

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

HOUSE BILL 2110

By: Osburn

AS INTRODUCED

An Act relating to revenue and taxation; amending 68 O.S. 2021, Sections 3621, 3622, 3623, as amended by Section 43, Chapter 59, O.S.L. 2024, 3624, as amended by Section 47, Chapter 228, O.S.L. 2022, 3625 and 3626 (68 O.S. Supp. 2024, Sections 3623 and 3624), which relate to the Compete with Canada Film Act; modifying short title; modifying legislative findings; modifying definitions; modifying provisions related to incentive payments; modifying references; modifying provisions related to revolving fund; 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"~~ "Oklahoma is Bringing Sitcoms Home from Hollywood 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 family friendly content 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 locations that can help cut the costs of
10 production, the Legislature further finds that the State of
11 Oklahoma, with the appropriate incentive, can become an attractive
12 site for ~~film~~ live audience episodic television production ~~and that~~
13 ~~Oklahoma is presently among several states with minimal incentives~~
14 ~~to attract the film industry.~~ It is therefore the intent of the
15 Legislature that Oklahoma provide ~~an~~ the first incentive ~~that will~~
16 ~~stand out among those of other states and increase film~~ specifically
17 for live audience episodic television production in this state,
18 carving out a niche in the industry that Oklahoma can be known for.

19 SECTION 3. AMENDATORY 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 amended to read as follows:

22 Section 3623. As used in the ~~Compete with Canada Film Act~~
23 Oklahoma is Bringing Sitcoms Home from Hollywood Act:
24

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

14 2. "Live audience episodic television" means episodic
15 television filmed in front of a live audience intended for broadcast
16 on network television, cable and streaming platforms. The audience
17 should consist of a minimum of fifty (50) people;

18 3. "Expenditure" or "production cost" includes but is not
19 limited to:

20 a. wages or salaries of persons who are residents of this
21 state and who have earned income from working on a
22 ~~film~~ live audience episodic television in this state
23 including payments to personal services corporations
24 with respect to the services of qualified performing

1 artists, as determined under Section 62(a)(A) of the
2 Internal Revenue Code,

3 b. the cost of construction and operations, wardrobe,
4 accessories and related services,

5 c. the cost of photography, sound synchronization,
6 lighting and related services,

7 d. the cost of editing and related services,

8 e. rental of facilities and equipment,

9 f. other direct costs of producing a ~~film~~ live audience
10 episodic television, and

11 g. the wages and salaries of persons who are defined and
12 registered as an Oklahoma Expatriate by the Office of
13 the Oklahoma Film and Music Office ~~within the Oklahoma~~
14 ~~Department of Commerce~~ Commission;

15 ~~3. "Film" means a professional single media, multimedia program~~
16 ~~or feature~~

17 4. "Live audience episodic series" means an episodic television
18 series that is filmed in front of a live audience, which is not
19 child sexual abuse material as defined in subsection A of Section
20 1024.1 of Title 21 of the Oklahoma Statutes or obscene material as
21 defined in paragraph 1 of subsection B of Section 1024.1 of Title 21
22 of the Oklahoma Statutes including, but not limited to, ~~national~~
23 ~~advertising messages that are broadcast on a national affiliate or~~
24 ~~cable network, fixed on film or digital video, which can~~ live

1 audience episodic series to be viewed or reproduced and which is
2 ~~exhibited in theaters,~~ licensed for exhibition by individual
3 television stations, groups of stations, networks, cable television
4 stations or other means or licensed for home viewing markets;

5 4. ~~"High impact production" means a production for which total~~
6 ~~expenditures or production costs are equal to or greater than Fifty~~
7 ~~Million Dollars (\$50,000,000.00), with at least one third (1/3) of~~
8 ~~total costs deemed Oklahoma expenditures by the Oklahoma Film and~~
9 ~~Music Office;~~ and

10 5. "Production company" means a person or company who produces
11 film live audience episodic series for exhibition ~~in theaters,~~
12 ~~television or elsewhere~~ on individual television stations, groups of
13 stations, networks, cable television stations or other means or
14 licensed for home viewing markets.

