

PROPOSED AMENDMENT  
SENATE AMENDMENTS TO H.B. 2127  
(Reference to House engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Title 41, chapter 10, Arizona Revised Statutes, is amended  
3 by adding article 2, to read:

4 ARTICLE 2. MULTIMEDIA PRODUCTION INCENTIVES

5 41-1527. Multimedia production liaison

6 THE CHIEF EXECUTIVE OFFICER OF THE ARIZONA COMMERCE AUTHORITY SHALL  
7 APPOINT A MULTIMEDIA PRODUCTION LIAISON WITHIN THE AUTHORITY TO:

8 1. SUPERVISE AND EVALUATE THE PREAPPROVAL AND POSTAPPROVAL OF  
9 MULTIMEDIA PRODUCTION INCOME TAX CREDITS PURSUANT TO SECTION 41-1527.01.

10 2. COORDINATE THE INTERESTS OF THE AUTHORITY, THE OFFICE OF TOURISM,  
11 THE DEPARTMENT OF REVENUE AND OTHER AGENCIES AND POLITICAL SUBDIVISIONS OF  
12 THIS STATE AND PRIVATE ENTITIES IN PROMOTING MULTIMEDIA PRODUCTION IN THIS  
13 STATE.

14 41-1527.01. Multimedia production income tax credits:  
15 qualification; report; definitions

16 A. THROUGH DECEMBER 31, 2041, THE MULTIMEDIA PRODUCTION LIAISON SHALL  
17 QUALIFY MULTIMEDIA PRODUCTION COMPANIES THAT PRODUCE ONE OR MORE MOTION  
18 PICTURES IN THIS STATE FOR MULTIMEDIA PRODUCTION INCOME TAX CREDITS PURSUANT  
19 TO SECTION 43-1075 OR 43-1163, AS APPLICABLE. A PRODUCTION COMPANY MAY ONLY  
20 RECEIVE A CREDIT THAT IS BASED ON THE QUALIFIED PRODUCTION EXPENDITURES  
21 SUBMITTED BY THE PRODUCTION COMPANY AND CERTIFIED BY THE LIAISON.

22 B. TO QUALIFY FOR A CREDIT UNDER THIS SECTION, A PRODUCTION COMPANY  
23 MUST:

24 1. HAVE QUALIFIED PRODUCTION EXPENDITURES OF AT LEAST TWO HUNDRED  
25 FIFTY THOUSAND DOLLARS IN PRODUCTION COSTS. A PRODUCTION COMPANY MAY  
26 AGGREGATE PRODUCTION COSTS FOR MULTIPLE PRODUCTIONS WITHIN A SINGLE FISCAL  
27 YEAR FOR THE PURPOSES OF REACHING THIS MINIMUM EXPENDITURE THRESHOLD.

28 2. NOT INCLUDE PROPERTY WITH RESPECT TO WHICH RECORDS ARE REQUIRED TO  
29 BE MAINTAINED UNDER 18 UNITED STATES CODE SECTION 2257.

1           3. ENTER INTO A WRITTEN MANAGED REVIEW AGREEMENT WITH THE LIAISON THAT  
2 ESTABLISHES THE REQUIREMENTS OF A MANAGED REVIEW TO BE CONDUCTED AT THE  
3 PRODUCTION COMPANY'S EXPENSE. THE MANAGED REVIEW MUST BE CONDUCTED BY AN  
4 INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT WHO IS SELECTED BY THE PRODUCTION  
5 COMPANY, WHO IS LICENSED IN THIS STATE AND WHO IS APPROVED BY THE LIAISON.  
6 THE CERTIFIED PUBLIC ACCOUNTANT AND THE FIRM THE CERTIFIED PUBLIC ACCOUNTANT  
7 IS AFFILIATED WITH SHALL NOT REGULARLY PERFORM SERVICES FOR THE PRODUCTION  
8 COMPANY OR ANY AFFILIATE OF THE PRODUCTION COMPANY. THE CERTIFIED PUBLIC  
9 ACCOUNTANT SHALL FURNISH WRITTEN FINDINGS OF THE MANAGED REVIEW TO THE  
10 LIAISON. THE LIAISON SHALL REVIEW THE FINDINGS AND MAY FURTHER EXAMINE  
11 RECORDS AND PERFORM OTHER REVIEWS THAT THE LIAISON CONSIDERS NECESSARY TO  
12 VERIFY THAT THE MANAGED REVIEW SUBSTANTIALLY CONFORMS TO THE TERMS OF THE  
13 MANAGED REVIEW AGREEMENT. THE LIAISON SHALL ACCEPT OR REJECT THE FINDINGS OF  
14 THE MANAGED REVIEW. IF THE LIAISON REJECTS ALL OR PART OF THE MANAGED  
15 REVIEW, THE LIAISON SHALL PROVIDE WRITTEN REASONS FOR THE REJECTION. EXCEPT  
16 AS PROVIDED BY THIS PARAGRAPH, IF THE LIAISON ACCEPTS THE FINDINGS OF THE  
17 MANAGED REVIEW AND THE PRODUCTION COMPANY TIMELY FILES ITS INCOME TAX RETURN  
18 WITH THE APPROPRIATE CREDIT CLAIM FORMS, THE CREDIT AMOUNT ACCEPTED IS NOT  
19 SUBJECT TO RECAPTURE, DISALLOWANCE, REDUCTION OR DENIAL WITH RESPECT TO THE  
20 PRODUCTION COMPANY. THE LIAISON'S ACCEPTANCE SHALL INCLUDE A WRITTEN  
21 CERTIFICATE TO THE PRODUCTION COMPANY STATING THE AMOUNT OF THE CREDIT AND  
22 THAT THE CREDIT IS NOT SUBJECT TO RECAPTURE AS PROVIDED BY THIS PARAGRAPH.  
23 THIS PARAGRAPH DOES NOT PROHIBIT THE RECAPTURE OF A CREDIT FROM A PRODUCTION  
24 COMPANY IF THE COMPANY FAILED TO DISCLOSE MATERIAL INFORMATION DURING THE  
25 MANAGED REVIEW OR FALSIFIED ITS BOOKS OR RECORDS OR OTHERWISE ENGAGED IN AN  
26 ACTION THAT PREVENTED AN ACCURATE REVIEW. A MANAGED REVIEW UNDER THIS  
27 PARAGRAPH IS NOT CONSIDERED TO BE AN AUDIT FOR THE PURPOSES OF SECTION  
28 42-2059.

29           4. INCLUDE IN THE END CREDITS, AN ACKNOWLEDGEMENT THAT THE PRODUCTION  
30 WAS FILMED IN ARIZONA.

31           5. RECEIVE PREAPPROVAL AND POSTAPPROVAL CERTIFICATION OF THE  
32 CERTIFICATION PRODUCTION FROM THE LIAISON AS PROVIDED BY THIS SECTION.

1           C. A MULTIMEDIA PRODUCTION COMPANY INITIALLY APPLYING FOR  
2 QUALIFICATION UNDER THIS SECTION MUST REPORT THE FOLLOWING TO THE LIAISON ON  
3 A FORM AND IN A MANNER PRESCRIBED BY THE LIAISON:

4           1. THE NAME, ADDRESS, TELEPHONE NUMBER AND WEBSITE OF THE MULTIMEDIA  
5 PRODUCTION COMPANY.

6           2. THE NAME AND ADDRESS OF AN INDIVIDUAL WHO WILL MAINTAIN RECORDS OF  
7 EXPENDITURES IN THIS STATE.

8           3. THE PROJECTED FIRST PREPRODUCTION DATE AND LAST PRODUCTION DATE IN  
9 THIS STATE.

10           4. THE ESTIMATED TOTAL BUDGET OF THE PRODUCTION.

11           5. THE ESTIMATED TOTAL EXPENDITURES IN THIS STATE.

12           6. THE ESTIMATED TOTAL NUMBER OF DAYS IN PREPRODUCTION, PRODUCTION AND  
13 POSTPRODUCTION TAKING PLACE IN THIS STATE.

14           7. THE ESTIMATED LEVEL OF EMPLOYMENT OF RESIDENTS OF THIS STATE IN THE  
15 CAST AND CREW.

16           8. A SCRIPT, INCLUDING A SYNOPSIS, THE PROPOSED DIRECTOR AND A  
17 PRELIMINARY LIST OF THE CAST AND PRODUCER, EXCEPT THAT, WITH RESPECT TO A  
18 TELEVISION SERIES, OTHER THAN A PILOT PRODUCTION, IN LIEU OF A SCRIPT THE  
19 APPLICANT MUST INCLUDE:

20           (a) A SYNOPSIS OF THE GENERAL NATURE OF THE SERIES.

21           (b) A DESCRIPTION OF THE CHARACTERS AND THE INTENDED NATURE OF THEIR  
22 INTERACTION WITH EACH OTHER.

23           (c) A DESCRIPTION OF THE LOCATIONS.

24           (d) A DESCRIPTION OF THE SETS.

25           (e) THE INTENDED DISTRIBUTION OR BROADCAST MEDIUM WITH SPECIFIC  
26 TELEVISION NETWORKS, IF KNOWN.

27           9. AN AFFIRMATION SIGNED BY A PRINCIPAL OF THE PRODUCTION COMPANY WHO  
28 WILL BE CREDITED ON SCREEN AS THE PRODUCER OR PRODUCERS OF THE MOTION PICTURE  
29 THAT THE MULTIMEDIA PRODUCTION COMPANY AGREES TO FURNISH RECORDS OF  
30 EXPENDITURES IN THIS STATE TO THE LIAISON ON REQUEST.

