

REFERENCE TITLE: **multimedia production; tax incentives**

State of Arizona  
House of Representatives  
Fifty-first Legislature  
Second Regular Session  
2014

## **HB 2660**

Introduced by  
Representatives Barton, Alston, Miranda, Shope, Steele, Senators Meza,  
Pancrazi, Tovar: Representatives Clinco, Coleman, Gabaldón, Mach, McCune  
Davis, Mendez, Meyer, Sherwood

AN ACT

AMENDING TITLE 41, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 41-113, 41-113.01 AND 41-113.02; AMENDING SECTION 42-2003, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2013, FIRST SPECIAL SESSION, CHAPTER 9, SECTION 3 AND LAWS 2013, FIRST REGULAR SESSION, CHAPTER 40, SECTION 2, CHAPTER 114, SECTION 6 AND CHAPTER 222, SECTION 3; AMENDING SECTION 42-2003, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2013, CHAPTER 255, SECTION 2; AMENDING SECTION 43-222, ARIZONA REVISED STATUTES; AMENDING TITLE 43, CHAPTER 10, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-1075; AMENDING TITLE 43, CHAPTER 11, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-1163; RELATING TO MULTIMEDIA PRODUCTION INCENTIVES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 41, chapter 1, article 1, Arizona Revised Statutes,  
3 is amended by adding sections 41-113, 41-113.01 and 41-113.02, to read:

4 41-113. Multimedia production liaison

5 THE GOVERNOR SHALL APPOINT A MULTIMEDIA PRODUCTION LIAISON WITHIN THE  
6 GOVERNOR'S OFFICE TO:

7 1. SUPERVISE AND EVALUATE THE PREAPPROVAL AND POSTAPPROVAL OF  
8 MULTIMEDIA PRODUCTION INCOME TAX CREDITS PURSUANT TO SECTION 41-113.01.

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

13 41-113.01. Multimedia production income tax credits;  
14 qualification; report; definitions

15 A. THROUGH DECEMBER 31, 2024, THE MULTIMEDIA PRODUCTION LIAISON SHALL  
16 QUALIFY MULTIMEDIA PRODUCTION COMPANIES THAT PRODUCE ONE OR MORE MOTION  
17 PICTURES IN THIS STATE FOR MULTIMEDIA PRODUCTION INCOME TAX CREDITS PURSUANT  
18 TO SECTION 43-1075 OR 43-1163, AS APPLICABLE. A PRODUCTION COMPANY MAY  
19 RECEIVE A CREDIT THAT IS BASED ONLY ON THE QUALIFIED PRODUCTION EXPENDITURES  
20 SUBMITTED BY THE PRODUCTION COMPANY AND CERTIFIED BY THE LIAISON.

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

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

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

29 3. ENTER INTO A WRITTEN MANAGED REVIEW AGREEMENT WITH THE LIAISON THAT  
30 ESTABLISHES THE REQUIREMENTS OF A MANAGED REVIEW TO BE CONDUCTED AT THE  
31 PRODUCTION COMPANY'S EXPENSE. THE MANAGED REVIEW MUST BE CONDUCTED BY AN  
32 INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT WHO IS SELECTED BY THE PRODUCTION  
33 COMPANY, WHO IS LICENSED IN THIS STATE AND WHO IS APPROVED BY THE LIAISON.  
34 THE CERTIFIED PUBLIC ACCOUNTANT AND THE FIRM THE CERTIFIED PUBLIC ACCOUNTANT  
35 IS AFFILIATED WITH MAY NOT REGULARLY PERFORM SERVICES FOR THE PRODUCTION  
36 COMPANY OR ANY AFFILIATE OF THE PRODUCTION COMPANY. THE CERTIFIED PUBLIC  
37 ACCOUNTANT SHALL FURNISH WRITTEN FINDINGS OF THE MANAGED REVIEW TO THE  
38 LIAISON. THE LIAISON SHALL REVIEW THE FINDINGS AND MAY FURTHER EXAMINE  
39 RECORDS AND PERFORM OTHER REVIEWS THAT THE LIAISON CONSIDERS NECESSARY TO  
40 VERIFY THAT THE MANAGED REVIEW SUBSTANTIALLY CONFORMS TO THE TERMS OF THE  
41 MANAGED REVIEW AGREEMENT. THE LIAISON SHALL ACCEPT OR REJECT THE FINDINGS OF  
42 THE MANAGED REVIEW. IF THE LIAISON REJECTS ALL OR PART OF THE MANAGED  
43 REVIEW, THE LIAISON SHALL PROVIDE WRITTEN REASONS FOR THE REJECTION. EXCEPT  
44 AS PROVIDED BY THIS PARAGRAPH, IF THE LIAISON ACCEPTS THE FINDINGS OF THE  
45 MANAGED REVIEW AND THE PRODUCTION COMPANY TIMELY FILES ITS INCOME TAX RETURN

1 WITH THE APPROPRIATE CREDIT CLAIM FORMS, THE CREDIT AMOUNT ACCEPTED IS NOT  
2 SUBJECT TO RECAPTURE, DISALLOWANCE, REDUCTION OR DENIAL WITH RESPECT TO THE  
3 PRODUCTION COMPANY. THE LIAISON'S ACCEPTANCE MUST INCLUDE A WRITTEN  
4 CERTIFICATE TO THE PRODUCTION COMPANY STATING THE AMOUNT OF THE CREDIT AND  
5 THAT THE CREDIT IS NOT SUBJECT TO RECAPTURE AS PROVIDED BY THIS PARAGRAPH.  
6 THIS PARAGRAPH DOES NOT PROHIBIT THE RECAPTURE OF A CREDIT FROM A PRODUCTION  
7 COMPANY IF THE COMPANY FAILED TO DISCLOSE MATERIAL INFORMATION DURING THE  
8 MANAGED REVIEW OR FALSIFIED ITS BOOKS OR RECORDS OR OTHERWISE ENGAGED IN AN  
9 ACTION THAT PREVENTED AN ACCURATE REVIEW. A MANAGED REVIEW UNDER THIS  
10 PARAGRAPH IS NOT CONSIDERED TO BE AN AUDIT FOR THE PURPOSES OF SECTION  
11 42-2059.

