

A sunset over a beach with waves and seagulls. The sky is a mix of orange, red, and yellow, with the sun low on the horizon. The ocean waves are breaking onto a sandy beach. In the foreground, several seagulls are standing on the sand. In the distance, a line of wind turbines is visible against the horizon.

Essential Information for Filming in Incentives States

LOUISIANA

The Incentives Office

This is the first of a series of *The Incentives Office* Guides to production in the most popular incentives states. This LOUISIANA Guide is available to the entire production community; subsequent Guides will be offered by subscription only. The next Guide, PENNSYLVANIA, will be released in May; MICHIGAN will be available in July.

For a printed copy of this Guide please email incentives@axium.com, with PRINT LOUISIANA as the subject, and your name, company and address information in the body.

The Incentives Office also publishes a monthly Incentives Update, and frequent Alerts. The next issue of *The Incentives Office* Complete U.S. Production Incentives Guide will be available in June. For any of our publications, please go to <http://theincentivesoffice.com/page2.html>.

While we have taken care to make this Guide as accurate as possible, *The Incentives Office* will not be responsible for any errors or omissions.

Written by Jeff Begun, edited by Dama Chasle.

Jeff Begun jeff@theincentivesoffice.com

Dama Chasle dama@theincentivesoffice.com

Phone: 310 982-1340

(c) 2008 Jeff Begun & Dama Chasle

INTRODUCTION

Louisiana offers one of the most successful production incentives programs in the U.S., with over \$600,000,000 in production during 2006, with an increase in the number of productions for 2007. Louisiana provides a 25% transferable tax credit for cast and crew from anywhere, plus a 25% transferable tax credit for all production expenses incurred in the state from a Louisiana vendor provided the production has a minimum in-state spend of \$300,000. An additional 10% is available for Louisiana residents (cast and crew), with a \$1 million cap per resident. There are no other caps; either per person, per production, or for total spend per year, making it a popular choice for recent films such as "The Curious Case of Benjamin Button", "Black Water Transit" and "Year One".

The state also offers an infrastructure credit of **40%** for qualified projects.

Louisiana's three largest cities are corridors of production: New Orleans, a cosmopolitan city with a very unique atmosphere and heritage. Baton Rouge, the capital, is a city of approximately 300,000 situated on the Mississippi river and just an hour drive from New Orleans. And Shreveport is a city of 325,000 located in the



northwest corner of the state near the Texas border. There are now sound stages in all three cities and a broad spectrum of motion picture vendors. Post production is currently available in Baton Rouge and New Orleans.

The state is divided into **64** parishes (counties); Louisiana has a total population of nearly 4 million citizens. Louis Armstrong New Orleans International Airport is served by most major U.S. carriers, with non-stop flights from New York, Chicago and Los Angeles.

Louisiana's Office of Entertainment Industry Development is located in Baton Rouge within the Louisiana Department of Economic Development. Chris Stelly is the state's Director of Film & Television. Many of the parishes and municipalities have their own film commissions or liaisons, who are extremely helpful at finding locations and other local services. In particular, the local commissions can assist with hotel deals, permits, police and fire.

The Louisiana incentive necessitates that two LLCs be created, so it can be helpful to hire a local attorney. Since the tax credits are transferable, both a Production LLC to run expenditures through and an Investment LLC which earns the tax credits, are needed. Once certified credits are granted to the Investment LLC they may be transferred, sold, or redeemed directly with the state.

Because the Louisiana incentive is not used directly by most productions (as they will owe little or no state tax), the tax credits are generally, though not exclusively, handled by tax credit brokers. Often the broker can arrange for a letter of credit or provide front-end gap financing. The broker can also help prepare and file the initial application, which is required prior to the start of production. The producer can expect 76 to 78 cents if a cash advance is involved, approximately 80 cents if a letter of credit is involved, and 82 cents (or more) for a certified credit if there is no funding involved. The state of Louisiana will also buy the credits directly from the production at the rate of 72 cents, until 2009 when it will increase to 74 cents.