1           D. WITHIN TEN DAYS AFTER SUBMITTING THE INITIAL APPLICATION UNDER  
2           SUBSECTION C OF THIS SECTION, THE APPLICANT MUST NOTIFY THE LIAISON OF THE  
3           APPLICANT'S OFFICE ADDRESS AND TELEPHONE NUMBER IN THIS STATE.

4           E. THE LIAISON SHALL ESTABLISH THE PROCESS FOR QUALIFYING AND  
5           PREAPPROVING A PRODUCTION COMPANY FOR A TAX CREDIT UNDER THIS SECTION AS  
6           FOLLOWS:

7           1. THE LIAISON MAY ADOPT A SCHEDULE FOR RECEIVING APPLICATIONS DURING  
8           EACH YEAR AS NECESSARY TO EXPEDITE AND MANAGE THE APPLICATION REVIEW AND  
9           EVALUATION PROCESS.

10          2. EACH APPLICATION MUST BE ACCOMPANIED BY A NONREFUNDABLE APPLICATION  
11          FEE IN AN AMOUNT ESTABLISHED BY THE CHIEF EXECUTIVE OFFICER OF THE ARIZONA  
12          COMMERCE AUTHORITY. THE LIAISON SHALL DEPOSIT THE REVENUES FROM THE FEE IN  
13          THE MULTIMEDIA PRODUCTION FUND ESTABLISHED BY SECTION 41-1527.03.

14          3. WITHIN THIRTY DAYS AFTER RECEIVING A COMPLETE APPLICATION  
15          CONTAINING THE INFORMATION REQUIRED BY SUBSECTION C OF THIS SECTION, THE  
16          LIAISON SHALL REVIEW THE APPLICATION TO DETERMINE WHETHER THE MULTIMEDIA  
17          PRODUCTION COMPANY SATISFIES ALL OF THE CRITERIA NECESSARY TO RECEIVE  
18          PREAPPROVAL UNDER THIS SUBSECTION.

19          4. THE LIAISON SHALL ISSUE TO A QUALIFYING APPLICANT A PREAPPROVAL  
20          LETTER THAT IS EFFECTIVE FOR THE PURPOSES OF THIS SECTION FOR TWENTY-FOUR  
21          MONTHS AS STATED IN THE LETTER.

22          F. THE LIAISON MAY CONDUCT A SITE VISIT TO VERIFY THAT PRODUCTION HAS  
23          BEGUN.

24          G. PREAPPROVAL OF A PRODUCTION LAPSES, THE APPLICATION IS VOID AND THE  
25          AMOUNT OF THE PREAPPROVED CREDIT DOES NOT APPLY AGAINST THE DOLLAR LIMIT  
26          PRESCRIBED BY SUBSECTION H OF THIS SECTION IF, WITHIN NINETY DAYS AFTER THE  
27          LIAISON PREAPPROVES THE PRODUCTION, THE PRODUCTION COMPANY FAILS TO PROVIDE  
28          DOCUMENTATION OF EITHER:

29           1. ITS EXPENDITURE IN THIS STATE OF THE LESSER OF:

30           (a) TEN PER CENT OF THE ESTIMATED TOTAL STATED BUDGET OF THE  
31           PRODUCTION.

32           (b) TWO HUNDRED FIFTY THOUSAND DOLLARS.

1           2. A COMPLETION BOND, EQUAL TO THE ESTIMATED TOTAL BUDGET OF THE  
2           PREAPPROVED PRODUCTION. FOR THE PURPOSES OF THIS PARAGRAPH, "COMPLETION  
3           BOND" MEANS AN EXECUTED WRITTEN CONTRACT, ISSUED BY AN INSURANCE COMPANY WITH  
4           AN INSURANCE INDUSTRY RATING OF B+ OR BETTER BY A.M. BEST COMPANY  
5           GUARANTEEING TO THE FINANCIERS OF THE PROJECT THAT IT WILL BE COMPLETED  
6           ACCORDING TO THE TERMS OF THE PREAPPROVED APPLICATION SUBMITTED BY THE  
7           PRODUCTION COMPANY IN ITS APPLICATION.

8           H. THE LIAISON SHALL NOT PREAPPROVE INCOME TAX CREDITS FOR THE  
9           PURPOSES OF SECTIONS 43-1075, 43-1075.01, 43-1163 AND 43-1163.01 THAT EXCEED  
10          A TOTAL OF SEVENTY MILLION DOLLARS FOR ANY FISCAL YEAR. OF THAT AMOUNT:

11          1. TEN MILLION DOLLARS IS RESERVED EACH FISCAL YEAR FOR THE PURPOSES  
12          OF PRIVATELY FUNDED MULTIMEDIA PRODUCTION FACILITY CREDITS PURSUANT TO  
13          SECTIONS 43-1075.01 AND 43-1163.01.

14          2. SIXTY MILLION DOLLARS, ALLOCATED EQUALLY AMONG ANY PERIODIC  
15          APPLICATION PERIODS ADOPTED UNDER SUBSECTION E, PARAGRAPH 1 OF THIS SECTION,  
16          FOR THE PURPOSES OF MULTIMEDIA PRODUCTION INCOME TAX CREDITS PURSUANT TO  
17          SECTIONS 43-1075 AND 43-1163. THE AMOUNT OF THE CREDIT FOR AN INDIVIDUAL  
18          PRODUCTION SHALL BE CALCULATED PURSUANT TO SECTION 43-1075 OR 43-1163, AS  
19          APPLICABLE, AND IS LIMITED TO FIFTEEN MILLION DOLLARS FOR ANY INDIVIDUAL  
20          PRODUCTION.

21          I. A PREAPPROVED AMOUNT APPLIES AGAINST THE DOLLAR LIMIT PRESCRIBED BY  
22          SUBSECTION H OF THIS SECTION FOR THE FISCAL YEAR IN WHICH THE APPLICATION WAS  
23          SUBMITTED REGARDLESS OF WHETHER THE INITIAL PREAPPROVAL PERIOD EXTENDS INTO  
24          THE FOLLOWING YEAR OR YEARS. BEFORE THE EXPIRATION OF THE INITIAL  
25          PREAPPROVAL OR REQUALIFICATION PERIOD, A PRODUCTION COMPANY MAY VOLUNTARILY  
26          RELINQUISH UNUSED CREDIT AMOUNTS.

27          J. THE LIAISON SHALL ALLOCATE THE INCOME TAX CREDITS BASED ON PRIORITY  
28          PLACEMENT ESTABLISHED BY THE DATE THAT THE PRODUCTION COMPANY FILES ITS  
29          APPLICATION, EXCEPT THAT:

30          1. A TELEVISION SERIES PRODUCTION SHALL BE GIVEN PRIORITY PLACEMENT  
31          BEFORE ANY OTHER PRODUCTION THAT HAS NOT ALREADY RECEIVED PREAPPROVAL.

1           2. A TELEVISION SERIES THAT WAS PREAPPROVED IN A PREVIOUS YEAR AND  
2 OTHERWISE MET THE REQUIREMENTS OF THIS SECTION SHALL BE GIVEN PRIORITY  
3 PLACEMENT BEFORE ANY OTHER NEW APPLICANT IN THE FOLLOWING YEAR, OTHER THAN  
4 ANOTHER TELEVISION SERIES WITH AN EARLIER PRIORITY PLACEMENT ESTABLISHED BY  
5 THE DATE THAT TELEVISION SERIES PRODUCTION COMPANY FILED ITS INITIAL  
6 APPLICATION OR QUALIFICATION.

7           K. THE LIAISON SHALL REALLOCATE THE AMOUNT OF CREDITS THAT IS  
8 VOLUNTARILY RELINQUISHED UNDER SUBSECTION I OF THIS SECTION, THAT LAPSES  
9 UNDER SUBSECTION G OF THIS SECTION OR THAT LAPSES UNDER SUBSECTION M,  
10 PARAGRAPH 1 OF THIS SECTION. THE CREDITS SHALL BE REALLOCATED TO OTHER  
11 MULTIMEDIA PRODUCTION COMPANIES THAT APPLIED IN THE ORIGINAL CREDIT YEAR  
12 BASED ON PRIORITY PLACEMENT AS PROVIDED BY SUBSECTION J OF THIS SECTION. THE  
13 AMOUNT OF THE REALLOCATED CREDITS CONTINUES TO APPLY AGAINST THE DOLLAR LIMIT  
14 OF THE ORIGINAL CREDIT YEAR REGARDLESS OF THE YEAR IN WHICH THE REALLOCATION  
15 OCCURS. IF FOR ANY YEAR AN UNUSED BALANCE OCCURS IN THE CREDITS AUTHORIZED  
16 UNDER THE DOLLAR LIMIT PRESCRIBED BY SUBSECTION H OF THIS SECTION:

17           1. THE BALANCE SHALL BE ALLOCATED TO MULTIMEDIA PRODUCTION COMPANIES  
18 THAT SUCCESSFULLY APPEAL THE DENIAL OF APPROVAL UNDER SUBSECTION M OF THIS  
19 SECTION. ANY AMOUNT OF TAX CREDITS DUE TO SUCCESSFUL APPEALS THAT ARE NOT  
20 PAID FROM AN UNUSED BALANCE IN ANY YEAR SHALL BE PAID AGAINST THE DOLLAR  
21 LIMIT PRESCRIBED BY SUBSECTION H OF THIS SECTION IN THE FOLLOWING YEAR.

22           2. ANY REMAINING UNUSED BALANCE SHALL BE REALLOCATED FOR THE PURPOSES  
23 OF THIS SECTION IN THE FOLLOWING YEAR.

