

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1957

H.P. 1309

House of Representatives, May 7, 2025

An Act to Promote Film Production in Maine

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative COPELAND of Saco.
Cosponsored by Senator INGWERSEN of York and
Representatives: Speaker FECTEAU of Biddeford, GERE of Kennebunkport, ROEDER of
Bangor, SALISBURY of Westbrook, Senators: BAILEY of York, President DAUGHTRY of
Cumberland.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 5 MRSA §13090-L, sub-§1**, as amended by PL 2009, c. 470, §1, is further
3 amended to read:

4 **1. Generally.** A visual media production company that intends to undertake a visual
5 media production in this State may apply to the department to have the production, or a
6 portion of the production, certified under subsection 3 for purposes of the visual media
7 production reimbursement pursuant to Title 36, chapter 919-A ~~and the credit under Title~~
8 ~~36, section 5219-Y.~~

9 **Sec. 2. 5 MRSA §13090-L, sub-§2-A, ¶A-1** is enacted to read:

10 A-1. "Loan-out company" means a company set up as a separate legal entity, usually
11 for an actor, recording artist or other individual, for the purposes of using the company's
12 corporate legal protection.

13 **Sec. 3. 5 MRSA §13090-L, sub-§2-A, ¶B-1** is enacted to read:

14 B-1. "On-screen credit" means a statement displayed at the end of the credits, when
15 applicable, of a visual media production certified under this section claiming "FILMED
16 ON LOCATION IN MAINE," or other comparable form of acknowledgment, along
17 with a state logo submitted and approved by the Maine State Film Office.

18 **Sec. 4. 5 MRSA §13090-L, sub-§2-A, ¶C-1** is enacted to read:

19 C-1. "Principal photography" means a period of time in which a visual media
20 production is filmed, shot or recorded. "Principal photography" does not include
21 preproduction or postproduction periods.

22 **Sec. 5. 5 MRSA §13090-L, sub-§2-A, ¶F**, as enacted by PL 2009, c. 470, §1, is
23 amended to read:

24 F. "Visual media production expense" means an expense directly incurred in this State
25 for preproduction, production or postproduction of a visual media production certified
26 under this section. "Visual media production expense" includes wages and salaries of
27 individuals employed in the production on which taxes have been paid or accrued if
28 those wages do not exceed ~~\$50,000~~ \$75,000 per individual and payments to a
29 temporary employee-leasing company, as defined in Title 36, section 6901, subsection
30 3-A, or loan-out company and other contractual payments for the services of
31 individuals working in the State if those payments do not exceed ~~\$50,000~~ \$75,000 per
32 individual providing services in the production. "Visual media production expense"
33 includes the cost of construction; operations; editing and related services; music,
34 photography and film processing, including transferring film to tape or a digital format;
35 sound recording, mixing and synchronization; lighting, makeup, wardrobe and
36 accessories; transportation, not including airfare unless booked through a travel agent
37 in this State; catering, food and lodging for cast members, staff and crew; local
38 insurance and bonding; and the rental of facilities and equipment, including location
39 fees; local payroll company fees; and fees collected by a temporary employee-leasing
40 company as defined in Title 36, section 6901, subsection 3-A. "Visual media
41 production expense" does not include certified production wages, as defined in Title
42 36, section 6901, subsection 2, or expenses incurred in marketing or advertising a
43 visual media production or in printing or disseminating a visual media production.

1 **Sec. 6. 5 MRSA §13090-L, sub-§3, ¶D**, as amended by PL 2009, c. 470, §1, is
2 further amended to read:

3 D. Provide data reasonably demonstrating that the visual media production will benefit
4 the people of the State by increasing opportunities for employment and will strengthen
5 the economy of the State;

6 **Sec. 7. 5 MRSA §13090-L, sub-§3, ¶F**, as amended by PL 2009, c. 470, §1, is
7 further amended to read:

8 F. ~~Provide evidence~~ Certify that the visual media production company is not owned
9 by, affiliated with or controlled by, in whole or in part, a person that is in default on a
10 loan made by the State or a loan guaranteed by the State;

11 **Sec. 8. 5 MRSA §13090-L, sub-§3, ¶G**, as amended by PL 2009, c. 470, §1, is
12 further amended to read:

13 G. Provide any other information required by the department; ~~and~~

14 **Sec. 9. 5 MRSA §13090-L, sub-§3, ¶H**, as enacted by PL 2009, c. 470, §1, is
15 amended to read:

16 H. Provide a projected schedule for preproduction, production and postproduction of
17 the visual media production that shows that the ~~production~~ first day of principal
18 photography will begin within ~~60~~ 90 days after certification pursuant to this
19 subsection; ~~and~~

20 **Sec. 10. 5 MRSA §13090-L, sub-§3, ¶I** is enacted to read:

21 I. Agree to withhold, either internally or via a payroll company, a percentage of
22 payments made to a loan-out company or personal service corporation created to hire
23 out the services of one individual, including an actor or artist, to a 3rd party or
24 independent contractor that performs personal services in this State, at the highest rate
25 imposed by Title 36, chapter 827.

26 **Sec. 11. 5 MRSA §13090-L, sub-§3**, as amended by PL 2009, c. 470, §1, is further
27 amended by amending the first blocked paragraph to read:

28 To qualify for a visual media production certificate, a visual media production company
29 must demonstrate to the satisfaction of the commissioner that the visual media production
30 company has met, or will meet, the requirements of this subsection. If the department
31 determines that the applicant does not qualify for a visual media production certificate, it
32 must inform the applicant of that determination in writing within 4 weeks of receiving the
33 application. As soon as practicable, the department shall issue a visual media production
34 certificate for a visual media production that qualifies. The department shall include with
35 the certificate information regarding the tax credit report under subsection 4 and procedures
36 for claiming reimbursement under Title 36, chapter 919-A ~~and the credit under Title 36,~~
37 ~~section 5219-Y.~~

38 **Sec. 12. 5 MRSA §13090-L, sub-§4**, as amended by PL 2011, c. 285, §1, is further
39 amended to read:

40 **4. Certified visual media production report.** No later than 4 8 weeks after
41 completion of the postproduction period for a certified visual media production, the visual
42 media production company shall report, in a format specified by the Maine State Film

1 Office or the department, its compliance with the requirements of subsection 3 with respect
2 to the certified visual media production to the Maine State Film Office.

3 **Sec. 13. 5 MRSA §13090-L, sub-§5**, as amended by PL 2009, c. 470, §1, is further
4 amended to read:

5 **5. Department to provide information to State Tax Assessor.** The department shall
6 provide to the State Tax Assessor copies of the visual media production certificate issued
7 pursuant to subsection 3, together with any other information reasonably required by the
8 State Tax Assessor for the administration of visual media production reimbursement under
9 Title 36, chapter 919-A ~~and the credit under Title 36, section 5219-Y.~~

10 **Sec. 14. 5 MRSA §13090-L, sub-§7**, as enacted by PL 2009, c. 470, §1, is amended
11 to read:

12 **7. Report.** The Maine State Film Office shall submit a report by January 15th annually
13 to the joint standing committee of the Legislature having jurisdiction over taxation matters
14 regarding the certification and reporting process pursuant to this section and the visual
15 media production tax credit and reimbursement activities pursuant to ~~Title 36, section~~
16 ~~5219-Y~~ and Title 36, chapter 919-A. The report must include a description of any rule-
17 making activity related to the implementation of the credit and reimbursement activities,
18 outreach efforts to visual media production companies, the number of applications for the
19 visual media production credit and tax reimbursement, the number of credits and
20 reimbursements granted, the revenue loss associated with the credit and reimbursement and
21 the amount of visual media production expenses generated in the State as a result of the
22 credit and reimbursement.

23 **Sec. 15. 36 MRSA §191, sub-§2, ¶MM**, as amended by PL 2009, c. 652, Pt. A,
24 §51, is further amended to read:

25 MM. The disclosure to an authorized representative of the Department of Economic
26 and Community Development of information required for the administration of ~~the~~
27 ~~visual media production credit under section 5219-Y~~, the employment tax increment
28 financing program under chapter 917, the visual media production reimbursement
29 program under chapter 919-A or the Pine Tree Development Zone program under Title
30 30-A, chapter 206, subchapter 4;

31 **Sec. 16. 36 MRSA §5219-Y**, as amended by PL 2011, c. 240, §37, is repealed.

