

State of New Mexico  
House of Representatives

FIFTY-FOURTH LEGISLATURE  
SECOND SESSION

February 13, 2020

HOUSE FLOOR AMENDMENT number \_\_\_\_\_ to HOUSE BILL 148, as amended

Amendment sponsored by Representative ~~James G. Townsend~~  
ROD MONTUOYA

1. Strike House Taxation and Revenue Committee Amendments 1, 3, 5, 6 and 9.

2. On page 1, line 12, after the semicolon, strike the remainder of the line, strike lines 13 through 17 in their entirety and insert in lieu thereof "REDUCING THE AGGREGATE AMOUNT OF CLAIMS FOR A CREDIT PROVIDED BY THE FILM PRODUCTION TAX CREDIT ACT THAT MAY BE AUTHORIZED FOR PAYMENT IN A FISCAL YEAR."

3. On page 1, line 25, strike "seventeen" and insert in lieu thereof "twenty-two".

4. On page 2, line 3, strike "or", strike lines 4 through 18 in their entirety and insert in lieu thereof a period.

5. Reletter the succeeding subsections accordingly.

6. On pages 3 and 4, strike Sections 2 and 3 in their entirety and insert in lieu thereof the following new sections:

"SECTION 2. Section 7-2F-12 NMSA 1978 (being Laws 2019, Chapter 87, Section 6) is amended to read:

"7-2F-12. CREDIT CLAIMS--CERTIFICATION OF DIRECT PRODUCTION AND POSTPRODUCTION EXPENDITURES--AGGREGATE AMOUNT OF CLAIMS ALLOWED--EXCEPTION.--

A. The division shall certify a film production company's budget for direct production expenditures and postproduction expenditures during a preproduction meeting with the division;

State of New Mexico  
House of Representatives

FIFTY-FOURTH LEGISLATURE  
SECOND SESSION

HF1/HB 148, aa

Page 2

provided that the division is prohibited from certifying a film production company's budget if the total expected claims in excess of the aggregate amount of claims that may be authorized for payment pursuant to Subsection B of this section would exceed [~~one hundred million dollars (\$100,000,000)~~] seventy million dollars (\$70,000,000) in any fiscal year; and provided further that the limitation in this subsection shall not apply to certification of a budget for a New Mexico film partner.

B. [~~Except as provided in Section 10 of this 2019 act~~] The aggregate amount of claims for a credit provided by the Film Production Tax Credit Act that may be authorized for payment in any fiscal year is [~~one hundred ten million dollars (\$110,000,000)~~] eighty million dollars (\$80,000,000) with respect to the direct production expenditures or postproduction expenditures made on film or commercial audiovisual products; provided that direct production expenditures and postproduction expenditures made by a New Mexico film partner shall not be subject to the aggregate amount of claims provided by this subsection.

C. If a film production company submits a claim for a credit pursuant to the Film Production Tax Credit Act and the aggregate amount of claims pursuant to Subsection B of this section has been met for the fiscal year, the claim shall be placed at the front of a queue for payment in a subsequent fiscal year. Claims shall be placed in order of the date on which the completed return in which the credit is claimed is filed. Claims authorized for payment shall be paid pursuant to the Tax Administration Act.

D. If, in fiscal years [~~2020 through~~] 2021 and 2022, the aggregate amount of claims authorized for payment is less than [~~one hundred ten million dollars (\$110,000,000)~~] eighty million dollars (\$80,000,000), excluding claims by a New Mexico film partner, then the difference in that fiscal year or twenty million dollars (\$20,000,000), whichever is less, shall be added to the aggregate amount of claims that may be authorized for payment pursuant to

State of New Mexico  
House of Representatives

FIFTY-FOURTH LEGISLATURE  
SECOND SESSION

HF1/HB 148, aa

Page 3

Subsection B of this section in the immediately following fiscal year.

E. To provide guidance to film production companies regarding the amount of credit capacity remaining in the fiscal year, the taxation and revenue department shall post monthly on that department's website the aggregate amount of credits claimed and paid for the fiscal year. In addition, the division shall post monthly on the division's website the aggregate amount of claims certified pursuant to Subsection A of this section for the fiscal year or any subsequent fiscal year.

F. As used in this section, "New Mexico film partner" means a film production company that has made a commitment to produce films or commercial audiovisual products in New Mexico and has purchased or executed a ten-year contract to lease a qualified production facility."

**SECTION 3. APPLICABILITY.--**

A. The provisions of Section 1 of this act apply to taxable years beginning on or after January 1, 2020.

B. The provisions of Section 2 of this act apply to film production companies that commence principal photography for a film or commercial audiovisual product on or after July 1, 2020.

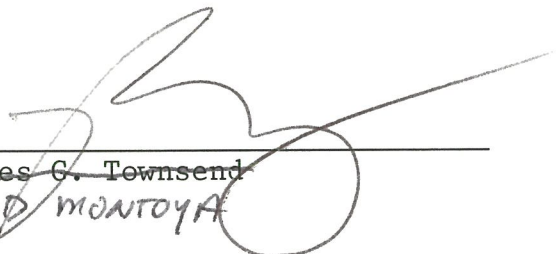
**SECTION 4. EFFECTIVE DATE.--**The effective date of the provisions of Section 2 of this act is July 1, 2020."

State of New Mexico  
House of Representatives

FIFTY-FOURTH LEGISLATURE  
SECOND SESSION

HF1/HB 148, aa

Page 4

  
\_\_\_\_\_  
~~James C. Townsend~~  
ROD MONTOYA

Adopted \_\_\_\_\_  
(Chief Clerk)

Not Adopted \_\_\_\_\_  
(Chief Clerk)

Date \_\_\_\_\_