12 4. INCLUDE IN THE PRODUCTION'S END CREDITS AN ACKNOWLEDGEMENT THAT THE  
13 PRODUCTION WAS FILMED IN ARIZONA.

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

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

19 1. THE NAME, ADDRESS, TELEPHONE NUMBER AND WEBSITE OF THE MULTIMEDIA  
20 PRODUCTION COMPANY.

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

23 3. THE ESTIMATED FIRST PREPRODUCTION DATE AND LAST PRODUCTION DATE IN  
24 THIS STATE.

25 4. THE ESTIMATED TOTAL BUDGET OF THE PRODUCTION.

26 5. THE ESTIMATED TOTAL EXPENDITURES IN THIS STATE.

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

29 7. THE ESTIMATED LEVEL OF EMPLOYMENT OF RESIDENTS OF THIS STATE IN THE  
30 CAST AND CREW.

31 8. A SCRIPT, INCLUDING A SYNOPSIS, THE NAME OF THE PROPOSED DIRECTOR  
32 AND A PRELIMINARY LIST OF THE CAST AND PRODUCER, EXCEPT THAT, WITH RESPECT TO  
33 A TELEVISION SERIES, OTHER THAN A PILOT PRODUCTION, INSTEAD OF A SCRIPT THE  
34 APPLICANT MUST INCLUDE:

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

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

38 (c) THE INTENDED DISTRIBUTION OR BROADCAST MEDIUM WITH SPECIFIC  
39 TELEVISION NETWORKS, IF KNOWN.

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

1 D. THE LIAISON SHALL ESTABLISH THE PROCESS FOR QUALIFYING AND  
2 PREAPPROVING A PRODUCTION COMPANY FOR A TAX CREDIT UNDER THIS SECTION AS  
3 FOLLOWS:

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

7 2. EACH APPLICATION MUST BE ACCOMPANIED BY A NONREFUNDABLE APPLICATION  
8 FEE IN AN AMOUNT ESTABLISHED BY THE MULTIMEDIA PRODUCTION LIAISON. THE  
9 LIAISON SHALL DEPOSIT THE REVENUES FROM THE FEE IN THE MULTIMEDIA PRODUCTION  
10 FUND ESTABLISHED BY SECTION 41-113.02.

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

16 4. THE LIAISON SHALL ISSUE TO A QUALIFYING APPLICANT A PREAPPROVAL  
17 LETTER THAT IS EFFECTIVE FOR THE PURPOSES OF THIS SECTION FOR TWELVE MONTHS  
18 AS STATED IN THE LETTER.

19 E. WITHIN THIRTY DAYS AFTER RECEIVING PREAPPROVAL OF THE INITIAL  
20 APPLICATION UNDER SUBSECTION D OF THIS SECTION, THE APPLICANT MUST NOTIFY THE  
21 LIAISON OF THE APPLICANT'S OFFICE ADDRESS AND TELEPHONE NUMBER IN THIS STATE.

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.

33 2. A COMPLETION BOND, EQUAL TO THE ESTIMATED TOTAL BUDGET OF THE  
34 PREAPPROVED PRODUCTION. FOR THE PURPOSES OF THIS PARAGRAPH, "COMPLETION  
35 BOND" MEANS AN EXECUTED WRITTEN CONTRACT, ISSUED BY AN INSURANCE COMPANY WITH  
36 AN INSURANCE INDUSTRY RATING OF B+ OR BETTER BY A.M. BEST COMPANY  
37 GUARANTEEING TO THE FINANCIERS OF THE PROJECT THAT THE PRODUCTION WILL BE  
38 COMPLETED ACCORDING TO THE TERMS OF THE PREAPPROVED APPLICATION SUBMITTED BY  
39 THE PRODUCTION COMPANY TO THE LIAISON.

40 H. THE LIAISON MAY NOT PREAPPROVE INCOME TAX CREDITS FOR THE PURPOSES  
41 OF SECTIONS 43-1075 AND 43-1163 THAT EXCEED A TOTAL OF THIRTY MILLION DOLLARS  
42 FOR ANY FISCAL YEAR. THE THIRTY MILLION DOLLARS MUST BE ALLOCATED EQUALLY  
43 AMONG ANY PERIODIC APPLICATION PERIODS ADOPTED UNDER SUBSECTION D, PARAGRAPH  
44 1 OF THIS SECTION, FOR THE PURPOSES OF MULTIMEDIA PRODUCTION INCOME TAX  
45 CREDITS PURSUANT TO SECTIONS 43-1075 AND 43-1163. THE AMOUNT OF THE CREDIT

1 FOR AN INDIVIDUAL PRODUCTION MUST BE CALCULATED PURSUANT TO SECTION 43-1075  
2 OR 43-1163, AS APPLICABLE, AND IS LIMITED TO TEN MILLION DOLLARS FOR ANY  
3 INDIVIDUAL PRODUCTION.

4 I. A PREAPPROVED AMOUNT APPLIES AGAINST THE DOLLAR LIMIT PRESCRIBED BY  
5 SUBSECTION H OF THIS SECTION FOR THE FISCAL YEAR IN WHICH THE APPLICATION WAS  
6 SUBMITTED REGARDLESS OF WHETHER THE INITIAL PREAPPROVAL PERIOD EXTENDS INTO  
7 THE FOLLOWING YEAR OR YEARS. BEFORE THE EXPIRATION OF THE INITIAL  
8 PREAPPROVAL OR REQUALIFICATION PERIOD, A PRODUCTION COMPANY MAY VOLUNTARILY  
9 RELINQUISH UNUSED CREDIT AMOUNTS.

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

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

15 2. A TELEVISION SERIES THAT WAS PREAPPROVED IN A PREVIOUS YEAR AND  
16 OTHERWISE MET THE REQUIREMENTS OF THIS SECTION SHALL BE GIVEN PRIORITY  
17 PLACEMENT BEFORE ANY OTHER NEW APPLICANT IN THE FOLLOWING YEAR, OTHER THAN  
18 ANOTHER TELEVISION SERIES WITH AN EARLIER PRIORITY PLACEMENT ESTABLISHED BY  
19 THE DATE THAT TELEVISION SERIES PRODUCTION COMPANY FILED ITS INITIAL  
20 APPLICATION FOR QUALIFICATION.

