

LEGISLATURE OF NEBRASKA
 ONE HUNDREDTH LEGISLATURE
 FIRST SESSION
LEGISLATIVE BILL 235

Introduced By: Nantkes, 46
 Read first time: January 9, 2007
 Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections
 2 37-201, 77-2701, and 77-2701.04, Revised Statutes Cumulative
 3 Supplement, 2006; to provide business incentives for film
 4 and music production; to create the Film and Music Office;
 5 to provide powers and duties for the Game and Parks
 6 Commission and the Tax Commissioner; to harmonize
 7 provisions; to provide an operative date; and to repeal the
 8 original sections.

9 Be it enacted by the people of the State of Nebraska,

1 Section 1. For purposes of sections 1 to 3 of this act:

2 (1) Crew means any person who works on preproduction,
3 principal photography, and postproduction, with the exception of
4 producers, principal cast, and the director;

5 (2) Expenditure or production cost includes, but is not
6 limited to:

7 (a) Wages or salaries of persons who are residents of this
8 state and who have earned income from working on a film in this state,
9 including payments to personal services corporations with respect to
10 the services of qualified performing artists, as determined under
11 section 62(a)(2)(B) of the Internal Revenue Code of 1986, as
12 amended;

13 (b) The cost of construction and operations, wardrobe,
14 accessories, and related services;

15 (c) The cost of photography, sound synchronization,
16 lighting, and related services;

17 (d) The cost of editing and related services;

18 (e) Rental of facilities and equipment;

19 (f) Other direct costs of producing a film; and

20 (g) The wages and salaries of persons who are defined and
21 registered as a Nebraska expatriate by the Film and Music Office of
22 the Game and Parks Commission;

23 (3) Film means a professional single media or multimedia
24 program or feature, which is not child pornography or obscene
25 material, including, but not limited to, national advertising
26 messages that are broadcast on a national affiliate or cable network,
27 fixed on film or digital video, which can be viewed or reproduced and

1 which is exhibited in theaters, licensed for exhibition by individual
2 television stations, groups of stations, networks, cable television
3 stations, or other means or licensed for home viewing markets; and

4 (4) Production company means a person or company who
5 produces film for exhibition.

6 Sec. 2. (1) The Film Enhancement Rebate Program is created.
7 A rebate in the amount of up to fifteen percent of documented
8 expenditures made in Nebraska directly attributable to the production
9 of a film, television production, or television commercial in this
10 state may be paid to the production company responsible for the
11 production if the Film and Music Office of the Game and Parks
12 Commission determines that the proposed project has a reasonable
13 chance of economic success.

14 (2)(a) The amount of rebate paid to a production company
15 with a minimum budget for a film of less than thirty million dollars
16 shall be:

17 (i) Fifteen percent if fifty percent or more of the crew
18 are residents of Nebraska and are employed in this state;

19 (ii) Ten percent if twenty-five percent to forty-nine
20 percent of the crew are residents of Nebraska and are employed in this
21 state; and

22 (iii) Five percent if less than twenty-five percent of the
23 crew are residents of Nebraska and are employed in this state.

24 (b) The amount of rebate paid to a production company with
25 a minimum budget for a film of thirty million dollars or more shall be
26 fifteen percent.

27 (3) The rebate program shall be administered by the Film

1 and Music Office and the Department of Revenue.

2 (4) To be eligible for a rebate payment:

3 (a) The production company responsible for a film,
4 television production, or television commercial made in this state
5 shall submit documentation to the Film and Music Office of the amount
6 of wages paid for employment in this state to residents of this state
7 directly relating to the production and the amount of other
8 production costs incurred in this state directly relating to the
9 production;

10 (b) The production company shall file a Nebraska income tax
11 return;

12 (c) Except for major studio productions, the production
13 company shall provide to the Film and Music Office the name of the
14 completion guarantor and a copy of the bond guaranteeing the
15 completion of the project or, if a film has not secured a completion
16 bond, the production company shall provide evidence to the office
17 that all Nebraska crew and local vendors have been paid and there are
18 no liens against the production company pending in this state;

