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Department of Economic Development Office of Business Development Office of Entertainment Industry Development

Public Hearing—Substantive Changes
Motion Picture Production and Infrastructure
Tax Credit Programs (LAC 61:I Chapter 16)

The Department of Economic Development, Office of Business Development, Office of Entertainment Industry Development, pursuant to the authority of R.S. 47:6007 and in accordance with the Administrative Procedure Act, R.S. 49:950 et seq., published a Notice of Intent on pages 681-687 of the April 2007 *Louisiana Register* to establish standards for Louisiana Entertainment Industry Tax Credit Programs, specifically the Motion Picture Production and Infrastructure Tax Credit Programs. After considering all comments and requests, the Office of Entertainment Industry Development has revised the original proposed Rule.

In accordance with R.S. 49:968(H)(2), a meeting for the purpose of receiving the presentation of oral comments will be held on August 23, 2007, at the Department of Economic Development, 1051 N. Third St., Baton Rouge, LA.

Interested persons should submit written comments on the proposed changes to Christopher Stelly through the close of business on August 22, 2007, at Post Office Box 94185, Baton Rouge, LA 70804-9185 or 1051 North Third Street, Baton Rouge, LA 70802. Comments may also be submitted by email to cstelly@la.gov or by fax to (225) 342-5554.

Title 61

REVENUE AND TAXATION

Part I. Taxes Collected and Administered by the Secretary of Revenue

Chapter 16. Louisiana Entertainment Industry Tax Credit Programs

Subchapter A. Louisiana Motion Picture Investor Tax Credit Program

§1601. Purpose and Description of Louisiana Motion Picture Investor Tax Credit Program

A. The purpose of this program is to encourage the development in Louisiana of a strong capital and infrastructure base for motion picture film, videotape, digital, and television program productions, in order to achieve an independent, self-supporting industry in this state, and to encourage development of a Louisiana film, video, television and digital production and post-production infrastructure with state-of-the-art facilities.

B. Approvals of applications shall not result in a duplication of tax credits for the same assets. The tax credit granted for qualified expenditures on tangible assets shall not, in the aggregate, exceed the maximum applicable tax credit rate multiplied by the acquisition cost of the asset, as reflected in the first approved application for an investor tax credit.

C. General Description of the Louisiana Motion Picture Investment Tax Credit

1. Louisiana Motion Picture Investment Tax Credit. The Louisiana Motion Picture Investment Tax Credit is comprised of a percentage of an investor's base investment made and expended in the state in either a state-certified production or, for applications received prior to August 1, 2007, a state-certified infrastructure project.

2. Infrastructure Portion of the Investment Tax Credit. Additionally, for applications received prior to August 1, 2007, each taxpayer whose base investment totals greater than \$300,000 will be allowed an additional credit of 15 percent of the base investment, for an overall total of 40 percent, made by that taxpayer that is expended on a state-certified infrastructure project.

3. Infrastructure Portion of the Investment Tax Credit. For applications received after August 1, 2007, and until January 1, 2009, each taxpayer whose base investment totals greater than \$300,000 will be allowed a credit of 40 percent of the base investment made by that taxpayer that is expended on a state-certified infrastructure project.

4. Payroll Portion of the Investment Tax Credit. Finally, each investor whose base investment includes expenditures on payroll for Louisiana residents employed in connection with a state-certified production shall be allowed an additional credit of 10 percent of such payroll.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:6007 and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, Office of Entertainment Industries Development, LR 33:

§1602. Definitions

A. The following terms shall have the meanings provided herein, unless the context clearly indicates otherwise.

Allocatee—an individual or entity that received an allocation of investment tax credits.

Allocator—an individual or entity that makes an allocation of investment tax credits.

Base Investment—the actual investment made and expended by:

a. a state-certified production in the state as production expenditures incurred in this state that are directly used in state-certified production or productions;

b. a person in the development of a state-certified infrastructure project. Infrastructure Expenditures shall include, but are not limited to, expenditures for infrastructure project development, film and television production spaces, post-production equipment, facilities, equipment for distribution companies domiciled within Louisiana, transportation equipment, land acquisition and closing costs, construction costs, design and professional consulting fees associated with the state-certified infrastructure project, furniture, fixtures, equipment, and financing costs. Infrastructure Expenditures shall not include indirect costs, any amounts that are later reimbursed by a third party, any costs related to the allocation or transfer of tax credits, or any amounts that are paid to persons or

entities as a result of their participation in profits from the exploitation of the State-certified Infrastructure Project.