21 K. THE LIAISON SHALL REALLOCATE THE AMOUNT OF CREDITS THAT IS  
22 VOLUNTARILY RELINQUISHED UNDER SUBSECTION I OF THIS SECTION, THAT LAPSES  
23 UNDER SUBSECTION G OF THIS SECTION OR THAT LAPSES UNDER SUBSECTION M,  
24 PARAGRAPH 1 OF THIS SECTION. THE CREDITS SHALL BE REALLOCATED TO OTHER  
25 MULTIMEDIA PRODUCTION COMPANIES THAT APPLIED IN THE ORIGINAL CREDIT YEAR  
26 BASED ON PRIORITY PLACEMENT AS PROVIDED BY SUBSECTION J OF THIS SECTION. IF  
27 FOR ANY YEAR AN UNUSED BALANCE OCCURS IN THE CREDITS AUTHORIZED UNDER THE  
28 DOLLAR LIMIT PRESCRIBED BY SUBSECTION H OF THIS SECTION, THE BALANCE MUST BE  
29 ALLOCATED TO MULTIMEDIA PRODUCTION COMPANIES THAT SUCCESSFULLY APPEAL THE  
30 DENIAL OF APPROVAL UNDER SUBSECTION M OF THIS SECTION. THE AMOUNT OF ALL  
31 CREDITS THAT ARE REALLOCATED UNDER THIS SUBSECTION APPLIES AGAINST THE DOLLAR  
32 LIMIT OF THE ORIGINAL CREDIT YEAR REGARDLESS OF THE YEAR IN WHICH THE  
33 REALLOCATION OCCURS.

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

37 1. APPLY TO THE LIAISON IN WRITING FOR POSTAPPROVAL OF INCOME TAX  
38 CREDITS.

39 2. SUBMIT A VIEWABLE COPY OF THE MOTION PICTURE.

40 3. CERTIFY THE TOTAL AMOUNT OF ACTUAL ELIGIBLE PRODUCTION COSTS  
41 ASSOCIATED WITH THE PROJECT.

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

44 1. PROVIDE POSTAPPROVAL IF THE PRODUCTION COMPANY HAS MET THE  
45 ELIGIBILITY REQUIREMENTS OF THIS SECTION. IF THE AMOUNT OF APPROVED

1 PRODUCTION COSTS IS LESS THAN THE PREAPPROVED AMOUNT, THE AMOUNT NOT INCLUDED  
2 IN POSTAPPROVAL LAPSES AND DOES NOT APPLY AGAINST THE DOLLAR LIMIT PRESCRIBED  
3 BY SUBSECTION H OF THIS SECTION FOR THAT YEAR. ON A DETERMINATION BY THE  
4 LIAISON THAT A MULTIMEDIA PRODUCTION COMPANY QUALIFIES FOR TAX CREDITS UNDER  
5 THIS SECTION, THE LIAISON SHALL ISSUE THE PRODUCTION COMPANY A WRITTEN LETTER  
6 OF QUALIFICATION.

7 2. REQUEST ADDITIONAL INFORMATION NECESSARY FOR A DETERMINATION OF  
8 ELIGIBILITY. IF THE PRODUCTION COMPANY SUPPLIES REQUESTED ADDITIONAL  
9 INFORMATION TO THE LIAISON, THE APPLICATION IS CONSIDERED TO BE APPROVED IF  
10 THE LIAISON FAILS TO TAKE FURTHER ACTION WITHIN THIRTY DAYS. IN ANY EVENT,  
11 ONE HUNDRED TWENTY DAYS AFTER THE PRODUCTION COMPANY'S APPLICATION FOR  
12 POSTAPPROVAL, THE APPLICATION IS CONSIDERED TO BE APPROVED WITH RESPECT TO  
13 ALL AMOUNTS NOT SUBJECT TO THE LIAISON'S REQUEST FOR ADDITIONAL INFORMATION.

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

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

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

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

22 (ii) THE PRODUCTION DEPICTS SEXUAL ACTIVITY AS DEFINED IN SECTION  
23 13-3501.

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

26 N. IF A PREAPPROVED MULTIMEDIA PRODUCTION COMPANY FAILS TO UNDERTAKE  
27 PRODUCTION AND ALSO FAILS TO VOLUNTARILY RELINQUISH THE UNUSED CREDIT AMOUNTS  
28 FOR REALLOCATION AS PROVIDED BY SUBSECTION I OF THIS SECTION WITHIN THE  
29 NINETY-DAY PERIOD, THE LIAISON MAY DISQUALIFY THE PRODUCTION COMPANY AND ALL  
30 PERSONS SIGNING THE APPLICATION FOR PREAPPROVAL FROM RECEIVING, OR  
31 PARTICIPATING IN ANY MULTIMEDIA PRODUCTION COMPANY THAT APPLIES FOR OR  
32 RECEIVES, TAX CREDITS PURSUANT TO THIS SECTION FOR THREE YEARS AFTER THE  
33 ORIGINAL APPLICATION.

34 O. THE LIAISON SHALL:

35 1. ADOPT RULES, FORMS AND PROCEDURES AS NECESSARY TO FACILITATE THE  
36 ORDERLY APPLICATION, EVALUATION AND APPROVAL OF CREDITS UNDER SECTIONS  
37 43-1075 AND 43-1163, AND POST THOSE RULES, FORMS AND PROCEDURES ON THE  
38 LIAISON'S OFFICIAL WEBSITE.

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

41 P. ANY INFORMATION GATHERED FROM MULTIMEDIA PRODUCTION COMPANIES FOR  
42 THE PURPOSES OF THIS SECTION IS CONSIDERED CONFIDENTIAL TAXPAYER INFORMATION,  
43 EXCEPT THAT THE LIAISON SHALL PUBLISH THE FOLLOWING INFORMATION IN AN ANNUAL  
44 REPORT:

1           1. THE NAME OF EACH MULTIMEDIA PRODUCTION COMPANY, THE NUMBER OF DAYS  
2 SHOOTING IN THIS STATE AND THE NUMBER OF ARIZONA RESIDENT EMPLOYEES, ITEMIZED  
3 BY PRODUCTIONS IN THE PREPRODUCTION, PRODUCTION AND POSTPRODUCTION STAGES OF  
4 ACTIVITY.

