

LEGISLATIVE REFERENCE BUREAU

AMENDMENTS TO SENATE BILL NO. 1035

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1 Amend Bill, page 1, lines 17 and 18, by striking out "or
2 added July 25, 2007 (P.L.373, No.55) and July 2, 2012 (P.L.751,
3 No.85)" and inserting

4 July 9, 2013 (P.L. , No.52)

5 Amend Bill, page 2, lines 5 through 24, by striking out all
6 of said lines and inserting

7 (1) The term includes an expense incurred in the
8 development of interactive software that meets all of the
9 following:

10 (i) Is produced at a digital interactive media
11 facility.

12 (ii) Is produced for distribution on or accessed via
13 electronic media, including software accessed via or
14 downloaded from the Internet or a mobile network and
15 software distributed on optical media or embedded in or
16 downloadable to an electronic device, including a mobile
17 phone, game system, computer, tablet and personal digital
18 assistant or any other handheld electronic device.

19 (iii) Allows a user to interact with the interactive
20 software via an electronic device, including a mobile
21 phone, game system, computer, tablet and personal digital
22 assistant or any other handheld electronic device.

23 (iv) Includes an appreciable quantity of text,
24 sound, fixed images, animated images or 3-D geometry.

25 (2) The term does not include media that contains
26 obscene material or performance as defined in 18 Pa.C.S. §
27 5903(b) (relating to obscene and other sexual materials and
28 performances).

29 Amend Bill, page 4, lines 27 through 29, by striking out all
30 of said lines and inserting

31 "Pennsylvania digital interactive media expense." A digital
32 interactive media expense incurred at a qualified digital
33 interactive media facility.

1 "Pennsylvania postproduction expense." A postproduction
2 expense incurred at a qualified postproduction facility.

3 Amend Bill, page 5, lines 12 through 14, by striking out all
4 of lines 12 and 13 and "production company" in line 14 and
5 inserting

6 for which the tax imposed under Article III has been
7 withheld and remitted under the requirements of Article
8 III by the production company

9 Amend Bill, page 6, by inserting between lines 2 and 3

10 "Postproduction expense." A postproduction expense of
11 original content for a film as follows:

12 (1) The term includes traditional, emerging and new work
13 flow techniques used in postproduction for any of the
14 following:

15 (i) Picture, sound and music editorial, rerecording
16 and mixing.

17 (ii) Visual effects.

18 (iii) Graphic design.

19 (iv) Original scoring.

20 (v) Animation.

21 (vi) Musical composition.

22 (vii) Mastering.

23 (viii) Dubbing.

24 (2) The term does not include any of the following:

25 (i) Editing previously produced content for a film.

26 (ii) News or current affairs.

27 (iii) Talk shows.

28 (iv) Instructional videos.

29 (v) Content which contains obscene material or
30 performance as defined in 18 Pa.C.S. § 5903(b).

31 Amend Bill, page 7, by inserting between lines 3 and 4

32 "Qualified digital interactive media expense." All
33 Pennsylvania digital interactive media expenses if the
34 Pennsylvania digital interactive media expenses comprise at
35 least 60% of the digital interactive media expenses of the
36 digital interactive media produced.

37 "Qualified digital interactive media facility." A facility
38 where digital interactive media or digital interactive media
39 equipment is developed and which:

40 (1) is located in this Commonwealth;

41 (2) employs at least ten full-time employees who reside
42 in this Commonwealth; and

43 (3) has a capital investment of at least \$500,000.

44 Amend Bill, page 7, line 12, by inserting a period after

1 "expense"

2 Amend Bill, page 7, lines 12 through 30; page 8, lines 1
3 through 4, by striking out "of original content for a qualified
4 film" in line 12, all of lines 13 through 30 on page 7 and all
5 of lines 1 through 4 on page 8

6 Amend Bill, page 8, line 6, by inserting after "and"
7 expenses are incurred

8 Amend Bill, page 9, lines 21 through 25, by striking out all
9 of said lines and inserting

10 "Start date." As follows:

11 (1) For a film:

12 (i) the first day of principal photography in this
13 Commonwealth; or

14 (ii) an earlier date approved by the Pennsylvania
15 Film Office.

