

FINAL BILL REPORT

SSB 6423

C 85 L 08

Synopsis as Enacted

Brief Description: Strengthening the tax credit and modifying the governing board of a Washington motion picture competitiveness program.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Brown, Hewitt, Kohl-Welles and McAuliffe).

Senate Committee on Labor, Commerce, Research & Development

Senate Committee on Ways & Means

House Committee on Finance

Background: In 2006 the Legislature authorized the establishment of a Washington motion picture competitiveness program (MPCP) to revitalize the state's economic, cultural, and educational standing in the motion picture production industry. An MPCP is a non-profit entity administered by a board of directors appointed by the Governor and consisting of representatives of the film industry, labor unions, visitors and convention bureaus, the tourism industry, and the restaurant hotel and airline industry.

An MPCP provides up to 20 percent of the in-state cost of, or investment in, certain film production projects that meet film industry revitalization criteria set by the Department of Community, Trade and Economic Development. A contributor of cash of up to \$1 million to an MPCP qualifies, dollar for dollar, for a business and occupation (B&O) tax credit until 2008. After 2008, the amount of the credit is reduced to 90 percent of the amount contributed. A credit may be claimed in the current year or carried over for up to three succeeding years. No more than \$3.5 million in credits may be granted, state-wide, in any one year. The B&O tax credit expires July 1, 2011.

Summary: Beginning in 2010, the terms of the board members are modified to provide for staggered four-year terms. An MPCP may award a single motion picture production or episodic television project an amount greater than \$1 million. The provision that reduces the B&O tax credit to 90 percent of the amount contributed is removed, keeping the maximum credit that may be earned for a calendar year at the lesser of \$1 million or 100 percent of the amount contributed.

Votes on Final Passage:

Senate	47	0
House	93	0

Effective: June 12, 2008