5           2. THE AMOUNT OF INCOME TAX CREDITS PREAPPROVED DURING THE TAXABLE  
6 YEAR.

7           3. THE AMOUNT OF CREDITS POSTAPPROVED WITH RESPECT TO EACH PRODUCTION  
8 DURING THE YEAR.

9           Q. FOR THE PURPOSES OF THIS SECTION:

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

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

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

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

38           (c) MATERIALS PURCHASED FROM A VENDOR LOCATED IN THIS STATE FOR  
39 CONSTRUCTION OF SETS, SPECIAL EFFECTS AND OTHER PURPOSES.

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

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

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

45           (g) HOTEL AND LODGING IN THIS STATE.

- 1 (h) FOOD EXPENSES, INCLUDING CATERING, PURCHASED IN THIS STATE.
- 2 (i) LOCATION FEES IN THIS STATE.
- 3 (j) POSTPRODUCTION EXPENSES IN THIS STATE.
- 4 (k) FUEL PURCHASED IN THIS STATE.
- 5 (l) VEHICLES RENTED IN THIS STATE.
- 6 3. "RESIDENT" MEANS AN INDIVIDUAL WHO HAS BEEN DOMICILED IN THIS STATE
- 7 FOR AT LEAST NINETY DAYS OR WHO IS OTHERWISE IN THIS STATE FOR OTHER THAN A
- 8 TEMPORARY OR TRANSITORY PURPOSE. EVIDENCE OF RESIDENCY INCLUDES AT LEAST ONE
- 9 OF THE FOLLOWING IN THIS STATE:
- 10 (a) CURRENT OWNERSHIP OF RESIDENTIAL PROPERTY.
- 11 (b) DRIVER LICENSE.
- 12 (c) NONOPERATING IDENTIFICATION LICENSE.
- 13 (d) MOTOR VEHICLE REGISTRATION.
- 14 (e) VOTER REGISTRATION.
- 15 (f) STATE TAX RECORDS.
- 16 (g) IN-STATE STUDENT CLASSIFICATION UNDER TITLE 15, CHAPTER 14,
- 17 ARTICLE 1.
- 18 4. "TELEVISION SERIES" MEANS A RECURRING OR EPISODIC PRODUCTION
- 19 INTENDED IN ITS PILOT OR INITIAL RUN FOR BROADCAST ON FREE OR SUBSCRIPTION
- 20 TELEVISION SERVICE THAT HAS A RUNNING TIME OF AT LEAST THIRTY MINUTES IN
- 21 LENGTH, INCLUDING COMMERCIAL ADVERTISEMENT AND INTERSTITIAL PROGRAMMING.
- 22 41-113.02. Multimedia production fund; exemption
- 23 A. THE MULTIMEDIA PRODUCTION FUND IS ESTABLISHED CONSISTING OF
- 24 REVENUES FROM THE APPLICATION FEE ASSESSED PURSUANT TO SECTION 41-113.01,
- 25 SUBSECTION D, PARAGRAPH 2. THE MULTIMEDIA PRODUCTION LIAISON SHALL
- 26 ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED TO THE
- 27 MULTIMEDIA PRODUCTION LIAISON FOR THE PURPOSES OF THE TAX CREDITS UNDER
- 28 SECTIONS 43-1075 AND 43-1163.
- 29 B. ON NOTICE FROM THE LIAISON, THE STATE TREASURER SHALL INVEST AND
- 30 DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED
- 31 FROM INVESTMENT SHALL BE CREDITED TO THE FUND.
- 32 C. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190
- 33 RELATING TO LAPSING OF APPROPRIATIONS.
- 34 Sec. 2. Section 42-2003, Arizona Revised Statutes, as amended by Laws
- 35 2013, first special session, chapter 9, section 3 and Laws 2013, first
- 36 regular session, chapter 40, section 2, chapter 114, section 6 and chapter
- 37 222, section 3, is amended to read:
- 38 42-2003. Authorized disclosure of confidential information
- 39 A. Confidential information relating to:
- 40 1. A taxpayer may be disclosed to the taxpayer, its successor in
- 41 interest or a designee of the taxpayer who is authorized in writing by the
- 42 taxpayer. A principal corporate officer of a parent corporation may execute
- 43 a written authorization for a controlled subsidiary.
- 44 2. A corporate taxpayer may be disclosed to any principal officer, any
- 45 person designated by a principal officer or any person designated in a

1 resolution by the corporate board of directors or other similar governing  
2 body.

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

6 4. An estate may be disclosed to the personal representative of the  
7 estate and to any heir, next of kin or beneficiary under the will of the  
8 decedent if the department finds that the heir, next of kin or beneficiary  
9 has a material interest which will be affected by the confidential  
10 information.

11 5. A trust may be disclosed to the trustee or trustees, jointly or  
12 separately, and to the grantor or any beneficiary of the trust if the  
13 department finds that the grantor or beneficiary has a material interest that  
14 will be affected by the confidential information.

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

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

20 B. Confidential information may be disclosed to:

21 1. Any employee of the department whose official duties involve tax  
22 administration.

23 2. The office of the attorney general solely for its use in  
24 preparation for, or in an investigation that may result in, any proceeding  
25 involving tax administration before the department or any other agency or  
26 board of this state, or before any grand jury or any state or federal court.

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

33 4. Other state tax officials whose official duties require the  
34 disclosure for proper tax administration purposes if the information is  
35 sought in connection with an investigation or any other proceeding conducted  
36 by the official. Any disclosure is limited to information of a taxpayer who  
37 is being investigated or who is a party to a proceeding conducted by the  
38 official.

