

{As Amended by Senate Committee of the Whole}

As Amended by Senate Committee

Session of 2023

SENATE BILL No. 91

By Committee on Commerce

1-24

1 AN ACT concerning economic development; enacting the Kansas film and
2 digital media production development act; establishing an income tax
3 credit, ~~and~~, sales tax exemption ~~and loan and grant~~ *and loan and*
4 *grant* program to be administered by the secretary of commerce for
5 the purpose of developing film, video or digital production in Kansas;
6 ~~establishing the Kansas film and digital media production development~~
7 ~~act education fund and the Kansas film and digital media production~~
8 ~~development act workforce training and business direct investment~~
9 ~~fund; establishing the Kansas film and digital media production~~
10 ~~development act education fund and the Kansas film and digital~~
11 ~~media production development act workforce training and business~~
12 ~~direct investment fund;~~ amending K.S.A. 2022 Supp. 79-3606 and
13 repealing the existing section.
14

Be it enacted by the Legislature of the State of Kansas:

15 New Section 1. Sections 1 through 8, and amendments thereto,
16 shall be known and may be cited as the Kansas film and digital media
17 production development act. The purpose of the Kansas film and digital
18 media production development act is to incentivize film, video or digital
19 media productions in Kansas and facilitate the development and growth of
20 a film, video or digital media production industry and associated
21 businesses supporting the industry in this state.
22

New Sec. 2. As used in this act:

23 (a) "Above-the-line personnel" means any individual hired or credited
24 on screen for an eligible production for work on the production or
25 postproduction of film as a:

26 (1) Principal cast member compensated for the eligible production
27 project at a screen actors guild schedule f or above payment rate; or
28

29 (2) producer, screenwriter or director;

30 (b) "Act" means the Kansas film and digital media production
31 development act.

32 (c) "Affiliates" means those entities that are included in the
33 production company's affiliated group as defined in section 1504(a) of the
34 internal revenue code, 26 U.S.C. § 1504(a), and all other entities that are

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Prepared by: Office of Revisor of Statutes
Report

1 training and business direct investment fund shall be transferred to and
2 imposed on the state general fund.

3 (f) On or before January 31, 2024, and each January 31 thereafter
4 through January 31, 2033, the secretary of commerce shall submit an
5 annual report to the house of representatives standing committee on
6 commerce, labor and economic development and the senate standing
7 committee on commerce on the administration of the Kansas film and
8 digital media production development act workforce training and
9 business direct investment fund and all grants or loans awarded from
10 the fund. Such report shall contain specific and aggregate information
11 regarding all expenditures from the fund, the businesses or Kansas
12 postsecondary educational institutions receiving funds, the amount of
13 funds expended for each grant or loan, the reason and purpose for
14 which each grant or loan was approved, including how it was intended
15 to further the purposes of the Kansas film and digital media production
16 development act project workforce training and business direct
17 investment fund, the actual use of the grant or loan funds by the
18 recipient and the accomplishment of or progress made toward agreed
19 milestones and objectives.}

20 Sec. 9-7-19, K.S.A. 2022 Supp. 79-3606 is hereby amended to read
21 as follows: 79-3606. The following shall be exempt from the tax imposed
22 by this act:

23 (a) All sales of motor-vehicle fuel or other articles upon which a sales
24 or excise tax has been paid, not subject to refund, under the laws of this
25 state except cigarettes and electronic cigarettes as defined by K.S.A. 79-
26 3301, and amendments thereto, including consumable material for such
27 electronic cigarettes, cereal malt beverages and malt products as defined
28 by K.S.A. 79-3817, and amendments thereto, including wort, liquid malt,
29 malt syrup and malt extract, that is not subject to taxation under the
30 provisions of K.S.A. 79-41a02, and amendments thereto, motor vehicles
31 taxed pursuant to K.S.A. 79-5117, and amendments thereto, tires taxed
32 pursuant to K.S.A. 65-3424d, and amendments thereto, drycleaning and
33 laundry services taxed pursuant to K.S.A. 65-34,150, and amendments
34 thereto, and gross receipts from regulated sports contests taxed pursuant to
35 the Kansas professional regulated sports act, and amendments thereto;

36 (b) all sales of tangible personal property or service, including the
37 renting and leasing of tangible personal property, purchased directly by the
38 state of Kansas, a political subdivision thereof, other than a school or
39 educational institution, or purchased by a public or private nonprofit
40 hospital, public hospital authority, nonprofit blood, tissue or organ bank or
41 nonprofit integrated community care organization and used exclusively for
42 state, political subdivision, hospital, public hospital authority, nonprofit
43 blood, tissue or organ bank or nonprofit integrated community care

Insert for New Sec. 9

On or before January 31, 2027, and on or before January 31, 2031, the secretary of commerce shall submit a report to the house of representatives standing committee on commerce, labor and economic development, the house of representatives standing committee on taxation, the senate standing committee on commerce and the senate standing committee on assessment and taxation. The economic impact report shall include an economic impact assessment and evaluation for the preceding years approved and completed projects. The report shall include economic impacts attributable to each approved project, the impact of project expenditures in the state and local economy, including local taxes and state taxes related to sales, salaries and wages, employment full-time and part-time, and other categories of expenditures as appropriate. The report shall utilize the best available methodology to calculate the multiplier effect of the actual impact of qualified expenditures in the location of a qualified production. The secretary of revenue shall provide the secretary of commerce with information as necessary for the report in accordance with the terms of the agreements required by section 3, and amendments thereto.