Commissioner—the Commissioner of the Division of Administration.

Department—the Louisiana Department of Economic Development, or its successor.

Developer—a person in the development of a state-certification infrastructure project.

Director—the Director of the Louisiana Office of Entertainment Industry Development (the *office*).

Division—the Division of Administration.

Expended by a State-Certified Production in the State, for purposes of R.S. 47:6007(B)(1)—

a. in the case of tangible property, property which is acquired from a source within the state;

b. and in the case of services, shall mean procured from within the state and performed in the state;

c. that are provided by an individual or entity duly qualified to do business in Louisiana and offering such goods or services for sale or lease.

Louisiana Resident—residency shall be established if in exchange for employment with a motion picture production company the individual agrees in writing to file a Form IT 540, as a full year Louisiana resident, or Form IT 540B, as a part year resident, for his taxable year employed by the motion picture production company and to pay the Louisiana income tax shown thereon. *Resident* or *resident of Louisiana* means a natural person and, for the purpose of determining eligibility for the tax incentives, any person domiciled in the state of Louisiana and any other person who maintains a permanent place of abode within the state and spends in the aggregate more than six months of each year within the state.

Office—the Office of Entertainment Industry Development.

Payroll Expended on Louisiana Residents—the full amount of salary, wages, or other compensation and related benefits actually paid to or on behalf of any Louisiana resident that renders services to the production within the state of Louisiana including union pension and welfare contributions and retirement benefits but shall not include federal and state taxes imposed solely on the employer, for example, the employer's share of Social Security.

Procured—shall apply to goods and services that are obtained from a source that is domiciled and resides in Louisiana that are actually contracted by the production company.

Production Facility—a physical facility that provides the goods and services necessary for completing the major activities of motion picture production. State of the art facilities should be built and equipped in accordance with motion picture industry standards.

Secretary—the Secretary of the Department of Economic Development.

Slate of Productions—more than one state-certified production being financed, or produced by or on behalf of the same motion picture production company or an affiliate grouped together in such a way that the group meets the minimum in-state spend of \$300,000. If one project in the group is over \$300,000; then that project shall be considered an individual project and no additional projects shall be added to that so as to earn tax credits for the slate.

State-Certified Infrastructure Project—an infrastructure project that meets the definition of a *production facility* and is approved by the Office of Entertainment Industry Development, the Department of Economic Development and the Division of Administration. The term *infrastructure project* shall not include movie theaters or other commercial exhibition facilities.

State-Certified Production—a production approved by the Office of Entertainment Industry Development and the 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.

Transferee—an individual or entity that receives a transfer of investor tax credits.

Transferor—an individual or entity that makes a transfer of an investor tax credit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:6007 and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, Office of Entertainment Industries Development, LR 33:

§1603. Application for the Motion Picture Investor Tax Credit

A. An applicant for the motion picture investor tax credit shall submit an application for initial certification to the Office of Entertainment Industry Development that includes all of the information required by R.S. 47:6007(D)(2)(a); and an application fee payable to the Department of Economic Development or the State of Louisiana shall be submitted with the application determined as provided in R.S. 47:6007(D)(2)(b).

B. Rules of Application. The investor tax credit authorized by R.S. 47:6007(C)(1) may be earned, transferred, allocated, and claimed as follows.

1. Individuals or entities (other than motion picture production companies) may earn investor tax credits pursuant to R.S. 47:6007(C)(1).

2. The tax credits cannot be applied against a tax or transferred until the expenditures are audited and certified by the department, office and, in the case of infrastructure projects, the division.