39 5. The following agencies, officials and organizations, if they grant  
40 substantially similar privileges to the department for the type of  
41 information being sought, pursuant to statute and a written agreement between  
42 the department and the foreign country, agency, state, Indian tribe or  
43 organization:

44 (a) The United States internal revenue service, alcohol and tobacco  
45 tax and trade bureau of the United States treasury, United States bureau of

1 alcohol, tobacco, firearms and explosives of the United States department of  
2 justice, United States drug enforcement agency and federal bureau of  
3 investigation.

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

5 (c) An organization of states, federation of tax administrators or  
6 multistate tax commission that operates an information exchange for tax  
7 administration purposes.

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

11 (e) An agency, official or organization of an Indian tribal government  
12 with responsibilities comparable to the responsibilities of the agencies,  
13 officials or organizations identified in subdivision (a), (b) or (c) of this  
14 paragraph.

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

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

19 (a) The processing, storage, transmission, destruction and  
20 reproduction of the information.

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

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

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

27 (a) Regarding income tax or withholding tax.

28 (b) On any tax issue relating to information associated with the  
29 reporting of income tax or withholding tax.

30 9. The United States treasury inspector general for tax administration  
31 for the purpose of reporting a violation of internal revenue code section  
32 7213A (26 United States Code section 7213A), unauthorized inspection of  
33 returns or return information.

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

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

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

40 (a) Qualifying renewable energy operations for the tax incentives  
41 under sections 42-12006, 43-1083.01 and 43-1164.01.

42 (b) Qualifying businesses with a qualified facility for income tax  
43 credits under sections 43-1083.03 and 43-1164.04.

44 (c) Fulfilling its annual reporting responsibility pursuant to section  
45 41-1511, subsections U and V and section 41-1512, subsections U and V.

1 (d) Certifying computer data centers for tax relief under section  
2 41-1519.

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

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

6 15. The department of transportation for its use in administering  
7 taxes, surcharges and penalties prescribed by title 28.

8 16. The Arizona health care cost containment system administration for  
9 its use in administering nursing facility provider assessments.

10 17. THE MULTIMEDIA PRODUCTION LIAISON FOR THE SOLE USE OF THE LIAISON  
11 FOR THE PURPOSES OF:

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

14 (b) FULFILLING THE ANNUAL REPORTING RESPONSIBILITY UNDER SECTION  
15 41-113.01, SUBSECTION P.

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

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

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

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

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

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

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

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

35 E. The department, on the request of any person, shall provide the  
36 names and addresses of bingo licensees as defined in section 5-401, verify  
37 whether or not a person has a privilege license and number, a distributor's  
38 license and number or a withholding license and number or disclose the  
39 information to be posted on the department's website or otherwise publicly  
40 accessible pursuant to section 42-1124, subsection F and section 42-3201,  
41 subsection A.

42 F. A department employee, in connection with the official duties  
43 relating to any audit, collection activity or civil or criminal  
44 investigation, may disclose return information to the extent that disclosure  
45 is necessary to obtain information that is not otherwise reasonably

1 available. These official duties include the correct determination of and  
2 liability for tax, the amount to be collected or the enforcement of other  
3 state tax revenue laws.

4 G. If an organization is exempt from this state's income tax as  
5 provided in section 43-1201 for any taxable year, the name and address of the  
6 organization and the application filed by the organization on which the  
7 department made its determination for exemption together with any papers  
8 submitted in support of the application and any letter or document issued by  
9 the department concerning the application are open to public inspection.

10 H. Confidential information relating to transaction privilege tax, use  
11 tax, severance tax, jet fuel excise and use tax and any other tax collected  
12 by the department on behalf of the county may be disclosed to any county,  
13 city or town tax official if the information relates to a taxpayer who is or  
14 may be taxable by the county, city or town. Any taxpayer information  
15 released by the department to the county, city or town:

- 16 1. May only be used for internal purposes.
- 17 2. May not be disclosed to the public in any manner that does not  
18 comply with confidentiality standards established by the department. The  
19 county, city or town shall agree in writing with the department that any  
20 release of confidential information that violates the confidentiality  
21 standards adopted by the department will result in the immediate suspension  
22 of any rights of the county, city or town to receive taxpayer information  
23 under this subsection.

24 I. The department may disclose statistical information gathered from  
25 confidential information if it does not disclose confidential information  
26 attributable to any one taxpayer. The department may disclose statistical  
27 information gathered from confidential information, even if it discloses  
28 confidential information attributable to a taxpayer, to:

- 29 1. The state treasurer in order to comply with the requirements of  
30 section 42-5029, subsection A, paragraph 3.
- 31 2. The joint legislative income tax credit review committee and the  
32 joint legislative budget committee staff in order to comply with the  
33 requirements of section 43-221.

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

39 K. Except as provided in section 42-2002, subsection C, confidential  
40 information, described in section 42-2001, paragraph 1, subdivision (a), item  
41 (ii), may be disclosed to law enforcement agencies for law enforcement  
42 purposes.

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

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

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

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

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

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

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

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

30 T. The department shall release confidential information as requested  
31 by the attorney general for purposes of determining compliance with and  
32 enforcing section 44-7101, the master settlement agreement referred to  
33 therein and subsequent agreements to which the state is a party that amend or  
34 implement the master settlement agreement. Information disclosed under this  
35 subsection is limited to luxury tax information relating to tobacco  
36 manufacturers, distributors, wholesalers and retailers and information  
37 collected by the department pursuant to section 44-7101(2)(j).

38 U. For proceedings before the department, the office of administrative  
39 hearings, the board of tax appeals or any state or federal court involving  
40 penalties that were assessed against a return preparer, an electronic return  
41 preparer or a payroll service company pursuant to section 42-1103.02,  
42 42-1125.01 or 43-419, confidential information may be disclosed only before  
43 the judge or administrative law judge adjudicating the proceeding, the  
44 parties to the proceeding and the parties' representatives in the proceeding  
45 prior to its introduction into evidence in the proceeding. The confidential

1 information may be introduced as evidence in the proceeding only if the  
2 taxpayer's name, the names of any dependents listed on the return, all social  
3 security numbers, the taxpayer's address, the taxpayer's signature and any  
4 attachments containing any of the foregoing information are redacted and if  
5 either:

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

8 2. Such return or return information relates or may relate to a  
9 transactional relationship between a person who is a party to the proceeding  
10 and the taxpayer which directly affects the resolution of an issue in the  
11 proceeding.