19 (d) The minimum budget for the film shall be two million
20 dollars of which not less than one million two hundred fifty thousand
21 dollars shall be expended in this state. The minimum budget
22 requirements of this subdivision shall be met by any production
23 company that produces multiple film, television, or commercial
24 projects within one year if each project meets a minimum budget of
25 three hundred thousand dollars and the total budget of all projects
26 in one year is not less than two million dollars of which not less
27 than one million two hundred fifty thousand dollars shall be expended

1 in this state;

2 (e) The production company shall provide evidence to the
3 Film and Music Office of a recognizable domestic or foreign
4 distribution agreement within one year after the end of principal
5 photography;

6 (f) The production company shall provide evidence to the
7 Film and Music Office of complete financing for production prior to
8 the commencement of principal photography; and

9 (g) The production company shall provide evidence to the
10 Film and Music Office of a certificate of general liability insurance
11 with a minimum coverage of one million dollars and a workers'
12 compensation policy pursuant to state law which shall include
13 coverage of employer's liability.

14 (5) A production company shall not be eligible to receive
15 both a rebate payment pursuant to this section and an exemption from
16 sales taxes pursuant to section 10 of this act. If a production
17 company has received such an exemption from sales taxes and submits a
18 claim for rebate pursuant to this section, the production company
19 shall be required to fully repay the amount of the exemption to the
20 Tax Commissioner. A claim for a rebate shall include documentation
21 from the Tax Commissioner that repayment has been made as required or
22 shall include an affidavit from the production company that the
23 company has not received an exemption from sales taxes pursuant to
24 section 10 of this act.

25 (6) The Film and Music Office shall approve or disapprove
26 all claims for rebate and shall notify the Tax Commissioner of such
27 approval or disapproval. The Tax Commissioner shall issue payment for

1 all approved claims from funds in the Film Enhancement Rebate Program
2 Revolving Fund. The amount of payments from the fund in any single
3 fiscal year shall not exceed five million dollars. If the amount of
4 approved claims exceeds the amount specified in this subsection in a
5 fiscal year, payments shall be made in the order in which the claims
6 are approved by the office. If an approved claim is not paid, in
7 whole or in part, the unpaid claim or unpaid portion may be paid in
8 the following fiscal year subject to the limitations specified in
9 this subsection.

10 Sec. 3. The Film Enhancement Rebate Program Revolving Fund
11 is created. The fund shall consist of appropriations to the fund and
12 any public or private donations, contributions, and gifts received
13 for the benefit of the fund. Any money in the fund available for
14 investment shall be invested by the state investment officer pursuant
15 to the Nebraska Capital Expansion Act and the Nebraska State Funds
16 Investment Act.

17 Sec. 4. For purposes of sections 4 to 8 of this act:

18 (1) Agreement means an agreement entered into pursuant to
19 section 7 of this act between the Film and Music Office of the Game
20 and Parks Commission and an approved company with respect to a film
21 or music production and development facility project;

22 (2) Approved company means any eligible company that is
23 seeking to undertake a film or music production and development
24 facility project and is approved by the Film and Music Office
25 pursuant to sections 6 and 7 of this act;

26 (3) Approved costs means:

27 (a) Obligations incurred for labor and to vendors,

1 contractors, subcontractors, builders, and suppliers in connection
2 with the acquisition, construction, equipping, and installation of a
3 film or music production and development facility project;

4 (b) The costs of acquiring real property or rights in real
5 property in connection with a film or music production and development
6 facility project, and any costs incidental thereto;

7 (c) The costs of contract bonds and of insurance of all
8 kinds that may be required or necessary during the course of the
9 acquisition, construction, equipping, and installation of a film or
10 music production and development facility project which is not paid
11 by the vendor, supplier, contractor, or otherwise provided;

