

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

SUBCOMMITTEE RECOMMENDATION
FOR

HOUSE BILL NO. 2110

By: Osburn

SUBCOMMITTEE RECOMMENDATION

An Act relating to revenue and taxation; amending 68 O.S. 2021, Sections 3621, 3622, 3624, as amended by Section 47, Chapter 228, O.S.L. 2022, 3625 and 3626 (68 O.S. Supp. 2024, Section 3624), which relate to the Compete with Canada Film Act; modifying short title; modifying legislative findings; providing definitions; modifying provisions related to incentive payments; modifying references; modifying provisions related to revolving fund; repealing 68 O.S. 2021, Section 3623, as amended by Section 43, Chapter 59, O.S.L. 2024 (68 O.S. Supp. 2024, Section 3623), which relates to definitions; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 68 O.S. 2021, Section 3621, is amended to read as follows:

Section 3621. This act shall be known and may be cited as the ~~"Compete with Canada Film Act"~~ "Bringing Sitcoms Home from Hollywood Pilot Program Act".

SECTION 2. AMENDATORY 68 O.S. 2021, Section 3622, is amended to read as follows:

1 Section 3622. The Legislature hereby finds that the production
2 of ~~films~~ live audience episodic television in Oklahoma not only
3 provides jobs for Oklahomans and dollars for Oklahoma businesses,
4 but also enhances the state's image nationwide with a focus on
5 authentic storytelling targeting Middle America. ~~Recognizing The~~
6 Legislature also finds that the ~~high costs of film production are~~
7 ~~driving motion picture and television production out of the country,~~
8 ~~most notably to Canada,~~ and that the ~~film~~ entertainment industry is
9 always seeking ~~attractive~~ economical locations that can help cut the
10 costs of production, ~~the.~~ The Legislature further finds that the
11 State of Oklahoma, with the appropriate incentive, can become ~~an~~
12 ~~attractive~~ a strategic site for ~~film~~ live audience episodic
13 television production and ~~that Oklahoma is presently among several~~
14 ~~states with minimal incentives to attract the film industry.~~ It is
15 therefore the intent of the Legislature that Oklahoma provide ~~an~~ a
16 pilot program incentive ~~that will stand out among those of other~~
17 ~~states and increase film~~ specifically for live audience episodic
18 television production in this state, carving out a niche in the
19 industry that Oklahoma can be known for.

20 SECTION 3. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 3623.1 of Title 68, unless there
22 is created a duplication in numbering, reads as follows:

23 As used in the Bringing Sitcoms Home from Hollywood Pilot
24 Program Act:

1 1. "Above-the-line personnel" means producers, principal cast,
2 screenwriters, and directors who work on production of films or
3 television series. The qualifying salary of above-the-line
4 personnel may be included as crew, as defined in paragraph 3 of this
5 section, if the salaries are paid to loan-out corporations and
6 limited liability companies registered to do business in this state
7 or the salaries are paid to Oklahoma-based above-the-line personnel.
8 The qualifying salary of above-the-line personnel shall not comprise
9 more than twenty-five percent (25%) of total expenditures as defined
10 in paragraph 4 of this section. For purposes of this paragraph,
11 "Oklahoma-based" means a company or individual with an Oklahoma
12 income tax requirement;

13 2. "Apprentice" means a person who works for a skilled or
14 qualified person in order to learn a trade or profession for an
15 agreed-upon period of time. An apprentice may work in any of the
16 trades recognized by the Oklahoma Department of Commerce as
17 necessary for a film production. An apprentice shall be required to
18 complete safety training appropriate for the duties to be performed
19 in connection with a qualified project and also to complete a course
20 related to and with the objective of preventing workplace
21 misbehavior, such as bullying and sexual harassment;

22 3. "Crew" means any person who works on preproduction,
23 principal photography, and post-production, with the exception of
24 above-the-line personnel;

1 4. "Expenditure" or "production cost" includes but is not
2 limited to:

- 3 a. wages or salaries of persons who are residents of this
4 state or who are enrolled as full-time students at a
5 college or university located in the state offering an
6 undergraduate degree program or who are on active
7 military duty and stationed in Oklahoma or involved in
8 a restorative workforce program and who have earned
9 income from working on a film in this state including
10 payments to personal services corporations with
11 respect to the services of qualified performing
12 artists, pursuant to the provisions of the Internal
13 Revenue Code, 26 U.S.C., Section 62(a)(2),
- 14 b. the cost of construction and operations, wardrobe,
15 accessories, and related services,
- 16 c. the cost of photography, sound synchronization,
17 lighting, and related services,
- 18 d. the cost of editing and related services,
- 19 e. rental of facilities and equipment,
- 20 f. other direct costs of producing a film, and
- 21 g. the wages and salaries of persons who are defined and
22 registered as an Oklahoma Expatriate by the Oklahoma
23 Film and Music Office;