Credits must be certified by the state before they can be sold or transferred. As part of the initial application fee, the production is allowed two certifications plus the final certification; the state charges \$250 for each additional certification. The certification may be requested any time after the minimum spend threshold has been met. Often, the first “cert” is requested during or at the end of principal photography, the 2nd at the time of post or when all expenses in the state have been recorded. This allows the producer to use some of the credits towards production or post production expenses.

In order for tax credits to be certified, the production’s expenditures must be audited by a Louisiana Certified Public Accountant, at the producer’s expense. The cost of the CPA audit varies from \$5,000 to \$15,000 or more, depending on the amount of work involved, but interestingly, the cost of this is not eligible for the tax credit. The state has published a set of rules and procedures for the CPA audit. It is advisable to hire your CPA prior to the start of production, as he or she may be able to answer questions about qualifying in-state spend.

There is now a substantial crew base in Louisiana; however, there is also a lot of production. On occasion, producers have reported paying a premium of up to \$5 per hour over area standards. Contact numbers for the IATSE and Teamsters are on the contact page. It should be noted that Louisiana is a right-to-work state.



Many independent producers choose to use a production service company to assist with their film. These companies can hire the crew, secure locations and supervise the production. Louisiana discourages “pass-throughs,” entities set up specifically to qualify materials ordered from out of state.

The Incentives Office will be pleased to introduce you to qualified production service companies, tax credit brokers, Louisiana attorneys, CPAs, film commissioners and parish officials.

STEP BY STEP

1. Decide where in Louisiana you plan to shoot. In addition to the main production centers, Louisiana can provide swamps, lush vegetation, canals, small towns, etc. and even double for some major cities.
2. Decide if you are going to hire the crew yourself, or if you will use a production service company. If using a production service company, contact one in the area where you will be shooting.
3. Decide on a tax credit broker, CPA, bank and local attorney.
4. Plan a trip to Louisiana; arrange meetings with the broker, attorney, production service company, state film commissioner, local film commissioner, banker and parish president. These meetings may take a few days, but it will be time well spent. Meetings should be with the Executive Producer or Producer, as well as the line producer, if he is available.
5. Arrange for production insurance and completion bond to be invoiced via a Louisiana broker. Same with airline tickets.
6. Have your attorney form the production and investment LLCs.
7. Prepare two budgets – one with Louisiana qualified expenses only, the other for the entire picture.
8. Have your payroll company and tax credit broker examine your budget, to see if you have missed any qualified expenses.
9. Hire a production accountant who is familiar with the Louisiana tax credits.
10. With the help of your broker, prepare the initial application (there is a copy at the end of this booklet). The application must include your detailed multi-market distribution plan, a detailed preliminary budget, a script and synopsis, and a statement that the project meets the definition of state-certified production.



11. Have your broker file the application; you may need a check for the application fee of .2% of estimated tax credits to be earned, with a minimum of \$200 and a maximum of \$5,000. If everything is complete, the application should be approved within two weeks.
12. The Office of Entertainment Industry Development will issue a pre-certification letter, stating that the film has been "Pre-certified."
13. Ask your payroll company for a suggested listing of coding for the production accounting system you will be using (one is included in this booklet).
14. Check with your CPA regarding any questionable qualified expenses you see in your budget; he/she should know if they are acceptable.
15. While productions may begin without precertification and ultimately qualify for credits; we recommend that you do not begin pre-production in Louisiana until your application has been approved, and you agree with the proposed tax credits in your pre-certification letter. If your estimate differs substantially from what the state estimates, you should find out why.
16. Before credits are certified, all expenses must be audited by your Louisiana-licensed CPA. This process takes about two weeks on average.
17. The audit report with all bookkeeping back-up is submitted to the Office of Entertainment Industry Development.
18. Tax credits are issued and may be sold or delivered to buyers. This generally takes less than 30 days from submission of all materials and the audit report.
19. Any certifications desired during the production or post production will follow the same process – a CPA audit, and materials then submitted with the audit report to the Office of Entertainment Industry Development. Once certified, these credits may be transferred.
20. When you sell or transfer credits, you must notify the Department of Revenue within 30 days after the transfer.
21. The Investment LLC must file Form R-10611 with its tax return (included in this booklet)

PARISHES

The following parishes have seen recent film production activity:

Caddo Parish -- President Mr. Carl A. Pierson, Sr.

