

**GOVERNOR'S PROGRAM BILL  
2023**

**MEMORANDUM**

An act to amend part D of chapter 59 of the laws of 2023 amending the tax law relating to the empire state film production credit

**Purpose:**

The bill amends Empire State Film Production Tax Credit Program to clarify that the law allows applicants who have applied to the program prior to April 1, 2023, to access the increased pool of funding that was added to the program in the 2023-2024 budget.

**Summary of Provisions:**

Section 1 of the bill amends section 10 of part D of chapter 59 of the laws of 2023 to clarify that the new \$700 million pool for film tax credits does not only apply to applications submitted after April 1, 2023.

Sections 2 and 3 of the bill amend paragraph 4 of subdivision e of section 24 of the Tax Law to clarify that a qualified film that receives funds from additional pool 2 where the taxpayer filed an initial application before April 1, 2023, no Empire State Film Production Credit shall be claimed before the later of (1) the taxable year the production of the qualified film is complete, or (2) the taxable year immediately following the allocation year for which the film has been allocated credit by the Department of Economic Development. In the case of a qualified film that receives funds from additional pool 2 where the taxpayer filed an initial application on or after April 1, 2023, no Empire State Film Production Credit shall be claimed before the later of (1) the taxable year the production of the qualified film is complete, or (2) the taxable year that includes the last day of the allocation year for which the film has been allocated credit by the Department of Economic Development.

Section 4 provides that the act shall take effect immediately and have the same force and effect as part D of chapter 59 of the laws of 2023.

**Existing Law:**

The Film Production Tax Credit program, codified in section 24 of the Tax Law, is designed to strengthen the film production industry in New York State and its positive impact on the State's economy.

Film productions which comply with requirements may be eligible for a tax credit of 30% percent of the qualified production expenses to encourage film companies to film in New York. Qualified expenses include certain above-the-line wages subject to specific caps, below-the-line

## PROGRAM BILL #11

wages, and production costs directly related to the production of a qualified film. This tax credit is already funded at \$700 million a year through 2034.

### **Justification:**

This technical fix that clarifies that both existing and new applications to have access to the new pool of funding, which was the initial intent of the 2023-2024 budget legislation.

### **Legislative History:**

This is a new bill.

### **Budget Implications:**

None. This bill does not increase the contemplated overall funding for the program.

### **Effective Date:**

This bill would be effective immediately and have the same force and effect as part D of chapter 59 of the laws of 2023.