24 5. "Live audience episodic series" means an episodic television

1 series that is filmed in front of a live audience , which is not
2 child sexual abuse material as defined in subsection A of Section
3 1024.1 of Title 21 of the Oklahoma Statutes or obscene material as
4 defined in paragraph 1 of subsection B of Section 1024.1 of Title 21
5 of the Oklahoma Statutes including, but not limited to, live
6 audience episodic series to be licensed for exhibition by individual
7 television stations, groups of stations, networks, cable television
8 stations, or other means or licensed for home viewing markets;

9 6. "Live audience episodic television" means episodic
10 television filmed in front of a live audience intended for broadcast
11 on network television, cable, and streaming platforms. The audience
12 would consist of a minimum of fifty people;

13 7. "Nonresident crew member" means a person who is not an
14 Oklahoma resident, hired for a qualifying production project
15 occurring within the state and who is subject to the payment of
16 Oklahoma employment taxes;

17 8. "Production company" means a person, producer, or company
18 who produces film for exhibition in theaters, on television, or
19 elsewhere;

20 9. "Qualified production expenditure amount" means an
21 expenditure defined pursuant to paragraph 4 of this section; and

22 10. "Qualified soundstage facility" means a state-certified,
23 industry standard soundstage facility having not less than seven
24 thousand five hundred (7,500) square feet of combined soundstage

1 space and with a total state rental cost to the production company
2 equal to at least three percent (3%) of the qualifying Oklahoma
3 expenditures with respect to a production.

4 SECTION 4. AMENDATORY 68 O.S. 2021, Section 3624, as
5 amended by Section 47, Chapter 228, O.S.L. 2022 (68 O.S. Supp. 2024,
6 Section 3624), is amended to read as follows:

7 Section 3624. A. There is hereby created the ~~Oklahoma Film~~
8 ~~Enhancement~~ Bringing Sitcoms Home from Hollywood Rebate Pilot
9 Program. A rebate in the amount of up to seventeen percent (17%) of
10 documented expenditures made in Oklahoma directly attributable to
11 the production of a ~~film,~~ live audience episodic series for
12 television production, ~~or television commercial,~~ as defined in
13 Section 3623 of this title, in this state, may be paid to the
14 production company responsible for the live audience production.
15 Provided, for documented expenditures made after July 1, 2009, the
16 rebate amount shall be thirty-five percent (35%), except as provided
17 in subsection B of this section. Provided, for documented
18 expenditures made after July 1, 2025, the base incentive amount for
19 a project filmed in this state, not including nonresident above-the-
20 line personnel, shall be a minimum of twenty percent (20%) of the
21 qualified expenditure amount, and twenty percent (20%) for wages
22 paid to nonresident crew, not including nonresident above-the-line
23 personnel.

24

1 ~~B. The amount of rebate paid to the production company as~~
2 ~~provided for in subsection A of this section shall be increased by~~
3 ~~an additional two percent (2%) of documented expenditures if a~~
4 ~~production company spends at least Twenty Thousand Dollars~~
5 ~~(\$20,000.00) for the use of music created by an Oklahoma resident~~
6 ~~that is recorded in Oklahoma or for the cost of recording songs or~~
7 ~~music in Oklahoma for use in the production.~~

8 ~~C.~~ The rebate program shall be administered by the Oklahoma
9 Film and Music Office within the Oklahoma Department of Commerce and
10 the Oklahoma Tax Commission, as provided in the ~~Compete with Canada~~
11 Film Bringing Sitcoms Home from Hollywood Pilot Program Act.

