a) Through calendar year 2008, an amount equal to one hundred percent of the contributions made by the person to a program during the calendar year; and (b) for calendar years after 2008, an amount equal to ninety percent of the contributions made by the person to a program during the calendar year.

Finds that accountability and effectiveness are important aspects of setting tax policy. In order to make policy choices regarding the best use of limited state resources the legislature needs information on how incentives are used.

Requires each motion picture production receiving funding assistance under this act to report information to the department by filing a complete annual survey.

Provides that, if a person fails to submit an annual survey under this act by the due date of the report or any extension the department shall declare the amount of funding assistance for the previous calendar year to be immediately due and payable. The department shall assess interest, but not penalties, on the amounts due under this act.

Provides that the department shall use the information from this act to prepare summary descriptive statistics. The department shall report these statistics to the legislature each year by September 1st. The department shall provide the complete annual surveys to the joint legislative audit and review committee.

Provides that the provisions of this act are subject to review by the joint legislative audit and review committee. The joint legislative audit and review committee will make a recommendation to the house finance committee and the senate ways and means committee by December 1, 2010, regarding the effectiveness of the motion picture competitiveness program including, but not limited to, the amount of state revenue generated, the amount of family wages jobs with benefits created, adherence to the criteria in this act, and any other factors deemed appropriate by the joint legislative audit and review committee.