

Subject Film production tax credit

Authors Lislegard and others

Analyst Christopher Kleman

Date March 9, 2023

Overview

H.F. 2059 proposes three modifications to the tax credit for film production. First, the bill would allow qualifying expenditures to be made in a consecutive 12-month period instead of a taxable year. In addition, H.F. 2059 would increase the amount of money allocated to the credit in a taxable year by \$20,000,000 to \$24,950,000. Lastly, the bill would eliminate the sunset on the credit for taxable years beginning in 2025.

Summary

Section	Description
---------	-------------

1	Definitions
----------	--------------------

Modifies the definition of a “project” that qualifies for the credit by modifying the requirement that a film must spend at least \$1,000,000 in a taxable year to requiring instead that a film spend that amount in a consecutive 12-month period. The period would begin when expenditures are first paid in Minnesota.

Effective date: tax years beginning in 2023.

2	Applications; allocations.
----------	-----------------------------------

Increases the amount of money allocated to the film credit per year from \$4,950,000 to \$24,950,000. Also makes a conforming change related to the elimination of the sunset in sections 3 through 5.

Effective date: tax years beginning in 2023.

3	Film production credit.
----------	--------------------------------

Strikes the expiration of the credit for tax years beginning in 2025, for taxpayers subject to the individual income or corporate franchise taxes.

Effective date: day following final enactment.

Section	Description
4	<p>Film production credit.</p> <p>Strikes the expiration of the credit for tax years beginning in 2025, for insurance companies subject to the premiums tax.</p> <p>Effective date: day following final enactment.</p>
5	<p>Repealer.</p> <p>Repeals the expiration of the credit.</p> <p>Effective date: day following final enactment.</p>



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155