12 (d) All costs of architectural and engineering services,
13 including, but not limited to, estimates, plans and specifications,
14 preliminary investigations, and supervision of construction and
15 installation, as well as for the performance of all the duties
16 required by or consequent to the acquisition, construction,
17 equipping, and installation of a film or music production and
18 development facility project;

19 (e) All costs required to be paid under the terms of any
20 contract for the acquisition, construction, equipping, and
21 installation of a film or music production and development facility
22 project;

23 (f) All costs required for the installation of utilities in
24 connection with a film or music production and development facility
25 project, including, but not limited to, water, sewer, sewage
26 treatment, gas, electricity, and communications and including
27 off-site construction of utility extensions paid for by the approved

1 company; and

2 (g) All other costs comparable with those described in this
3 subdivision;

4 (4) Eligible company means any corporation, limited
5 liability company, partnership, sole proprietorship, business trust,
6 or other entity operating or intending to undertake a film or music
7 production and development facility project, whether owned or leased,
8 within this state;

9 (5) Film or music production and development facility
10 project means:

11 (a) The acquisition, including the acquisition of real
12 estate by leasehold interest with a minimum term of ten years,
13 construction, and equipping of a film or music production and
14 development facility; and

15 (b) The construction and installation of improvements to
16 facilities necessary or desirable for the acquisition, construction,
17 and installation of a film or music production and development
18 facility, including, but not limited to:

19 (i) Surveys; and

20 (ii) Installation of utilities, which may include:

21 (A) Water, sewer, sewage treatment, gas, electricity,
22 communications, and similar facilities; and

23 (B) Off-site construction of utility extensions to the
24 boundaries of the real estate on which the facilities are located;

25 (6) Final approval means the action taken by the Film and
26 Music Office authorizing the eligible company to receive inducements;

27 (7) Increased state sales tax liability means that portion

1 of an approved company's reported state sales tax liability resulting
2 from taxable sales of goods and services to its customers for
3 purposes of a film or music production and development facility
4 project for any sales tax reporting period after the approved company
5 provides the certification required by subsection (2) of section 8 of
6 this act, which exceeds the reported state sales tax liability for
7 sales to its customers for the same period in the calendar year
8 immediately preceding the certification;

9 (8) Inducements means the income tax credit or sales tax
10 credit as prescribed in section 8 of this act; and

11 (9) Preliminary approval means the action taken by the Film
12 and Music Office conditioned upon final approval by the office upon
13 satisfaction by the eligible company of the requirements of sections
14 4 to 8 of this act.

15 Sec. 5. (1) The Film and Music Office of the Game and Parks
16 Commission shall establish standards for the making of applications
17 for inducements to eligible companies and their film and music
18 production and development facility projects by the adoption and
19 promulgation of rules and regulations in accordance with the
20 Administrative Procedure Act.

21 (2) With respect to each eligible company making an
22 application for inducements, and with respect to the film and music
23 production and development facility project described in the
24 application, the office shall make inquiries and request materials of
25 the applicant that include, but are not limited to:

26 (a) Marketing plans for the project that target individuals
27 who are not residents of this state;

1 (b) A description and location of the project;

2 (c) Capital and other anticipated expenditures for the
3 project that indicate that the total cost of the project will exceed
4 five hundred thousand dollars and the anticipated sources of
5 funding;

6 (d) The anticipated employment and wages to be paid at the
7 project;

8 (e) Business plans which indicate the average number of
9 days in a year in which the project will be in operation; and

10 (f) The anticipated revenue and expenses generated by the
11 project.

12 Based upon a review of these materials, if the office
13 determines that the eligible company and the film and music production
14 and development facility project may reasonably be expected to
15 satisfy the criteria for final approval in subsection (3) of this
16 section, then the office may consider granting preliminary approval
17 of the eligible company and the project pursuant to subsection (2) of
18 section 6 of this act.

