
SENATE BILL 6027

State of Washington 64th Legislature 2015 Regular Session

By Senators Kohl-Welles, Fain, Billig, and Benton

Read first time 02/18/15. Referred to Committee on Ways & Means.

1 AN ACT Relating to increasing Washington state's motion picture
2 and film industry viability by increasing the tax credit available to
3 certain motion picture activities; amending RCW 82.04.4489; and
4 creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** This section is the tax preference
7 performance statement for the tax preference contained in section 2
8 of this act. This performance statement is only intended to be used
9 for subsequent evaluation of the tax preference. It is not intended
10 to create a private right of action by any party or be used to
11 determine eligibility for preferential tax treatment.

12 (1) The legislature categorizes this tax preference as one
13 intended to create or retain jobs as indicated in RCW
14 82.32.808(2)(b).

15 (2) It is the legislature's specific public policy objective to
16 increase the viability of the motion picture and film industry in
17 Washington state. It is the legislature's intent to increase the
18 credit available to qualifying activities in order to attract
19 additional motion picture and film projects, thereby increasing
20 family-wage jobs.

1 (3) If a review finds that the jobs attributable to these
2 projects increase by at least ten percent over the jobs in the state
3 since 2015 then the legislature intends to extend the expiration date
4 of the tax preference.

5 (4) In order to obtain the data necessary to perform the review
6 in subsection (3) of this section, the joint legislative audit and
7 review committee may refer to data provided to the department of
8 revenue pursuant to RCW 82.04.4489(9) and the annual survey required
9 under RCW 43.365.040.

10 **Sec. 2.** RCW 82.04.4489 and 2012 c 189 s 4 are each amended to
11 read as follows:

12 (1) Subject to the limitations in this section, a credit is
13 allowed against the tax imposed under this chapter for contributions
14 made by a person to a Washington motion picture competitiveness
15 program.

16 (2) The person must make the contribution before claiming a
17 credit authorized under this section. Credits earned under this
18 section may be claimed against taxes due for the calendar year in
19 which the contribution is made. The amount of credit claimed for a
20 reporting period may not exceed the tax otherwise due under this
21 chapter for that reporting period. No person may claim more than one
22 million dollars of credit in any calendar year, including credit
23 carried over from a previous calendar year. No refunds may be granted
24 for any unused credits.

25 (3) The maximum credit that may be earned for each calendar year
26 under this section for a person is limited to the lesser of one
27 million dollars or an amount equal to one hundred percent of the
28 contributions made by the person to a program during the calendar
29 year.

30 (4) Except as provided under subsection (5) of this section, a
31 tax credit claimed under this section may not be carried over to
32 another year.

33 (5) Any amount of tax credit otherwise allowable under this
34 section not claimed by the person in any calendar year may be carried
35 over and claimed against the person's tax liability for the next
36 succeeding calendar year. Any credit remaining unused in the next
37 succeeding calendar year may be carried forward and claimed against
38 the person's tax liability for the second succeeding calendar year;
39 and any credit not used in that second succeeding calendar year may

1 be carried over and claimed against the person's tax liability for
2 the third succeeding calendar year, but may not be carried over for
3 any calendar year thereafter.

4 (6)(a) Credits are available on a first in-time basis. Until
5 January 1, 2016, the department must disallow any credits, or portion
6 thereof, that would cause the total amount of credits claimed under
7 this section during any calendar year to exceed three million five
8 hundred thousand dollars. Beginning January 1, 2016, the total amount
9 of credits claimed under this section during a calendar year is as
10 follows:

11 (i) For calendar year 2016, credits may not exceed five million
12 two hundred fifty thousand dollars;

13 (ii) For calendar year 2017, credits may not exceed seven million
14 dollars;

15 (iii) For calendar year 2018, credits may not exceed eight
16 million five hundred thousand dollars; and

17 (iv) For calendar year 2019 and subsequent years, credits may not
18 exceed ten million dollars.

19 (b) If ((this limitation is)) the limitations under this section
20 are reached, the department must notify all Washington motion picture
21 competitiveness programs that the annual statewide limit has been
22 met. In addition, the department must provide written notice to any
23 person who has claimed tax credits in excess of the limitations in
24 this subsection. The notice must indicate the amount of tax due and
25 provide that the tax be paid within thirty days from the date of the
26 notice. The department may not assess penalties and interest as
27 provided in chapter 82.32 RCW on the amount due in the initial notice
28 if the amount due is paid by the due date specified in the notice, or
29 any extension thereof.

30 (7) To claim a credit under this section, a person must
31 electronically file with the department all returns, forms, and any
32 other information required by the department, in an electronic format
33 as provided or approved by the department. Any return, form, or
34 information required to be filed in an electronic format under this
35 section is not filed until received by the department in an
36 electronic format. As used in this subsection, "returns" has the same
37 meaning as "return" in RCW 82.32.050.

38 (8) No application is necessary for the tax credit. The person
39 must keep records necessary for the department to verify eligibility
40 under this section.

1 (9) A Washington motion picture competitiveness program must
2 provide to the department, upon request, such information needed to
3 verify eligibility for credit under this section, including
4 information regarding contributions received by the program.

5 (10) The department may not allow any credit under this section
6 before July 1, 2006.

7 (11) For the purposes of this section, "Washington motion picture
8 competitiveness program" or "program" means an organization
9 established pursuant to chapter 43.365 RCW.

10 (12) No credit may be earned for contributions made on or after
11 (~~July 1, 2017~~) December 31, 2022.

--- END ---