32 **Sec. 17. 36 MRSA §6901, sub-§2**, as amended by PL 2013, c. 546, §16, is further
33 amended to read:

34 **2. Certified production wages.** "Certified production wages" means wages subject
35 to withholding under section 5250, subsection 1 that are paid by a visual media production
36 company or through a payroll company for work on a certified visual media production, an
37 amount paid to a temporary employee-leasing company for personal services rendered in
38 this State by a leased employee in connection with a certified visual media production, an
39 amount paid for the services of a performing artist working in the State in connection with
40 a certified visual media production and other contractual payments for the services of
41 individuals working in the State in connection with a certified visual media production.
42 "Certified production wages" includes only the first ~~\$50,000~~ \$75,000 paid to or with respect
43 to a particular individual for personal services rendered in connection with a particular
44 certified visual media production. For purposes of this section, "certified production

1 wages" also includes payments made to a loan-out company or personal service corporation
2 created to hire out the services of one individual, including an actor or artist, to a 3rd-party
3 or independent contractor that performs personal services in this State, for which the
4 required withholding has been made and remitted.

5 **Sec. 18. 36 MRSA §6901, sub-§3-B** is enacted to read:

6 **3-B. Loan-out company.** "Loan-out company" has the same meaning as in Title 5,
7 section 13090-L, subsection 2-A, paragraph A-1.

8 **Sec. 19. 36 MRSA §6901, sub-§3-C** is enacted to read:

9 **3-C. Principal photography.** "Principal photography" has the same meaning as in
10 Title 5, section 13090-L, subsection 2-A, paragraph C-1.

11 **Sec. 20. 36 MRSA §6902, sub-§1**, as amended by PL 2011, c. 240, §46, is further
12 amended to read:

13 **1. Generally.** A visual media production company is allowed a the following
14 reimbursement equal to 12% of certified production wages paid to or with respect to an
15 individual who is a resident of Maine and 10% of certified production wages paid to or
16 with respect to an individual who is not a resident of Maine. if the visual media production
17 company has visual media production expenses of \$75,000 or more with respect to that
18 certified visual media production:

19 A. A reimbursement equal to 25% of certified production wages paid to or with respect
20 to an individual who is a resident of Maine;

21 B. A reimbursement equal to 20% of certified production wages paid to or with respect
22 to an individual who is not a resident of Maine;

23 C. A reimbursement equal to 25% of nonwage visual media production expenses
24 incurred with respect to a certified visual media production; and

25 D. A 3% additional reimbursement if at least 60% of principal photography occurred
26 in Aroostook County, Franklin County, Kennebec County, Oxford County, Penobscot
27 County, Piscataquis County, Somerset County or Washington County.

28 **Sec. 21. 36 MRSA §6902, sub-§4** is enacted to read:

29 **4. Limitations.** The following are limitations on reimbursement.

30 A. A visual media production company may not receive reimbursement under this
31 section for certified production wages paid and visual media production expenses
32 incurred with respect to a certified visual media production for more than \$500,000 for
33 taxable years beginning in 2025 and 2026, \$750,000 for taxable years beginning in
34 2027 and \$1,000,000 for taxable years beginning on or after January 1, 2028.

35 B. With respect to a local, in-state visual media production company that produces 5
36 or more certified visual media productions a year, each of which total no more than 10
37 minutes in length, including, but not limited to, commercials, industrial shorts,
38 documentary shorts and animated shorts, that company may not receive the sum total
39 of reimbursement under this section in excess of \$25,000 for that calendar year.

1 C. The total amount of reimbursement paid under this section may not exceed
2 \$1,000,000 in the first taxable year, \$1,500,000 for the next 3 taxable years and
3 \$2,000,000 thereafter.

4 D. For a visual media production with a budget of \$500,000 or greater, the visual
5 media production company must provide a 3rd-party audit by a certified public
6 accountant certifying expenses as specified by the Maine State Film Office. For
7 purposes of this paragraph, "certified public accountant" means a person who has
8 passed the Uniform Certified Public Accountant Examination or other examination
9 approved by the Board of Accountancy within the Department of Professional and
10 Financial Regulation or its designee, is licensed to practice accountancy by the Board
11 of Accountancy or its designee and is in good standing with the Board of Accountancy
12 or its designee.

13 **Sec. 22. Application.** This Act applies to tax years beginning on or after January 1,
14 2025.

15 SUMMARY

16 This bill repeals the law governing the certified visual media production tax credit. It
17 increases reimbursements under the laws governing the visual media production
18 reimbursement and places limits on those reimbursements. It changes the definition of
19 "visual media production expense" and requires an applicant for a visual media production
20 certificate to agree to withhold a percentage of payments made to an entity created to hire
21 out the services of one individual.