

South Carolina General Assembly
125th Session, 2023-2024

S. 652

STATUS INFORMATION

General Bill

Sponsors: Senator Davis

Companion/Similar bill(s): 3089, 4020

Document Path: LC-0197DG23.docx

Introduced in the Senate on March 22, 2023

Currently residing in the Senate Committee on **Finance**

Summary: Film incentives

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
3/22/2023	Senate	Introduced and read first time (Senate Journalpage 4)
3/22/2023	Senate	Referred to Committee on Finance (Senate Journalpage 4)

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VERSIONS OF THIS BILL

03/22/2023

A BILL

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 12-62-50, RELATING TO THE TAX REBATE FOR CERTAIN MOTION PICTURE PRODUCTION COMPANIES, SO AS TO INCREASE THE ANNUAL LIMIT, AND BY ALLOWING THE USE OF REBATES FOR CERTAIN EXPENDITURES AND EXPENSES; AND BY REPEALING SECTION 12-62-60 RELATING TO DISTRIBUTION OF ADMISSIONS TAXES FOR REBATES TO MOTION PICTURE PRODUCTION COMPANIES AND CERTAIN DEPARTMENTAL EXPENSES.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 12-62-50(A)(1) of the S.C. Code is amended to read:

(1) The South Carolina Film Commission may rebate to a motion picture production company a portion of the South Carolina payroll of the employment of persons subject to South Carolina income tax withholdings in connection with production of a motion picture. The rebate may not exceed twenty percent of the total aggregate South Carolina payroll for persons subject to South Carolina income tax withholdings, and may not exceed twenty-five percent for South Carolina residents, for persons employed in connection with the production when total production costs in South Carolina equal or exceed one million dollars during the taxable year. The rebates in total may not annually exceed ~~ten~~ forty million dollars and shall come from the state's general fund. Any unused rebates may be carried forward for the next three tax years thereby increasing the annual limit in those subsequent years. For purposes of this section, "total aggregate payroll" does not include the salary of an employee whose salary is equal to or greater than one million dollars for each motion picture.

SECTION 2. Section 12-62-50 of the S.C. Code is amended by adding:

(E)(1) In addition to the rebates allowed pursuant to subsection (A), the department may rebate to a motion picture production company up to thirty percent of the expenditures made by the motion picture production company in the State if the motion picture production company has a minimum in-state expenditure of one million dollars. This item does not apply to payroll paid for motion picture production employees subject to this section or money paid to the companies described in subitem (a)(ii) or (iii). The allocations to motion picture production companies contemplated by this chapter must be made by the department. The department shall report annually to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee on the

use of all funds pursuant to this item. The report is a public record pursuant to the Freedom of Information Act, Chapter 4, Title 30, and must be posted annually on the commission's website by January first.

(2) Also, the department may use a portion of the rebate allotment to fund the operations for the South Carolina Film Commission and for the promotion of collaborative production and educational efforts between institutions of higher learning in South Carolina and motion picture-related entities. Any funds used by the department pursuant to this item shall reduce the annual limit set forth in subsection (A) by an equal amount.

(3) The department, in conjunction with the South Carolina Film Commission, shall adopt rules and promulgate regulations necessary to administer this subsection.

SECTION 3. Section 12-62-60 of the S.C. Code is repealed.

SECTION 4. This act takes effect upon approval by the Governor.

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