12 3. The method of payment of the taxpayer's withholding tax liability  
13 or the method of filing the taxpayer's withholding tax return is an issue for  
14 the period.

15 V. The department may disclose to the attorney general confidential  
16 information received under section 44-7111 and requested by the attorney  
17 general for purposes of determining compliance with and enforcing section  
18 44-7111. The department and attorney general shall share with each other the  
19 information received under section 44-7111, and may share the information  
20 with other federal, state or local agencies only for the purposes of  
21 enforcement of section 13-3711, 36-798.06, 44-7101 or 44-7111 or  
22 corresponding laws of other states.

23 W. The department may provide the name and address of qualifying  
24 hospitals and qualifying health care organizations, as defined in section  
25 42-5001, to a business classified and reporting transaction privilege tax  
26 under the utilities classification.

27 X. The department may disclose to the attorney general confidential  
28 information requested by the attorney general for the purposes of determining  
29 compliance with and enforcing section 13-3711 or 36-798.06.

30 Y. The department may disclose to an official of any city, town or  
31 county in a current agreement or considering a prospective agreement with the  
32 department as described in section 42-5032.02, subsection F any information  
33 relating to amounts subject to distribution required by section 42-5032.02.  
34 Information disclosed by the department under this subsection:

35 1. May only be used by the city, town or county for internal purposes.

36 2. May not be disclosed to the public in any manner that does not  
37 comply with confidentiality standards established by the department. The  
38 city, town or county must agree with the department in writing that any  
39 release of confidential information that violates the confidentiality  
40 standards will result in the immediate suspension of any rights of the city,  
41 town or county to receive information under this subsection.

42 Sec. 3. Section 42-2003, Arizona Revised Statutes, as amended by Laws  
43 2013, chapter 255, section 2, is amended to read:

44 42-2003. Authorized disclosure of confidential information

45 A. Confidential information relating to:

1           1. A taxpayer may be disclosed to the taxpayer, its successor in  
2 interest or a designee of the taxpayer who is authorized in writing by the  
3 taxpayer. A principal corporate officer of a parent corporation may execute  
4 a written authorization for a controlled subsidiary.

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

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

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

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

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

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

26           B. Confidential information may be disclosed to:

27           1. Any employee of the department whose official duties involve tax  
28 administration.

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

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

39           4. Other state tax officials whose official duties require the  
40 disclosure for proper tax administration purposes if the information is  
41 sought in connection with an investigation or any other proceeding conducted  
42 by the official. Any disclosure is limited to information of a taxpayer who  
43 is being investigated or who is a party to a proceeding conducted by the  
44 official.

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

6           (a) The United States internal revenue service, alcohol and tobacco  
7 tax and trade bureau of the United States treasury, United States bureau of  
8 alcohol, tobacco, firearms and explosives of the United States department of  
9 justice, United States drug enforcement agency and federal bureau of  
10 investigation.

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

12           (c) An organization of states, federation of tax administrators or  
13 multistate tax commission that operates an information exchange for tax  
14 administration purposes.

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

18           (e) An agency, official or organization of an Indian tribal government  
19 with responsibilities comparable to the responsibilities of the agencies,  
20 officials or organizations identified in subdivision (a), (b) or (c) of this  
21 paragraph.

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

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

26           (a) The processing, storage, transmission, destruction and  
27 reproduction of the information.

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

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

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

34           (a) Regarding income tax or withholding tax.

35           (b) On any tax issue relating to information associated with the  
36 reporting of income tax or withholding tax.

37           9. The United States treasury inspector general for tax administration  
38 for the purpose of reporting a violation of internal revenue code section  
39 7213A (26 United States Code section 7213A), unauthorized inspection of  
40 returns or return information.

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

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

- 1           12. The Arizona commerce authority for its use in:  
2           (a) Qualifying renewable energy operations for the tax incentives  
3 under sections 42-12006, 43-1083.01 and 43-1164.01.  
4           (b) Qualifying businesses with a qualified facility for income tax  
5 credits under sections 43-1083.03 and 43-1164.04.  
6           (c) Fulfilling its annual reporting responsibility pursuant to section  
7 41-1511, subsections U and V and section 41-1512, subsections U and V.  
8           (d) Certifying computer data centers for tax relief under section  
9 41-1519.
- 10          13. A prosecutor for purposes of section 32-1164, subsection C.  
11          14. The state fire marshal for use in determining compliance with and  
12 enforcing title 41, chapter 16, article 3.1.
- 13          15. The department of transportation for its use in administering  
14 taxes, surcharges and penalties prescribed by title 28.
- 15          16. THE MULTIMEDIA PRODUCTION LIAISON FOR THE SOLE USE OF THE LIAISON  
16 FOR THE PURPOSES OF:  
17           (a) QUALIFYING AND APPROVING MULTIMEDIA PRODUCTION COMPANIES FOR THE  
18 INCOME TAX CREDITS UNDER SECTIONS 43-1075 AND 43-1163.  
19           (b) FULFILLING THE ANNUAL REPORTING RESPONSIBILITY UNDER SECTION  
20 41-113.01, SUBSECTION P.
- 21          C. Confidential information may be disclosed in any state or federal  
22 judicial or administrative proceeding pertaining to tax administration  
23 pursuant to the following conditions:  
24           1. One or more of the following circumstances must apply:  
25           (a) The taxpayer is a party to the proceeding.  
26           (b) The proceeding arose out of, or in connection with, determining  
27 the taxpayer's civil or criminal liability, or the collection of the  
28 taxpayer's civil liability, with respect to any tax imposed under this title  
29 or title 43.  
30           (c) The treatment of an item reflected on the taxpayer's return is  
31 directly related to the resolution of an issue in the proceeding.  
32           (d) Return information directly relates to a transactional  
33 relationship between a person who is a party to the proceeding and the  
34 taxpayer and directly affects the resolution of an issue in the proceeding.
- 35          2. Confidential information may not be disclosed under this subsection  
36 if the disclosure is prohibited by section 42-2002, subsection C or D.
- 37          D. Identity information may be disclosed for purposes of notifying  
38 persons entitled to tax refunds if the department is unable to locate the  
39 persons after reasonable effort.
- 40          E. The department, on the request of any person, shall provide the  
41 names and addresses of bingo licensees as defined in section 5-401, verify  
42 whether or not a person has a privilege license and number, a distributor's  
43 license and number or a withholding license and number or disclose the  
44 information to be posted on the department's website or otherwise publicly

1 accessible pursuant to section 42-1124, subsection F and section 42-3201,  
2 subsection A.