19 (3) After granting preliminary approval, the office shall
20 engage the services of a competent consulting firm which shall submit
21 to the office a report analyzing the data made available by the
22 eligible company and which shall collect and analyze additional
23 information necessary to determine that, in the independent judgment
24 of the consultant, the film or music production and development
25 facility project will:

26 (a) Have costs in excess of five hundred thousand dollars;

27 (b) Have a significant and positive economic impact on this

1 state considering, among other factors, the extent to which the film
2 or music production and development facility project will compete
3 directly with existing facilities in this state and the amount by
4 which increased tax revenue from the facility will exceed the
5 inducements provided; and

6 (c) Not adversely affect existing employment in this
7 state.

8 (4) The eligible company shall pay for the cost of the
9 consultant's report and shall cooperate with the consultant and
10 provide all of the data that the consultant deems necessary to make a
11 determination of this section.

12 Sec. 6. (1) The Film and Music Office of the Game and Parks
13 Commission shall establish standards for preliminary approval and
14 final approval of eligible companies and their projects by the
15 adoption and promulgation of rules and regulations in accordance with
16 the Administrative Procedure Act.

17 (2) The office may give preliminary approval by designating
18 an eligible company as a preliminarily approved company and
19 preliminarily authorizing the undertaking of the film or music
20 production and development facility project.

21 (3) The office shall review the report of the consultant
22 prepared pursuant to subsection (3) of section 5 of this act and other
23 information that has been made available in order to assist in
24 determining whether the film and music production and development
25 facility project will further the purposes of sections 4 to 8 of this
26 act.

27 (4) The criteria for final approval of eligible companies

1 and film and music production and development facility projects
2 includes, but is not limited to, the criteria set forth in subsection
3 (3) of section 5 of this act.

4 (5) After a review of the relevant materials, the
5 consultant's report, other information made available to the office,
6 and completion of other inquiries, the office may give final approval
7 to the eligible company's application for a film and music production
8 and development facility project and may grant to the eligible
9 company the status of an approved company. The decision reached may
10 be appealed by the eligible company pursuant to the Administrative
11 Procedure Act.

12 Sec. 7. (1) Upon granting final approval, the Film and
13 Music Office of the Game and Parks Commission may enter into an
14 agreement with an approved company with respect to its film and music
15 production and development facility project. The terms and provisions
16 of each agreement shall include, but not be limited to:

17 (a) The amount of approved costs, which shall be determined
18 by negotiations between the office and the approved company;

19 (b) A date certain by which the approved company shall have
20 completed the film and music production and development facility
21 project. Within three months after the completion date, the approved
22 company shall document the actual cost of the project through a
23 certification of the costs by an independent certified public
24 accountant acceptable to the office; and

25 (c) The following provisions:

26 (i) The term of the agreement shall be ten years after the
27 later of:

1 (A) The date of the final approval of the film and music
2 production and development facility project; or

3 (B) The completion date specified in the agreement, if the
4 completion date is within two years after the date of the final
5 approval of the film and music production and development facility
6 project. However, the term of the agreement may be extended for up to
7 two additional years by the office if it determines that the failure
8 to complete the film and music production and development facility
9 project within two years resulted from:

10 (I) Unanticipated and unavoidable delay in the construction
11 of the film and music production and development facility project;

12 (II) An original completion date for the film and music
13 production and development facility project as originally planned
14 which will be more than two years from the date construction began;
15 or

16 (III) A change in business ownership or business structure
17 resulting from a merger or acquisition;

18 (ii) In any tax year during which an agreement is in
19 effect, if the amount of income tax due from the approved company
20 exceeds the state income tax credit available to the approved
21 company, then the approved company shall pay the excess to this state
22 as income tax and, if in any tax year during which an agreement is in
23 effect, if the amount of sales tax to be remitted by the approved
24 company exceeds the sales tax credit available to the approved
25 company, then the approved company shall pay the excess to this state
26 as sales tax;

27 (iii) Within forty-five days after the end of each calendar

1 year, the approved company shall supply the office with such reports
2 and certifications as the office may request demonstrating to the
3 satisfaction of the office that the approved company is in compliance
4 with sections 4 to 8 of this act; and

5 (iv) The approved company shall not receive an inducement
6 with respect to any calendar year, if, in any calendar year following
7 the fourth year of the agreement, the facility fails to have a
8 significant and positive impact on the state.