505 Travis St. Ste. 110, Shreveport, LA 71101

Phone: (318) 226-6596, Fax: (318) 226-6994

Website: http://www.caddo.org/parish_comm.cfm

Area Info: <http://www.lapage.com/parishes/caddo.htm>

East Baton Rouge Parish -- Mayor President Mr. Melvin "Kip" Holden

P. O. Box 1471, Baton Rouge, LA 70821

Phone: (225) 389-3123, Fax: (225) 389-3127

E-mail: brinfo@brgov.com

Website: <http://www.ci.baton-rouge.la.us>

Area Info: <http://www.lapage.com/parishes/ebato.htm>

Jefferson Parish -- President Mr. Aaron F. Broussard

PO Box 9, Gretna, LA 70054

Phone: (504) 364-2626, Fax: (504) 364-2633

E-mail: elopez@jeffparish.net

Website: <http://www.jeffparish.net>

Area Info: <http://www.lapage.com/parishes/jeffe.htm>

Natchitoches Parish -- President Ms. Alice D. Barrios

P. O. Box 799, Natchitoches, LA 71458

Phone: (318) 352-2714, Fax: (318) 357-2208

Area Info: <http://www.lapage.com/parishes/natch.htm>

Orleans Parish -- Vice President Mr. Arnie Fielkow

1300 Perdido St, New Orleans, LA 70112

Phone: (504) 658-1082, Fax: (504) 658-1089 E-mail:

peggyc@new-orleans.la.us

Website: <http://www.nocitycouncil.com>

Area Info: <http://www.lapage.com/parishes/orlea.htm>

St. John The Baptist Parish -- President Mr. Nickie

Monica

1801 W Airline Hwy, LaPlace, LA 70068

Phone: (985) 652-1702, Fax: (985) 652-1700 E-mail: j.landeché@sjbparish.com

Website: <http://www.sjbparish.com>

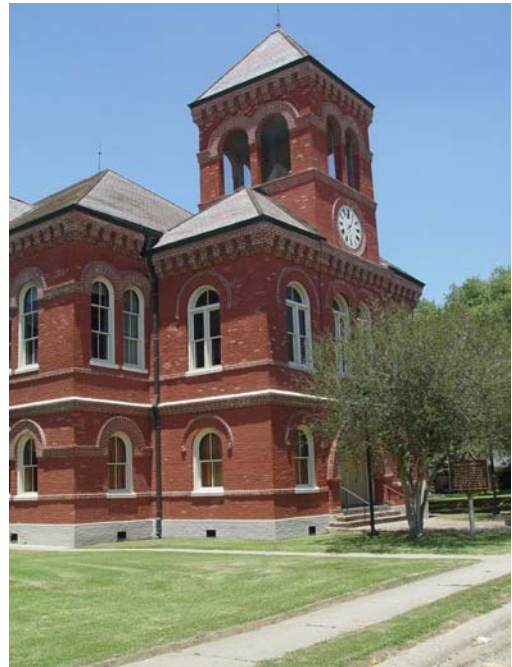
Area Info: <http://www.lapage.com/parishes/sjohn.htm>

West Baton Rouge Parish -- President Mr. Riley L. Berthelot, Jr.

PO Box 757, Port Allen, LA 70767

Phone: (225) 383-4755, Fax: (225) 387-0218 E-mail: wbrmail@wbr council.org

Website: <http://www.wbr council.org> Area Info: <http://www.lapage.com/parishes/wbato.htm>



There is a website with a clickable parish map at <http://www.lapage.com/page/>. This includes links to information about each parish, plus some pictures.

