

SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE, No. 3748**

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**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

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ADOPTED JUNE 20, 2023

**Sponsored by:**

**Senator VIN GOPAL**

**District 11 (Monmouth)**

**Senator PAUL A. SARLO**

**District 36 (Bergen and Passaic)**

**Co-Sponsored by:**

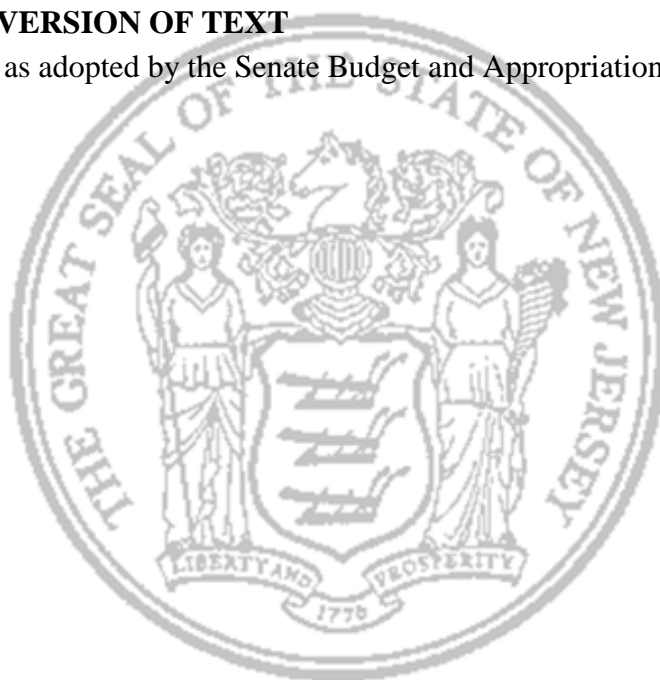
**Senators Johnson, Ruiz and Vitale**

**SYNOPSIS**

Transfers Motion Picture and Television Development Commission to EDA; revises provisions of film and digital media content production tax credit program; appropriates \$30 million.

**CURRENT VERSION OF TEXT**

Substitute as adopted by the Senate Budget and Appropriations Committee.



**(Sponsorship Updated As Of: 6/26/2023)**

1   **AN ACT** concerning the production of certain films and digital  
2   media content, supplementing P.L.1974, c.80 (C.34:1B-1 et  
3   seq.), amending various parts of the statutory law, and making an  
4   appropriation.

5

6       **BE IT ENACTED** *by the Senate and General Assembly of the State*  
7 *of New Jersey:*

8

9       1. (New section)   a.   The Motion Picture and Television  
10   Development Commission, established pursuant to section 3 of  
11   P.L.1977, c.44 (C.34:1B-24), transferred in, but not of, the Division  
12   of Business Assistance, Marketing, and International Trade  
13   pursuant to section 24 of P.L.2008, c.27 (C.34:1B-233), and  
14   continued and transferred in, but not of, the Business Action Center  
15   in the Department of State pursuant to Reorganization Plan No.  
16   003-2011, is transferred in the New Jersey Economic Development  
17   Authority. Notwithstanding the provisions of any law to the  
18   contrary, the commission shall operate under the supervision and  
19   direction of the Chief Executive Officer of the New Jersey  
20   Economic Development Authority.

21       b. Whenever, in any law, rule, regulation, order, contract,  
22   document, judicial or administrative proceeding or otherwise,  
23   reference is made to the Motion Picture and Television  
24   Development Commission, the same shall mean and refer to the  
25   Motion Picture and Television Development Commission in the  
26   New Jersey Economic Development Authority.

27       c. The obligation of the Division of Business Assistance,  
28   Marketing, and International Trade to provide staff services  
29   necessary to support the functions of the Motion Picture and  
30   Television Development Commission pursuant to subsection c. of  
31   section 24 of P.L.2008, c.27 (C.34:1B-233) is transferred to the  
32   New Jersey Economic Development Authority.

33       d. The transfer directed by this section shall be made in  
34   accordance with the "State Agency Transfer Act," P.L.1971, c.375  
35   (C.52:14D-1 et seq.) and shall include all files, books, papers,  
36   records, equipment, and other property held by the commission,  
37   including, without limitation, funds and other resources, and  
38   personnel. All funds to be transferred shall be deposited in  
39   accounts as may be required by law.

40

41       2. Section 5 of P.L.1974, c.80 (C.34:1B-5) is amended to read  
42   as follows:

43       5. The authority shall have the following powers:

44       a. To adopt bylaws for the regulation of its affairs and the  
45   conduct of its business;

**EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

- 1       b. To adopt and have a seal and to alter the same at pleasure;
- 2       c. To sue and be sued;
- 3       d. To acquire in the name of the authority by purchase or  
4 otherwise, on such terms and conditions and such manner as it may  
5 deem proper, or by the exercise of the power of eminent domain in  
6 the manner provided by the "Eminent Domain Act of 1971,"  
7 P.L.1971, c.361 (C.20:3-1 et seq.), any lands or interests therein or  
8 other property which it may determine is reasonably necessary for  
9 any project; provided, however, that the authority in connection  
10 with any project shall not take by exercise of the power of eminent  
11 domain any real property except upon consent thereto given by  
12 resolution of the governing body of the municipality in which such  
13 real property is located; and provided further that the authority shall  
14 be limited in its exercise of the power of eminent domain in  
15 connection with any project in qualifying municipalities as defined  
16 under the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.), or to  
17 municipalities which had a population, according to the latest  
18 federal decennial census, in excess of 10,000;
- 19       e. To enter into contracts with a person upon such terms and  
20 conditions as the authority shall determine to be reasonable,  
21 including, but not limited to, reimbursement for the planning,  
22 designing, financing, construction, reconstruction, improvement,  
23 equipping, furnishing, operation and maintenance of the project and  
24 to pay or compromise any claims arising therefrom;
- 25       f. To establish and maintain reserve and insurance funds with  
26 respect to the financing of the project or the school facilities project  
27 and any project financed pursuant to the "Municipal Rehabilitation  
28 and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et  
29 al.);
- 30       g. To sell, convey or lease to any person all or any portion of a  
31 project for such consideration and upon such terms as the authority  
32 may determine to be reasonable;
- 33       h. To mortgage, pledge or assign or otherwise encumber all or  
34 any portion of a project, or revenues, whenever it shall find such  
35 action to be in furtherance of the purposes of this act, P.L.2000,  
36 c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and  
37 Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.),  
38 P.L.2007, c.137 (C.52:18A-235 et al.), and sections 3 through 18 of  
39 P.L.2009, c.90 (C.52:27D-489c et al.);
- 40       i. To grant options to purchase or renew a lease for any of its  
41 projects on such terms as the authority may determine to be  
42 reasonable;
- 43       j. To contract for and to accept any gifts or grants or loans of  
44 funds or property or financial or other aid in any form from the  
45 United States of America or any agency or instrumentality thereof,  
46 or from the State or any agency, instrumentality or political  
47 subdivision thereof, or from any other source and to comply,  
48 subject to the provisions of P.L.1974, c.80 (C.34:1B-1 et seq.),

