

AMENDMENTS TO LB 235

Introduced by Revenue

1 1. Strike the original sections and insert the following
2 new sections:

3 Section 1. For purposes of sections 1 to 4 of this act:

4 (1) Crew means any person who works on preproduction,
5 principal photography, and postproduction, except producers,
6 principal cast, and the director;

7 (2) Film means a professional single media or multimedia
8 program or feature, which is not child pornography or obscene
9 material, including, but not limited to, national advertising
10 messages that are broadcast on a national affiliate or cable
11 network, fixed on film or digital video, which can be viewed
12 or reproduced and which is exhibited in theaters, licensed for
13 exhibition by individual television stations, groups of stations,
14 networks, cable television stations, or other means or licensed for
15 home viewing markets;

16 (3) Production company means a person or company that
17 produces film for exhibition; and

18 (4) Production cost means:

19 (a) Wages or salaries of persons who are residents of
20 this state and who have earned income from working on a film in
21 this state, including payments to personal services corporations
22 with respect to the services of qualified performing artists, as
23 determined under section 62(a)(2)(B) of the Internal Revenue Code

1 of 1986, as amended;

2 (b) The cost of construction and operations, wardrobe,
3 and accessories;

4 (c) The cost of photography, sound, and lighting;

5 (d) The cost of editing;

6 (e) Rental of facilities, locations, and equipment; and

7 (f) Wages and salaries of persons who are defined and
8 registered as Nebraska expatriates by the Film Office of the Game
9 and Parks Commission, not to exceed ten percent of total production
10 cost eligible for the credit.

11 Sec. 2. (1) A rebate as provided in this section in the
12 amount of up to twenty-five percent of documented production costs
13 incurred in Nebraska for production of a film in this state shall
14 be paid to the production company responsible for the production if
15 the Film Office of the Game and Parks Commission determines that
16 the proposed project has a reasonable chance of economic success.

17 (2) (a) The amount of rebate paid to a production company
18 with a minimum budget for a film of less than thirty million
19 dollars shall be:

20 (i) Twenty-five percent if fifty percent or more of the
21 crew are residents of Nebraska and are employed in this state;

22 (ii) Fifteen percent if twenty-five percent up to but not
23 including fifty percent of the crew are residents of Nebraska and
24 are employed in this state; and

25 (iii) Ten percent if less than twenty-five percent of the
26 crew are residents of Nebraska and are employed in this state.

27 (b) The amount of rebate paid to a production company

1 with a minimum budget for a film of thirty million dollars or more
2 shall be twenty-five percent.

3 (3) The rebate program shall be administered by the Film
4 Office.

5 (4) To be eligible for a rebate payment:

6 (a) The production company responsible for a film shall
7 submit documentation to the Film Office of the amount of wages or
8 salaries paid to residents of this state directly relating to the
9 production and the amount of other production costs incurred in
10 this state directly relating to the production;

11 (b) The production company shall file a Nebraska income
12 tax return;

13 (c) Except for major studio productions, the production
14 company shall provide to the Film Office the name of the completion
15 guarantor and a copy of the bond guaranteeing the completion of
16 the project or, if a film has not secured a completion bond, the
17 production company shall provide evidence to the office that all
18 Nebraska crew and local vendors have been paid and there are no
19 liens against the production company pending in this state;

20 (d) The minimum budget for the film shall be two million
21 dollars of which not less than one million two hundred fifty
22 thousand dollars of the production costs are incurred in this
23 state. The minimum budget requirements of this subdivision shall be
24 met by any production company that produces multiple film projects
25 within one year if each project meets a minimum budget of three
26 hundred thousand dollars and the total budget of all projects
27 in one year is not less than two million dollars of which not

1 less than one million two hundred fifty thousand dollars of the
2 production costs are incurred in this state;

3 (e) The production company shall provide evidence to the
4 Film Office of complete financing for production prior to the
5 receipt of any rebate under this section; and

6 (f) The production company shall provide evidence to the
7 Film Office of a certificate of general liability insurance with a
8 minimum coverage of one million dollars and a workers' compensation
9 policy pursuant to state law which shall include coverage of
10 employer's liability prior to the receipt of any rebate under this
11 section.

12 (5) The Film Office shall approve or disapprove all
13 claims for rebate and shall notify the State Treasurer of such
14 approval or disapproval. The State Treasurer shall issue payment
15 for all approved claims from funds in the Film Enhancement Rebate
16 Program Fund. The amount of rebates paid from the fund in any
17 single fiscal year shall not exceed five million dollars. If the
18 amount of approved rebates exceeds the amount specified in this
19 subsection in a fiscal year, rebate payments shall be made in
20 the order in which the rebates are approved by the office. If an
21 approved rebate is not paid, in whole or in part, the unpaid rebate
22 or unpaid portion may be paid in the following fiscal year subject
23 to the limitations specified in this subsection.

24 Sec. 3. The Film Enhancement Rebate Program Fund is
25 created. The fund shall consist of appropriations to the fund and
26 any public or private donations, contributions, and gifts received
27 for the benefit of the fund. Any money in the fund available

1 for investment shall be invested by the state investment officer
2 pursuant to the Nebraska Capital Expansion Act and the Nebraska
3 State Funds Investment Act.

4 Sec. 4. The Film Office is created within the Game
5 and Parks Commission. The office shall be responsible for
6 administration of sections 1 to 3 of this act and shall have such
7 other duties as assigned by the commission. The commission may
8 develop forms and adopt and promulgate rules and regulations to
9 carry out such sections.