3. Once investor tax credits are earned by an individual or entity, such individual or entity and any subsequent transferee may transfer or allocate the investor tax credits in one or more of the following ways:

a. transfer—by transferring or selling all or a portion of the investor tax credits to any individual or entity; or

b. allocation—if the investor tax credits are earned by, or allocated or transferred to, an entity not taxed as a corporation the entity may allocate the credit by issuing ownership interests to any individuals or other entities on such terms that are agreed to by the relevant parties and in accordance with the terms of the allocating entity's operating agreement or partnership agreement which terms may result in the allocation of up to 100 percent of the investor tax credits to any individual or entity regardless of the federal tax treatment of the allocation:

i. the allocating entity:

(a) may be treated as a "partnership" for federal or state tax purposes; or

(b). may be treated as an entity that is disregarded as an entity separate from its owners for federal or state tax purposes, and in which case, each holder may agree that it will not treat the allocating entity as a "partnership" or itself as a "partner" or the ownership interest in the allocating entity as a "partnership interest" for federal tax or state tax purposes.

4. A state-certified production or a state-certified infrastructure project earns tax credits at the time the qualifying expenditures are made and audited pursuant to these rules. However, credits can not be applied against a tax or transferred until the expenditures are certified by the Department of Economic Development, the Office of Entertainment Industry Development and in the case of infrastructure tax credits, also by the Division of Administration.

5.a. An owner of tax credits may apply the credits to offset an outstanding Louisiana income tax liability for any tax year beginning in the year that the investor initially earned the tax credit or in any year thereafter within the 10-year carry-forward period.

b. In the case of tax credits owned (held) by an entity not taxed as a corporation, the credits shall be deemed to flow through or be allocated to partners or members at the end of the tax year in which the entity acquired the credits unless the partnership or membership agreement provides specifically for an earlier distribution during the tax year.

6. Any individual or entity shall be allowed to claim the investor tax credit authorized by R.S. 47:6007(C)(1) against its Louisiana income tax liability:

a. whether or not any such individual is a Louisiana resident; and

b. whether or not any such entity is domiciled in Louisiana, organized under Louisiana law, or headquartered in Louisiana.

7. An Investor Tax Credit, in the hands of the taxpayer that earned the credit or received it by flow-through, cannot be used to eliminate any penalties and interest on overdue income taxes from prior tax years. However, an Investor Tax Credit that is purchased is treated as property and can be applied to penalties and interest on overdue income taxes from prior tax years pursuant to R.S. 47:1675(H)(1)(c). Penalties and interest will continue to accrue until the taxes on which such penalties and interest are accruing are paid. The date of payment is the date that the Louisiana Department of Revenue receives a return from a taxpayer on which the Investor Tax Credits are claimed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:6007 and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, Office of Entertainment Industries Development, LR 33:

§1604. Certification of Investor Tax Credits

A. Preliminary Certification. The office and the department shall issue preliminary certifications of productions and infrastructure projects. A preliminary certification shall be issued as follows.

1. To obtain the preliminary certification from the office and the department for a "state-certified infrastructure project" or for a "state-certified production or slate of productions" as required by R.S. 47:6007(B)(9) and (10), the applicant must submit a written request to the director and the secretary of the department requesting approval of the

production as a "state-certified production" or a state of the art production facility as a "state-certified infrastructure project" and setting forth the following information:

a. working title of the production or infrastructure project for which approval is requested;

b. name of the requesting production or infrastructure company;

c. name, telephone number, e-mail address and attesting signature of the requesting production or infrastructure company's contact person;

d. approximate beginning and ending date of production or construction in Louisiana;

e. Louisiana office address;

f. telephone number of requesting company's Louisiana office address;

g. estimated total production-related costs of production or total costs associated with the infrastructure project for which approval is requested;

h. estimated total amount of production-related costs to be expended in Louisiana in connection with the production for which approval is requested;

i. estimated percentage of each of pre-production, production, and post-production work to be performed in Louisiana in connection with the production for which approval is requested;

j. estimated total payroll to be paid by the requesting production company to Louisiana residents employed by the requesting production company in connection with the production for which approval is requested, excluding any employee to be paid in excess of \$1 million;

k. detailed preliminary budget;

l. for production seeking approval, a copy of script (including synopsis) will be made available to OEID and subsequently returned to the applicant and for infrastructure projects, a detailed business plan outlining the exact costs of what is proposed for the project;

m. list of principal creative elements such as principal cast, producer, director, music producer, and music supervisor; and

n. facts sufficient for the office and the department to determine each of the following:

i. that the requesting production company is a motion picture production company as defined in R.S. 47:6007(B)(5);

ii. that the requesting production company is domiciled and headquartered in Louisiana; and

iii. 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.