1 section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72  
2 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic  
3 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), and  
4 P.L.2007, c.137 (C.52:18A-235 et al.), with the terms and  
5 conditions thereof;

6 k. In connection with any action undertaken by the authority in  
7 the performance of its duties and any application for assistance or  
8 commitments therefor and modifications thereof, to require and  
9 collect such fees and charges as the authority shall determine to be  
10 reasonable, including but not limited to fees and charges for the  
11 authority's administrative, organizational, insurance, operating,  
12 legal, and other expenses;

13 l. To adopt, amend and repeal regulations to carry out the  
14 provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of  
15 P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.),  
16 the "Municipal Rehabilitation and Economic Recovery Act,"  
17 P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007, c.137  
18 (C.52:18A-235 et al.);

19 m. To acquire, purchase, manage and operate, hold and dispose  
20 of real and personal property or interests therein, take assignments  
21 of rentals and leases and make and enter into all contracts, leases,  
22 agreements and arrangements necessary or incidental to the  
23 performance of its duties;

24 n. To purchase, acquire and take assignments of notes,  
25 mortgages and other forms of security and evidences of  
26 indebtedness;

27 o. To purchase, acquire, attach, seize, accept or take title to any  
28 project or school facilities project by conveyance or by foreclosure,  
29 and sell, lease, manage or operate any project or school facilities  
30 project for a use specified in this act, P.L.2000, c.72 (C.18A:7G-1  
31 et al.), the "Municipal Rehabilitation and Economic Recovery Act,"  
32 P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-  
33 235 et al.), and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-  
34 489c et al.);

35 p. To borrow money and to issue bonds of the authority and to  
36 provide for the rights of the holders thereof, as provided in  
37 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401  
38 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal  
39 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
40 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and  
41 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);

42 q. To extend credit or make loans to any person for the  
43 planning, designing, acquiring, constructing, reconstructing,  
44 improving, equipping and furnishing of a project or school facilities  
45 project, which credits or loans may be secured by loan and security  
46 agreements, mortgages, leases and any other instruments, upon such  
47 terms and conditions as the authority shall deem reasonable,  
48 including provision for the establishment and maintenance of

1 reserve and insurance funds, and to require the inclusion in any  
2 mortgage, lease, contract, loan and security agreement or other  
3 instrument, of such provisions for the construction, use, operation  
4 and maintenance and financing of a project or school facilities  
5 project as the authority may deem necessary or desirable;

6 r. To guarantee up to 90% of the amount of a loan to a person,  
7 if the proceeds of the loan are to be applied to the purchase and  
8 installation, in a building devoted to industrial or commercial  
9 purposes, or in an office building, of an energy improvement  
10 system;

11 s. To employ consulting engineers, architects, attorneys, real  
12 estate counselors, appraisers, and such other consultants and  
13 employees as may be required in the judgment of the redevelopment  
14 utility to carry out the purposes of P.L.1974, c.80 (C.34:1B-1 et  
15 seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72  
16 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic  
17 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007,  
18 c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009,  
19 c.90 (C.52:27D-489c et al.), and to fix and pay their compensation  
20 from funds available to the redevelopment utility therefor, all  
21 without regard to the provisions of Title 11A of the New Jersey  
22 Statutes;

23 t. To do and perform any acts and things authorized by  
24 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401  
25 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal  
26 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
27 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and  
28 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.),  
29 under, through or by means of its own officers, agents and  
30 employees, or by contract with any person;

31 u. To procure insurance against any losses in connection with  
32 its property, operations or assets in such amounts and from such  
33 insurers as it deems desirable;

34 v. To do any and all things necessary or convenient to carry out  
35 its purposes and exercise the powers given and granted in P.L.1974,  
36 c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-  
37 4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal  
38 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
39 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and  
40 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);

41 w. To construct, reconstruct, rehabilitate, improve, alter, equip,  
42 maintain or repair or provide for the construction, reconstruction,  
43 improvement, alteration, equipping or maintenance or repair of any  
44 development property and lot, award and enter into construction  
45 contracts, purchase orders and other contracts with respect thereto,  
46 upon such terms and conditions as the authority shall determine to  
47 be reasonable, including, but not limited to, reimbursement for the  
48 planning, designing, financing, construction, reconstruction,

