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SENATE BILL 657

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

Shannon Robinson

AN ACT

RELATING TO TAXATION; CREATING THE FILM INVESTMENT GUARANTEE
FUND; PROVIDING FOR A DEDUCTION FROM NET INCOME FOR DONATIONS
MADE TO THE FILM INVESTMENT GUARANTEE FUND; MAKING
APPROPRIATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. FILM INVESTMENT GUARANTEE FUND.--The "film
investment guarantee fund" is created in the state treasury.
The fund consists of money from donations, grants or bequests,
income from investment of the fund and money otherwise accruing
to the fund. Money in the fund shall not revert to any other
fund at the end of a fiscal year, but the total amount of money
donated to the fund in a given calendar year shall revert to
the general fund at the end of the seventh calendar year
following the year of those donations. No more than twenty

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1 percent of the fund may be invested in one film production.
2 Money in the fund shall be disbursed on warrants signed by the
3 secretary of finance and administration pursuant to vouchers
4 signed by the state investment officer or the officer's
5 authorized representative. The state investment council shall
6 administer the fund, and money in the fund is appropriated to
7 the state investment council to guarantee investments of other
8 state money in film productions that:

- 9 A. are recommended by the state investment
10 council's film contract advisor;
- 11 B. are shot entirely in New Mexico;
- 12 C. feature stories authored by New Mexico
13 residents; and
- 14 D. employ at least eighty percent of the below-the-
15 line crew members, subject to the appropriate collective
16 bargaining agreements, who are New Mexico residents.

17 Section 2. A new section of the Income Tax Act is
18 enacted to read:

19 "[NEW MATERIAL] DEDUCTION--DONATIONS TO FILM INVESTMENT
20 GUARANTEE FUND.--A taxpayer may claim a deduction from net
21 income in an amount not to exceed fifty thousand dollars
22 (\$50,000) for donations made to the film investment guarantee
23 fund made by the taxpayer during the taxable year. A husband
24 and wife who file separate returns for the taxable year in
25 which they could have filed a joint return may each claim only

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1 one-half of the deduction that would have been allowed on the
2 joint return. Individuals having income both within and
3 without the state shall apportion this deduction in accordance
4 with rules adopted by the secretary."

5 Section 3. A new section of the Corporate Income and
6 Franchise Tax Act is enacted to read:

7 "[NEW MATERIAL] DEDUCTION--DONATIONS TO FILM INVESTMENT
8 GUARANTEE FUND.--A taxpayer may claim a deduction from net
9 income in an amount not to exceed fifty thousand dollars
10 (\$50,000) for donations made to the film investment guarantee
11 fund made by the taxpayer during the taxable year."

12 Section 4. APPLICABILITY.--The provisions of Sections 2
13 and 3 of this act apply to taxable years beginning on or after
14 January 1, 2006.