2. Any applicant requesting certification of a production or an infrastructure project is required to reimburse the Office of Entertainment Industry Development and the Department of Economic Development for any additional audits required in relation to granting the credit.

3. The office and the department shall issue their written approval of a project as a "state-certified infrastructure project" or of a production as a "state-certified production" after receiving a complete application, all

supporting documents necessary to make a determination and the application fee with respect to such project or production that complies with these rules. In the alternative, if the office and the department determine that a request for approval of a project as a "state-certified infrastructure project" or of a production as a "state-certified production" received from a developer or production company is not in compliance with these rules, after receiving such request, the office and the department shall request in writing from the requesting developer or production company any information necessary in their determination for such request to comply with these rules. Upon receiving all of the requested additional information in writing from the developer or production company, and if the office and the department determine that the request for approval with respect to such project or production complies with these rules, the office and the department shall issue to the requesting developer or production company their written approval of the project as a "state-certified infrastructure project" or of a production as a "state-certified production."

4. For state-certified productions, the initial certification shall be effective for a period 12 months prior to and 12 months after the date of initial certification, unless the production has commenced, in which case the initial certification shall be valid until the production is completed.

B. Certifications

1. Prior to any certification of the expenditures of a state-certified production or state-certified infrastructure project and the issuance of any investor tax credits, the motion picture production company, with respect to state-certified productions, and the developer, with respect to state-certified infrastructure projects, shall submit to the Office of Entertainment Industry Development a cost report of production expenditures or infrastructure expenditures audited and certified by an independent certified public accountant as determined this rule. Either the Department of Economic Development or the Department of Revenue may audit the cost report submitted by the motion picture production company or developer. 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 shall at a minimum, meet the following requirements.

a. The auditor auditing the report shall be a certified public accountant licensed in the state of Louisiana and shall be an independent third party, not related to the producer or developer or any known potential investor eligible for tax credits.

b. The auditor's opinion must be addressed to the party who has engaged the auditor (e.g., directors of the production company or developer, or the producer of the production).

c. The auditor's name, address, and telephone number must be evident on the report.

d. The auditor's opinion must be dated as at the completion of the audit fieldwork.

e. The audit shall be performed in accordance with auditing standards generally accepted in the United States of America.

f. The auditor shall have demonstrated sufficient knowledge of accounting principles and practices generally recognized in the motion picture industry.

2. After receiving a written request from an investor for certification of expenses and upon certification of the expenditures by the Office of Entertainment Industry Development, the Department of Economic Development and the Division of Administration (for infrastructure tax credits), the office shall issue one original certificate of ownership of such investor signed by the director reflecting the investor's name, the dollar amount of investor tax credits earned by the investor pursuant to R.S. 47:6007(C) through the date of such request, the calendar or fiscal year in which the investor tax credits were earned by the investor, the state-certified infrastructure project or the state-certified production with respect to which the investor earned the investor tax credits, and the identifying number assigned to such state-certified infrastructure project, or state-certified production.

3. If the investor tax credits evidenced by a certificate of ownership are allocated, sold or transferred or allocated as provided herein, then concurrently with the submission of the notification required by R.S. 47:6007(C)(4), the transferor shall submit to the office the original certificate of ownership evidencing the investor tax credits being transferred or allocated. After receiving the original certificate of ownership evidencing the investor tax credits being transferred or allocated, the office shall issue to each transferee or allocatee indicated in the transferor's or allocator's notification a certificate of ownership signed by the director reflecting such transferee's or allocatee's name, the dollar amount of investor tax credits transferred or allocated to the transferee or allocatee, the calendar year in which the investor tax credits were originally earned by an investor pursuant to R.S. 47:6007(C), the state-certified infrastructure project or the state-certified production with respect to which such investor earned the investor tax credits, and the identifying number assigned to such state-certified infrastructure project or state-certified production. If the certificate of ownership that the transferor or allocator submits with its notification of transfer or allocation evidences more investor tax credits than actually transferred or allocated by the transferor or allocator, then the office shall also issue a certificate of ownership to the transferor or allocator signed by the director reflecting the transferor's or allocator's name, the transferor's or allocator's remaining investor tax credit balance, the calendar or fiscal year in which the investor tax credits were originally earned by an investor pursuant to R.S. 47:6007(C), the state-certified production with respect to which such investor earned the investor tax credits, and the identifying number assigned to such state-certified production. Any person or entity engaged in the business of buying and reselling tax credits may elect to maintain its certificate of ownership on file with the office, such that it need not surrender, and have reissued, its certificate of ownership each time it sells a tax credit. In such cases, the office will issue comportsing certificates of ownership to transferees or allocates designated by the transferor or allocator in writing until such time as the tax credits represented in the transferor's or allocator's original certificate have been exhausted.

