

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB2219
Version:	POLPCS1
Request Number:	12503
Author:	Rep. Archer
Date:	2/20/2025
Impact:	No Impact

Research Analysis

HB2219 establishes an rebate incentive for costs related to using an Oklahoma music production facility to produce music content such as music albums, sound recordings, original scores or soundtracks for films, television, gaming and digital multimedia.

A production company with \$20,000 or less in sound production costs can claim a 10 percent rebate whereas those with costs greater than \$20,000 may claim a 25 percent rebate.

Additional rebates may be claimed if the production company meets any of the following qualifications:

- Additional 5 percent rebate if at least 50 percent of the qualified production's musicians, artists, producers or engineers or are based in Oklahoma;
- Additional 2 percent rebate if the scoring, recording, mixing and all other music related work for production is completed in Oklahoma;
- Additional 7 percent if the production company performs a public, marketed and ticketed concert during an established festival at a venue that holds at least 250 people in a rural area or 500 people in a nonrural area;
- Additional 2 percent if the concert features an Oklahoma-based opening act;

Rebates are limited to \$500,000 for each qualified production and is capped at \$10 million each year. The rebate program will be administered by the Oklahoma Department of Commerce, the Oklahoma Tax Commission and the Oklahoma Film and Music Office.

Prepared By: Quyen Do

Fiscal Analysis

In its current form, HB2219 creates a rebate incentive for costs related to using Oklahoma Music production facilities.

The Oklahoma Tax Commission has provided the following analysis:

ESTIMATED REVENUE IMPACT:**FY26: \$0****FY27: \$0**

ANALYSIS: HB 2219 proposes to enact the "Crossroads Sound and Screen Act" which Creates a rebate program for music production in Oklahoma facilities. This measure provides for a \$500,000 cap per production company for a single production and a \$10 million annual program cap. The Oklahoma Tax Commission (OTC) is jointly responsible with the Department of Commerce for administering the rebate program. OTC manages the Crossroads Sound and Screen Revolving Fund, which is specifically created for this program and issues payments for approved claims from this revolving fund.

While Section 3 of the bill creates the Crossroads Sound and Screen Revolving Fund effective November 1, 2025, it only specifies potential funding sources as money specifically required by law to be deposited in the fund (but this bill doesn't specify any), public or private donations/contributions/gifts and amounts appropriated by the Oklahoma Legislature (the bill does not appropriate any). Without a specified funding source or initial appropriation, while the program structure exists, it might not have any money to actually pay the rebates unless additional legislative action is taken.

ADMINISTRATIVE CONCERN: The mid-fiscal year creation of a new revolving fund may create administrative complications. Also, unlike the film rebate, this measure does not allow Commerce to conditionally pre-qualify rebate payments each fiscal year.

Prepared By: Zach Penrod, House Fiscal Staff

Other Considerations

None.