9 (2) The agreement shall not be transferable or assignable
10 by the approved company without the written consent of the office.

11 (3) If the approved company utilizes inducements which are
12 subsequently disallowed, then the approved company will be liable for
13 the payment to the Tax Commissioner of all taxes resulting from the
14 disallowance of the inducements plus applicable penalties and
15 interest.

16 (4) The office shall provide a copy of each agreement
17 entered into with an approved company to the Tax Commissioner.

18 Sec. 8. (1) Upon receiving notification from the Film and
19 Music Office of the Game and Parks Commission that an approved company
20 has entered into a film and music production and development facility
21 project agreement and is entitled to the inducements provided by
22 sections 4 to 8 of this act, the Tax Commissioner shall provide the
23 approved company with forms and instructions as necessary to claim
24 those inducements.

25 (2) An approved company whose agreement provides that it
26 shall expend approved costs of more than five hundred thousand dollars
27 but less than one million dollars shall be entitled to an income tax

1 credit or a sales tax credit if the company certifies to the Tax
2 Commissioner that it has expended at least five hundred thousand
3 dollars in approved costs, and the office certifies that the approved
4 company is in compliance with sections 4 to 8 of this act. The Tax
5 Commissioner shall then issue a tax credit memorandum to the approved
6 company granting an income tax credit or sales tax credit in the
7 amount of ten percent of the approved costs. Subsequent requests for
8 credit for additional certified approved costs in excess of five
9 hundred thousand dollars but less than one million dollars shall
10 result in an income tax credit or sales tax credit in the amount of
11 ten percent of the approved costs. Income tax credits or sales tax
12 credits shall not be transferable or assignable.

13 An approved company whose agreement provides that it shall
14 expend approved costs in excess of one million dollars shall be
15 entitled to an income tax credit or sales tax credit if the company
16 certifies to the Tax Commissioner that it has expended at least one
17 million dollars in approved costs and the office certifies that the
18 approved company is in compliance with sections 4 to 8 of this act.
19 The Tax Commissioner shall then issue a tax credit memorandum to the
20 approved company granting an income tax credit or sales tax credit in
21 the amount of twenty-five percent of the approved costs. The credit
22 on all subsequent additional certified approved costs shall be in the
23 amount of twenty-five percent of the costs.

24 The Tax Commissioner may require proof of expenditures.
25 Additional credit memoranda may be issued as the approved company
26 certifies additional expenditures of approved costs.

27 No tax credit memorandum shall be issued for any approved

1 costs expended after the expiration of two years after the date the
2 agreement was signed by the office and the approved company. However,
3 the office, with the advice and consent of the Tax Commissioner, may
4 authorize tax credits for approved costs expended up to four years
5 from the date the agreement was signed if the office determines that
6 the failure to complete the project within two years resulted from:

7 (a) Unanticipated and unavoidable delay in the construction
8 of the film and music production and development facility project;

9 (b) An original completion date for the film and music
10 production and development facility project, as originally planned,
11 which will be more than two years from the date construction began;

12 or

13 (c) A change in business ownership or business structure
14 resulting from a merger or acquisition.

15 (3)(a) An income tax credit allowed pursuant to this
16 section shall be applied to the amount of income taxes due from the
17 approved company. If the amount of an income tax credit allowed
18 pursuant to this section exceeds the amount of income taxes due for
19 the year in which the credit is granted, the amount of the credit not
20 used may be carried forward for a period not to exceed ten years.