SOUND STAGES

CELTIC MEDIA CENTRE, 10000 Celtic Drive, Baton Rouge, La. 70809. Raleigh Studios' new studio/sound stage complex, newly constructed from the ground up. Phase one is now open with three sound stages (over 50,000 sq. ft) and production office space. Ultimately, Raleigh Studios Baton Rouge will consist of 6 sound stages totaling over 140,000 square feet including, post-production editorial and sound facilities, grip and lighting equipment, mill shop, props, and wardrobe. Their phone number is 225 330-6163, or email info@thecelticmediacentre.com. Their website is: <http://www.thecelticmediacentre.com>.

NIMS CENTER – 800 Distributors Row, New Orleans, La. 70123. The Nims Center (actually in Harahan, near New Orleans' Louis Armstrong Airport) includes two sound stages. One is 178' x 111', with a 31' ceiling. The other is 178' x 128' x 26'. In addition, there are 35 production offices, HD post-production suites, ADR, etc. There is also a nearby 28,000 sq. ft warehouse that has been used for production. Major studio films, including "Déjà Vu" and "Benjamin Button," have been produced at the Nims Center. For information contact Roger Benisheck at 504 430-8965, or nimscenterstudio@yahoo.com.

STAGEWORKS OF LOUISIANA – 400 Clyde Fant Parkway, Shreveport, Louisiana 71101. Production offices plus two sound stages, one 36,000 sq. ft., the other 16,000 sq. ft. Height varies from 24 to 33 ft. Located in downtown Shreveport. For information call 318 221-3175.

LOUISIANA SOUNDSTAGE - St. John Parish Administration, 1801 W. Airline Hwy., LaPlace, LA 70068. Phone: 985 652-9569. A newly constructed facility, 30 minutes from downtown New Orleans, with a single 42,000 sq. ft. stage that can be re-configured 18,000 and 8,000 sq. ft. stages; ceiling heights vary from 28 to 45 feet. For information email Julia Remondet, Dir. of Economic Development, St. John the Baptist Parish: j.remondet@sjbparish.com or email: info@louisiana-soundstage.com. The parish website is <http://www.sjbparish.com/>.

MANSFIELD STUDIOS – 9595 Mansfield Road, Shreveport, La 71118. 350,000 sq. ft. of stage, office & vendor space. Production offices, vendor support and production suites. For information contact Alissa Kantrow, alissa@laproducers.net, or Lampton Enoch, lampton@laproducer.net. Or call 318 219-2011.

STAGE WEST @ Turnkey in Shreveport - 6901 West 70th Street, Shreveport, Louisiana 71129. 318.550.4675. Sound stage is 25,000 sq. ft., 22 ft. ceilings. Plus production offices and an insert stage. For information: 318 550-4675.

QUALIFIED EXPENSES

Purchases, rentals and services provided by a Louisiana vendor and used in the state for the production of a film are qualified expenses, with a few exceptions. Goods, not services, may be obtained from out-of-state, but only if ordered by a Louisiana vendor or production service company. It is not acceptable to form a company specifically for ordering from out-of-state.

Insurance, travel and completion bond qualifies, but must be ordered from an in-state broker or travel agency. Bank financing costs qualify, if the bank is in Louisiana. Legal costs, if incurred within the state from a Louisiana attorney will qualify. Costs associated with the CPA audit required for certification of the credits do not qualify.

ALL fringes qualify – union P & W, FICA, FUTA, per diems, hotels, etc. Box rentals, if paid through payroll.

CODING

The production accountant will need to use unique identifiers in a free field of the production accounting program for:

In-state labor

Non-resident labor

Salaries exceeding \$1 million for Louisiana residents

In-state purchases (rentals, services, etc.)

Out-of-state purchases

PRODUCTION INFORMATION

Online interactive database http://www.lafilm.org/film_services/labor.cfm

Online Production Guide <http://www.louisianaproductionindex.com/>.

FREQUENTLY ASKED QUESTIONS

Why has Louisiana seen so much production?