- 1 improvement, equipping, furnishing, operation and maintenance of  
2 any such development property and the settlement of any claims  
3 arising therefrom and the establishment and maintenance of reserve  
4 funds with respect to the financing of such development property;
- 5 x. When authorized by the governing body of a municipality  
6 exercising jurisdiction over an urban growth zone, to construct,  
7 cause to be constructed or to provide financial assistance to projects  
8 in an urban growth zone which shall be exempt from the terms and  
9 requirements of the land use ordinances and regulations, including,  
10 but not limited to, the master plan and zoning ordinances, of such  
11 municipality;
- 12 y. To enter into business employment incentive agreements as  
13 provided in the "Business Employment Incentive Program Act,"  
14 P.L.1996, c.26 (C.34:1B-124 et al.);
- 15 z. To enter into agreements or contracts, execute instruments,  
16 and do and perform all acts or things necessary, convenient or  
17 desirable for the purposes of the redevelopment utility to carry out  
18 any power expressly provided pursuant to P.L.1974, c.80 (C.34:1B-  
19 1 et seq.), P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007, c.137  
20 (C.52:18A-235 et al.), including, but not limited to, entering into  
21 contracts with the State Treasurer, the Commissioner of Education,  
22 districts, the New Jersey Schools Development Authority, and any  
23 other entity which may be required in order to carry out the  
24 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), P.L.2007, c.137  
25 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009, c.90  
26 (C.52:27D-489c et al.);
- 27 aa. (Deleted by amendment, P.L.2007, c.137);
- 28 bb. To make and contract to make loans to local units to finance  
29 the cost of school facilities projects and to acquire and contract to  
30 acquire bonds, notes or other obligations issued or to be issued by  
31 local units to evidence the loans, all in accordance with the  
32 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007,  
33 c.137 (C.52:18A-235 et al.);
- 34 cc. Subject to any agreement with holders of its bonds issued to  
35 finance a project or school facilities project, obtain as security or to  
36 provide liquidity for payment of all or any part of the principal of  
37 and interest and premium on the bonds of the authority or for the  
38 purchase upon tender or otherwise of the bonds, lines of credit,  
39 letters of credit, reimbursement agreements, interest rate exchange  
40 agreements, currency exchange agreements, interest rate floors or  
41 caps, options, puts or calls to hedge payment, currency, rate, spread  
42 or similar exposure or similar agreements, float agreements,  
43 forward agreements, insurance contract, surety bond, commitment  
44 to purchase or sell bonds, purchase or sale agreement, or  
45 commitments or other contracts or agreements, and other security  
46 agreements or instruments in any amounts and upon any terms as  
47 the authority may determine and pay any fees and expenses required  
48 in connection therewith;

1 dd. To charge to and collect from local units, the State and any  
2 other person, any fees and charges in connection with the  
3 authority's actions undertaken with respect to school facilities  
4 projects, including, but not limited to, fees and charges for the  
5 authority's administrative, organization, insurance, operating and  
6 other expenses incident to the financing of school facilities projects;

7 ee. To make loans to refinance solid waste facility bonds through  
8 the issuance of bonds or other obligations and the execution of any  
9 agreements with counties or public authorities to effect the  
10 refunding or rescheduling of solid waste facility bonds, or otherwise  
11 provide for the payment of all or a portion of any series of solid  
12 waste facility bonds. Any county or public authority refunding or  
13 rescheduling its solid waste facility bonds pursuant to this  
14 subsection shall provide for the payment of not less than fifty  
15 percent of the aggregate debt service for the refunded or  
16 rescheduled debt of the particular county or public authority for the  
17 duration of the loan; except that, whenever the solid waste facility  
18 bonds to be refinanced were issued by a public authority and the  
19 county solid waste facility was utilized as a regional county solid  
20 waste facility, as designated in the respective adopted district solid  
21 waste management plans of the participating counties as approved  
22 by the department prior to November 10, 1997, and the utilization  
23 of the facility was established pursuant to tonnage obligations set  
24 forth in their respective interdistrict agreements, the public  
25 authority refunding or rescheduling its solid waste facility bonds  
26 pursuant to this subsection shall provide for the payment of a  
27 percentage of the aggregate debt service for the refunded or  
28 rescheduled debt of the public authority not to exceed the  
29 percentage of the specified tonnage obligation of the host county for  
30 the duration of the loan. Whenever the solid waste facility bonds  
31 are the obligation of a public authority, the relevant county shall  
32 execute a deficiency agreement with the authority, which shall  
33 provide that the county pledges to cover any shortfall and to pay  
34 deficiencies in scheduled repayment obligations of the public  
35 authority. All costs associated with the issuance of bonds pursuant  
36 to this subsection may be paid by the authority from the proceeds of  
37 these bonds. Any county or public authority is hereby authorized to  
38 enter into any agreement with the authority necessary, desirable or  
39 convenient to effectuate the provisions of this subsection.

40 The authority shall not issue bonds or other obligations to effect  
41 the refunding or rescheduling of solid waste facility bonds after  
42 December 31, 2002. The authority may refund its own bonds issued  
43 for the purposes herein at any time;

44 ff. To pool loans for any local government units that are  
45 refunding bonds and do and perform any and all acts or things  
46 necessary, convenient or desirable for the purpose of the authority  
47 to achieve more favorable interest rates and terms for those local  
48 governmental units;

1 gg. To finance projects approved by the board, provide staff  
2 support to the board, oversee and monitor progress on the part of  
3 the board in carrying out the revitalization, economic development  
4 and restoration projects authorized pursuant to the "Municipal  
5 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
6 (C.52:27BBB-1 et al.) and otherwise fulfilling its responsibilities  
7 pursuant thereto;

8 hh. To offer financial assistance to qualified film production  
9 companies as provided in the "New Jersey Film Production  
10 Assistance Act," P.L.2003, c.182 (C.34:1B-178 et al.);

11 ii. To finance or develop private or public parking facilities or  
12 structures, which may include the use of solar photovoltaic  
13 equipment, in municipalities qualified to receive State aid pursuant  
14 to the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.) and  
15 municipalities that contain areas designated pursuant to P.L.1985,  
16 c.398 (C.52:18A-196 et al.) as Planning Area 1 (Metropolitan),  
17 Planning Area 2 (Suburban), or a town center, and to provide  
18 appropriate assistance, including but not limited to, extensions of  
19 credit, loans, and guarantees, to municipalities qualified to receive  
20 State aid pursuant to the provisions of P.L.1978, c.14 (C.52:27D-  
21 178 et seq.) and municipalities that contain areas designated  
22 pursuant to P.L.1985, c.398 (C.52:18A-196 et seq.) as Planning  
23 Area 1 (Metropolitan), Planning Area 2 (Suburban), or a town  
24 center, and their agencies and instrumentalities or to private entities  
25 whose projects are located in those municipalities, in order to  
26 facilitate the financing and development of parking facilities or  
27 structures in such municipalities. The authority may serve as the  
28 issuing agent of bonds to finance the undertaking of a project for  
29 the purposes of this subsection;