24           L. ON COMPLETION OF A PREQUALIFIED MULTIMEDIA PRODUCTION AND AFTER  
25 COMPLETION OF THE MANAGED REVIEW REQUIREMENTS UNDER SUBSECTION B, PARAGRAPH 3  
26 OF THIS SECTION, THE MULTIMEDIA PRODUCTION COMPANY MUST:

27           1. APPLY TO THE LIAISON IN WRITING FOR POSTAPPROVAL OF INCOME TAX  
28 CREDITS.

29           2. SUBMIT A VIEWABLE COPY OF THE MOTION PICTURE, EXCEPT THAT A  
30 MULTIMEDIA PRODUCTION COMPANY MAY APPLY FOR POSTAPPROVAL BEFORE A VIEWABLE  
31 COPY OF THE PRODUCTION IS AVAILABLE IF THE COMPANY SUBMITS WITH ITS  
32 APPLICATION A LETTER OF CREDIT, PAYABLE TO THE MULTIMEDIA PRODUCTION FUND,

1 PROVIDING THAT WITHIN TWO BUSINESS DAYS AFTER THE ISSUER RECEIVES A WRITTEN  
2 DETERMINATION FROM THE LIAISON THAT THE PRODUCTION FAILS TO QUALIFY FOR THE  
3 TAX CREDITS THE ISSUER WILL PAY TO THE LIAISON THE FULL FACE VALUE OF THE  
4 INCOME TAX CREDITS IN THE APPLICATION. IF THE LIAISON DRAWS ON THE LETTER OF  
5 CREDIT, THE MONIES SHALL BE TRANSFERRED TO AND HELD IN AN INTEREST BEARING  
6 ACCOUNT PENDING THE FINAL OUTCOME OF AN APPEAL, IF ANY. THE LETTER OF CREDIT  
7 MAY BE RELEASED ON THE LIAISON'S DETERMINATION THAT THE COMPLETED PRODUCTION  
8 QUALIFIES FOR THE TAX CREDITS.

9 3. CERTIFY THE TOTAL AMOUNT OF ACTUAL ELIGIBLE PRODUCTION COSTS  
10 ASSOCIATED WITH THE PROJECT.

11 M. WITHIN NINETY DAYS AFTER THE MULTIMEDIA PRODUCTION COMPANY'S  
12 APPLICATION FOR POSTAPPROVAL, THE LIAISON MUST EITHER:

13 1. PROVIDE POSTAPPROVAL IF THE PRODUCTION COMPANY HAS MET THE  
14 ELIGIBILITY REQUIREMENTS OF THIS SECTION. IF THE AMOUNT OF APPROVED  
15 PRODUCTION COSTS IS LESS THAN THE PREAPPROVED AMOUNT, THE AMOUNT NOT INCLUDED  
16 IN POSTAPPROVAL LAPSES AND DOES NOT APPLY AGAINST THE DOLLAR LIMIT PRESCRIBED  
17 BY SUBSECTION H OF THIS SECTION FOR THAT YEAR. ON A DETERMINATION BY THE  
18 LIAISON THAT A MULTIMEDIA PRODUCTION COMPANY QUALIFIES FOR TAX CREDITS UNDER  
19 THIS SECTION, THE LIAISON SHALL ISSUE THE PRODUCTION COMPANY A WRITTEN LETTER  
20 OF QUALIFICATION.

21 2. REQUEST ADDITIONAL INFORMATION NECESSARY FOR A DETERMINATION OF  
22 ELIGIBILITY. IF THE PRODUCTION COMPANY SUPPLIES REQUESTED ADDITIONAL  
23 INFORMATION TO THE LIAISON, THE APPLICATION IS CONSIDERED TO BE APPROVED IF  
24 THE LIAISON FAILS TO TAKE FURTHER ACTION WITHIN THIRTY DAYS. IN ANY EVENT,  
25 ONE HUNDRED TWENTY DAYS AFTER THE PRODUCTION COMPANY'S APPLICATION FOR  
26 POSTAPPROVAL, THE APPLICATION IS CONSIDERED TO BE APPROVED WITH RESPECT TO  
27 ALL AMOUNTS NOT SUBJECT TO THE LIAISON'S REQUEST FOR ADDITIONAL INFORMATION.

28 3. ISSUE A DENIAL OF POSTAPPROVAL WITH WRITTEN FINDINGS SUPPORTING THE  
29 DENIAL. THE LIAISON SHALL DENY AN APPLICATION FOR POSTAPPROVAL SUBMITTED ON  
30 COMPLETION OF A PRODUCTION IF:

31 (a) THE PRODUCTION COMPANY DOES NOT MEET ALL OF THE ESTABLISHED  
32 CRITERIA PRESCRIBED IN SUBSECTION B OF THIS SECTION.

1 (b) THE LIAISON DETERMINES THAT, REGARDLESS OF THE PRODUCTION MEDIUM:

2 (i) THE PRODUCTION WOULD CONSTITUTE AN OBSCENE MOTION PICTURE FILM OR  
3 OBSCENE PICTORIAL PUBLICATION UNDER TITLE 12, CHAPTER 7, ARTICLE 1.1.

4 (ii) THE PRODUCTION DEPICTS SEXUAL ACTIVITY AS DEFINED IN SECTION  
5 13-3501.

6 (iii) THE PRODUCTION WOULD CONSTITUTE SEXUAL EXPLOITATION OF A MINOR  
7 OR COMMERCIAL SEXUAL EXPLOITATION OF A MINOR UNDER TITLE 13, CHAPTER 35.1.

8 N. IF A PREAPPROVED MULTIMEDIA PRODUCTION COMPANY FAILS TO UNDERTAKE  
9 PRODUCTION AND ALSO FAILS TO VOLUNTARILY RELINQUISH THE UNUSED CREDIT AMOUNTS  
10 FOR REALLOCATION AS PROVIDED BY SUBSECTION I OF THIS SECTION WITHIN THE  
11 NINETY-DAY PERIOD, THE LIAISON MAY DISQUALIFY THE PRODUCTION COMPANY AND ALL  
12 PERSONS SIGNING THE APPLICATION FOR PREAPPROVAL FROM RECEIVING, OR  
13 PARTICIPATING IN ANY MULTIMEDIA PRODUCTION COMPANY THAT APPLIES FOR OR  
14 RECEIVES, TAX CREDITS PURSUANT TO THIS SECTION FOR THREE YEARS AFTER THE  
15 ORIGINAL APPLICATION.

16 O. THE LIAISON SHALL:

17 1. ADOPT RULES, FORMS AND PROCEDURES AS NECESSARY TO FACILITATE THE  
18 ORDERLY APPLICATION, EVALUATION AND APPROVAL OF CREDITS UNDER SECTIONS  
19 43-1075 AND 43-1163, AND POST THOSE RULES, FORMS AND PROCEDURES ON THE  
20 LIAISON'S OFFICIAL WEBSITE.

21 2. MAINTAIN ANNUAL DATA AND OTHER INFORMATION ON THE TOTAL AMOUNT OF  
22 MONIES CREDITED PURSUANT TO THIS SECTION.

23 P. ANY INFORMATION GATHERED FROM MULTIMEDIA PRODUCTION COMPANIES FOR  
24 THE PURPOSES OF THIS SECTION IS CONSIDERED CONFIDENTIAL TAXPAYER INFORMATION,  
25 EXCEPT THAT THE LIAISON SHALL PUBLISH THE FOLLOWING INFORMATION IN AN ANNUAL  
26 REPORT:

27 1. THE NAME OF EACH MULTIMEDIA PRODUCTION COMPANY, THE NUMBER OF DAYS  
28 SHOOTING IN THIS STATE AND THE NUMBER OF FULL-TIME EQUIVALENT RESIDENT  
29 EMPLOYEES, ITEMIZED BY PRODUCTIONS IN THE PREPRODUCTION, PRODUCTION AND  
30 POSTPRODUCTION STAGE OF ACTIVITY.

31 2. THE AMOUNT OF INCOME TAX CREDITS PREAPPROVED DURING THE TAXABLE  
32 YEAR.

1           3. THE AMOUNT OF CREDITS POSTAPPROVED WITH RESPECT TO EACH PRODUCTION  
2 DURING THE YEAR.

3           Q. FOR THE PURPOSES OF THIS SECTION:

4           1. "MULTIMEDIA PRODUCTION COMPANY" OR "PRODUCTION COMPANY" MEANS ANY  
5 PERSON PRIMARILY ENGAGED IN THE BUSINESS OF PRODUCING ENTERTAINMENT CONTENT  
6 CREATED IN WHOLE OR IN PART WITHIN THIS STATE, INCLUDING MOTION PICTURES,  
7 DOCUMENTARIES, LONG-FORM PRODUCTIONS, SPECIALS, SERIES, MINISERIES, SOUND  
8 RECORDINGS, VIDEOS AND MUSIC VIDEOS AND INTERSTITIALS, TELEVISION  
9 PROGRAMMING, INTERACTIVE TELEVISION, INTERACTIVE GAMES, VIDEOGAMES,  
10 COMMERCIALS, INFOMERCIALS, ANY FORMAT OF DIGITAL MEDIA, INCLUDING AN  
11 INTERACTIVE WEBSITE, CREATED FOR DISTRIBUTION OR EXHIBITION TO THE GENERAL  
12 PUBLIC, AND ANY TRAILER, PILOT, VIDEO TEASER OR DEMO CREATED PRIMARILY TO  
13 STIMULATE THE SALE, MARKETING, PROMOTION OR EXPLOITATION OF FUTURE INVESTMENT  
14 IN EITHER A PRODUCT OR A QUALIFIED PRODUCTION BY ANY MEANS AND MEDIA IN ANY  
15 DIGITAL FORMAT, FILM OR VIDEOTAPE. PRODUCTION COMPANY DOES NOT INCLUDE ANY  
16 ONGOING TELEVISION PROGRAM CREATED PRIMARILY AS NEWS, WEATHER OR FINANCIAL  
17 MARKET REPORTS, A PRODUCTION FEATURING CURRENT EVENTS, SPORTING EVENTS AND  
18 AWARDS SHOW OR OTHER GALA EVENT, A PRODUCTION WHOSE SOLE PURPOSE IS  
19 FUND-RAISING, A PRODUCTION USED FOR CORPORATE TRAINING OR IN-HOUSE CORPORATE  
20 ADVERTISING OR OTHER SIMILAR PRODUCTIONS FOR WHICH RECORDS ARE REQUIRED TO BE  
21 MAINTAINED UNDER 18 UNITED STATES CODE SECTION 2257.

