

## Jefferson Parish Film Industry Incentives Program

### 1. Purpose and Description of Jefferson Parish Film Industry Incentive Rebate Program

A. The purpose of this program is to encourage growth and investment in Jefferson Parish by developing a strong base for motion-picture film, videotape, digital, and television program productions.

B. The Jefferson Parish film industry incentive offers a rebate for lodging, payroll expenses, and other production expenditures made in Jefferson Parish, including but not limited to sound stage or location leases and post-production costs.

### 2. Definitions. The following terms should have the meanings provided, unless the context clearly indicates otherwise.

*Completion of production* – means that post-production of a film has been finished and a cut negative, video master or other final locked form of the film is ready for striking of prints or electronic copies, and/or ready for broadcast or delivery to a distributor.

*Expended by a pre-approved production in Jefferson Parish* –

- a. In the case of tangible property, means property which is acquired from a source within Jefferson Parish and provided by an individual or entity doing business in Jefferson Parish which pays Jefferson Parish sales tax.
- b. In the case of services, means procured from within Jefferson Parish, performed in Jefferson Parish and provided by an individual or entity doing business in Jefferson Parish which has an occupational license in Jefferson Parish.

*Jefferson Parish-approved production* – a production approved by the Film Incentive Review Panel (FIRP). The production must have a viable multi-market commercial distribution plan, and either have its production office located in Jefferson Parish or use a soundstage facility located within Jefferson Parish.

*Louisiana State-certified production* – a production approved by the Louisiana Office of Entertainment Industry Development and the Louisiana Department of Economic Development produced by a motion picture production company domiciled and headquartered in Louisiana which has a viable multi-market commercial distribution plan.

*Non-Allowable Production Expenditures* – the following expenses are NOT eligible to qualify as Jefferson Parish production expenditures:

- a. Overhead and similar expenses do not qualify as production expenditures unless the expenditures were incurred in Jefferson

- Parish and directly used in a pre-approved production;
- b. Post-production expenditures for marketing and distribution;
- c. Any amounts that are later reimbursed;
- d. Any amounts that are paid to persons or entities as a result of their participation in profits from the exploitation of the production;
- e. Construction of film or post-production facilities;
- f. Flow-through costs for services not performed in Jefferson Parish or for goods not procured from within Jefferson Parish.

*Payroll* – includes all salary and wages, including related benefits, sourced or apportioned to a Jefferson Parish resident paid for an approved Jefferson Parish production.

*Payroll expended on Jefferson Parish residents* – means the gross amount of wages and salaries as reflected on Form W-2 (the amount listed on Item 1 of Form W-2 – wages, tips, and other compensation) and the amount listed in Form 1099 that is actually paid to a Jefferson Parish resident.

*Qualified Production* – means a nationally distributed feature-length film, video, television movie, television series, television pilot, or commercial made in Jefferson Parish, in whole or in part, for theatrical or television viewing or as a television pilot. The term does not include the production of a: news or current affairs program, interview or talk program, magazine program, variety or skit program, “how-to” (i.e., instructional) film or program, film or program consisting primarily of stock footage, sporting event or sporting program, award ceremony, film or program intended primarily for industrial, corporate or industrial end-users, fundraising film or program, or daytime drama (i.e., daytime “soap opera”). The term also does not include a production for which records are required under section 2257 of Title 18, United States Code, to be maintained with respect to any performer in such production (reporting of books, films, etc. with respect to sexually explicit content).

*Production expenditures* – means reasonable and customary pre-production, production, and post-production expenditures directly incurred in Jefferson Parish in or from an establishment located within Jefferson Parish which pays occupational license or sales tax in Jefferson Parish that are used directly in an approved production, including without limitation the following:

- a. Set construction and operation;
- b. Wardrobes, make-up, accessories, and related services;
- c. Costs associated with photography and sound synchronization, lighting, and related services and materials;
- d. Editing and related services;
- e. Rental of facilities and equipment;
- f. Leasing of vehicles;
- g. Costs of food and lodging;

- h. Digital or tape editing, film processing, transfer of film to tape or digital format, sound mixing, special and visual effects (if services are performed in Jefferson Parish);
- i. Qualified payroll expenses;
- j. Music, if performed, composed, or recorded by a Jefferson Parish resident, or released or published by a Jefferson Parish-domiciled and headquartered company;
- k. Insurance costs or bonding, if purchased through a Jefferson Parish-based agency;
- l. Travel expenses, provided that the trip must have a beginning or ending location in Jefferson Parish, and any travel agency used must be in Jefferson Parish.

*Production Facility* – a physical facility functioning as a soundstage that provides the goods and services necessary for completing the major activities of motion picture production.

*Production Office*- an office from which the routine business activities (such as record storage, secretarial services, telephone and other communication modes), associated with film making are conducted. Cannot be a hotel or residential residence.

*Qualified Jefferson Parish payroll expenses* – payroll expenses paid to a natural person who is at the time of production, and for a period of at least six months prior to commencing work on the production or project, was a resident of Jefferson Parish. Residency will be determined using the residency form required by FIRP, and submission of documentation as required by the form, including picture I.D. and one of the following issued in the employee’s name: lease or act of sale or two other forms of identification, such as utility bill, or voter registration.

*Qualified Lodging* – Jefferson Parish establishments which pay sales, hotel/motel, occupational license, or ad valorem taxes in Jefferson Parish.

*Qualified lease or rental expenses* – lease or rental expenses for sound stage, location or production offices paid for a site in Jefferson Parish and which pays occupational license or ad valorem tax in Jefferson Parish, or holds an exemption from payment of such taxes.