30 jj. To make grants for the planning, designing, acquiring,  
31 constructing, reconstructing, improving, equipping, and furnishing  
32 of a project, including, but not limited to, grants for working capital  
33 and meeting payroll requirements, upon such terms and conditions  
34 as the authority shall deem reasonable, during periods of emergency  
35 declared by the Governor and for the duration of economic  
36 disruptions due to the emergency; **【and】**

37 kk. To purchase and lease real property at a nominal rate when it  
38 would result in a net economic benefit to the State, enhance access  
39 to employment and investment for underserved populations, or  
40 increase investment and employment in high-growth technology  
41 sectors; and

42 ll. To make investments of capital, not to exceed \$10,000,000  
43 per project, in New Jersey film-lease partner facilities, as that term  
44 is defined in section 1 of P.L.2018, c.56 (C.54:10A-5.39b) and  
45 subsection a. of section 2 of P.L.2018, c.56 (C.54A:4-12b), subject  
46 to terms and conditions that the authority determines to be  
47 necessary and appropriate.

48 (cf: P.L.2020, c.156, s.115)



1       3. Section 3 of P.L.1977, c.44 (C.34:1B-24) is amended to read  
2 as follows:

3       3. a. There is hereby established in ~~the~~ but not of the Division of  
4 Business Assistance, Marketing, and International Trade in the  
5 New Jersey Economic Development Authority a Motion Picture and  
6 Television Development Commission.

7       b. The commission shall consist of ~~eight~~ 10 public members,  
8 ~~no more than four of whom shall be members of the same political~~  
9 ~~party,~~ who shall be appointed by the Governor with the advice and  
10 consent of the Senate, and the Chief Executive Officer of the New  
11 Jersey Economic Development Authority, the Secretary of State, the  
12 Chairman of the New Jersey State Council on the Arts, and the  
13 Commissioner of Labor and Workforce Development or their  
14 designees serving in an ex officio capacity. The Governor shall  
15 appoint from the ~~ten~~ 14 members a chairman who shall serve in  
16 that office at the pleasure of the Governor.

17       c. The public members of the commission shall be appointed  
18 initially for the following terms: three members for a term of two  
19 years; three members for a term of three years; and two members  
20 for a term of four years. The two public members appointed  
21 pursuant to P.L. , c. (C. ) (pending before the Legislature as  
22 this bill) shall be appointed for an initial term of four years. The  
23 initial members shall serve from the date of the original  
24 appointment for the aforementioned specified terms and until their  
25 respective successors shall be duly appointed and qualified. The  
26 term of each such appointed member shall be designated by the  
27 Governor at the time of his appointment. The successors to the  
28 initially appointed members shall each be appointed for a term of  
29 four years, except that any person appointed to fill a vacancy shall  
30 serve only for the unexpired term.

31       d. The members of the commission shall serve without  
32 compensation, but the commission may reimburse its members for  
33 necessary expenses incurred in the discharge of their duties.

34       e. Notwithstanding the provisions of subsection b. of this  
35 section, or of any other law to the contrary, the Governor shall  
36 directly appoint the two public members added by P.L. , c.  
37 (C. ) (pending before the Legislature as this bill) to the  
38 commission. Upon the expiration of the initial term of each public  
39 member appointed pursuant to this subsection, members of the  
40 commission shall be appointed pursuant to subsections b. and c. of  
41 this section.

42 (cf: P.L.2010, c.104, s.17)

43  
44       4. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to  
45 read as follows:

46       98. a. The combined value of all tax credits awarded under the  
47 "Historic Property Reinvestment Act," sections 1 through 8 of

1 P.L.2020, c.156 (C.34:1B-269 through C.34:1B-276); the  
2 "Brownfield Redevelopment Incentive Program Act," sections 9  
3 through 19 of P.L.2020, c.156 (C.34:1B-277 through C.34:1B-287);  
4 the "New Jersey Innovation Evergreen Act," sections 20 through 34  
5 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302); the "Food  
6 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156  
7 (C.34:1B-303 through C.34:1B-310); the "New Jersey Community-  
8 Anchored Development Act," sections 43 through 53 of P.L.2020,  
9 c.156 (C.34:1B-311 through C.34:1B-321); the "New Jersey Aspire  
10 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-  
11 322 through C.34:1B-335); the "Emerge Program Act," sections 68  
12 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); and section 6 of  
13 P.L.2010, c.57 (C.34:1B-209.4) shall not exceed an overall cap of  
14 \$11.5 billion over a seven-year period, subject to the conditions and  
15 limitations set forth in this section. Of this \$11.5 billion, \$2.5  
16 billion shall be reserved for transformative projects approved under  
17 the Aspire Program.

18 b. (1) The total value of tax credits awarded under any  
19 constituent program of the "New Jersey Economic Recovery Act of  
20 2020," P.L.2020, c.156 (C.34:1B-269 et al.) shall be subject to the  
21 following annual limitations, except as otherwise provided in  
22 subsection c. of this section:

23 (a) for tax credits awarded under the "Historic Property  
24 Reinvestment Act," sections 1 through 8 of P.L.2020, c.156  
25 (C.34:1B-269 through C.34:1B-276), the total value of tax credits  
26 annually awarded during each of the first six years of the seven-year  
27 period shall not exceed \$50 million;

28 (b) for tax credits awarded under the "Brownfield  
29 Redevelopment Incentive Program Act," sections 9 through 19 of  
30 P.L.2020, c.156 (C.34:1B-277 through C.34:1B-287), the total  
31 value of tax credits annually awarded during each of the first six  
32 years of the seven-year period shall not exceed \$50 million;

33 (c) for tax credits awarded under the "New Jersey Innovation  
34 Evergreen Act," sections 20 through 34 of P.L.2020, c.156  
35 (C.34:1B-288 through C.34:1B-302), the total value of tax credits  
36 annually awarded during each of the first six years of the seven-year  
37 period shall not exceed \$60 million and the total value of tax credits  
38 awarded over the entirety of the seven-year program shall not  
39 exceed \$300,000,000;