12 ~~D.~~ C. To be eligible for a rebate payment:

13 1. The production company responsible for a ~~film, television~~
14 ~~production, or television commercial,~~ live audience episodic series
15 as defined in Section 3623 of this title, made in this state shall
16 submit an application and documentation to the Oklahoma Film and
17 Music Office ~~of the amount of wages paid for employment in this~~
18 ~~state to residents of this state directly relating to the production~~
19 ~~and the amount of other~~ expenditure or production ~~costs~~ cost
20 incurred in this state directly relating to the production;

21 2. The production company has filed or will file any Oklahoma
22 tax return or tax document which may be required by law;

23 3. ~~Except major studio productions, the production company~~
24 ~~shall provide the name of the completion guarantor and a copy of the~~

1 ~~bond guaranteeing the completion of the project or if a film has not~~
2 ~~secured a completion bond, the~~ The production company shall provide
3 evidence that all Oklahoma crew and local vendors have been paid and
4 there are no liens against the production company pending in the
5 state;

6 4. The minimum budget for the ~~film~~ live audience episodic
7 series shall be ~~Fifty Thousand Dollars (\$50,000.00) of which not~~
8 ~~less than Twenty five Thousand Dollars (\$25,000.00) shall be~~
9 ~~expended in this state~~ Two Hundred Thousand Dollars (\$200,000.00)
10 per episode with a minimum of six episodes per season;

11 5. The production company shall provide evidence of financing
12 for production prior to the commencement of principal photography;
13 and

14 6. The production company shall provide evidence of a
15 certificate of general liability insurance with a minimum coverage
16 of One Million Dollars (\$1,000,000.00) and a workers' compensation
17 policy pursuant to state law, which shall include coverage of
18 employer's liability.

19 ~~E. D.~~ D. A production company shall not be eligible to receive
20 both a rebate payment pursuant to the provisions of ~~Section 3621 et~~
21 ~~seq. of this title~~ this act and an exemption from sales taxes
22 pursuant to the provisions of paragraph 23 of Section 1357 of this
23 title. If a production company has received such an exemption from
24 sales taxes and submits a claim for rebate pursuant to the

1 provisions of the ~~Compete with Canada Film Act~~ Bringing Sitcoms Home
2 from Hollywood Pilot Program Act, the company shall be required to
3 fully repay the amount of the exemption to the Oklahoma Tax
4 Commission. A claim for a rebate shall include documentation from
5 the Oklahoma Tax Commission that repayment has been made as required
6 herein or shall include an affidavit from the production company
7 that the company has not received an exemption from sales taxes
8 pursuant to the provisions of paragraph 21 of Section 1357 of this
9 title.

10 ~~F. E.~~ The Office Department of Commerce Oklahoma Film and Music
11 Office shall approve or disapprove all claims for rebate and shall
12 notify the Oklahoma Tax Commission. The Oklahoma Tax Commission
13 shall, upon notification of approval from the Oklahoma Film and
14 Music Office, issue payment for all approved claims from funds in
15 the ~~Oklahoma Film Enhancement Rebate~~ Bringing Sitcoms Home from
16 Hollywood Pilot Program Revolving Fund created in Section 3625 of
17 this title. ~~Excluding any rebate payments to high impact~~
18 ~~productions as provided for in subsection G of this section, the~~ The
19 amount of claims prequalified and approved by the Office for any
20 single fiscal year shall not exceed ~~Eight Million Dollars~~
21 ~~(\$8,000,000.00)~~ Ten Million Dollars (\$10,000,000.00). If the amount
22 of approved claims exceeds the amount specified in this subsection
23 in a fiscal year, payments shall be made in the order in which the
24 claims are approved by the Oklahoma Film and Music Office. If an

1 approved claim is not paid in whole or in part, the unpaid claim or
2 unpaid portion may be paid in the following fiscal year subject to
3 the limitations specified in this subsection. The liability of the
4 State of Oklahoma to make incentive payments pursuant to this act
5 shall be limited to the balance of the Oklahoma Film Enhancement
6 Rebate Program Revolving Fund upon the availability of funds.

7 G. 1. At the time the Oklahoma Film and Music Office issues a
8 conditional prequalification for a production, such prequalification
9 may include a proposed designation as a high impact production, as
10 defined in Section 3623 of this title.

11 2. The proposed designation must be approved by the Cabinet
12 Secretary for Commerce.

13 3. If the high impact production otherwise meets all of the
14 requirements of the Compete with Canada Act and the Office gives
15 final approval to rebate claims, such rebate claims shall not be
16 subject to the Eight Million Dollar (\$8,000,000.00) cap provided for
17 in subsection F of this section.