### **3. Requirements for Film Incentive Rebate**

- A. Production must either:
  - 1. Have its **principal Louisiana** production office located within Jefferson Parish, or
  - 2. Use a soundstage facility located within Jefferson Parish, and;

B. Each individual production must have acceptable expenditures of the types listed in section 4, paid within Jefferson Parish, amounting to at least \$150,000.00.

C. The production company must agree to include the “Filmed in Jefferson” logo in its credits, and further to provide Jefferson Parish with at least 2 still shots to be used in Jefferson Parish promotional activities, and to reasonably assist Jefferson in its promotional activities.

D. In order to receive incentives based on a Jefferson Parish-located production office, all production office operations must be performed at that location and not at alternative locations within Louisiana.

#### **4. Qualifying Acceptable Expenditures**

A. Lodging Rebate – 3% rebate on all lodging expenses for cast and crew incurred in Jefferson Parish establishments which pay sales, hotel/motel, occupational license, or ad valorem taxes in Jefferson Parish.

B. Payroll Rebates – 3% rebate on payroll expenses of cast and crew who are, and for a period of at least six months prior to commencing work on the production or project, were residents of Jefferson Parish.

C. Lease or Rental Expenses – 3% rebate on all lease or rental expenses for sound stage, location or production offices paid for a site in Jefferson Parish which pays occupational license or ad valorem tax in Jefferson Parish, or holds an exemption from payment of such taxes.

D. Other Production Expenses – 3% rebate on any other production expense incurred at an establishment located in Jefferson Parish which pays occupational license or sales tax in Jefferson Parish.

#### **5. Application for the Film Incentive Rebate**

A. An applicant for the Jefferson Parish film incentive rebate should submit an initial application for pre-approval to the Jefferson Parish Film Office, attn: Dominique Rotolo, 200 Derbigny Street Suite 6100., Gretna, LA 70053, that includes a detailed preliminary budget, multi-market detailed distribution plan, applicable lease or rental agreement and a script synopsis (including principal creative elements).

#### **6. Approval of Film Incentives Rebate**

A. Preliminary Approval: FIRP will issue approval of productions as follows:

1. Jefferson Parish-Approved Production: to obtain the approval from the FIRP for a “parish-approved production,” the applicant must complete the Jefferson Parish Film Incentive Request Preliminary Questionnaire and submit it to the Jefferson Parish Film Office, requesting approval of

the production as a “parish-approved production” and setting forth the following information (as may be applicable):

- a. Working title of the production for which approval is requested.  
Should the title change, the parish-approved production needs to inform the Film Office as soon as that change is made;
- b. Name of the requesting production company;
- c. Name, telephone number, e-mail address and attesting signature of the requesting production company’s contact person;
- d. Approximate beginning and ending date of production in Jefferson Parish
- e. Jefferson Parish office address, if applicable;
- f. Telephone number of requesting company’s Jefferson Parish office address, if applicable;
- g. Address of sound stage facility located within Jefferson Parish, if applicable;
- h. A preliminary budget including the estimated total production-related costs, estimated total of production-related costs to be expended in Jefferson Parish, and estimated Jefferson Parish payroll;
- i. List of principal creative elements such as principle cast, producer, director, and music supervisor;
- j. Facts sufficient for FIRP to determine each of the following:
  - i). That the requesting production is a qualified production as defined in these rules, and
  - ii). That the requesting production company has either a viable multi-market distribution plan or a signed distribution agreement with either a major theatrical exhibitor, television network, or cable television programmer for distribution of the production for which approval is requested.

#### **B. Interim Payments and Time Limits**

1. Upon reaching the \$150,000.00 threshold of acceptable payments, applicant may apply for an interim payment. The interim payment must be requested no later than six months from the start of occupancy as per the lease or rental agreement.
2. When the production efforts in Jefferson Parish are completed, applicant may apply for a final payment. Final payment is subject to completion of production and to the final approval and audit requirements listed in subsection C of this section and must be requested no later than twenty four months from the start of occupancy as per the lease or rental agreement. Should production in Jefferson Parish extend past twenty four months, the production company may petition FIRP for an extension of this time limit.

#### **C. Approval of Expenditures and Audit Requirements**

1. Prior to any final approval of the expenditures of a parish-approved

production and the issuance of any film incentive rebate, the motion picture production company should submit to the Film Office a cost report of production expenditures audited and certified by an independent certified public accountant. Jefferson Parish may audit the cost report submitted by the motion picture production company. The following procedures set forth minimum standards for acceptability of the audit to be performed by a certified public accountant. The certified public accountant's report should, at a minimum, meet the following requirements:

- a. The auditor auditing the report should be a Certified Public Accountant licensed in the State of Louisiana and should be an independent third party, not related to the production company;
- b. The auditor's opinion must be addressed to the party who has engaged the auditor (e.g. Directors of the production company);
- c. The auditor's name, address, and telephone number must be evident on the report;
- d. The auditor's opinion must be dated as of the completion of the audit fieldwork;
- e. The audit should be performed in accordance with auditing standards generally accepted in the United States of America, and;
- f. The auditor should have demonstrated sufficient knowledge of accounting principles and practices generally recognized in the motion picture industry.

**7. Incentive Funding Caps** Jefferson Parish film industry incentives are provided for and capped as follows:

A. Basic Cap – \$100,000.00 total to any individual qualified project or production.

1. Productions which both have a production office in Jefferson Parish and lease premises to be used as a soundstage in Jefferson Parish are entitled to a \$10,000 cap increase.

**B. Payment of incentives is subject to available funding. When all available funding is expended, no new incentives will be paid until additional funds are appropriated and available.**

*Revised 01/2015*