40 (d) for tax credits awarded under the "Food Desert Relief Act,"  
41 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through  
42 C.34:1B-310), the total value of tax credits annually awarded during  
43 each of the first six years of the seven-year period shall not exceed  
44 \$40 million;

45 (e) for tax credits awarded under the "New Jersey Community-  
46 Anchored Development Act," sections 43 through 53 of P.L.2020,  
47 c.156 (C.34:1B-311 through C.34:1B-321), the total value of tax  
48 credits annually awarded during each of the first six years of the

1 seven-year period shall not exceed \$200 million, except that during  
2 each of the first six years of the seven-year period, the authority  
3 shall annually award tax credits valuing no greater than \$130  
4 million for projects located in the 13 northern counties of the State,  
5 and the authority shall annually award tax credits valuing no greater  
6 than \$70 million for projects located in the eight southern counties  
7 of the State. If during any of the first six years of the seven-year  
8 period, the authority awards tax credits in an amount less than the  
9 annual limitation for projects located in northern counties or  
10 southern counties, as applicable, the uncommitted portion of the  
11 annual limitation shall be available to be deployed by the authority  
12 in a subsequent year, provided that the uncommitted portion of tax  
13 credits shall be awarded for projects located in the applicable  
14 geographic area, except that (i) after the completion of the third  
15 year of the seven-year period, the authority may deploy 50 percent  
16 of the uncommitted portion of tax credits from any previous year  
17 without consideration to the county in which a project is located;  
18 and (ii) after the completion of the sixth year of the seven-year  
19 period, the authority may deploy all available tax credits, including  
20 the uncommitted portion of the annual limitation for any previous  
21 year, without consideration to the county in which a project is  
22 located;

23 (f) for tax credits awarded under the "New Jersey Aspire  
24 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-  
25 322 through C.34:1B-335), and the "Emerge Program Act," sections  
26 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not  
27 including tax credits awarded for transformative projects, the total  
28 value of tax credits annually awarded during each of the first six  
29 years of the seven-year period shall not exceed \$1.1 billion. If the  
30 authority awards tax credits in an amount less than the annual  
31 limitation, then the uncommitted portion of the annual limitation  
32 shall be made available for qualified offshore wind projects  
33 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),  
34 pursuant to subparagraph (h) of this paragraph, or New Jersey  
35 studio partners and New Jersey film-lease **[partners]** production  
36 companies awarded under sections 1 and 2 of P.L.2018, c.56  
37 (C.54:10A-5.39b and C.54A:4-12b), pursuant to subparagraph (i) of  
38 this paragraph and subsection d. of this section. During each of the  
39 first six years of the seven-year period, the authority shall annually  
40 award tax credits valuing no greater than \$715 million for projects  
41 located in the northern counties of the State, and the authority shall  
42 annually award tax credits valuing no greater than \$385 million for  
43 projects located in the southern counties of the State under the  
44 "New Jersey Aspire Program Act," sections 54 through 67 of  
45 P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335), and the  
46 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156  
47 (C.34:1B-336 et al.). If during any of the first six years of the  
48 seven-year period, the authority awards tax credits under the "New

1 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,  
2 c.156 (C.34:1B-322 through C.34:1B-335), and the "Emerge  
3 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-  
4 336 et al.), in an amount less than the annual limitation for projects  
5 located in northern counties or southern counties, as applicable, the  
6 uncommitted portion of the annual limitation shall be available to  
7 be deployed by the authority in a subsequent year, provided that the  
8 uncommitted portion of tax credits shall be awarded for projects  
9 located in the applicable geographic area, except that (i) after the  
10 completion of the third year of the seven-year period, the authority  
11 may deploy 50 percent of the uncommitted portion of tax credits for  
12 any previous year without consideration to the county in which a  
13 project is located; and (ii) after the completion of the sixth year of  
14 the seven-year period, the authority may deploy all available tax  
15 credits, including the uncommitted portion of the annual limitation  
16 for any previous year, without consideration to the county in which  
17 a project is located;

18 (g) for tax credits awarded for transformative projects under the  
19 "New Jersey Aspire Program Act," sections 54 through 67 of  
20 P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335), the total  
21 value of tax credits awarded during the seven-year period shall not  
22 exceed \$2.5 billion. The total value of tax credits awarded for  
23 transformative projects in a given year shall not be subject to an  
24 annual limitation, except that the total value of tax credits awarded  
25 to any transformative project shall not exceed \$350 million;

26 (h) from the tax credits made available, pursuant to  
27 subparagraph (f) of this paragraph, to the "New Jersey Aspire  
28 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-  
29 322 through C.34:1B-335), and the "Emerge Program Act," sections  
30 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not  
31 including tax credits awarded for transformative projects, an  
32 amount not to exceed \$350,000,000 shall be made available for  
33 qualified offshore wind projects awarded a credit pursuant to  
34 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three  
35 years of the seven-year period; and

36 (i) beginning in fiscal year **2025** 2023, from the tax credits  
37 made available, pursuant to subparagraph (f) of this paragraph, to  
38 the "New Jersey Aspire Program Act," sections 54 through 67 of  
39 P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335), and the  
40 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156  
41 (C.34:1B-336 et al.), not including tax credits awarded for  
42 transformative projects, additional amounts shall be made available  
43 for New Jersey studio partners and New Jersey film-lease  
44 **[partners]** production companies pursuant to sections 1 and 2 of  
45 P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b).