18 4. The payment of a rebate claim approved by the Office for a
19 production designated as a high impact production by the Cabinet
20 Secretary may be made as follows:

21 a. by special appropriation to the Oklahoma Film
22 Enhancement Rebate Program Revolving Fund, if the
23 claim is approved during a regular or special session
24 of the Oklahoma Legislature, or

1 ~~b. by payment from the Oklahoma Quick Action Closing Fund~~
2 ~~pursuant to Section 48.2 of Title 62 of the Oklahoma~~
3 ~~Statutes, if the claim is approved when the Oklahoma~~
4 ~~Legislature is not in session.~~

5 SECTION 5. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 3624A of Title 68, unless there
7 is created a duplication in numbering, reads as follows:

8 A. Subject to the final approval of the eligibility application
9 by the Oklahoma Department of Commerce, a requirement that the
10 incentive payments made pursuant to the provisions of the act
11 achieve the maximum positive impact for the Oklahoma economy and
12 subject to the Oklahoma workforce requirements of this title, the
13 base incentive amount for a project filmed in this state, not
14 including nonresident above-the-line personnel, shall be a minimum
15 of twenty percent (20%) of the qualified production expenditure
16 amount. An incentive for a project filmed in this state for wages
17 paid to nonresident crew, not including above-the-line personnel,
18 shall be provided in the amount of twenty percent (20%) for wages
19 paid on or after April 1, 2023.

20 B. In addition to the amount authorized by subsection A of this
21 section, there may be an additional incentive amount, subject to the
22 final approval of the Oklahoma Department of Commerce, in the
23 maximum amount of:
24

1 1. Three percent (3%) of the qualified production expenditure
2 amount for projects where at least twenty-five percent (25%) of main
3 crew principal photography days are filmed on location, excluding
4 soundstage production, in any county of this state if the county has
5 a population of less than two hundred fifty thousand (250,000)
6 persons according to the Federal Decennial Census or most recent
7 population estimate;

8 2. Two percent (2%) of the qualified production expenditure
9 amount for projects whose hub location, as determined by the
10 Department, is for projects where at least twenty-five percent (25%)
11 of main crew principal photography days are filmed on location,
12 excluding soundstage production, in a municipality having a
13 population of thirteen thousand (13,000) or fewer persons according
14 to the Federal Decennial Census or most recent population estimate
15 regardless of the county in which the municipality is located or
16 partially located;

17 3. Five percent (5%) of the qualified production expenditure
18 amount for soundstage expenditures if at least twenty-five percent
19 (25%) of main crew principal photography days are filmed at a
20 qualified soundstage facility;

21 4. For eligible live audience episodic television series as
22 defined in this title, five percent (5%) of the qualified production
23 expenditure amount if a live audience episodic television series is
24

1 filmed for one or more seasons with a minimum of six episodes per
2 season;

3 5. Two percent (2%) of the qualified production expenditure
4 amounts paid to an Oklahoma vendor for the post-production expenses
5 of:

- 6 a. music production, recording, mixing, or composition,
7 or
- 8 b. licensing of Oklahoma music, with a minimum
9 expenditure of Twenty Thousand Dollars (\$20,000.00);

10 6. Three percent (3%) of the qualified production expenditure
11 amount based on expenditures paid to Oklahoma vendors for post-
12 production expenses with a minimum expenditure of three percent (3%)
13 of Oklahoma production expenditures. Post-production expenditures
14 include, but are not limited to, the following categories:

- 15 a. sound recording or mixing,
- 16 b. color grading,
- 17 c. editorial work,
- 18 d. visual effects,
- 19 e. animation,
- 20 f. deliverables, excluding marketing and advertising,
- 21 g. editing equipment or editing facility rental,
- 22 h. color grading or digital intermediate processing,
- 23 i. audio post-production processes including Foley artist
24 processes or services, and

1 j. graphics, including, but not limited to, the GFX
2 system.

3 C. Notwithstanding any other provisions of this section or the
4 provisions of the act to the contrary, in no case shall the total
5 incentive payments authorized by this section exceed thirty percent
6 (30%) of the otherwise qualified production expenditure amount. The
7 incentive payment amount prescribed by subsection A of this section
8 may be used in any combination with the additional incentive amounts
9 authorized by subsection B of this section, but the combination of
10 the incentive amounts shall not exceed thirty percent (30%).

11 D. To qualify for the maximum twenty percent (20%) base
12 incentive payment authorized for Oklahoma production projects
13 pursuant to subsection A of this section, the production project
14 shall utilize the services of apprentices according to the following
15 requirements:

16 1. For a production with Oklahoma expenditures of Seven Million
17 Five Hundred Thousand Dollars (\$7,500,000.00) or less, two
18 apprentices;

19 2. For a production with Oklahoma expenditures greater than
20 Seven Million Five Hundred Thousand Dollars (\$7,500,000.00) and
21 Fifteen Million Dollars (\$15,000,000.00) or less, four apprentices;

22 3. For a production with Oklahoma expenditures greater than
23 Fifteen Million Dollars (\$15,000,000.00) and Twenty-five Million
24 Dollars (\$25,000,000.00) or less, eight apprentices; and

1 4. For a production with Oklahoma expenditures greater than
2 Twenty-five Million Dollars (\$25,000,000.00), sixteen apprentices.

