

Sound Recording Tax Incentive Program

THE FACTS

The primary objective of Sound Recording Investor Tax Credit Program is to encourage development in Louisiana of a strong capital and infrastructure base for musical recording productions in order to achieve a more independent, self-supporting music industry. Until January 1, 2015, there is authorized a refundable credit against the state income tax for investments made in state-certified sound recording productions.

The tax credit shall be earned by investors at the time expenditures are certified by the Louisiana Department of Economic Development according to the total base investment certified for the sound recording production per calendar year.

ELIGIBILITY

1. Sound recording, defined as a recording of music, poetry, or spoken-word performance made in Louisiana, produced in Louisiana in whole or in part. Note: Sound recording does not include the audio portions of dialogue or words spoken and recorded as part of television news coverage or athletic events.
2. **Minimum investment of \$15,000 in Louisiana** on the project(s) for which application is made. Note: The investment may take place over a 12-month period and may include more than one project to reach the \$15,000 minimum, provided no single project exceeds the \$15,000 threshold by itself.

BENEFITS

1. The Sound Recording Tax Credit is 25% of all certified Louisiana expenditures
2. If the applicant has no tax liability to the State of Louisiana, the Louisiana Department of Revenue will refund the amount of certified tax credits to the applicant in the form of a check.
3. If the applicant has some tax liability, but not enough to use the entire amount of tax credits, the Louisiana Department of Revenue may put some of the credits toward the remaining tax liability and view the left over credits as an “overpayment” and refund the remaining amount of tax credits to the applicant in the form of a check.

APPLICATION PROCEDURES

1. APPLICATION

Complete and submit the application (available on Louisiana Entertainment.gov) and supporting documents in their entirety to Louisiana Entertainment in one of the following ways:

Mail: P.O. Box 94185, Baton Rouge, LA 70804-9185

In Person: Capitol Annex, 1051 North Third Street, Room 173, Baton Rouge, LA 70802

Email: ginger.clements@la.gov or philip.mann@la.gov

2. INITIAL CERTIFICATION

- a) Once the application is complete, the project is evaluated for eligibility and qualified expenses are determined.
- b) If Louisiana Entertainment determines that the projects appears to qualify if it proceeds within the confines of the statute and its rules, Louisiana Entertainment issues an "Initial Certification" letter that details guidelines for expenditures for that project. This Initial Certification process usually takes between 45 and 60 business days.
- c) The applicant signs the Initial Certification letters and returns it to Louisiana Entertainment.

3. COST/AUDIT REPORTS

- a) Upon completion of the project, the applicant must submit a cost report along with a CPA Certification Form, both prepared by an independent Louisiana CPA, to Louisiana Entertainment.
- b) If the project's expenditures are \$50,000 or more, the applicant must furnish an audited cost report.
- c) Guidelines for the cost report are included in the Initial Certification letter.
- d) NOTE: For projects initially certified after 02/01/11, applicants to the sound recording production program must provide detailed accounting and verification of expenditures relating to "All-In Producer Deals."

4. FINAL CERTIFICATION

- a) Upon receiving the cost report/audit, Louisiana Entertainment reviews the report and may request additional supporting documentation.
- b) After all supporting documentation is received, Louisiana Entertainment issues a "Final Certification" letter, confirming the certified amount that was spent in state and the certified amount of tax credits the applicant will receive. This Final Certification phase usually takes between 45-60 business days.

5. ISSUANCE OF CREDITS

- a) Upon Final Certification, Louisiana Entertainment submits the Final Certification letter to the Department of Revenue on behalf of the investor who earned the Sound Recording Tax Credit.
- b) LDR may require the investor to submit additional information.
- c) LDR issues payment to the investor, usually within 30 days.

FOR MORE INFORMATION

www.louisianaentertainment.gov

225-342-5403

Ginger Clements

Assistant Director, Live Performance and Music
Louisiana Entertainment
ginger.clements@la.gov

Philip Mann

Director, Live Performance and Music
Louisiana Entertainment
philip.mann@la.gov