

STATE OF NEW YORK

1390

2021-2022 Regular Sessions

IN ASSEMBLY

January 8, 2021

Introduced by M. of A. CAHILL -- Multi-Sponsored by -- M. of A. AUBRY,
PRETLOW -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to eligibility for the empire
state film production credit

The People of the State of New York, represented in Senate and Assem-
bly, do enact as follows:

1 Section 1. Legislative intent. The Legislature hereby recognizes that
2 providing tax incentive to enhance diversity in the ranks of television
3 writers and directors will also enhance the diversity of stories and
4 casts.

5 § 2. Paragraph 1 of subdivision (a) of section 24 of the tax law, as
6 amended by section 3 of part Q of chapter 57 of the laws of 2010, is
7 amended to read as follows:

8 (1) Allowance of credit. A taxpayer which is a qualified film
9 production company, or a qualified independent film production company,
10 or which is a sole proprietor of or a member of a partnership which is a
11 qualified film production company or a qualified independent film
12 production company, and which is subject to tax under articles nine-A or
13 twenty-two of this chapter, shall be allowed a credit against such tax,
14 pursuant to the provisions referenced in subdivision ~~(a)~~ (e) of this
15 section, to be computed as ~~hereinafter~~ provided in this section.

16 § 3. Paragraph 2 of subdivision (b) of section 24 of the tax law, as
17 added by section 1 of part P of chapter 60 of the laws of 2004, is
18 amended and two new paragraphs 9 and 10 are added to read as follows:

19 (2) "Production costs" means any costs for tangible property used and
20 services performed directly and predominantly in the production (includ-
21 ing pre-production and post production) of a qualified film.
22 "Production costs" shall not include [~~(i) costs for a story, script or~~
23 ~~scenario to be used for a qualified film and (ii)~~] wages or salaries or
24 other compensation for writers, directors, including music directors,
25 producers and performers (other than background actors with no scripted

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 lines). Writers' and directors' fees and salaries shall be eligible
2 production costs subject to the provisions of subdivision (c-1) of this
3 section; provided, however, that fees that are based on deferred, lever-
4 aged or profit participation costs, or are in excess of those otherwise
5 permitted by subdivision (c-1) of this section shall not be eligible
6 production costs. "Production costs" generally include technical and
7 crew production costs, such as expenditures for film production facili-
8 ties, or any part thereof, props, makeup, wardrobe, film processing,
9 camera, sound recording, set construction, lighting, shooting, editing
10 and meals.

11 (9) "Writer" means a writer employed or retained to write or revise
12 scripts, screenplays, teleplays, dialogue, sketches, routines or
13 narrations.

14 (10) "Director" means the individual employed or retained to direct
15 the production, as the word "direct" is commonly used in the motion
16 picture industry.

17 § 4. Section 24 of the tax law is amended by adding two new subdivi-
18 sions (c-1) and (c-2) to read as follows:

19 (c-1) For a television production, writers' and directors' fees and
20 salaries shall be eligible costs; provided, however, such costs shall
21 not exceed: (i) for each writer or director who receives an on-air cred-
22 it, fifty thousand dollars in fees or salary per episode; and (ii) for
23 each non-credited writer or director, seventy-five thousand dollars per
24 series of episodes and provided that such writer or director is a minor-
25 ity group member, as defined by subdivision eight of section three
26 hundred ten of the executive law, or a woman.

27 Provided, further, that, notwithstanding any other provision of this
28 section, a writer's or director's fees and salary shall be eligible for
29 the maximum amount of the credit granted by this subdivision, only if
30 such writer or director is a resident of this state.

31 (c-2) For each tax year, not more than five million dollars in tax
32 credits for writers' and directors' fees and salaries shall be granted
33 pursuant to this section. Such credits shall only be available from
34 credits allowed for production costs pursuant to this section.

35 § 5. This act shall take effect on the one hundred twentieth day after
36 it shall have become a law and shall apply to the tax year in which it
37 takes effect and all subsequent tax years.