

SESSION OF 2005

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2443

As Amended by House Committee on
Economic Development

Brief*

HB 2443 would create the Kansas Film Production Investor Tax Credit Act. An accredited investor would be allowed a 50 percent tax credit not to exceed \$50,000 of cash investment in a single Kansas film production business and limited to five such cash investments. The last year to receive a tax credit under the provisions of the bill would be 2017. The cumulative aggregate amount of tax credits allowed for the ten-year period would be \$20.0 million.

A qualified Kansas film production business would be certified by Kansas Technology Enterprise Corporation (KTEC). An accredited investor would be an accredited investor as defined by the U.S. Securities and Exchange Commission Rule 501 Regulation D and is incurring Kansas income tax. The tax credit could be sold if the investor is not subject to Kansas taxation and only the full credit for any one investment may be transferred. KTEC would be allowed to recover administration costs from the accredited investor or qualified Kansas film production business.

The bill requires repayment of state investments if the business no longer qualifies or moves out of the state within 10 years.

Finally, the bill grants rule and regulation authority to the Secretary of the Department of Commerce.

Background

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Several members of the film industry in Kansas and Missouri, as well as members of the Kansas Film Commission, spoke in favor of the bill to develop the Kansas film industry. The House Committee amended the bill by granting the Department of Commerce rule and regulation authority.

At this time, no fiscal note is available.