

Senate Bill No. 192

AN ACT concerning

Film Production Activity - Sales and Use Tax Exemption

FOR the purpose of providing an exemption under the sales and use tax for the sale of certain tangible personal property and taxable services used in certain film production activities; authorizing the Department of Business and Economic Development to certify the eligibility of an applicant for the sales and use tax exemption; requiring the Department and the Comptroller jointly to adopt certain regulations; requiring the Department of Business and Economic Development to conduct a study and report to the General Assembly on the effect of this tax credit and the potential economic effect of a certain income tax credit on the film and video production industry in the State and on the actual effect of similar credits enacted in other states; defining certain terms; and generally relating to sales and use tax exemptions for film production activities.

BY adding to

Article - Tax - General

Section 11-226

Annotated Code of Maryland

(1997 Replacement Volume and 1999 Supplement)

BY adding to

Article 83A - Department of Business and Economic Development

Section 4-501 to be under the new subtitle "Subtitle 5. Film Production Activity Tax Exemptions"

Annotated Code of Maryland

(1998 Replacement Volume and 1999 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Tax - General

11-226.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) (I) "FILM PRODUCTION ACTIVITY" MEANS THE PRODUCTION OR POSTPRODUCTION OF FILM OR VIDEO PROJECTS INCLUDING FEATURE FILMS, TELEVISION PROJECTS, COMMERCIALS, CORPORATE FILMS, INFOMERCIALS, MUSIC VIDEOS, OR OTHER PROJECTS FOR WHICH THE PRODUCER OR PRODUCTION COMPANY WILL BE COMPENSATED, AND WHICH ARE INTENDED FOR NATIONWIDE COMMERCIAL DISTRIBUTION.

(II) "FILM PRODUCTION ACTIVITY" INCLUDES THE PRODUCTION OR POSTPRODUCTION OF DIGITAL, ANIMATION, AND MULTIMEDIA PROJECTS.