4. Any taxpayer claiming investor tax credits against its Louisiana income tax liability shall submit to the Louisiana Department of Revenue with its Louisiana income tax return for the year in which the taxpayer is claiming the

investor tax credits, an original certificate of ownership issued by the office pursuant to this rule evidencing the dollar amount of the investor tax credits being claimed; provided, however, if a taxpayer is claiming an amount of investor tax credits less than that evidenced by the certificate of ownership, then, concurrently with filing its Louisiana tax return, such taxpayer shall request that the office issue to it a certificate of ownership evidencing the amount of investor tax credits to be claimed and a certificate of ownership evidencing the balance of such taxpayer's investor tax credits. After receipt of such request, the office shall issue the certificates of ownership signed by the director reflecting, in addition to the amount of investor tax credits, the taxpayer's name, the calendar or fiscal year in which the investor tax credits were originally earned by an investor pursuant to R.S. 47:6007(C), the state-certified production with respect to which such investor earned the investor tax credits, and the identifying number assigned to such state-certified production.

5. The failure of the office to issue a timely certificate of ownership in accordance with this rule shall not:

- a. void or otherwise affect, in any way, the legality or validity of any transfer of investor tax credits;
- b. prohibit any Louisiana taxpayer from claiming investor tax credits against its Louisiana income tax liability if the investor tax credits are otherwise transferred or claimed in accordance with R.S. 47:6007 and these rules; or
- c. result in any recapture, forfeiture or other disallowance of investor tax credits under R.S. 47:6007(E) or (F) or otherwise.

6. Beginning January 1, 2006, for state-certified productions, expenditures shall be certified no more than twice during the duration of a state-certified production unless the motion picture production company submits a fee of \$250 per additional certification to the Office of Entertainment Industry Development and the Department of Economic Development for the costs of any additional certifications.

C. In the event that an application for initial certification or request for certification of the credits is denied:

1. the department, office and, in the case of infrastructure projects, the division shall promptly provide written notice of such denial to the Senate Committee on Revenue and Fiscal Affairs and the House Committee on Ways and Means;

2. whereupon an application or certification is denied, an applicant may appeal that decision to the administrative law judge in accordance with R.S. 49:992 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:6007 and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, Office of Entertainment Industries Development, LR 33:

§1605. Base Investment Calculation

A. For purposes of R.S. 47:6007 (C)(1), the total base investment of a state-certified production, slate of productions or a state-certified infrastructure project shall be calculated by including all amounts expended in the state constituting base investment if each such investment constituting a base investment is made within the period beginning 12 calendar months before and ending 12 calendar months after the date as of which the state-certified production, slate of productions or state-certified

infrastructure project of the company for which base investment is being calculated was approved as a state-certified production, slate of productions or a state-certified infrastructure project by the office and the department. However, no state-certified production or state-certified infrastructure project expenditure shall be attributed to more than one production or project.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:6007 and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, Office of Entertainment Industries Development, LR 33:

§1606. Infrastructure Portion of the Investor Tax Credit

A. For infrastructure projects, the department, office and division may grant investor tax credits for multiple purpose immovable and moveable assets as provided by this Section.