22           2. "QUALIFIED PRODUCTION EXPENDITURE" MEANS THE FOLLOWING EXPENDITURES  
23 DIRECTLY RELATED TO A PRODUCTION BY A PRODUCTION COMPANY:

24           (a) THE WAGES, SALARIES AND OTHER COMPENSATION THAT ARE SUBJECT TO  
25 ARIZONA INCOME TAX AND THAT ARE PAID FOR TALENT, MANAGEMENT AND LABOR  
26 PERFORMED IN THIS STATE, BUT, WITH RESPECT TO ANY INDIVIDUAL, NOT MORE THAN  
27 ONE MILLION DOLLARS FOR A SINGLE PRODUCTION.

28           (b) FEES AND OTHER CHARGES FOR ATTORNEYS, ACCOUNTANTS AND OTHER  
29 PROFESSIONAL SERVICES THAT MAY BE LAWFULLY RENDERED ONLY BY A PERSON LICENSED  
30 OR OTHERWISE AUTHORIZED BY A LICENSING AUTHORITY IN THIS STATE TO RENDER THE  
31 SERVICE.

1 (c) MATERIAL PURCHASED FROM A VENDOR LOCATED IN THIS STATE FOR  
2 CONSTRUCTION OF SETS, SPECIAL EFFECTS AND OTHER PURPOSES.

3 (d) EQUIPMENT RENTED OR LEASED FROM A VENDOR LOCATED IN THIS STATE.

4 (e) EQUIPMENT ACQUIRED OR OTHERWISE PURCHASED FROM A VENDOR LOCATED IN  
5 THIS STATE.

6 (f) FACILITIES LEASED FROM A LESSEE LOCATED IN THIS STATE FOR  
7 PREPRODUCTION, PRODUCTION AND POSTPRODUCTION IN THIS STATE.

8 (g) HOTEL AND LODGING IN THIS STATE.

9 (h) FOOD EXPENSES, INCLUDING CATERING, PURCHASED IN THIS STATE.

10 (i) LOCATION FEES IN THIS STATE.

11 (j) POSTPRODUCTION EXPENSES IN THIS STATE.

12 (k) FUEL PURCHASED IN THIS STATE.

13 (l) VEHICLES RENTED IN THIS STATE.

14 3. "RESIDENT" MEANS AN INDIVIDUAL WHO HAS BEEN DOMICILED IN THIS STATE  
15 FOR AT LEAST NINETY DAYS OR WHO IS OTHERWISE IN THIS STATE FOR OTHER THAN A  
16 TEMPORARY OR TRANSITORY PURPOSE. EVIDENCE OF RESIDENCY INCLUDES AT LEAST ONE  
17 OF THE FOLLOWING:

18 (a) CURRENT OWNERSHIP OF RESIDENTIAL PROPERTY.

19 (b) DRIVER LICENSE.

20 (c) NONOPERATING IDENTIFICATION LICENSE.

21 (d) MOTOR VEHICLE REGISTRATION.

22 (e) VOTER REGISTRATION.

23 (f) STATE TAX RECORDS IN THIS STATE.

24 (g) IN-STATE STUDENT CLASSIFICATION UNDER TITLE 15, CHAPTER 14,  
25 ARTICLE 1.

26 4. "TELEVISION SERIES" MEANS A RECURRING OR EPISODIC PRODUCTION  
27 INTENDED IN ITS PILOT OR INITIAL RUN FOR BROADCAST ON FREE OR SUBSCRIPTION  
28 TELEVISION SERVICE THAT HAS A RUNNING TIME OF AT LEAST THIRTY MINUTES IN  
29 LENGTH, INCLUDING COMMERCIAL ADVERTISEMENT AND INTERSTITIAL PROGRAMMING.



1 LIAISON ACCEPTS THE FINDINGS OF THE MANAGED REVIEW AND ISSUES A CERTIFICATION  
2 OF INFRASTRUCTURE INVESTMENT VALUE, THAT AMOUNT IS ACCEPTED AND NOT SUBJECT  
3 TO FURTHER REVIEW.

4 B. WITHIN THIRTY DAYS AFTER THE DATE OF APPLICATION, THE LIAISON SHALL  
5 REVIEW EACH COMPLETE APPLICATION TO DETERMINE WHETHER THE APPLICANT SATISFIES  
6 ALL OF THE CRITERIA REQUIRED BY THIS SECTION. THE LIAISON MAY CONDUCT A SITE  
7 VISIT AS PART OF THE REVIEW PROCESS. IF THE LIAISON DETERMINES THAT THE  
8 APPLICATION IS COMPLETE AND CORRECT AND THAT ALL OF THE CRITERIA REQUIRED BY  
9 THIS SECTION ARE MET, THE LIAISON SHALL:

10 1. CERTIFY THE VALUE OF THE FACILITY BASED ON DOCUMENTATION SUBMITTED  
11 WITH THE APPLICATION, INCLUDING THE FINDINGS OF THE MANAGED REVIEW UNDER  
12 SUBSECTION A, PARAGRAPH 2, SUBDIVISION (b) OF THIS SECTION.

13 2. APPROVE THE INCOME TAX CREDIT UNDER SECTION 43-1075.01 OR  
14 43-1163.01, AS APPLICABLE.

15 3. ISSUE A WRITTEN CERTIFICATE TO THE PRODUCTION FACILITY STATING THE  
16 CERTIFIED AMOUNT OF THE INFRASTRUCTURE INVESTMENT AND NOTIFY THE DEPARTMENT  
17 OF REVENUE OF THE CERTIFICATION.

18 C. THE LIAISON SHALL NOT CERTIFY MORE THAN ONE INCOME TAX CREDIT UNDER  
19 THIS SECTION EACH FISCAL YEAR, AND NO CREDIT, COMPUTED AS FIFTEEN PER CENT OF  
20 THE CERTIFIED INFRASTRUCTURE INVESTMENT, SHALL EXCEED TEN MILLION DOLLARS AS  
21 PROVIDED BY SECTION 41-1527.01, SUBSECTION H, PARAGRAPH 1.

22 D. WITHIN SIXTY DAYS BEFORE THE END OF THE FISCAL YEAR, IF THE LIAISON  
23 HAS PREAPPROVED AN INCOME TAX CREDIT UNDER THIS SECTION FOR THAT FISCAL YEAR,  
24 THE LIAISON MAY ACCEPT APPLICATIONS FOR THE NEXT FISCAL YEAR, BUT PREAPPROVAL  
25 OF ANY APPLICATION UNDER THIS SUBSECTION IS NOT EFFECTIVE UNTIL THE FIRST  
26 BUSINESS DAY OF THE NEXT FISCAL YEAR.

27 E. PREAPPROVAL UNDER THIS SECTION LAPSES, THE APPLICATION IS VOID AND  
28 THE AMOUNT OF THE PREAPPROVED CREDIT DOES NOT APPLY AGAINST THE LIMIT  
29 PRESCRIBED BY SUBSECTION C OF THIS SECTION IF, WITHIN NINETY DAYS AFTER  
30 PREAPPROVAL, THE PRODUCTION FACILITY FAILS TO PROVIDE DOCUMENTATION OF  
31 EITHER:

32 1. A TOTAL EXPENDITURE OF FIVE MILLION DOLLARS IN THIS STATE.

1           2. A SURETY BOND EQUAL TO THE CERTIFIED INFRASTRUCTURE INVESTMENT  
2 AMOUNT.

3           F. ON COMPLETION, THE PRODUCTION FACILITY MUST APPLY TO THE LIAISON IN  
4 WRITING FOR POSTAPPROVAL OF THE CERTIFIED INFRASTRUCTURE INVESTMENT IN THE  
5 PROJECT. IF THE APPLICANT HAS MET THE ELIGIBILITY REQUIREMENTS OF THIS  
6 SECTION, THE LIAISON SHALL:

7           1. PROVIDE POSTAPPROVAL OF THE CERTIFIED INFRASTRUCTURE INVESTMENT  
8 AMOUNT, BUT THE CALCULATED INCOME TAX CREDIT SHALL NOT EXCEED THE PREAPPROVED  
9 AMOUNT UNDER THIS SECTION.

10           2. NOTIFY THE DEPARTMENT OF REVENUE THAT THE APPLICANT MAY CLAIM THE  
11 INCOME TAX CREDIT PURSUANT TO SECTION 43-1075.01 OR 43-1163.01 IN THE  
12 POSTAPPROVED AMOUNT DETERMINED UNDER PARAGRAPH 1 OF THIS SUBSECTION.