3 F. A department employee, in connection with the official duties  
4 relating to any audit, collection activity or civil or criminal  
5 investigation, may disclose return information to the extent that disclosure  
6 is necessary to obtain information that is not otherwise reasonably  
7 available. These official duties include the correct determination of and  
8 liability for tax, the amount to be collected or the enforcement of other  
9 state tax revenue laws.

10 G. If an organization is exempt from this state's income tax as  
11 provided in section 43-1201 for any taxable year, the name and address of the  
12 organization and the application filed by the organization on which the  
13 department made its determination for exemption together with any papers  
14 submitted in support of the application and any letter or document issued by  
15 the department concerning the application are open to public inspection.

16 H. Confidential information relating to transaction privilege tax, use  
17 tax, severance tax, jet fuel excise and use tax and any other tax collected  
18 by the department on behalf of the county may be disclosed to any county,  
19 city or town tax official if the information relates to a taxpayer who is or  
20 may be taxable by the county, city or town. Any taxpayer information  
21 released by the department to the county, city or town:

22 1. May only be used for internal purposes.

23 2. May not be disclosed to the public in any manner that does not  
24 comply with confidentiality standards established by the department. The  
25 county, city or town shall agree in writing with the department that any  
26 release of confidential information that violates the confidentiality  
27 standards adopted by the department will result in the immediate suspension  
28 of any rights of the county, city or town to receive taxpayer information  
29 under this subsection.

30 I. The department may disclose statistical information gathered from  
31 confidential information if it does not disclose confidential information  
32 attributable to any one taxpayer. The department may disclose statistical  
33 information gathered from confidential information, even if it discloses  
34 confidential information attributable to a taxpayer, to:

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

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

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

1 K. Except as provided in section 42-2002, subsection C, confidential  
2 information, described in section 42-2001, paragraph 1, subdivision (a), item  
3 (ii), may be disclosed to law enforcement agencies for law enforcement  
4 purposes.

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

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

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

16 O. This section does not prohibit the disclosure by the department of  
17 any information or documents submitted to the department by a bingo licensee.  
18 Before disclosing the information the department shall obtain the name and  
19 address of the person requesting the information.

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

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

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

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

37 T. The department shall release confidential information as requested  
38 by the attorney general for purposes of determining compliance with and  
39 enforcing section 44-7101, the master settlement agreement referred to  
40 therein and subsequent agreements to which the state is a party that amend or  
41 implement the master settlement agreement. Information disclosed under this  
42 subsection is limited to luxury tax information relating to tobacco  
43 manufacturers, distributors, wholesalers and retailers and information  
44 collected by the department pursuant to section 44-7101(2)(j).

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

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

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

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

23 V. The department may disclose to the attorney general confidential  
24 information received under section 44-7111 and requested by the attorney  
25 general for purposes of determining compliance with and enforcing section  
26 44-7111. The department and attorney general shall share with each other the  
27 information received under section 44-7111, and may share the information  
28 with other federal, state or local agencies only for the purposes of  
29 enforcement of section 13-3711, 36-798.06, 44-7101 or 44-7111 or  
30 corresponding laws of other states.

31 W. The department may provide the name and address of qualifying  
32 hospitals and qualifying health care organizations, as defined in section  
33 42-5001, to a business classified and reporting transaction privilege tax  
34 under the utilities classification.

35 X. The department may disclose to the attorney general confidential  
36 information requested by the attorney general for the purposes of determining  
37 compliance with and enforcing section 13-3711 or 36-798.06.

38 Y. The department may disclose to an official of any city, town or  
39 county in a current agreement or considering a prospective agreement with the  
40 department as described in section 42-5032.02, subsection F any information  
41 relating to amounts subject to distribution required by section 42-5032.02.  
42 Information disclosed by the department under this subsection:

43 1. May only be used by the city, town or county for internal purposes.

44 2. May not be disclosed to the public in any manner that does not  
45 comply with confidentiality standards established by the department. The

1 city, town or county must agree with the department in writing that any  
2 release of confidential information that violates the confidentiality  
3 standards will result in the immediate suspension of any rights of the city,  
4 town or county to receive information under this subsection.

5 Sec. 4. Section 43-222, Arizona Revised Statutes, is amended to read:  
6 43-222. Income tax credit review schedule

7 The joint legislative income tax credit review committee shall review  
8 the following income tax credits:

9 1. For years ending in 0 and 5, sections 43-1079.01, 43-1087, 43-1088,  
10 43-1090.01, 43-1167.01, 43-1175 and 43-1182.

11 2. For years ending in 1 and 6, sections 43-1074.02, 43-1083,  
12 43-1083.02, 43-1085.01, 43-1164.02, 43-1164.03 and 43-1183.

13 3. For years ending in 2 and 7, sections 43-1073, 43-1079, 43-1080,  
14 43-1085, 43-1086, 43-1089, 43-1089.01, 43-1089.02, 43-1089.03, 43-1090,  
15 43-1164, 43-1167, 43-1169, 43-1176 and 43-1181.

16 4. For years ending in 3 and 8, sections 43-1074.01, 43-1081, 43-1168,  
17 43-1170 and 43-1178.

18 5. For years ending in 4 and 9, sections 43-1075, 43-1076, 43-1076.01,  
19 43-1081.01, 43-1083.01, 43-1084, 43-1162, 43-1162.01, 43-1163, 43-1164.01,  
20 43-1170.01 and 43-1184 and, beginning in 2019, sections 43-1083.03 and  
21 43-1164.04.