1. As stated in Subsection A of §1601 and with the intent of Act 456 of the 2005 Regular session as expressed in R.S. 6007(D)(1), infrastructure project tax credits are granted to encourage development of a strong industry base for motion picture production. Consistent with this intent and purpose, the office and the department may grant tax credits for expenditures on assets that are not unique to the production of motion pictures. They may also grant tax credits for assets that are moveable. However, for any applicant requesting approval as a state-certified infrastructure project that includes either multiple purpose assets or moveable assets, the certification shall include and shall state terms and conditions as provided by Paragraphs 2 and 3 of this Subsection.

2. The department, office and division may determine that real property or fixed assets having uses other than supporting a state of the art production facility may be a necessary component of a state-certified infrastructure project. In instances where applications include such multiple purpose real property or other fixed assets, the department, office and division shall require the applicant to provide assurances that such assets will exclusively support the approved film infrastructure project and that the applicant will not divert the use of the assets to purposes that do not promote or provide for the productions within the state of Louisiana. Such assurances shall be secured by appropriate agreements, including, but not limited to, a requirement of approval prior to sale of such assets; a requirement for a minimum number of years before such assets may be transferred to a different owner; limitations on transferability of the tax credits for current or future holders, a reserve fund that may be re-captured by the state; or a structured release of tax credits.

3. The department, office and division may require assurances of the applicant for a state-certified infrastructure project that moveable assets shall remain in Louisiana and be used in the production of motion pictures or other visual media productions within the state of Louisiana for not less than 80 percent of the asset's useful life. Such assurances shall be secured by appropriate agreements, including, but not limited to, a requirement of approval prior to sale of such assets; a requirement for a minimum number of years before such assets may be transferred to a different owner; limitations on transferability of the tax credits for current or future holders, a reserve fund that may be re-captured by the state; or a structured release of tax credits.

4. Any conditions to meet the requirements to this sub-section shall be explicitly stated in the certification issued for the project.

B. For Infrastructure Applications Received Prior to August 1, 2007

1. The applicant shall have 24 months from the date of approval of the rules or January 1, 2008, whichever is earlier, in which to qualify for the 40 percent tax credits earned on expenditures.

2. Tax credits on infrastructure projects shall be considered earned in the year in which expenditures were made, provided that a minimum of 20 percent or \$10,000,000 of the total base investment provided for in the initial certification that is unique to film production infrastructure shall be expended before infrastructure tax credits can be earned on expenditures.

3. The payment of tax credits may extend beyond or be made after the year expenditures are made.

C. For applications received after August 1, 2007, and before January 1, 2009:

1. the tax credit shall be equal to 40 percent of the base investment expended in this state on such project which is in excess of \$300,000;

2. the total tax credit allowed for any state-certified infrastructure project shall not exceed \$25,000,000;

3. the tax credit shall be earned and may be structured as provided for below:

a. an infrastructure project shall be approved if it is a film, video, television, or digital production or postproduction facility;

b. if all or portion of an infrastructure project is a facility which may be used for other purposes unrelated to production or postproduction activities, then the project shall be approved only if a determination is made that the multiple-use facility will support and will be necessary to secure production or postproduction activity for the production and postproduction facility and the applicant provides sufficient contractual assurances that:

i. the facility will be used as a production or postproduction facility, or as a support and component thereof, for the useful life of the facility;

ii. no tax credits shall be earned on such multiple-use facilities until the production or postproduction facility is complete;

c. tax credits for infrastructure projects shall be earned as follows:

i. construction of the infrastructure project shall begin within six months of the initial certification;

ii. expenditures shall be certified by the department, office and division and credits are not earned until such certification;

iii. twenty-five percent of the total base investment provided for in the initial certification of an infrastructure project shall be certified as expended before any credits may be earned;

iv. no tax credit shall be allowed for expenditures made for any infrastructure project after December 31, 2008, unless 50 percent of the total base investment provided for in the initial certification of the project has been expended prior to that date. The expenditures may be finally certified at a later date;

v. for purposes of allowing tax credits against state income tax liability and transferability of the tax credits, the tax credits shall be deemed earned at the time expenditures are made, provided that all requirements of this Subsection have been met and after the tax credits have been certified;

d. the department, office and division may require the tax credits to be taken and/or transferred in the period in which the credit is earned or may structure the tax credit in the initial certification of the project to provide that only a portion of the tax credit be taken over the course of two or more tax years;

e. the credit shall be allowed against the income tax for the taxable period in which the credit is earned or for the taxable period in which initial certification authorizes the credit to be taken.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:6007 and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, Office of Entertainment Industries Development, LR 33:

