

OKLAHOMA TAX COMMISSION

**REVENUE IMPACT STATEMENT
FIRST REGULAR SESSION, FIFTY-EIGHTH OKLAHOMA LEGISLATURE**

DATE OF IMPACT STATEMENT: March 3, 2021

BILL NUMBER: SB 608 **STATUS AND DATE OF BILL:** Engrossed 3/2/21

AUTHORS: House Fetgatter Senate Hall

TAX TYPE (S): Income Tax **SUBJECT:** Film Rebate

PROPOSAL: Amendatory

SB 608 proposes to amend the Compete with Canada Film Act (68 O.S. § 3621 et. seq.). This measure:

- Renames the Compete with Canada Film Act the Oklahoma Film Incentive Act;
- Extends the termination date of the Compete with Canada Film Act from July 1, 2027 to July 1, 2035; and
- Amends the rebate percentage amounts.

EFFECTIVE DATE: November 1, 2021

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 22: None.

FY 23: None.

Mar. 4, 2021
DATE

Rick Miller
DIVISION DIRECTOR

lrh

3/4/2021
DATE

Huan Gong
HUAN GONG, ECONOMIST

3/4/21
DATE

JDL
FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.

ATTACHMENT TO REVENUE IMPACT – SB 608 [Engrossed] Prepared 3/3/2021

SB 608 proposes to amend the Compete with Canada Film Act (68 O.S. § 3621 et. seq.). The Oklahoma Film and Music Commission (OFMC) is authorized to approve claims for rebates based on documented expenditures that are directly attributable to the production of a film, television production or television series in Oklahoma. The rebate is 35%¹ of eligible expenditures and the maximum amount of rebates eligible to be paid in any one fiscal year is \$8 million².

This measure:

- Renames the Compete with Canada Film Act the Oklahoma Film Incentive Act;
- Extends the termination date of the Compete with Canada Film Act from July 1, 2027 to July 1, 2035; and
- Reduces the rebate amount from 35% to 19% for documented expenditures made after July 1, 2022, except as follows:
 - For documented expenditures made after July 1, 2022, an additional 2% if a production company hires 2 persons in coordination with the Oklahoma Works Employer Portal;
 - For documented expenditures made after July 1, 2022, an additional 2% if a production company displays the state logo, as provided by the OFMC, in the film, television production or television commercial;
 - For documented expenditures made after July 1, 2022, an additional 2% if a production company conducts the filming outside of at least a 50 mile radius from downtown Oklahoma City, as determined by the OFMC;
 - For documented expenditures made after July 1, 2022, an additional 5% if a production company's filming at a location in this state accounts for at least 1/3 of total production days; and
 - For documented expenditures made after July 1, 2022, an additional 5% if a production company produces multiple films for exhibition in a theater or at least 6 episodes of a film series in this state.

No revenue impact is expected as a result of this proposal.

¹ The amount of rebate paid to the production company shall be increased by an additional 2% of documented expenditures if a production company spends at least \$20,000 for the use of music created by an Oklahoma resident that is recorded in Oklahoma or for the cost of recording songs or music in Oklahoma for use in the production.

² SB 200 (2019) increased the maximum annual FY rebate from \$4 million to \$8 million effective for FY20.