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

18 Section 3624. A. There is hereby created the Oklahoma ~~Film~~
19 ~~Enhancement~~ is Bringing Sitcoms Home from Hollywood Rebate Program.

20 A rebate in the amount of up to seventeen percent (17%) of
21 documented expenditures made in Oklahoma directly attributable to
22 the production of a ~~film,~~ live audience episodic series for
23 television production, ~~or television commercial,~~ as defined in
24 Section 3623 of this title, in this state, may be paid to the

1 production company responsible for the live audience production.
2 Provided, for documented expenditures made after July 1, 2009, the
3 rebate amount shall be thirty-five percent (35%), except as provided
4 in subsection B of this section. Provided, for documented
5 expenditures made after July 1, 2025, the rebate amount shall be
6 thirty percent (30%).

7 ~~B. The amount of rebate paid to the production company as~~
8 ~~provided for in subsection A of this section shall be increased by~~
9 ~~an additional two percent (2%) of documented expenditures if a~~
10 ~~production company spends at least Twenty Thousand Dollars~~
11 ~~(\$20,000.00) for the use of music created by an Oklahoma resident~~
12 ~~that is recorded in Oklahoma or for the cost of recording songs or~~
13 ~~music in Oklahoma for use in the production.~~

14 ~~C. The rebate program shall be administered by the Office of~~
15 ~~the Oklahoma Film and Music Office within the Oklahoma Department of~~
16 ~~Commerce Commission and the Oklahoma Tax Commission, as provided in~~
17 ~~the Compete with Canada Film Oklahoma is Bringing Sitcoms Home from~~
18 ~~Hollywood Act.~~

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

20 1. The production company responsible for a ~~film, television~~
21 ~~production, or television commercial, live audience episodic series~~
22 as defined in Section 3623 of this title, made in this state shall
23 submit documentation to the Office of the Oklahoma Film and Music
24 ~~Office Commission~~ of the amount of ~~wages paid for employment in this~~

1 ~~state to residents of this state directly relating to the production~~
2 ~~and the amount of other expenditure or production costs cost~~
3 ~~incurred in this state directly relating to the production;~~

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

6 3. ~~Except major studio productions, the production company~~
7 ~~shall provide the name of the completion guarantor and a copy of the~~
8 ~~bond guaranteeing the completion of the project or if a film has not~~
9 ~~secured a completion bond, the production company shall provide~~
10 ~~evidence that all Oklahoma crew and local vendors have been paid and~~
11 ~~there are no liens against the production company pending in the~~
12 ~~state;~~

13 4. The minimum budget for the film live audience episodic
14 series shall be ~~Fifty Thousand Dollars (\$50,000.00) of which not~~
15 ~~less than Twenty-five Thousand Dollars (\$25,000.00) shall be~~
16 ~~expended in this state~~ Two Hundred Thousand Dollars (\$200,000.00)
17 per episode;

18 5. 4. The production company shall provide evidence of
19 financing for production prior to the commencement of principal
20 photography; and

21 6. 5. The production company shall provide evidence of a
22 certificate of general liability insurance with a minimum coverage
23 of One Million Dollars (\$1,000,000.00) and a workers' compensation
24

1 policy pursuant to state law, which shall include coverage of
2 employer's liability.

3 ~~E.~~ D. A production company shall not be eligible to receive
4 both a rebate payment pursuant to the provisions of ~~Section 3621 et~~
5 ~~seq. of this title~~ this act and an exemption from sales taxes
6 pursuant to the provisions of paragraph 23 of Section 1357 of this
7 title. If a production company has received such an exemption from
8 sales taxes and submits a claim for rebate pursuant to the
9 provisions of the ~~Compete with Canada Film Act~~ Oklahoma is Bringing
10 Sitcoms Home from Hollywood Act, the company shall be required to
11 fully repay the amount of the exemption to the Oklahoma Tax
12 Commission. A claim for a rebate shall include documentation from
13 the Oklahoma Tax Commission that repayment has been made as required
14 herein or shall include an affidavit from the production company
15 that the company has not received an exemption from sales taxes
16 pursuant to the provisions of paragraph 21 of Section 1357 of this
17 title.