Simple – they have a 25% tax credit, with no per picture, per project, or annual cap (except on the 10% local labor bump). That means there is no question of funds being available, and no maximum amount for talent or labor. Additionally, Louisiana offers diverse locations within film-friendly communities, an experienced crew base, and an array of production facilities, vendors, and services.

What determines residency status?

Someone who has a residence (maintains a domicile) in Louisiana, and spends at least six months in the state. Or, if someone willing to move to the state; this requires filing form IT540 or IT540B.

If my post production is billed through a Louisiana company, but the work is done in Hollywood, does it qualify?

No – to qualify, the work must be done in Louisiana.

Is there a direct flight between New Orleans and Shreveport?

Alas, no. You generally fly via Dallas, Houston or Memphis. Or drive – about 6 hours.

What about development costs?

Qualified, if the work is done in Louisiana.

How much money is available each year?

There is no maximum; tax credits will be issued for all productions that comply with the regulations.

Can I shoot non-union?

Many non-union productions shoot in Louisiana; however it is recommended to make a deal with the unions if your budget is near \$1 million or more.

Is there a 35mm lab in Louisiana?

Unfortunately, no. So film processing does not qualify.

Are my documents available to the public?

Yes. As in most states, anything submitted for your application – budget, screenplay, financial statement – may be obtained by the public under the Freedom of Information Act. If you don't want certain information (for example, star salaries) to become public, then submit a cover sheet stating "DOCUMENTS CONTAIN CONFIDENTIAL, PROPRIETARY, OR TRADE SECRET INFORMATION" and mark each individual page as such. For additional concerns, contact the Office of Entertainment Industry Development.

What happens during the audit?

The independent, 3rd party Louisiana-licensed CPA will need to examine your budget, cost reports, refunds, rebates, sale of production items, etc. He will need to enumerate the source(s) of funds, including any non-monetary transactions. He will provide a breakdown of all non-Louisiana costs, accounts payable, accruals and deferrals. Plus a list of all 3rd party transactions. The CPA is hired by, and paid by the production company.



Can I get credits if I don't complete my film?

Yes. Credits are earned when the funds are spent (and verified) and the minimum spend threshold of \$300,000 has been met.

What if I spend more or less than my estimate?

If you spend less, you get fewer tax credits. If you spend more, you earn more credits; the audits determine what you have earned.

CONTACTS

Baton Rouge Film Office	Amy Mitchell-Smith	Brfilm@brgov.com	(225) 938-6737
Entertainment Industry Initiative	Marcus L. Brown	mlbrown@lafayettegov.net	337-291-3456
Louisiana Films North	Cindy Allen	ccallen.lafilmsnorth@gmail.com	318-539-5552
NELA Film Com.	CJ Sartor	sartor@sartorassociates.com	(318) 366-8537
New Orleans Film Office	Jennifer Day	jjday@cityofno.com	(504) 658-0923
Shreveport Film Office	Arlena Acree	Arlena.Acree@ci.shreveport.la.us	(318) 673-7515
Office of Entertainment Industry Development	Chris Stelly	Led-entertainment@la.gov	(225) 342-5403

I.A.T.S.E. Local 478 is a union of experienced motion picture and television production professionals based in New Orleans and the Gulf South.

Local 478 President: PHIL LOCICERO

Phone: 504-486-2192 FAX: 504-483-9961

Address: 432 North Anthony St. Suite 305, New Orleans, LA 70119

E-mail: info@iatse478.org Website: <http://www.iatse478.org/>

Local 478 Business Agent: MIKE McHUGH

Contact: Same as Above

E-mail: mmchugh478@bellsouth.net

Teamsters Local 270 Business Agent: O.P. DAVIS

Phone: 504-945-3152 FAX: 504-945-0003

Address: 2207 Royal Street, New Orleans, LA 70117

E-mail: tlocal270@teamsters.workfam.com

Teamsters Local 568 Business Manager: ROBERT E. WATTS Phone: 318-222-4681
or 800-489-0683 FAX: 318-222-4683 Address: 920 Grimmitt Drive, Shreveport, LA
71137 team568@aol.com