3 E. All production projects for which any incentive is paid
4 pursuant to the provisions of the Filmed in Oklahoma Act of 2021
5 shall contain a logo, as approved by the Oklahoma Department of
6 Commerce, to be displayed in the credits of the finished production
7 for a period of at least five (5) seconds or, if the production does
8 not contain credits, the Oklahoma Department of Commerce shall
9 obtain a commitment by the production company to provide equivalent
10 value as determined by the Oklahoma Department of Commerce.

11 SECTION 6. AMENDATORY 68 O.S. 2021, Section 3625, is
12 amended to read as follows:

13 Section 3625. A. There is hereby created in the State Treasury
14 a revolving fund for the Oklahoma Tax Commission to be designated
15 the "Oklahoma Film Enhancement Rebate Program Revolving Fund". The
16 fund shall be a continuing fund, not subject to fiscal year
17 limitations, and shall consist of all monies received by the
18 Oklahoma Tax Commission which are specifically required by law to be
19 deposited in the fund, any public or private donations,
20 contributions, and gifts received for the benefit of the fund and
21 any amounts appropriated by the Oklahoma Legislature. All monies
22 accruing to the credit of the fund are hereby appropriated and may
23 be budgeted and expended by the Tax Commission for the purpose of
24 paying rebates as provided in this act. Expenditures from the fund

1 shall be made upon warrants issued by the State Treasurer against
2 claims filed as prescribed by law with the Director of the Office of
3 Management and Enterprise Services for approval and payment.

4 B. The Oklahoma Tax Commission shall apportion, from the
5 revenues which would otherwise be apportioned to the General Revenue
6 Fund pursuant to subparagraph a of paragraph 1 of Section 2352 of
7 this title, an amount that the Commission estimates to be necessary
8 to pay the rebates provided by Section 3624 of this title to the
9 Oklahoma Film Enhancement Rebate Program Revolving Fund.

10 C. The Oklahoma Film Enhancement Rebate Program Revolving Fund
11 shall continue in existence until all properly approved projects are
12 fully paid out, or until July 1, 2028. Once all projects are fully
13 paid out, or by July 1, 2028, any funds remaining the Commission
14 shall transfer to the fund established in subsection D of this
15 section.

16 D. There is hereby created in the State Treasury a revolving
17 fund for the Oklahoma Tax Commission to be designated the "Bringing
18 Sitcoms Home from Hollywood Pilot Program Revolving Fund". The fund
19 shall be a continuing fund, not subject to fiscal year limitations,
20 and shall consist of all monies received by the Oklahoma Tax
21 Commission which are specifically required by law to be deposited in
22 the fund, any public or private donations, contributions, and gifts
23 received for the benefit of the fund and any amounts appropriated by
24 the Oklahoma Legislature. All monies accruing to the credit of the

1 fund are hereby appropriated and may be budgeted and expended by the
2 Tax Commission for the purpose of paying rebates as provided in this
3 act. Expenditures from the fund shall be made upon warrants issued
4 by the State Treasurer against claims filed as prescribed by law
5 with the Director of the Office of Management and Enterprise
6 Services for approval and payment.

7 E. The Oklahoma Tax Commission shall apportion, from the
8 revenues which would otherwise be apportioned to the General Revenue
9 Fund pursuant to subparagraph a of paragraph 1 of Section 2352 of
10 this title, an amount that the Commission estimates to be necessary
11 to pay the rebates provided by Section 3624 of this title to the
12 Bringing Sitcoms Home from Hollywood Pilot Program Revolving Fund.

13 SECTION 7. AMENDATORY 68 O.S. 2021, Section 3626, is
14 amended to read as follows:

15 Section 3626. The provisions of the ~~Compete with Canada Film~~
16 ~~Act~~ Bringing Sitcoms Home from Hollywood Pilot Program Act shall be
17 terminated effective July 1, ~~2027~~ 2032, and no claim shall be paid
18 thereafter.

19 SECTION 8. REPEALER 68 O.S. 2021, Section 3623, as
20 amended by Section 43, Chapter 59, O.S.L. 2024 (68 O.S. Supp. 2024,
21 Section 3623), is hereby repealed.

22 SECTION 9. This act shall become effective November 1, 2025.

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