18 ~~F.~~ E. The Office of the Film and Music Commission shall approve
19 or disapprove all claims for rebate and shall notify the Oklahoma
20 Tax Commission. The Oklahoma Tax Commission shall, upon
21 notification of approval from the Oklahoma Film and Music Office,
22 issue payment for all approved claims from funds in the Oklahoma is
23 Bringing Sitcoms Home from Hollywood Rebate Program Revolving Fund
24 created in Section 3625 of this title. ~~Excluding any rebate~~

1 ~~payments to high impact productions as provided for in subsection G~~
2 ~~of this section, the The amount of claims prequalified and approved~~
3 ~~by the Office for payments in any single fiscal year shall not~~
4 ~~exceed Eight Million Dollars (\$8,000,000.00) Ten Million Dollars~~
5 ~~(\$10,000,000.00). If the amount of approved claims exceeds the~~
6 ~~amount specified in this subsection in a fiscal year, payments shall~~
7 ~~be made in the order in which the claims are approved by the Office~~
8 ~~of the Oklahoma Film and Music Commission. If an approved claim is~~
9 ~~not paid in whole or in part, the unpaid claim or unpaid portion may~~
10 ~~be paid in the following fiscal year subject to the limitations~~
11 ~~specified in this subsection. The liability of the State of~~
12 ~~Oklahoma to make incentive payments pursuant to this act shall be~~
13 ~~limited to the balance of the Oklahoma Film Enhancement Rebate~~
14 ~~Program Revolving Fund.~~

15 ~~G. 1. At the time the Oklahoma Film and Music Office issues a~~
16 ~~conditional prequalification for a production, such prequalification~~
17 ~~may include a proposed designation as a high impact production, as~~
18 ~~defined in Section 3623 of this title.~~

19 ~~2. The proposed designation must be approved by the Cabinet~~
20 ~~Secretary for Commerce.~~

21 ~~3. If the high impact production otherwise meets all of the~~
22 ~~requirements of the Compete with Canada Act and the Office gives~~
23 ~~final approval to rebate claims, such rebate claims shall not be~~
24

1 ~~subject to the Eight Million Dollar (\$8,000,000.00) cap provided for~~
2 ~~in subsection F of this section.~~

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

6 ~~a. by special appropriation to the Oklahoma Film~~
7 ~~Enhancement Rebate Program Revolving Fund, if the~~
8 ~~claim is approved during a regular or special session~~
9 ~~of the Oklahoma Legislature, or~~

10 ~~b. by payment from the Oklahoma Quick Action Closing Fund~~
11 ~~pursuant to Section 48.2 of Title 62 of the Oklahoma~~
12 ~~Statutes, if the claim is approved when the Oklahoma~~
13 ~~Legislature is not in session.~~

14 SECTION 5. AMENDATORY 68 O.S. 2021, Section 3625, is
15 amended to read as follows:

16 Section 3625. A. There is hereby created in the State Treasury
17 a revolving fund for the Oklahoma Tax Commission to be designated
18 the "Oklahoma ~~Film Enhancement Rebate Program~~ is Bringing Sitcoms
19 Home from Hollywood Revolving Fund". The fund shall be a continuing
20 fund, not subject to fiscal year limitations, and shall consist of
21 all monies received by the Oklahoma Tax Commission which are
22 specifically required by law to be deposited in the fund, any public
23 or private donations, contributions, and gifts received for the
24 benefit of the fund and any amounts appropriated by the Oklahoma

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

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

15 SECTION 6. AMENDATORY 68 O.S. 2021, Section 3626, is
16 amended to read as follows:

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

21 SECTION 7. This act shall become effective November 1, 2025.

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