§1607. Payroll Portion of the Investor Tax Credit

A. To the extent base investment is expended on payroll for Louisiana residents employed in connection with a state-certified production, each investor shall be allowed an additional tax credit of 10 percent of such payroll. However, if the payroll to any one person exceeds \$1,000,000, this additional credit shall exclude any salary for that person that exceeds \$1,000,000.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:6007 and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, Office of Entertainment Industries Development, LR 33:

Sherri McConnell
Director

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Department of Environmental Quality Office of the Secretary Legal Affairs Division

2002 Base Year Emissions Inventory for the Baton Rouge 8-Hour Ozone Nonattainment Area

Under the authority of the Louisiana Environmental Quality Act, R. S. 30:2001 et seq., the secretary gives notice that the Office of Environmental Assessment, Air Quality Assessment Division, is proposing the 2002 Base Year Emissions Inventory for the Baton Rouge 8-hour ozone nonattainment area. The 5-parish Baton Rouge Nonattainment Area consists of Ascension, East Baton Rouge, Iberville, Livingston, and West Baton Rouge Parishes. The 2002 Base Year Inventory was originally proposed in the April 20, 2006, issue of the *Louisiana Register* on page 720. Comments were received and substantive changes have been made to the inventory in response to comments. This revision to the State Implementation Plan (SIP) is mandated under Section

110(a)(2)(F) and 172(c)(3) of the 1990 Clean Air Act Amendments (CAAA).

The Environmental Protection Agency has identified 2002 as the emission inventory base year for the 8-hour ozone SIP planning process. The proposed inventory includes emission estimates from stationary point and nonpoint sources, onroad mobile sources, and nonroad mobile sources.

A public hearing will be held on August 28, 2007, at 1:30 p.m. in the Galvez Building, Oliver Pollock Conference Room, 602 N. Fifth Street, Baton Rouge, LA. Interested persons are invited to attend and present oral comments on the proposal. Should individuals with a disability need an accommodation in order to participate, contact Vivian H. Aucoin at the address given below or at (225) 219-3575. Parking in the Galvez Garage is free with a validated parking ticket.

All interested persons are invited to submit written comments concerning the SIP revision no later than 4:30 p.m., September 4, 2007, to Vivian H. Aucoin, Office of Environmental Assessment, Box 4314, Baton Rouge, LA 70821-4314 or to FAX (225) 219-3240 or by e-mail to vivian.aucoin@la.gov.

A copy of the document may be viewed from 8 a.m. to 4:30 p.m. in the DEQ Public Records Center, Room 127, 602 N. Fifth Street, Baton Rouge, LA., or at <http://www.deq.louisiana.gov/portal/Default.aspx?tabid=2381>.

Herman Robinson, CPM
Executive Counsel

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**Department of Health and Hospitals
Board of Veterinary Medicine**

Fall/Winter Examination Dates

The Louisiana Board of Veterinary Medicine will administer the State Board Examination (SBE) for licensure to practice veterinary medicine on the first Tuesday of every month. Deadline to apply for the SBE is the third Friday prior to the examination date desired. SBE dates are subject to change due to office closure (i.e. holiday, weather).

The board will accept applications to take the North American Veterinary Licensing Examination (NAVLE) which will be administered through the National Board of Veterinary Medical Examiners (NBVME), formerly the National Board Examination Committee (NBEC), as follows:

| Test Window Date | Deadline to Apply |
|--------------------------------------|-------------------------|
| November 12 through December 8, 2007 | Friday, August 10, 2007 |

The board will also accept applications for and administer the Veterinary Technician National Examination (VTNE) for state registration of veterinary technicians as follows:

| Test Date | Deadline to Apply |
|--------------------------|--------------------------|
| Friday, January 18, 2008 | Friday, December 7, 2007 |

Applications for all examinations must be received on or before the deadline. No late application will be accepted. Requests for special accommodations must be made as early as possible for review and acceptance. Applications and information may be obtained from the board office at 263 Third Street, Suite 104, Baton Rouge, LA 70801 and by request via telephone at (225) 342-2176 or by e-mail at lbvm@etel.net; application forms and information are also available on the website at www.lsbvm.org.