46 (2) The authority may in any given year determine that it is in  
47 the State's interest to approve an amount of tax credits in excess of  
48 the annual limitations set forth in paragraph (1) of this subsection,

1 but in no event more than \$200,000,000 in excess of the annual  
2 limitation, upon a determination by the authority board that such  
3 increase is warranted based on specific criteria that may include:

4 (i) the increased demand for opportunities to create or retain  
5 employment and investment in the State as indicated by the volume  
6 of project applications and the amount of tax credits being sought  
7 by those applications;

8 (ii) the need to protect the State's economic position in the event  
9 of an economic downturn;

10 (iii) the quality of project applications and the net economic  
11 benefit to the State and municipalities associated with those  
12 applications;

13 (iv) opportunities for project applications to strengthen or protect  
14 the competitiveness of the state under the prevailing market  
15 conditions;

16 (v) enhanced access to employment and investment for  
17 underserved populations in distressed municipalities and qualified  
18 incentives tracts;

19 (vi) increased investment and employment in high-growth  
20 technology sectors and in projects that entail collaboration with  
21 education institutions in the State;

22 (vii) increased development proximate to mass transit facilities;

23 (viii) any other factor deemed relevant by the authority.

24 c. In the event that the authority in any year approves projects  
25 for tax credits in an amount less than the annual limitations set forth  
26 in paragraph (1) of subsection b. of this section, then the  
27 uncommitted portion of the annual limitation shall be available to  
28 be deployed by the authority in future years for projects under the  
29 same program; provided however, that in no event shall the  
30 aggregate amount of tax credits approved be in excess of the overall  
31 cap of \$11.5 billion, and in no event shall the uncommitted portion  
32 of the annual limitation for any previous year be deployed after the  
33 conclusion of the seven-year period.

34 d. Notwithstanding the provisions of any other law to the  
35 contrary, the uncommitted balance of the total value of tax credits  
36 authorized for award by the authority pursuant to subparagraph (f)  
37 of paragraph (1) of subsection b. of this section to the "New Jersey  
38 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156  
39 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68  
40 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made  
41 available for tax credits allowed to New Jersey studio partners and  
42 New Jersey film-lease production companies pursuant to sections 1  
43 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b). The  
44 value of tax credits, including tax credits allowed through the  
45 granting of tax credit transfer certificates, made available to New  
46 Jersey studio partners and New Jersey film-lease production  
47 companies pursuant to this subsection shall be as follows:

1     (1) in fiscal year 2024, \$250,000,000 for New Jersey studio  
2 partners and \$250,000,000 for New Jersey film-lease production  
3 companies;

4     (2) in fiscal year 2025, \$250,000,000 for New Jersey studio  
5 partners and \$250,000,000 for New Jersey film-lease production  
6 companies; and

7     (3) in fiscal year 2026, \$250,000,000 for New Jersey studio  
8 partners and \$250,000,000 for New Jersey film-lease production  
9 companies.

10     If the value of tax credits, including tax credits allowed through  
11 the granting of tax credit transfer certificates, approved to New  
12 Jersey studio partners and New Jersey film-lease production  
13 companies in any fiscal year pursuant to this subsection is less than  
14 the cumulative total amount of tax credits permitted to be approved  
15 in that fiscal year, the authority shall certify the amount of the  
16 remaining tax credits available for approval to each such category  
17 in that fiscal year, and shall increase the cumulative total amount of  
18 tax credits permitted to be approved for New Jersey studio partners  
19 and New Jersey film-lease production companies in the subsequent  
20 fiscal year by the certified amount remaining for each such category  
21 from the prior fiscal year.

22 (cf: P.L.2021, c.367, s.4)

23  
24     5. Section 1 of P.L.2018, c.56 (C.54:10A-5.39b) is amended to  
25 read as follows:

26     1. a. (1) A taxpayer, upon approval of an application to the  
27 authority and the director, shall be allowed a credit against the tax  
28 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) in  
29 an amount equal to, in the case of a taxpayer designated as a New  
30 Jersey studio partner or New Jersey film-lease production company,  
31 40 percent, and in the case of a taxpayer other than a New Jersey  
32 studio partner or New Jersey film-lease production company, 35  
33 percent, of the qualified film production expenses of the taxpayer  
34 during a privilege period commencing on or after July 1, 2018 but  
35 before July 1, **2034** 2039, provided that:

36     (a) at least 60 percent of the total film production expenses,  
37 exclusive of post-production costs, of the taxpayer are incurred for  
38 services performed, and goods purchased through vendors  
39 authorized to do business, in New Jersey, or the qualified film  
40 production expenses of the taxpayer during the privilege period for  
41 services performed, and goods purchased, through vendors  
42 authorized to do business in New Jersey, exceed \$1,000,000 per  
43 production;

44     (b) principal photography of the film commences within 180  
45 days from the date of the original application for the tax credit;

46     (c) the film includes, when determined to be appropriate by the  
47 commission, at no cost to the State, marketing materials promoting  
48 this State as a film and entertainment production destination, which

1 materials shall include placement of a "Filmed in New Jersey" or  
2 "Produced in New Jersey" statement, or an approved logo approved  
3 by the commission, in the end credits of the film;

4 (d) the taxpayer submits a tax credit verification report prepared  
5 by an independent certified public accountant licensed in this State  
6 in accordance with subsection f. of this section; and

7 (e) the taxpayer complies with the withholding requirements  
8 provided for payments to loan out companies and independent  
9 contractors in accordance with subsection g. of this section.

10 (2) Notwithstanding the provisions of paragraph (1) of  
11 subsection a. of this section to the contrary, the tax credit allowed  
12 pursuant to this subsection against the tax imposed pursuant to  
13 section 5 of P.L.1945, c.162 (C.54:10A-5) shall be in an amount  
14 equal to, in the case of a taxpayer designated as a New Jersey studio  
15 partner or New Jersey film-lease production company, 35 percent,  
16 and in the case of a taxpayer other than a New Jersey studio partner  
17 or New Jersey film-lease production company, 30 percent, of the  
18 qualified film production expenses of the taxpayer during a  
19 privilege period that are incurred for services performed and  
20 tangible personal property purchased for use at a sound stage or  
21 other location that is located in the State within a 30-mile radius of  
22 the intersection of Eighth Avenue/Central Park West, Broadway,  
23 and West 59th Street/Central Park South, New York, New York.

