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H.B. 162
133rd General Assembly

Bill Analysis

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Version: As Referred by House Rules and Reference

Primary Sponsor: Rep. Patton

Joe McDaniels, Attorney

Summary

- Increases the maximum amount of motion picture tax credits that may be awarded from \$40 million per fiscal year to \$100 million per fiscal biennium.
- Specifies that not more than \$50 million in tax credits may be awarded in the first year of a fiscal biennium.

Detailed Analysis

Motion picture tax credit

The bill increases the maximum amount of motion picture tax credits that may be awarded from \$40 million per fiscal year to \$100 million per fiscal biennium. The bill specifies that no more than \$50 million in credits may be awarded in the first year of a fiscal biennium. The increase in the overall credit cap applies to fiscal years beginning after June 30, 2019.¹

Continuing law allows a refundable credit for companies that produce at least part of a motion picture or certain theater productions in Ohio and incur at least \$300,000 in Ohio-sourced production expenditures. The credit is also available for businesses that contract with such a production company to provide certain specified services to the production. The credit equals 30% of the Ohio-sourced expenditures for goods, services, and payroll involved in the production. The credit may be claimed against the commercial activity tax (CAT), the financial institutions tax (FIT), or the personal income tax.

A production company seeking the credit must first apply to the Director of Development Services for certification of the project as a "tax credit-eligible production." Then, upon completion of the project, the company must hire an independent certified public accountant to compile a report of the company's Ohio-sourced expenditures and apply to the

¹ R.C. 122.85(C)(4).

Director for a tax credit certificate based on that amount (or the amount of expenditures estimated in the company's initial application, if less). Each of the company's qualified contractors also may claim a credit equal to 30% of the value of its contract to the extent that the value is included in the production company's certified or estimated expenditures.²

History

Action	Date
Introduced	03-25-19

H0162-RFH-133/ks

² R.C. 122.85. The description of the credit in this analysis incorporates changes recently made to the credit by H.B. 166.