13           G. A PRIVATELY FUNDED MULTIMEDIA PRODUCTION FACILITY SHALL MAINTAIN  
14 DATA ON THE NUMBER OF PRODUCTIONS USING ITS FACILITY EACH YEAR AND REPORT  
15 THAT INFORMATION TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE  
16 PRESIDENT OF THE SENATE ON OR BEFORE DECEMBER 31 OF EACH YEAR.

17           H. ANY INFORMATION GATHERED FROM PRIVATELY FUNDED MULTIMEDIA  
18 PRODUCTION FACILITIES FOR THE PURPOSES OF THIS SECTION IS CONSIDERED  
19 CONFIDENTIAL TAXPAYER INFORMATION, EXCEPT THAT THE LIAISON SHALL PUBLISH IN  
20 AN ANNUAL REPORT THE NAME OF EACH CERTIFIED PRODUCTION FACILITY, THE NUMBER  
21 OF DAYS SHOOTING AND THE NUMBER OF FULL-TIME EQUIVALENT EMPLOYEES, ITEMIZED  
22 BY PRODUCTIONS CURRENTLY IN THE PREPRODUCTION, PRODUCTION AND POSTPRODUCTION  
23 STAGE OF ACTIVITY AT THE PRODUCTION FACILITY.

24           I. FOR THE PURPOSES OF THIS SECTION:

25           1. "INFRASTRUCTURE INVESTMENT" MEANS EXPENDITURES FOR SOUNDSTAGES AND  
26 SUPPORT AND AUGMENTATION FACILITIES THAT ARE CONSTRUCTED IN THIS STATE AND  
27 THAT ARE USED BY A PRODUCTION COMPANY BUT DOES NOT INCLUDE MOTION PICTURE  
28 THEATERS AND OTHER COMMERCIAL EXHIBITION FACILITIES.

29           2. "PRIVATELY FUNDED MULTIMEDIA PRODUCTION FACILITY" OR "PRODUCTION  
30 FACILITY" MEANS A PERMANENT FACILITY IN THIS STATE OF ONE OR MORE SETS OR  
31 STAGES USED:

1 (a) BY ANY PRODUCTION COMPANY OR COMPANIES AND ANY LAND, PERMANENT  
2 BUILDINGS AND CAPITAL EQUIPMENT THAT IS IN OR ADJACENT TO, AND IS NECESSARY  
3 FOR THE OPERATION OF THE FACILITY, INCLUDING PERMANENT FACILITIES USED TO  
4 COMPLEMENT PRODUCTION NEEDS.

5 (b) FOR STAGING AND FILMING BY A PRODUCTION COMPANY AND ANY LAND,  
6 PERMANENT BUILDINGS OR CAPITAL EQUIPMENT THAT IS IN OR ADJACENT TO, AND IS  
7 NECESSARY FOR THE OPERATION OF THE FACILITY, INCLUDING PERMANENT FACILITIES  
8 USED TO COMPLEMENT MULTIMEDIA PRODUCTION NEEDS AND COMPLEMENT THE MULTIMEDIA  
9 PRODUCTION.

10 3. "SOUNDSTAGE" MEANS A PERMANENT FACILITY IN THIS STATE OF ONE OR  
11 MORE SETS OR STAGES USED PRIMARILY FOR STAGING AND FILMING BY A PRODUCTION  
12 COMPANY AND ANY LAND, PERMANENT BUILDINGS OR CAPITAL EQUIPMENT THAT IS IN OR  
13 ADJACENT TO, AND IS NECESSARY FOR THE OPERATION OF, A SOUNDSTAGE.

14 4. "SUPPORT AND AUGMENTATION FACILITIES" MEANS PERMANENT FACILITIES IN  
15 THIS STATE THAT ARE USED TO COMPLEMENT PRODUCTION COMPANY NEEDS AND  
16 COMPLEMENT THE PRODUCTION PROCESS.

17 41-1527.03. Multimedia production fund

18 A. THE MULTIMEDIA PRODUCTION FUND IS ESTABLISHED CONSISTING OF  
19 REVENUES FROM THE APPLICATION FEE ASSESSED PURSUANT TO SECTION 41-1527.01,  
20 SUBSECTION E, PARAGRAPH 2. THE MULTIMEDIA PRODUCTION LIAISON SHALL  
21 ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED TO THE  
22 MULTIMEDIA PRODUCTION LIAISON FOR THE PURPOSES OF THIS ARTICLE.

23 B. ON NOTICE FROM THE LIAISON, THE STATE TREASURER SHALL INVEST AND  
24 DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED  
25 FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

26 C. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190  
27 RELATING TO LAPSING OF APPROPRIATIONS.

28 Sec. 2. Section 42-2003, Arizona Revised Statutes, is amended to read:

29 42-2003. Authorized disclosure of confidential information

30 A. Confidential information relating to:

31 1. A taxpayer may be disclosed to the taxpayer, its successor in  
32 interest or a designee of the taxpayer who is authorized in writing by the

1 taxpayer. A principal corporate officer of a parent corporation may execute  
2 a written authorization for a controlled subsidiary.

3 2. A corporate taxpayer may be disclosed to any principal officer, any  
4 person designated by a principal officer or any person designated in a  
5 resolution by the corporate board of directors or other similar governing  
6 body.

7 3. A partnership may be disclosed to any partner of the partnership.  
8 This exception does not include disclosure of confidential information of a  
9 particular partner unless otherwise authorized.

10 4. An estate may be disclosed to the personal representative of the  
11 estate and to any heir, next of kin or beneficiary under the will of the  
12 decedent if the department finds that the heir, next of kin or beneficiary  
13 has a material interest ~~which~~ THAT will be affected by the confidential  
14 information.

15 5. A trust may be disclosed to the trustee or trustees, jointly or  
16 separately, and to the grantor or any beneficiary of the trust if the  
17 department finds that the grantor or beneficiary has a material interest  
18 ~~which~~ THAT will be affected by the confidential information.

19 6. Any taxpayer may be disclosed if the taxpayer has waived any rights  
20 to confidentiality either in writing or on the record in any administrative  
21 or judicial proceeding.

22 7. The name and taxpayer identification numbers of persons issued  
23 direct payment permits may be publicly disclosed.

24 B. Confidential information may be disclosed to:

25 1. Any employee of the department whose official duties involve tax  
26 administration.

27 2. The office of the attorney general solely for its use in  
28 preparation for, or in an investigation ~~which~~ THAT may result in, any  
29 proceeding involving tax administration before the department or any other  
30 agency or board of this state, or before any grand jury or any state or  
31 federal court.

1           3. The department of liquor licenses and control for its use in  
2 determining whether a spirituous liquor licensee has paid all transaction  
3 privilege taxes and affiliated excise taxes incurred as a result of the sale  
4 of spirituous liquor, as defined in section 4-101, at the licensed  
5 establishment and imposed on the licensed establishments by this state and  
6 its political subdivisions.

7           4. Other state tax officials whose official duties require the  
8 disclosure for proper tax administration purposes if the information is  
9 sought in connection with an investigation or any other proceeding conducted  
10 by the official. Any disclosure is limited to information of a taxpayer who  
11 is being investigated or who is a party to a proceeding conducted by the  
12 official.

13           5. The following agencies, officials and organizations, if they grant  
14 substantially similar privileges to the department for the type of  
15 information being sought, pursuant to statute and a written agreement between  
16 the department and the foreign country, agency, state, Indian tribe or  
17 organization:

18           (a) The United States internal revenue service, alcohol and tobacco  
19 tax and trade bureau of the United States treasury, United States bureau of  
20 alcohol, tobacco, firearms and explosives of the United States department of  
21 justice, United States drug enforcement agency and federal bureau of  
22 investigation.

23           (b) A state tax official of another state.

24           (c) An organization of states, federation of tax administrators or  
25 multistate tax commission that operates an information exchange for tax  
26 administration purposes.

27           (d) An agency, official or organization of a foreign country with  
28 responsibilities that are comparable to those listed in subdivision (a), (b)  
29 or (c) of this paragraph.

30           (e) An agency, official or organization of an Indian tribal government  
31 with responsibilities comparable to the responsibilities of the agencies,

1 officials or organizations identified in subdivision (a), (b) or (c) of this  
2 paragraph.

3 6. The auditor general, in connection with any audit of the department  
4 subject to the restrictions in section 42-2002, subsection D.

5 7. Any person to the extent necessary for effective tax administration  
6 in connection with:

7 (a) The processing, storage, transmission, destruction and  
8 reproduction of the information.

9 (b) The programming, maintenance, repair, testing and procurement of  
10 equipment for purposes of tax administration.

11 (c) The collection of the taxpayer's civil liability.

12 8. The office of administrative hearings relating to taxes  
13 administered by the department pursuant to section 42-1101, but the  
14 department shall not disclose any confidential information:

15 (a) Regarding income tax, withholding tax or estate tax.

16 (b) On any tax issue relating to information associated with the  
17 reporting of income tax, withholding tax or estate tax.

18 9. The United States treasury inspector general for tax administration  
19 for the purpose of reporting a violation of internal revenue code section  
20 7213A (26 United States Code section 7213A), unauthorized inspection of  
21 returns or return information.

22 10. The financial management service of the United States treasury  
23 department for use in the treasury offset program.

24 11. The United States treasury department or its authorized agent for  
25 use in the state income tax levy program and in the electronic federal tax  
26 payment system.

27 12. The Arizona commerce authority for its use in:

28 ~~(a) Qualifying motion picture production companies for the tax~~  
29 ~~incentives provided for motion picture production under chapter 5 of this~~  
30 ~~title and sections 43-1075 and 43-1163.~~

31 ~~(b) Qualifying applicants for the motion picture infrastructure~~  
32 ~~project tax credits under sections 43-1075.01 and 43-1163.01.~~

1           ~~(e)~~ (a) Qualifying renewable energy operations for the tax incentives  
2 under sections 42-12006, 43-1083.01 and 43-1164.01.