24 b. (1) A taxpayer, upon approval of an application to the  
25 authority and the director, shall be allowed a credit against the tax  
26 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) in  
27 an amount equal to: 30 percent of the qualified digital media  
28 content production expenses of the taxpayer during a privilege  
29 period commencing on or after July 1, 2018 but before July 1,  
30 **【2034】** 2039, provided that:

31 (a) at least \$2,000,000 of the total digital media content  
32 production expenses of the taxpayer are incurred for services  
33 performed, and goods purchased through vendors authorized to do  
34 business, in New Jersey;

35 (b) at least 50 percent of the qualified digital media content  
36 production expenses of the taxpayer are for wages and salaries paid  
37 to full-time or full-time equivalent employees in New Jersey;

38 (c) the taxpayer submits a tax credit verification report prepared  
39 by an independent certified public accountant licensed in this State  
40 in accordance with subsection f. of this section; and

41 (d) the taxpayer complies with the withholding requirements  
42 provided for payments to loan out companies and independent  
43 contractors in accordance with subsection g. of this section.

44 (2) Notwithstanding the provisions of paragraph (1) of  
45 subsection b. of this section to the contrary, the tax credit allowed  
46 pursuant to this subsection against the tax imposed pursuant to  
47 section 5 of P.L.1945, c.162 (C.54:10A-5) shall be in an amount  
48 equal to 35 percent of the qualified digital media content production

1 expenses of the taxpayer during a privilege period that are incurred  
2 for services performed and tangible personal property purchased  
3 through vendors whose primary place of business is located in  
4 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,  
5 Mercer, or Salem County.

6 c. No tax credit shall be allowed pursuant to this section for  
7 any costs or expenses included in the calculation of any other tax  
8 credit or exemption granted pursuant to a claim made on a tax  
9 return filed with the director, or included in the calculation of an  
10 award of business assistance or incentive, for a period of time that  
11 coincides with the privilege period for which a tax credit authorized  
12 pursuant to this section is allowed. The order of priority in which  
13 the tax credit allowed pursuant to this section and any other tax  
14 credits allowed by law may be taken shall be as prescribed by the  
15 director. The amount of the tax credit applied under this section  
16 against the tax imposed pursuant to section 5 of P.L.1945, c.162  
17 (C.54:10A-5), for a privilege period, when taken together with any  
18 other payments, credits, deductions, and adjustments allowed by  
19 law shall not reduce the tax liability of the taxpayer to an amount  
20 less than the statutory minimum provided in subsection (e) of  
21 section 5 of P.L.1945, c.162 (C.54:10A-5). The amount of the tax  
22 credit otherwise allowable under this section which cannot be  
23 applied for the privilege period due to the limitations of this  
24 subsection or under other provisions of P.L.1945, c.162 (C.54:10A-  
25 1 et seq.) may be carried forward, if necessary, to the seven  
26 privilege periods following the privilege period for which the tax  
27 credit was allowed.

28 d. A taxpayer, with an application for a tax credit provided for  
29 in subsection a. or subsection b. of this section, may apply to the  
30 authority and the director for a tax credit transfer certificate in lieu  
31 of the taxpayer being allowed any amount of the tax credit against  
32 the tax liability of the taxpayer. The tax credit transfer certificate,  
33 upon receipt thereof by the taxpayer from the authority and the  
34 director, may be sold or assigned, in full or in part, to any other  
35 taxpayer that may have a tax liability under the "Corporation  
36 Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), or  
37 the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., in  
38 exchange for private financial assistance to be provided by the  
39 purchaser or assignee to the taxpayer that has applied for and been  
40 granted the tax credit. The tax credit transfer certificate provided to  
41 the taxpayer shall include a statement waiving the taxpayer's right  
42 to claim that amount of the tax credit against the tax imposed  
43 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) that the  
44 taxpayer has elected to sell or assign. The sale or assignment of any  
45 amount of a tax credit transfer certificate allowed under this section  
46 shall not be exchanged for consideration received by the taxpayer of  
47 less than 75 percent of the transferred tax credit amount. Any  
48 amount of a tax credit transfer certificate used by a purchaser or



1 assignee against a tax liability under P.L.1945, c.162 (C.54:10A-1  
2 et seq.) shall be subject to the same limitations and conditions that  
3 apply to the use of a tax credit pursuant to subsection c. of this  
4 section. Any amount of a tax credit transfer certificate obtained by  
5 a purchaser or assignee under subsection a. or subsection b. of this  
6 section may be applied against the purchaser's or assignee's tax  
7 liability under N.J.S.54A:1-1 et seq. and shall be subject to the  
8 same limitations and conditions that apply to the use of a credit  
9 pursuant to subsections c. and d. of section 2 of P.L.2018, c.56  
10 (C.54A:4-12b).

11 e. (1) The value of tax credits, including tax credits allowed  
12 through the granting of tax credit transfer certificates, approved by  
13 the director and the authority pursuant to subsection a. of this  
14 section and pursuant to subsection a. of section 2 of P.L.2018, c.56  
15 (C.54A:4-12b) to taxpayers, other than New Jersey studio partners  
16 and New Jersey film-lease **[partners]** production companies, shall  
17 not exceed a cumulative total of \$100,000,000 in fiscal year 2019  
18 and in each fiscal year thereafter prior to fiscal year **[2035]** 2040,  
19 to apply against the tax imposed pursuant to section 5 of P.L.1945,  
20 c.162 (C.54:10A-5) and the tax imposed pursuant to the "New  
21 Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq. In addition to  
22 the **[\$100,000,000]** limitation on the value of tax credits approved  
23 by the director for New Jersey film-lease **[partners]** production  
24 companies and the **[\$100,000,000]** limitation on the value of tax  
25 credits approved by the director for other taxpayers imposed by this  
26 paragraph, and except as provided in section 98 of P.L.2020, c.156  
27 (C.34:1B-362), the value of tax credits, including tax credits  
28 allowed through the granting of tax credit transfer certificates,  
29 approved by the director and the authority pursuant to subsection a.  
30 of this section and pursuant to subsection a. of section 2 of  
31 P.L.2018, c.56 (C.54A:4-12b) to New Jersey studio partners shall  
32 not exceed a cumulative total of \$100,000,000 in fiscal year 2021  
33 and in each fiscal year thereafter prior to fiscal year **[2034]** 2024,  
34 and shall not exceed a cumulative total of \$150,000,000 in fiscal  
35 year 2024 and in each fiscal year thereafter prior to fiscal year  
36 2040, to apply against the tax imposed pursuant to section 5 of  
37 P.L.1945, c.162 (C.54:10A-5) and the tax imposed pursuant to the  
38 "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.  
39 Beginning in fiscal year **[2025]** 2023, in addition to the  
40 **[\$100,000,000]** cumulative total tax credits made available for  
41 New Jersey studio partners pursuant to this paragraph and  
42 subsection d. of section 98 of P.L.2020, c.156 (C.34:1B-362), up to  
43 an additional **[\$350,000,000]** \$400,000,000 may be made available  
44 annually, in the discretion of the authority, to New Jersey studio  
45 partners for the award of tax credits, including tax credits allowed  
46 through the granting of tax credit transfer certificates, pursuant to  
47 subsection a. of this section and subsection a. of section 2 of

