

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2017 REGULAR SESSION**

**MEASURE**

2017 BR NUMBER **0835**

**HOUSE** BILL NUMBER **124**

RESOLUTION NUMBER \_\_\_\_\_

AMENDMENT NUMBER \_\_\_\_\_

**SUBJECT/TITLE** **An ACT relating to film industry tax incentives.**

**SPONSOR** **Representative B. Rowland**

**NOTE SUMMARY**

FISCAL ANALYSIS:  IMPACT     NO IMPACT     INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT:  STATE     LOCAL     FEDERAL

BUDGET UNIT(S) IMPACT: \_\_\_\_\_

FUND(S) IMPACT:  GENERAL     ROAD     FEDERAL     RESTRICTED AGENCY \_\_\_\_\_     OTHER

**FISCAL SUMMARY**

<b>FISCAL ESTIMATES</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>ANNUAL IMPACT AT FULL IMPLEMENTATION</b>
<b>REVENUES</b>		(Indeterminable)	(Indeterminable)
<b>EXPENDITURES</b>			
<b>NET EFFECT</b>		(Indeterminable)	(Indeterminable)

( ) indicates a decrease/negative

**MEASURE'S PURPOSE:** HB 124, if enacted, would allow the following five counties to qualify for enhanced tax incentives for purposes of the film industry tax credit: Boyd, Clark, Hart, Madison, and Rowan. Approved companies that film or produce motion pictures, commercials, documentaries, or produce touring Broadway shows in these counties would qualify for a refundable income tax credit equal to 35% of the qualifying expenditures rather than 30%.

**PROVISIONS/MECHANICS:** KRS 148.542 is amended to allow all counties covered by the Appalachian Regional Commission to receive enhanced film industry tax incentives. Since the current enhanced incentive counties and the counties covered by the Appalachian Regional Commission overlap, there are only five additional counties that would be affected: Boyd, Clark, Hart, Madison, and Rowan.

**FISCAL EXPLANATION:** There is no fiscal impact to the General Fund in FY 2016-2017 as the amendment applies to taxable years beginning on or after January 1, 2017. To the extent that an approved company films or produces in one or more of the five additional enhanced incentive

counties, there will be a negative, but indeterminable, fiscal impact to the General Fund in FY 2017-2018 and each fiscal year thereafter.

**DATA SOURCE(S): LRC Staff**

**PREPARER: Charlotte Quarles NOTE NUMBER: 15 REVIEW: JRS DATE: 1/13/2017**