3           ~~(d)~~ (b) Fulfilling its annual reporting responsibility pursuant to  
4 section 41-1511, subsections U and V ~~and section 41-1517, subsections S~~  
5 ~~and T.~~

6           13. A prosecutor for purposes of section 32-1164, subsection C.

7           14. The state fire marshal for use in determining compliance with and  
8 enforcing title 41, chapter 16, article 3.1.

9           15. The department of transportation for its use in administering taxes  
10 and surcharges prescribed by title 28.

11           16. THE MULTIMEDIA PRODUCTION LIAISON FOR THE SOLE USE OF THE LIAISON  
12 FOR THE PURPOSES OF:

13           (a) QUALIFYING AND APPROVING MULTIMEDIA PRODUCTION COMPANIES FOR THE  
14 INCOME TAX CREDITS PROVIDED FOR MULTIMEDIA PRODUCTION UNDER SECTIONS 43-1075  
15 AND 43-1163.

16           (b) FULFILLING THE ANNUAL REPORTING RESPONSIBILITY PURSUANT TO SECTION  
17 41-1527.01, SUBSECTION P AND SECTION 41-1527.02, SUBSECTION H.

18           C. Confidential information may be disclosed in any state or federal  
19 judicial or administrative proceeding pertaining to tax administration  
20 pursuant to the following conditions:

21           1. One or more of the following circumstances must apply:

22           (a) The taxpayer is a party to the proceeding.

23           (b) The proceeding arose out of, or in connection with, determining  
24 the taxpayer's civil or criminal liability, or the collection of the  
25 taxpayer's civil liability, with respect to any tax imposed under this title  
26 or title 43.

27           (c) The treatment of an item reflected on the taxpayer's return is  
28 directly related to the resolution of an issue in the proceeding.

29           (d) Return information directly relates to a transactional  
30 relationship between a person who is a party to the proceeding and the  
31 taxpayer and directly affects the resolution of an issue in the proceeding.

1           2. Confidential information may not be disclosed under this subsection  
2 if the disclosure is prohibited by section 42-2002, subsection C or D.

3           D. Identity information may be disclosed for purposes of notifying  
4 persons entitled to tax refunds if the department is unable to locate the  
5 persons after reasonable effort.

6           E. The department, ~~upon~~ ON the request of any person, shall provide  
7 the names and addresses of bingo licensees as defined in section 5-401,  
8 verify whether or not a person has a privilege license and number, a  
9 distributor's license and number or a withholding license and number or  
10 disclose the information to be posted on the department's website or  
11 otherwise publicly accessible pursuant to section 42-1124, subsection F and  
12 section 42-3201, subsection A.

13           F. A department employee, in connection with the official duties  
14 relating to any audit, collection activity or civil or criminal  
15 investigation, may disclose return information to the extent that disclosure  
16 is necessary to obtain information ~~which~~ THAT is not otherwise reasonably  
17 available. These official duties include the correct determination of and  
18 liability for tax, the amount to be collected or the enforcement of other  
19 state tax revenue laws.

20           G. If an organization is exempt from this state's income tax as  
21 provided in section 43-1201 for any taxable year, the name and address of the  
22 organization and the application filed by the organization ~~upon~~ ON which the  
23 department made its determination for exemption together with any papers  
24 submitted in support of the application and any letter or document issued by  
25 the department concerning the application are open to public inspection.

26           H. Confidential information relating to transaction privilege tax, use  
27 tax, severance tax, jet fuel excise and use tax and rental occupancy tax may  
28 be disclosed to any county, city or town tax official if the information  
29 relates to a taxpayer who is or may be taxable by the county, city or town.  
30 Any taxpayer information released by the department to the county, city or  
31 town:

- 32           1. May only be used for internal purposes.

1           2. May not be disclosed to the public in any manner that does not  
2 comply with confidentiality standards established by the department. The  
3 county, city or town shall agree in writing with the department that any  
4 release of confidential information that violates the confidentiality  
5 standards adopted by the department will result in the immediate suspension  
6 of any rights of the county, city or town to receive taxpayer information  
7 under this subsection.

8           I. The department may disclose statistical information gathered from  
9 confidential information if it does not disclose confidential information  
10 attributable to any one taxpayer. The department may disclose statistical  
11 information gathered from confidential information, even if it discloses  
12 confidential information attributable to a taxpayer, to:

13           1. The state treasurer in order to comply with the requirements of  
14 section 42-5029, subsection A, paragraph 3.

15           2. The joint legislative income tax credit review committee and the  
16 joint legislative budget committee staff in order to comply with the  
17 requirements of section 43-221.

18           J. The department may disclose the aggregate amounts of any tax  
19 credit, tax deduction or tax exemption enacted after January 1, 1994.  
20 Information subject to disclosure under this subsection shall not be  
21 disclosed if a taxpayer demonstrates to the department that such information  
22 would give an unfair advantage to competitors.

23           K. Except as provided in section 42-2002, subsection C, confidential  
24 information, described in section 42-2001, paragraph 2, subdivision (a), item  
25 (iii), may be disclosed to law enforcement agencies for law enforcement  
26 purposes.

27           L. The department may provide transaction privilege tax license  
28 information to property tax officials in a county for the purpose of  
29 identification and verification of the tax status of commercial property.

30           M. The department may provide transaction privilege tax, luxury tax,  
31 use tax, property tax and severance tax information to the ombudsman-citizens  
32 aide pursuant to title 41, chapter 8, article 5.

1           N. Except as provided in section 42-2002, subsection D, a court may  
2 order the department to disclose confidential information pertaining to a  
3 party to an action. An order shall be made only upon a showing of good cause  
4 and that the party seeking the information has made demand upon the taxpayer  
5 for the information.

6           O. This section does not prohibit the disclosure by the department of  
7 any information or documents submitted to the department by a bingo licensee.  
8 Before disclosing the information the department shall obtain the name and  
9 address of the person requesting the information.

10          P. If the department is required or permitted to disclose confidential  
11 information, it may charge the person or agency requesting the information  
12 for the reasonable cost of its services.

13          Q. Except as provided in section 42-2002, subsection D, the department  
14 of revenue shall release confidential information as requested by the  
15 department of economic security pursuant to section 42-1122 or 46-291.  
16 Information disclosed under this subsection is limited to the same type of  
17 information that the United States internal revenue service is authorized to  
18 disclose under section 6103(1)(6) of the internal revenue code.

19          R. Except as provided in section 42-2002, subsection D, the department  
20 of revenue shall release confidential information as requested by the courts  
21 and clerks of the court pursuant to section 42-1122.

22          S. To comply with the requirements of section 42-5031, the department  
23 may disclose to the state treasurer, to the county stadium district board of  
24 directors and to any city or town tax official that is part of the county  
25 stadium district confidential information attributable to a taxpayer's  
26 business activity conducted in the county stadium district.

27          T. The department shall release confidential information as requested  
28 by the attorney general for purposes of determining compliance with and  
29 enforcing section 44-7101, the master settlement agreement referred to  
30 therein and subsequent agreements to which the state is a party that amend or  
31 implement the master settlement agreement. Information disclosed under this  
32 subsection is limited to luxury tax information relating to tobacco

1 manufacturers, distributors, wholesalers and retailers and information  
2 collected by the department pursuant to section 44-7101(2)(j).

3 U. For proceedings before the department, the office of administrative  
4 hearings, the board of tax appeals or any state or federal court involving  
5 penalties that were assessed against a return preparer, an electronic return  
6 preparer or a payroll service company pursuant to section 42-1103.02,  
7 42-1125.01 or 43-419, confidential information may be disclosed only before  
8 the judge or administrative law judge adjudicating the proceeding, the  
9 parties to the proceeding and the parties' representatives in the proceeding  
10 prior to its introduction into evidence in the proceeding. The confidential  
11 information may be introduced as evidence in the proceeding only if the  
12 taxpayer's name, the names of any dependents listed on the return, all social  
13 security numbers, the taxpayer's address, the taxpayer's signature and any  
14 attachments containing any of the foregoing information are redacted and if  
15 either:

16 1. The treatment of an item reflected on such return is or may be  
17 related to the resolution of an issue in the proceeding.

18 2. Such return or return information relates or may relate to a  
19 transactional relationship between a person who is a party to the proceeding  
20 and the taxpayer which directly affects the resolution of an issue in the  
21 proceeding.

22 3. The method of payment of the taxpayer's withholding tax liability  
23 or the method of filing the taxpayer's withholding tax return is an issue for  
24 the period.

25 V. The department may disclose to the attorney general confidential  
26 information received under section 44-7111 and requested by the attorney  
27 general for purposes of determining compliance with and enforcing section  
28 44-7111. The department and attorney general shall share with each other the  
29 information received under section 44-7111, and may share the information  
30 with other federal, state or local agencies only for the purposes of  
31 enforcement of section 44-7101, section 44-7111 or corresponding laws of  
32 other states.



1 MUST BE CLAIMED ON A TIMELY FILED ORIGINAL INCOME TAX RETURN, INCLUDING  
2 EXTENSIONS. THE DEPARTMENT SHALL NOT ALLOW A CREDIT UNDER THIS SECTION TO A  
3 TAXPAYER WHO HAS A DELINQUENT TAX BALANCE OWING TO THE DEPARTMENT UNDER THIS  
4 TITLE OR TITLE 42.