22 Sec. 5. Title 43, chapter 10, article 5, Arizona Revised Statutes, is  
23 amended by adding section 43-1075, to read:

24 43-1075. Credit for qualified multimedia production  
25 expenditures in Arizona; definitions

26 A. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2014  
27 THROUGH TAXABLE YEARS ENDING ON OR BEFORE DECEMBER 31, 2025, A CREDIT IS  
28 ALLOWED AGAINST THE TAXES IMPOSED BY THIS TITLE FOR QUALIFIED PRODUCTION  
29 EXPENDITURES DURING THE TAXABLE YEAR BY A MULTIMEDIA PRODUCTION COMPANY IN  
30 THIS STATE.

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

33 1. TWENTY-FIVE PER CENT OF THE AMOUNT OF QUALIFIED PRODUCTION  
34 EXPENDITURES EXCEEDING TWO HUNDRED FIFTY THOUSAND DOLLARS THAT ARE  
35 PREAPPROVED BY THE MULTIMEDIA PRODUCTION LIAISON PURSUANT TO SECTION  
36 41-113.01.

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

40 3. THE AMOUNT OF THE CREDIT MAY NOT EXCEED TEN MILLION DOLLARS FOR ANY  
41 INDIVIDUAL PRODUCTION BY A QUALIFIED PRODUCTION COMPANY.

42 C. AN APPROVED CREDIT OFFSETS TAX LIABILITY FOR THE TAXABLE YEAR IN  
43 WHICH THE TAXPAYER RECEIVED POSTAPPROVAL FOR THE PRODUCTION. THE CREDIT MUST  
44 BE CLAIMED ON A TIMELY FILED ORIGINAL INCOME TAX RETURN, INCLUDING  
45 EXTENSIONS. THE DEPARTMENT MAY NOT ALLOW A CREDIT UNDER THIS SECTION TO A

1 TAXPAYER WHO HAS A DELINQUENT TAX BALANCE OWING TO THE DEPARTMENT UNDER THIS  
2 TITLE OR TITLE 42.

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

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

20 F. THE CREDIT ALLOWED BY THIS SECTION IS IN LIEU OF ANY ALLOWANCE FOR  
21 STATE TAX PURPOSES OF A DEDUCTION OF THOSE EXPENSES ALLOWED BY THE INTERNAL  
22 REVENUE CODE.

23 G. FOR THE PURPOSES OF THIS SECTION, "MULTIMEDIA PRODUCTION COMPANY",  
24 "QUALIFIED PRODUCTION EXPENDITURE" AND "RESIDENT" HAVE THE SAME MEANINGS  
25 PRESCRIBED IN SECTION 41-113.01.

26 Sec. 6. Title 43, chapter 11, article 6, Arizona Revised Statutes, is  
27 amended by adding section 43-1163, to read:

28 43-1163. Credit for qualified multimedia production  
29 expenditures in Arizona; definitions

30 A. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2014  
31 THROUGH TAXABLE YEARS ENDING ON OR BEFORE DECEMBER 31, 2025, A CREDIT IS  
32 ALLOWED AGAINST THE TAXES IMPOSED BY THIS TITLE FOR QUALIFIED PRODUCTION  
33 EXPENDITURES DURING THE TAXABLE YEAR BY A MULTIMEDIA PRODUCTION COMPANY IN  
34 THIS STATE.

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

37 1. TWENTY-FIVE PER CENT OF THE AMOUNT OF QUALIFIED PRODUCTION  
38 EXPENDITURES EXCEEDING TWO HUNDRED FIFTY THOUSAND DOLLARS THAT ARE  
39 PREAPPROVED BY THE MULTIMEDIA PRODUCTION LIAISON PURSUANT TO SECTION  
40 41-113.01.

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

44 3. THE AMOUNT OF THE CREDIT MAY NOT EXCEED TEN MILLION DOLLARS FOR ANY  
45 INDIVIDUAL PRODUCTION BY A QUALIFIED PRODUCTION COMPANY.

1 C. AN APPROVED CREDIT OFFSETS TAX LIABILITY FOR THE TAXABLE YEAR IN  
2 WHICH THE TAXPAYER RECEIVED POSTAPPROVAL FOR THE PRODUCTION. THE CREDIT MUST  
3 BE CLAIMED ON A TIMELY FILED ORIGINAL INCOME TAX RETURN, INCLUDING  
4 EXTENSIONS. THE DEPARTMENT MAY NOT ALLOW A CREDIT UNDER THIS SECTION TO A  
5 TAXPAYER WHO HAS A DELINQUENT TAX BALANCE OWING TO THE DEPARTMENT UNDER THIS  
6 TITLE OR TITLE 42.

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

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

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

26 G. FOR THE PURPOSES OF THIS SECTION, "MULTIMEDIA PRODUCTION COMPANY",  
27 "QUALIFIED PRODUCTION EXPENDITURE" AND "RESIDENT" HAVE THE SAME MEANINGS  
28 PRESCRIBED IN SECTION 41-113.01.

29 Sec. 7. Multimedia production employment mentoring program:  
30 report

31 The multimedia production liaison shall work with universities and  
32 community colleges in this state to develop a program to encourage multimedia  
33 production companies that apply for income tax credits under section  
34 41-113.01, Arizona Revised Statutes, as added by this act, to offer  
35 internships and mentoring programs for qualified students who are pursuing  
36 postsecondary degrees in motion picture and multimedia production.

37 Sec. 8. Employment report

38 On or before July 31, 2019, the multimedia production liaison shall  
39 report to the joint legislative income tax credit review committee on the  
40 employment of residents of this state in full-time positions in motion  
41 picture and multimedia production in this state that qualified for income tax  
42 credits under section 41-113.01, Arizona Revised Statutes, as added by this  
43 act.

1           Sec. 9. Purpose

2           Pursuant to section 43-223, Arizona Revised Statutes, the legislature  
3 enacts sections 43-1075 and 43-1163, Arizona Revised Statutes, as added by  
4 this act, to encourage development in this state of a strong multimedia  
5 production and film industry.

6           Sec. 10. Effective date

7           Section 42-2003, Arizona Revised Statutes, as amended by Laws 2013,  
8 chapter 255, section 2 and this act, is effective from and after December 31,  
9 2014.