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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. 2069

March 13, 2007

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The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to taxation; income tax; providing a film production tax credit;  
1.3 appropriating money; amending Minnesota Statutes 2006, section 290.06, by  
1.4 adding a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2006, section 290.06, is amended by adding a  
1.7 subdivision to read:

1.8 Subd. 34. Film production credit; appropriation. (a) A taxpayer is allowed  
1.9 a credit against the taxes due under this chapter equal to 15 percent of film production  
1.10 expenditures made in Minnesota that are directly attributable to film production in  
1.11 Minnesota.

1.12 (b) Expenditures that qualify for the credit under this subdivision must be subject to  
1.13 taxation in Minnesota and include:

1.14 (1) payment of wages, fringe benefits, or fees for talent, management, or labor to a  
1.15 person who is a Minnesota resident for purposes of this chapter;

1.16 (2) payment to personal services corporations for the services of a performing artist,  
1.17 if the performing artist receiving payments from the personal services corporation pays  
1.18 Minnesota income tax; and

1.19 (3) any of the following provided by a vendor:

1.20 (i) the story and scenario to be used for a film;

1.21 (ii) set construction and operations, wardrobe, accessories, and related services;

1.22 (iii) photography, sound synchronization, lighting, and related services;

1.23 (iv) editing and related services;

1.24 (v) rental of facilities and equipment;

2.1 (vi) leasing of vehicles; and

2.2 (vii) food and lodging.

2.3 (c) If the amount of the credit under this subdivision exceeds the taxpayer's tax  
2.4 liability under this chapter for the taxable year, the amount of the excess must be refunded  
2.5 to the taxpayer. The amount necessary to pay the refunds is appropriated annually from  
2.6 the general fund to the commissioner of revenue.

2.7 **EFFECTIVE DATE.** This section is effective for taxable years beginning after  
2.8 December 31, 2006.