21 (b) A sales tax credit allowed pursuant to this section may
22 be used to offset a portion of the reported state sales tax liability
23 of the approved company for all sales tax reporting periods following
24 the issuance of the credit memorandum subject to the following
25 limitations:

26 (i) Only increased state sales tax liability may be offset
27 by the issued credit;

1 (ii) An approved company whose agreement provides that it
2 shall expend approved costs in excess of one million dollars shall be
3 entitled to use only ten percent of the amount of each issued credit
4 to offset increased state sales tax liability during each calendar
5 year, plus the amount of any unused credit carried forward from a
6 prior calendar year, and an approved company whose agreement provides
7 that it shall expend approved costs of more than five hundred
8 thousand dollars but less than one million dollars shall be entitled
9 to use only twenty percent of the amount of each issued credit to
10 offset increased state sales tax liability during each calendar year,
11 plus the amount of any unused credit carried forward from a prior
12 calendar year; and

13 (iii) All issued credit memoranda shall expire at the end
14 of the month following the expiration of the agreement.

15 The approved company shall have no obligation to refund or
16 otherwise return any amount of this credit to the person from whom the
17 sales tax was collected.

18 (4) The Tax Commissioner shall adopt and promulgate rules
19 and regulations to carry out sections 4 to 8 of this act. The Tax
20 Commissioner may also develop forms and instructions as necessary for
21 an approved company to claim the income tax credit.

22 (5) The Tax Commissioner shall have the authority to obtain
23 any information necessary from the approved company and the office to
24 verify that approved companies have received the proper amounts of
25 tax credits. The Tax Commissioner shall demand the repayment of any
26 credits taken in excess of the credit allowed by sections 4 to 8 of
27 this act.

1 Sec. 9. (1) For taxable years beginning on or after January
2 1, 2008, there shall be allowed against the income tax imposed by the
3 Nebraska Revenue Act of 1967, a credit equal to twenty-five percent
4 of the amount of profit made by a taxpayer from investment in an
5 existing Nebraska film or music project with a production company to
6 pay for production costs that is reinvested by the taxpayer with the
7 production company to pay for the production cost of the production
8 company for a new Nebraska film or music project.

9 (2) In no event shall the amount of the credit provided for
10 in subsection (1) of this section for an eligible taxpayer exceed the
11 tax liability of the taxpayer in a calendar year.

12 (3) The Tax Commissioner shall have the authority to
13 prescribe forms for purposes of claiming the credit authorized in
14 subsection (1) of this section. The forms shall include, but not be
15 limited to, requests for information that prove who the investment
16 was with, the amount of the original investment, and the amount of
17 the profit realized from the investment.

18 (4) For purposes of this section:

19 (a) Existing Nebraska film or music project means a film or
20 music project produced after January 1, 2008;

21 (b) Film means a professional single media or multimedia
22 program or feature, which is not child pornography or obscene
23 material, including, but not limited to, national advertising
24 messages that are broadcast on a national affiliate or cable network,
25 fixed on film, or digital video, which can be viewed or reproduced
26 and which is exhibited in theaters, licensed for exhibition by
27 individual television stations, groups of stations, networks, cable

1 television stations, or other means or licensed for home viewing
2 markets;

3 (c) Investment means costs associated with the original
4 production company. Film or music projects acquired from an original
5 production company do not qualify as investment under subsection (1)
6 of this section;

7 (d) Music project means a professional recording released
8 on a national or international level, whether by traditional
9 manufacturing or distributing or electronic distribution, including,
10 but not limited to, music compact disks, radio commercials, jingles,
11 cues, or electronic device recordings;

12 (e) Nebraska production cost means that portion of total
13 production costs which are incurred with any qualified vendor;

14 (f) Production company means a person who produces a film
15 or music project for exhibition;

16 (g) Profit means the amount made by the taxpayer to be
17 determined as follows:

18 (i) The gross revenue less gross expenses, including direct
19 production, distribution and marketing costs, and an allocation of
20 indirect overhead costs of the film or music project shall be
21 multiplied by the result of;