5 D. CO-OWNERS OF A MULTIMEDIA PRODUCTION COMPANY, INCLUDING PARTNERS IN  
6 A PARTNERSHIP, MEMBERS OF A LIMITED LIABILITY COMPANY AND SHAREHOLDERS OF AN  
7 S CORPORATION AS DEFINED IN SECTION 1361 OF THE INTERNAL REVENUE CODE, MAY  
8 ALLOCATE THE CREDIT ALLOWED UNDER THIS SECTION AMONG THE CO-OWNERS ON ANY  
9 BASIS WITHOUT REGARD TO THEIR PROPORTIONAL OWNERSHIP INTEREST, EXCEPT THAT  
10 THE TOTAL OF THE CREDITS ALLOWED ALL SUCH OWNERS OF THE PRODUCTION COMPANY  
11 MAY NOT EXCEED THE AMOUNT THAT WOULD HAVE BEEN ALLOWED FOR A SOLE OWNER OF  
12 THE COMPANY.

13 E. IF THE ALLOWABLE TAX CREDIT FOR A TAXPAYER EXCEEDS THE TAXES  
14 OTHERWISE DUE UNDER THIS TITLE ON THE CLAIMANT'S INCOME, OR IF THERE ARE NO  
15 STATE INCOME TAXES DUE ON THE CLAIMANT'S INCOME, THE AMOUNT OF THE CLAIM NOT  
16 USED AS AN OFFSET AGAINST INCOME TAXES SHALL BE PAID TO THE TAXPAYER IN THE  
17 SAME MANNER AS A REFUND UNDER SECTION 42-1118. REFUNDS MADE PURSUANT TO THIS  
18 SUBSECTION ARE SUBJECT TO SETOFF UNDER SECTION 42-1122. IF THE DEPARTMENT  
19 DETERMINES THAT ANY AMOUNT REFUNDED PURSUANT TO THIS SECTION IS INCORRECT OR  
20 INVALID, THE EXCESS CREDIT AMOUNT REFUNDED MAY BE TREATED AS A TAX DEFICIENCY  
21 PURSUANT TO SECTION 42-1108.

22 F. A TAXPAYER WHO CLAIMS A CREDIT FOR MULTIMEDIA PRODUCTION  
23 EXPENDITURES UNDER THIS SECTION SHALL NOT CLAIM A CREDIT UNDER SECTION  
24 43-1075.01 FOR THE SAME COSTS.

25 G. THE CREDIT ALLOWED BY THIS SECTION IS IN LIEU OF ANY ALLOWANCE FOR  
26 STATE TAX PURPOSES OF A DEDUCTION OF THOSE EXPENSES ALLOWED BY THE INTERNAL  
27 REVENUE CODE.

28 H. FOR THE PURPOSES OF THIS SECTION, "MULTIMEDIA PRODUCTION COMPANY",  
29 "QUALIFIED PRODUCTION EXPENDITURE" AND "RESIDENT" HAVE THE SAME MEANINGS  
30 PRESCRIBED IN SECTION 41-1527.01.



~~affiliated with shall not regularly perform services for the taxpayer or its affiliates. If the director accepts the findings of the audit and issues a notice of determination pursuant to section 42-2303 and the taxpayer timely files its income tax return with the appropriate credit claim forms, the credit amount accepted is not subject to recapture, disallowance, reduction or denial with respect to either the taxpayer or any subsequent transferee of the credit, and subsection F, paragraph 4 of this section does not apply. The director's notice of determination shall include a written certificate to the taxpayer stating the amount of the credit and that the credit is not subject to recapture from a transferee. This subsection does not prevent the recapture of a credit if the taxpayer failed to disclose material information during the audit or falsified its books or records or otherwise engaged in an action that prevented an accurate audit.~~

~~D. C.~~ C. Co-owners of a business, including partners in a partnership, members of a limited liability company and shareholders of an S corporation as defined in section 1361 of the internal revenue code, may allocate the credit allowed under this section among the co-owners on any basis without regard to their proportional ownership interest. The total of the credits allowed all such owners may not exceed the amount that would have been allowed for a sole owner of the company.

~~E. D.~~ D. If the allowable tax credit for a taxpayer exceeds the taxes otherwise due under this title on the claimant's income, or if there are no taxes due under this title, the taxpayer may carry the amount of the claim not used to offset the taxes under this title forward for not more than five consecutive taxable years' income tax liability.

~~F. All or part of any unclaimed amount of credit under this section may be sold or otherwise transferred under the following conditions:~~

~~1. A single sale or transfer may involve one or more transferees, and a transferee may in turn resell or transfer the credit subject to the same conditions of this subsection.~~

1           ~~2. Both the transferor and transferee must submit a written notice of~~  
2           ~~the transfer to the department within thirty days after the sale or transfer.~~  
3           ~~The transferee's notice shall include a processing fee equal to one per cent~~  
4           ~~of the transferee's tax credit balance or two hundred dollars, whichever is~~  
5           ~~less. The notice shall include:~~

6           ~~(a) The name of the taxpayer.~~

7           ~~(b) The date of the transfer.~~

8           ~~(c) The amount of the transfer.~~

9           ~~(d) The transferor's tax credit balance before the transfer and the~~  
10           ~~remaining balance after the transfer.~~

11           ~~(e) All tax identification numbers for both transferor and transferee.~~

12           ~~(f) Any other information required by rule.~~

13           ~~3. A sale or transfer of the credit does not extend the time in which~~  
14           ~~the credit can be used. The carryforward period of time under subsection E~~  
15           ~~of this section for a credit that is sold or transferred begins on the date~~  
16           ~~the credit was originally earned.~~

17           ~~4. Except as provided by subsection C of this section, if a transferor~~  
18           ~~was not qualified or was disqualified from using the credit at the time of~~  
19           ~~the transfer, the department shall either disallow the credit claimed by a~~  
20           ~~transferee or recapture the credit from the transferee through any authorized~~  
21           ~~collection method. The transferee's recourse is against the transferor.~~

22           ~~5. In the case of any failure to comply with this subsection, the~~  
23           ~~department shall disallow the tax credit until the taxpayer is in full~~  
24           ~~compliance.~~

25           ~~G. E.~~ The department of revenue shall maintain annual data on the  
26           total amount of monies credited pursuant to this section, ~~and shall provide~~  
27           ~~that data to the department of commerce on request.~~

28           ~~H. F.~~ The department of revenue, ~~with the cooperation of the~~  
29           ~~department of commerce,~~ shall adopt rules and publish and prescribe forms and  
30           procedures as necessary to effectuate the purposes of this section.

1           ~~I. G.~~ A taxpayer who claims a credit for ~~motion picture~~  
2 ~~infrastructure projects~~ A PRIVATELY FUNDED MULTIMEDIA PRODUCTION FACILITY  
3 under this section shall not claim a credit under section 43-1075 for the  
4 same costs.

5           ~~J. H.~~ The credit allowed by this section is in lieu of any allowance  
6 for state tax purposes of a deduction of those expenses allowed by the  
7 internal revenue code.

8           ~~K. For the purposes of this section, "motion picture infrastructure~~  
9 ~~project" has the same meaning prescribed in section 41-1517.01.~~

10           I. FOR THE PURPOSES OF THIS SECTION, "PRIVATELY FUNDED MULTIMEDIA  
11 PRODUCTION FACILITY" OR "PRODUCTION FACILITY" HAS THE SAME MEANING PRESCRIBED  
12 IN SECTION 41-1527.02.

13           Sec. 6. Title 43, chapter 11, article 6, Arizona Revised Statutes, is  
14 amended by adding a new section 43-1163, to read:

15           43-1163. Credit for qualified multimedia production  
16 expenditures in Arizona; definitions

17           A. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2011  
18 THROUGH TAXABLE YEARS ENDING ON OR BEFORE DECEMBER 31, 2041, A CREDIT IS  
19 ALLOWED AGAINST THE TAXES IMPOSED BY THIS TITLE FOR QUALIFIED PRODUCTION  
20 EXPENDITURES DURING THE TAXABLE YEAR BY A MULTIMEDIA PRODUCTION COMPANY IN  
21 THIS STATE.

22           B. THE AMOUNT OF THE CREDIT WITH RESPECT TO ANY INDIVIDUAL PRODUCTION  
23 IS DETERMINED AS FOLLOWS:

24           1. TWENTY PER CENT OF THE AMOUNT OF QUALIFIED PRODUCTION EXPENDITURES  
25 EXCEEDING TWO HUNDRED FIFTY THOUSAND DOLLARS THAT ARE PREAPPROVED BY THE  
26 MULTIMEDIA PRODUCTION LIAISON PURSUANT TO SECTION 41-1527.01.

27           2. AN ADDITIONAL FIVE PER CENT OF THE AMOUNT OF QUALIFIED PRODUCTION  
28 EXPENDITURES EXCEEDING TWO HUNDRED FIFTY THOUSAND DOLLARS IF, FOR AT LEAST  
29 FIFTY PER CENT OF THE PRODUCTION, THE PRODUCTION COMPANY USES A PRIVATELY  
30 FUNDED PRODUCTION FACILITY THAT IS CERTIFIED BY THE MULTIMEDIA PRODUCTION  
31 LIAISON PURSUANT TO SECTION 41-1527.02.

1           3. AN ADDITIONAL FIVE PER CENT OF THE WAGES, INCLUDED AS QUALIFIED  
2 PRODUCTION EXPENDITURES, PAID TO RESIDENTS OF THIS STATE FOR WORK PERFORMED  
3 IN THIS STATE DIRECTLY RELATED TO THE PRODUCTION.

