



Ohio Legislative Service Commission

Bill Analysis

Sam Benham

H.B. 521

129th General Assembly
(As Reported by H. Ways & Means)

Reps. Dovilla, Duffey, Patmon, Sprague, Derickson, Johnson, Grossman, Young, Uecker, Baker, Pillich, Letson, Barnes, Boose, Slesnick

BILL SUMMARY

- Increases the maximum total amount of tax credits allowed for completion of motion pictures certified as tax credit-eligible productions from \$20 million to \$40 million per fiscal biennium.

CONTENT AND OPERATION

Motion picture tax credit

Continuing law authorizes a motion picture company that produces at least part of a motion picture in Ohio to apply to the Director of Development to receive a certificate entitling the company to refundable credits against the corporation franchise tax or personal income tax. (Because the corporation franchise tax no longer applies to nonfinancial corporations, in effect the credit against that tax is not subtracted from any tax liability; it is essentially a means of awarding the credit amount in the form in which a refundable tax credit would be paid if the tax still applied to all corporations.) The credit amount is a percentage of Ohio-sourced expenditures for goods, services, and payroll. The percentage is 25% of goods and service and 35% of payroll of Ohio resident cost and crew.

Current law limits the Director from issuing more than \$20 million in credit certificates in each fiscal biennium (the limit was \$30 million for the FY 2010-2011 biennium). For the first fiscal year of the biennium, current law limits the Director to issuing no more than \$10 million in credit certificates.

Beginning with the FY 2012-2013 biennium, the bill increases the overall credit limit to \$40 million per fiscal biennium and requires that the Director authorize not

more than \$20 million in the first year of a fiscal biennium.¹ Continuing law limits each company to no more than \$5 million in credits per tax credit-eligible production.

HISTORY

ACTION	DATE
Introduced	04-18-12
Reported, H. Ways & Means	05-03-12

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¹ R.C. 122.85.