16 (2) [an earlier] For a postproduction project, a date
17 [than the date under subparagraph (i),] approved by the
18 Pennsylvania Film Office.

19 (3) For digital interactive media, a date approved by
20 the Pennsylvania Film Office.

21 Amend Bill, page 9, line 28, by inserting after "production"
22 or digital interactive media

23 Amend Bill, page 10, line 21, by striking out "(7)" and
24 inserting

25 (6.1)

26 Amend Bill, page 10, line 22, by inserting after "expense"
27 or a qualified digital interactive media expense

28 Amend Bill, page 10, line 24, by striking out
29 "postproduction" and inserting
30 activity

31 Amend Bill, page 10, line 25, by inserting after
32 "postproduction"
33 or digital interactive media

34 Amend Bill, page 10, lines 28 through 30, by striking out all

1 of said lines and inserting

2 (7) Other criteria that the Director of the Pennsylvania
3 Film Office deems appropriate to ensure maximum employment
4 and benefit within this Commonwealth.

5 Amend Bill, page 11, line 2, by striking out "or" and
6 inserting a comma

7 Amend Bill, page 11, line 3, by inserting after "expenses"
8 and qualified digital interactive media expenses

9 Amend Bill, page 11, line 11, by striking out "qualified"

10 Amend Bill, page 11, line 12, by striking out
11 "postproduction" and inserting
12 development

13 Amend Bill, page 11, line 13, by inserting after "film"
14 and software

15 Amend Bill, page 11, lines 14 and 15, by striking out "or
16 postproduction" and inserting
17 , Pennsylvania postproduction and Pennsylvania digital
18 interactive media

19 Amend Bill, page 11, line 16, by striking out "or digital
20 interactive media" and inserting
21 and software

22 Amend Bill, page 12, line 1, by striking out the bracket
23 before "Cap.--In"

24 Amend Bill, page 12, lines 3 and 4, by striking out "]
25 Amount.--The department may"

26 Amend Bill, page 12, line 28, by inserting after "production"
27 , postproduction or digital interactive media

28 Amend Bill, page 12, line 30, by inserting a bracket before
29 "film" where it occurs the second time

30 Amend Bill, page 12, line 30, by inserting a bracket after

1 "production"

2 Amend Bill, page 13, line 10, by striking out "Either" and
3 inserting

4 either

5 Amend Bill, page 13, lines 14 and 15, by striking out
6 "\$500,000 of postproduction activities" and inserting

7 50% of all qualified postproduction expenses

8 Amend Bill, page 13, lines 21 and 22, by striking out "or
9 qualified postproduction facility"

10 Amend Bill, page 13, line 22, by inserting a bracket before
11 "under"

12 Amend Bill, page 13, line 22, by inserting after "(b) (1.1)"

13] , qualified postproduction facility or qualified digital
14 interactive media facility

15 Amend Bill, page 13, line 26, by striking out "facility" and
16 inserting

17 facility,"

18 Amend Bill, page 13, line 27, by striking out "or "qualified
19 postproduction facility"

20 Amend Bill, page 13, line 27, by inserting a bracket before
21 "under"

22 Amend Bill, page 13, line 27, by inserting after "1702-D"

23] , "qualified production facility" or "qualified digital
24 interactive media facility"

25 Amend Bill, page 13, line 30, by striking out "or" and
26 inserting a comma

27 Amend Bill, page 13, line 30, by inserting after "facility"

28 , or qualified digital interactive media facility

29 Amend Bill, page 14, line 5, by inserting after "production"

1 expense" or "qualified postproduction
2 Amend Bill, page 14, lines 8 through 13, by striking out all
3 of said lines and inserting
4 or postproduction expenses be comprised of Pennsylvania
5 production or Pennsylvania postproduction expenses for a
6 [feature] film, television film or television series that is
7 intended as programming for a national audience and is filmed or
8 produced in a qualified production facility or qualified
9 postproduction facility if the taxpayer who has Pennsylvania
10 production expenses of at least \$30,000,000 per production meets
11 the minimum stage filming requirements.