4           4. THE AMOUNT OF THE CREDIT SHALL NOT EXCEED FIFTEEN MILLION DOLLARS  
5 FOR ANY INDIVIDUAL PRODUCTION BY A QUALIFIED PRODUCTION COMPANY.

6           C. AN APPROVED CREDIT OFFSETS TAX LIABILITY FOR THE TAXABLE YEAR IN  
7 WHICH THE TAXPAYER RECEIVED POSTAPPROVAL FOR THE PRODUCTION. THE CREDITS  
8 MUST BE CLAIMED ON A TIMELY FILED ORIGINAL INCOME TAX RETURN, INCLUDING  
9 EXTENSIONS. THE DEPARTMENT SHALL NOT ALLOW A CREDIT UNDER THIS SECTION TO A  
10 TAXPAYER WHO HAS A DELINQUENT TAX BALANCE OWING TO THE DEPARTMENT UNDER THIS  
11 TITLE OR TITLE 42.

12           D. CO-OWNERS OF A MULTIMEDIA PRODUCTION COMPANY, INCLUDING CORPORATE  
13 PARTNERS IN A PARTNERSHIP AND MEMBERS OF A LIMITED LIABILITY COMPANY, MAY  
14 ALLOCATE THE CREDIT ALLOWED UNDER THIS SECTION AMONG THE CO-OWNERS ON ANY  
15 BASIS WITHOUT REGARD TO THEIR PROPORTIONAL OWNERSHIP INTEREST, EXCEPT THAT  
16 THE TOTAL OF THE CREDITS ALLOWED ALL SUCH OWNERS OF THE PRODUCTION COMPANY  
17 MAY NOT EXCEED THE AMOUNT THAT WOULD HAVE BEEN ALLOWED FOR A SOLE OWNER OF  
18 THE COMPANY.

19           E. IF THE ALLOWABLE TAX CREDIT FOR A TAXPAYER EXCEEDS THE TAXES  
20 OTHERWISE DUE UNDER THIS TITLE ON THE CLAIMANT'S INCOME, OR IF THERE ARE NO  
21 STATE INCOME TAXES DUE ON THE CLAIMANT'S INCOME, THE AMOUNT OF THE CLAIM NOT  
22 USED AS AN OFFSET AGAINST INCOME TAXES SHALL BE PAID TO THE TAXPAYER IN THE  
23 SAME MANNER AS A REFUND UNDER SECTION 42-1118. REFUNDS MADE PURSUANT TO THIS  
24 SUBSECTION ARE SUBJECT TO SETOFF UNDER SECTION 42-1122. IF THE DEPARTMENT  
25 DETERMINES THAT ANY AMOUNT REFUNDED PURSUANT TO THIS SECTION IS INCORRECT OR  
26 INVALID, THE EXCESS CREDIT AMOUNT REFUNDED MAY BE TREATED AS A TAX DEFICIENCY  
27 PURSUANT TO SECTION 42-1108.

28           F. A TAXPAYER THAT CLAIMS A CREDIT FOR MULTIMEDIA PRODUCTION  
29 EXPENDITURES UNDER THIS SECTION SHALL NOT CLAIM A CREDIT UNDER SECTION  
30 43-1163.01 FOR THE SAME COSTS.

1 G. THE CREDIT ALLOWED BY THIS SECTION IS IN LIEU OF ANY ALLOWANCE FOR  
2 STATE TAX PURPOSES OF A DEDUCTION OF THOSE EXPENSES ALLOWED BY THE INTERNAL  
3 REVENUE CODE.

4 H. FOR THE PURPOSES OF THIS SECTION, "MULTIMEDIA PRODUCTION COMPANY",  
5 "QUALIFIED PRODUCTION EXPENDITURE" AND "RESIDENT" HAVE THE SAME MEANINGS  
6 PRESCRIBED IN SECTION 41-1527.01.

7 Sec. 7. Section 43-1163.01, Arizona Revised Statutes, is amended to  
8 read:

9 43-1163.01. Credit for privately funded multimedia production  
10 facilities: definition

11 A. THROUGH TAXABLE YEARS ENDING ON OR BEFORE DECEMBER 31, 2041, a  
12 credit is allowed against the taxes imposed by this title for investments in  
13 ~~motion picture infrastructure projects~~ privately funded multimedia production  
14 facilities in this state as provided by section ~~41-1517.01~~ 41-1527.02. The  
15 amount of the credit is fifteen per cent of the ~~total base~~ POSTAPPROVED  
16 CERTIFIED INFRASTRUCTURE investment in the project during the taxable year as  
17 ~~approved and~~ reported by THE MULTIMEDIA PRODUCTION LIAISON TO the department  
18 ~~of commerce pursuant to section 41-1517.01, subsection F~~ PURSUANT TO SECTION  
19 41-1527.02. The taxpayer may apply the credit against income taxes for the  
20 taxable year in which the ~~motion picture infrastructure project~~ PRIVATELY  
21 FUNDED MULTIMEDIA PRODUCTION FACILITY is completed ~~as provided by section~~  
22 ~~41-1517.01, subsection F.~~

23 B. The department shall not allow+

24 ~~1. Tax credits for any taxable year under this section and section~~  
25 ~~43-1075.01 that would violate the aggregate limits prescribed by section~~  
26 ~~41-1517.01, subsection C.~~

27 ~~2.~~ a tax credit under this section to a taxpayer that has a delinquent  
28 tax balance owing to the department under this title or title 42.

29 ~~C. An applicant, at its expense, may voluntarily enter into a limited~~  
30 ~~managed audit agreement pursuant to title 42, chapter 2, article 7 that~~  
31 ~~includes an audit of its base investment and other requirements prescribed by~~  
32 ~~section 41-1517.01 and by this section to confirm the amount of any credit~~

~~under this section. The request to enter into the audit must be made after the applicant receives approval for the credit pursuant to section 41-1517.01, subsection F. The audit must be conducted by the applicant's authorized representative, as defined in section 42-2301, who is an independent certified public accountant licensed in this state. The certified public accountant and the firm the certified public accountant is affiliated with shall not regularly perform services for the taxpayer or its affiliates. If the director accepts the findings of the audit and issues a notice of determination pursuant to section 42-2303 and the taxpayer timely files its income tax return with the appropriate credit claim forms, the credit amount accepted is not subject to recapture, disallowance, reduction or denial with respect to either the taxpayer or any subsequent transferee of the credit, and subsection F, paragraph 4 of this section does not apply. The director's notice of determination shall include a written certificate to the taxpayer stating the amount of the credit and that the credit is not subject to recapture from a transferee. This subsection does not prevent the recapture of a credit if the taxpayer failed to disclose material information during the audit or falsified its books or records or otherwise engaged in an action that prevented an accurate audit.~~

~~D.~~ C. Co-owners of a business, including corporate partners in a partnership and members of a limited liability company, may allocate the credit allowed under this section among the co-owners on any basis without regard to their proportional ownership interest. The total of the credits allowed all such owners may not exceed the amount that would have been allowed for a sole owner of the company.

~~E.~~ D. If the allowable tax credit for a taxpayer exceeds the taxes otherwise due under this title on the claimant's income, or if there are no taxes due under this title, the taxpayer may carry the amount of the claim not used to offset the taxes under this title forward for not more than five consecutive taxable years' income tax liability.

1           ~~F. All or part of any unclaimed amount of credit under this section~~  
2 ~~may be sold or otherwise transferred under the following conditions:~~

3           ~~1. A single sale or transfer may involve one or more transferees, and~~  
4 ~~a transferee may in turn resell or transfer the credit subject to the same~~  
5 ~~conditions of this subsection.~~

6           ~~2. Both the transferor and transferee must submit a written notice of~~  
7 ~~the transfer to the department within thirty days after the sale or transfer.~~  
8 ~~The transferee's notice shall include a processing fee equal to one per cent~~  
9 ~~of the transferee's tax credit balance or two hundred dollars, whichever is~~  
10 ~~less. The notice shall include:~~

11           ~~(a) The name of the taxpayer.~~

12           ~~(b) The date of the transfer.~~

13           ~~(c) The amount of the transfer.~~

14           ~~(d) The transferor's tax credit balance before the transfer and the~~  
15 ~~remaining balance after the transfer.~~

16           ~~(e) All tax identification numbers for both transferor and transferee.~~

17           ~~(f) Any other information required by rule.~~

18           ~~3. A sale or transfer of the credit does not extend the time in which~~  
19 ~~the credit can be used. The carryforward period of time under subsection E~~  
20 ~~of this section for a credit that is sold or transferred begins on the date~~  
21 ~~the credit was originally earned.~~

22           ~~4. Except as provided by subsection C of this section, if a transferor~~  
23 ~~was not qualified or was disqualified from using the credit at the time of~~  
24 ~~the transfer, the department shall either disallow the credit claimed by a~~  
25 ~~transferee or recapture the credit from the transferee through any authorized~~  
26 ~~collection method. The transferee's recourse is against the transferor.~~

27           ~~5. In the case of any failure to comply with this subsection, the~~  
28 ~~department shall disallow the tax credit until the taxpayer is in full~~  
29 ~~compliance.~~

30           ~~G. E.~~ The department of revenue shall maintain annual data on the  
31 total amount of monies credited pursuant to this section, and shall provide  
32 that data to the department of commerce on request.





1           4. Create high quality employment opportunities within this sector,  
2           and increase this state's global competitiveness by fully using economic  
3           development tools within the motion picture and digital media industry.

4           5. Encourage spin-off development such as educational programs to  
5           provide a labor force trained in all aspects of film and digital production."

6 Amend title to conform

AL MELVIN

2127am1.doc  
03/12/2012  
10:45 AM  
C: dmt