22 (ii) A ratio, the numerator of which is Nebraska production
23 costs and the denominator of which is total production costs which
24 shall be multiplied by;

25 (iii) The percent of the taxpayer's taxable income
26 allocated to Nebraska in a taxable year; and

27 (iv) Subtract from the result of the formula calculated

1 pursuant to subdivisions (i) through (iii) of this subdivision the
2 profit made by a taxpayer from investment in an existing Nebraska
3 film or music project in previous taxable years. Profit shall include
4 either a net profit or net loss;

5 (h) Qualified vendor means a Nebraska entity which provides
6 goods or services to a production company and for which:

7 (i) Fifty percent or more of its employees are Nebraska
8 residents; and

9 (ii) Fifty percent or more of gross wages, as reported on
10 Internal Revenue Service Form W-2 or Form 1099, are paid to Nebraska
11 residents.

12 An employee includes a self-employed individual reporting
13 income from a qualified vendor on Internal Revenue Service Form 1040.
14 The Tax Commissioner shall prescribe forms by which an entity may be
15 certified to a production company as a qualified vendor for purposes
16 of this section; and

17 (i) Total production cost includes, but is not limited to:

18 (i) Wages or salaries of persons who have earned income
19 from working on a film or music project in this state, including
20 payments to personal services corporations with respect to the
21 services of qualified performing artists, as determined under section
22 62(a)(2)(B) of the Internal Revenue Code of 1986, as amended;

23 (ii) The cost of construction and operations, wardrobe,
24 accessories, and related services;

25 (iii) The cost of photography, sound synchronization,
26 lighting, and related services;

27 (iv) The cost of editing and related services;

1 (v) Rental of facilities and equipment; and
2 (vi) Other direct costs of producing a film or music
3 project.

4 Sec. 10. Sales and use taxes shall not be imposed on the
5 gross receipts from the sale, lease, or rental of and the storage,
6 use, or other consumption in this state of tangible personal property
7 or services to a motion picture or television production company to
8 be used or consumed in connection with an eligible production. For
9 purposes of this section, eligible production means a documentary,
10 special, music video, or television commercial or television program
11 that will serve as a pilot for or be a segment of an ongoing dramatic
12 or situation comedy series filmed or taped for network or national or
13 regional syndication or a feature-length motion picture intended for
14 theatrical release or for network or national or regional syndication
15 or broadcast. In order to qualify for the exemption, the motion
16 picture or television production company shall file any documentation
17 and information required to be submitted pursuant to rules and
18 regulations adopted and promulgated by the Tax Commissioner.

19 Sec. 11. The Film and Music Office is created within the
20 Game and Parks Commission. The office shall be responsible for
21 administration of sections 1 to 9 of this act and shall have such
22 other duties as assigned by the commission.

23 Sec. 12. Section 37-201, Revised Statutes Cumulative
24 Supplement, 2006, is amended to read:

25 37-201. Sections 37-201 to 37-811 and section 11 of this
26 act shall be known and may be cited as the Game Law.

27 Sec. 13. Section 77-2701, Revised Statutes Cumulative

1 Supplement, 2006, is amended to read:

2 77-2701. Sections 77-2701 to 77-27,135.01, 77-27,222, and
3 77-27,228 to 77-27,235 and section 10 of this act shall be known and
4 may be cited as the Nebraska Revenue Act of 1967.

5 Sec. 14. Section 77-2701.04, Revised Statutes Cumulative
6 Supplement, 2006, is amended to read:

7 77-2701.04. For purposes of sections 77-2701.04 to 77-2713
8 and section 10 of this act, unless the context otherwise requires,
9 the definitions found in sections 77-2701.05 to 77-2701.47 shall be
10 used.

11 Sec. 15. This act becomes operative on January 1, 2008.

12 Sec. 16. Original sections 37-201, 77-2701, and 77-2701.04,
13 Revised Statutes Cumulative Supplement, 2006, are repealed.