Wendy D. Parrish
Administrative Director

0707#001

POTPOURRI

**Department of Natural Resources
Office of Conservation**

Orphaned Oilfield Sites

Office of Conservation records indicate that the Oilfield Sites listed in the table below have met the requirements as set forth by Section 91 of Act 404, R.S. 30:80 et seq., and as such are being declared Orphaned Oilfield Sites.

| Operator | Field | District | Well Name | Well Number | Serial Number |
|--------------------------------|-----------------------|----------|---------------------------|-------------|---------------|
| Anderson Exploration Co., Inc. | Crab Lake | L | Estate of M. O. Miller MD | 1 | 207080 |
| Anderson Exploration Co., Inc. | Crab Lake | L | Estate of M. O. Miller MD | 2 | 208011 |
| Anderson Exploration Co., Inc. | Crab Lake | L | Estate of M. O. Miller MD | 1-D | 208598 |
| Anderson Exploration Co., Inc. | Crab Lake | L | Estate of M. O. Miller MD | 2-D | 208599 |
| Anderson Exploration Co., Inc. | Crab Lake | L | M. O. Miller MD SWD | 1 | 972850 |
| Anderson Exploration Co., Inc. | Grand Cheniere, South | L | Estate of M. O. Miller MD | 2 | 227317 |
| Anderson Exploration Co., Inc. | Leleux | L | Ada Duhon | 1 | 234589 |
| Anderson Exploration Co., Inc. | Thornwell, South | L | G A Lyon | 1 | 213688 |
| Anderson Exploration Co., Inc. | Thornwell, South | L | G A Lyon | 1-D | 215064 |
| Anderson Exploration Co., Inc. | Thornwell, South | L | Gilbert A. Lyon Jr Etal | 1 | 220361 |
| Anderson Exploration Co., Inc. | Thornwell, South | L | G. A. Lyon | 2 | 225463 |
| Aspen | Avery | L | SD 1 RC | 1 | 228589 |

| Operator | Field | District | Well Name | Well Number | Serial Number |
|--------------------------|----------------------------------|----------|-------------------------|-------------|---------------|
| Exploration Inc. | Island, S E | | SUA;Iberia Investments | | |
| Troy E. Boyd | Converse | S | Paul A | 1 | 178059 |
| Howard's Well Service | Bayou Mallet, South | L | 4400 RA SUA; A. H. Frey | 10-ALT | 178565 |
| Howard's Well Service | Bayou Mallet, South | L | A. Harry Frey | 11 | 197359 |
| Howard's Well Service | Eunice | L | Winston Frey | 3 | 172667 |
| Lincoln Oil Co. of Texas | Wildcat-No. La. Shreveport Dist. | S | Hollingsworth | 2 | 2777 |
| S. W. Richardson | Wildcat-No. La. Monroe Dist. | M | Madison Oil & Dev. Co. | B-1 | 31123 |
| Ch. Tuttle, etal | Wildcat-No. La. Shreveport Dist. | S | Tuttle | 3 | 16137 |

James H. Welsh
Commissioner

0707#035

POTPOURRI
Department of Natural Resources
Office of the Secretary
Fishermen's Gear Compensation Fund

In accordance with the provisions of R.S. 56:700.1 et. seq., notice is given that 3 claims in the amount of \$13,950.27 were received for payment during the period June 1, 2007 - June 30, 2007.

There were 3 claims paid and 0 claims denied.

Latitude/Longitude Coordinates of reported underwater obstructions are:

| | | |
|----------|----------|------------|
| 2908.976 | 9045.181 | Terrebonne |
| 2917.715 | 8952.639 | Jefferson |
| 2933.980 | 9231.547 | Vermilion |

A list of claimants and amounts paid can be obtained from Marjorie McClinton, Administrator, Fishermen's Gear Compensation Fund, P.O. Box 44277, Baton Rouge, LA 70804 or you can call (225)342-0122.

Scott A. Angelle
Secretary

0707#023