

E AND R AMENDMENTS TO LB 235

Introduced by Enrollment and Review Committee: McGill, 26,
Chairperson

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

3 Section 1. Sections 1 to 5 of this act shall be known and
4 may be cited as the Nebraska Advantage Film Production Incentive
5 Act.

6 Sec. 2. For purposes of the Nebraska Advantage Film
7 Production Incentive Act:

8 (1) Crew means any person who works on preproduction,
9 principal photography, and postproduction, except producers,
10 principal cast, and the director;

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

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

22 (4) Production cost means:

23 (a) Wages or salaries of persons who are residents of

1 this state and who have earned income from working on a film in
2 this state, including payments to personal services corporations
3 with respect to the services of qualified performing artists, as
4 determined under section 62(a)(2)(B) of the Internal Revenue Code
5 of 1986, as amended;

6 (b) The cost of construction and operations, wardrobe,
7 and accessories;

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

9 (d) The cost of editing;

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

11 (f) Wages and salaries of persons who are defined and
12 registered as Nebraska expatriates by the Film Office of the
13 Department of Economic Development, not to exceed ten percent of
14 total production cost eligible for the credit.

15 Sec. 3. (1) A rebate as provided in this section in the
16 amount of up to twenty-five percent of documented production costs
17 incurred in Nebraska for production of a film in this state shall
18 be paid to the production company responsible for the production
19 if the Film Office of the Department of Economic Development
20 determines that the proposed project has a reasonable chance of
21 economic success.

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

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

27 (ii) Fifteen percent if twenty-five percent up to but not

1 including fifty percent of the crew are residents of Nebraska and
2 are employed in this state; and

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

5 (b) The amount of rebate paid to a production company
6 with a minimum budget for a film of thirty million dollars or more
7 shall be twenty-five percent.

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

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

11 (a) The production company responsible for a film shall
12 submit documentation to the Film Office of the amount of wages or
13 salaries paid to residents of this state directly relating to the
14 production and the amount of other production costs incurred in
15 this state directly relating to the production;

16 (b) The production company shall file a Nebraska income
17 tax return;

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

25 (d) The minimum budget for the film shall be two million
26 dollars of which not less than one million two hundred fifty
27 thousand dollars of the production costs are incurred in this

1 state. The minimum budget requirements of this subdivision shall be
2 met by any production company that produces multiple film projects
3 within one year if each project meets a minimum budget of three
4 hundred thousand dollars and the total budget of all projects
5 in one year is not less than two million dollars of which not
6 less than one million two hundred fifty thousand dollars of the
7 production costs are incurred in this state;

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

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

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

1 to the limitations specified in this subsection.

2 Sec. 4. The Film Enhancement Rebate Program Fund is
3 created. The fund shall consist of appropriations to the fund and
4 any public or private donations, contributions, and gifts received
5 for the benefit of the fund. Any money in the fund available
6 for investment shall be invested by the state investment officer
7 pursuant to the Nebraska Capital Expansion Act and the Nebraska
8 State Funds Investment Act.

9 Sec. 5. The Film Office is created within the Department
10 of Economic Development. The office shall be responsible for
11 administration of the Nebraska Advantage Film Production Incentive
12 Act and shall have such other duties as assigned by the department.
13 The department may develop forms and adopt and promulgate rules and
14 regulations to carry out the act.

15 2. On page 1, strike beginning with "revenue" in line
16 1 through line 8 and insert "economic development; to adopt the
17 Nebraska Advantage Film Production Incentive Act.".