

Subject Film credit
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Overview

H.F. 4590 would amend the Minnesota film credit enacted in 2021 to allow expenses in two taxable years to qualify for the credit, provided that the expenses are made within a twelve-month period and meet the current \$1,000,000 qualification threshold. Current law requires the expenses to be made in a single taxable year for purposes of the threshold.

Summary

| Section | Description |
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| 1 | Definitions; project. |
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Amends the requirement provided in the definition of “project” that a taxpayer must expend at least \$1,000,000 on a film in the taxable year, so that the \$1,000,000 may be expended in any consecutive twelve-month period. The change would allow expenditures within the period to qualify as eligible production costs if the expenditures fall within two taxable years.

Effective date: tax years beginning in 2022.

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| 2 | Credit allowed. |
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Makes a conforming change due to the change in section 1, to allow the credit for any eligible production costs in the taxable year, if the costs straddle two taxable years.

Effective date: tax years beginning in 2022.