1 P.L.2018, c.56 (C.54A:4-12b), from the funds made available  
2 pursuant to subparagraph (i) of paragraph (1) of subsection b. of  
3 section 98 of P.L.2020, c.156 (C.34:1B-362). In addition to the  
4 **["\$100,000,000"]** limitation on the value of tax credits approved by  
5 the director for New Jersey studio partners and the **["\$100,000,000"]**  
6 limitation on the value of tax credits approved by the director for  
7 other taxpayers imposed by this paragraph, and except as provided  
8 in section 98 of P.L.2020, c.156 (C.34:1B-362), the value of tax  
9 credits, including tax credits allowed through the granting of tax  
10 credit transfer certificates, approved by the director and the  
11 authority pursuant to subsection a. of this section and pursuant to  
12 subsection a. of section 2 of P.L.2018, c.56 (C.54A:4-12b) to New  
13 Jersey film-lease **[partners]** production companies shall not exceed  
14 a cumulative total of \$100,000,000 in fiscal year 2021 and in each  
15 fiscal year thereafter prior to fiscal year **[2034]** 2024, and shall not  
16 exceed a cumulative total of \$150,000,000 in fiscal year 2024 and  
17 in each fiscal year thereafter prior to fiscal year 2040, to apply  
18 against the tax imposed pursuant to section 5 of P.L.1945, c.162  
19 (C.54:10A-5) and the tax imposed pursuant to the "New Jersey  
20 Gross Income Tax Act," N.J.S.54A:1-1 et seq. Beginning in fiscal  
21 year **[2025]** 2023, in addition to the **["\$100,000,000"]** cumulative  
22 total tax credits made available for New Jersey film-lease  
23 **[partners]** production companies pursuant to this paragraph and  
24 subsection d. of section 98 of P.L.2020, c.156 (C.34:1B-362), up to  
25 an additional **["\$100,000,000"]** \$250,000,000 may be made available  
26 annually, in the discretion of the authority, to New Jersey film-lease  
27 **[partners]** production companies for the award of tax credits,  
28 including tax credits allowed through the granting of tax credit  
29 transfer certificates, pursuant to subsection a. of this section and  
30 subsection a. of section 2 of P.L.2018, c.56 (C.54A:4-12b), from the  
31 funds made available pursuant to subparagraph (i) of paragraph (1)  
32 of subsection b. of section 98 of P.L.2020, c.156 (C.34:1B-362).  
33 Approvals made to New Jersey studio partners and New Jersey  
34 film-lease **[partners]** production companies shall be subject to  
35 award agreements with the authority detailing obligations of the  
36 awardee and outcomes relating to events of default, including, but  
37 not limited to, recapture, forfeiture, and termination. **[If in any**  
38 **privilege period, beginning following a date determined by the**  
39 **authority, a New Jersey film-lease partner's annual average of**  
40 **qualified film production expenses falls below \$50,000,000, the**  
41 **authority shall reduce by 20 percent any tax credit award for a film**  
42 **for which final documentation has been submitted, until a privilege**  
43 **period when the annual average of qualified film production**  
44 **expenses has been restored to \$50,000,000.]** Notwithstanding any  
45 provision of this subsection or other law to the contrary, if a film  
46 production company designated as a New Jersey studio partner  
47 ceases to qualify for its designation as a New Jersey film studio

1 partner and becomes designated as a New Jersey film-lease partner  
2 facility, the authority shall reduce the cumulative total amount of  
3 tax credits, including tax credits allowed through the granting of tax  
4 credit transfer certificates, made available to New Jersey studio  
5 partners in each fiscal year and shall increase the cumulative total  
6 amount of tax credits permitted to be approved for New Jersey film-  
7 lease production companies in each fiscal year by a corresponding  
8 amount pursuant to a formula established in rules adopted by the  
9 authority which shall consider the volume of applications submitted  
10 by New Jersey studio partners and New Jersey film-lease  
11 production facilities, the cumulative total amount of tax credits  
12 allowed to New Jersey studio partners and New Jersey film-lease  
13 production facilities in the prior fiscal year, the total square footage  
14 of facility space occupied in the State by New Jersey studio partners  
15 and New Jersey film-lease production facilities, and any other  
16 factors that the authority deems appropriate. Award agreements  
17 between the authority and New Jersey studio partners shall include  
18 a requirement for each New Jersey studio partner to occupy the  
19 production facility developed, purchased, or leased as a condition of  
20 designation as a New Jersey studio partner for the duration of the  
21 commitment period. If a New Jersey studio partner fails to occupy  
22 the production facility developed, purchased, or leased as a  
23 condition of designation as a New Jersey studio partner for the  
24 duration of the commitment period or otherwise fails to satisfy the  
25 conditions for designation as a New Jersey studio partner, the  
26 authority shall recapture the portion of the tax credit that was only  
27 available to the taxpayer by virtue of the taxpayer's designation as a  
28 New Jersey studio partner, and all films for which an initial  
29 approval has been given, but for which the authority has not  
30 approved final documentation, shall terminate. The authority shall  
31 establish a non-binding, administrative pre-certification process for  
32 potentially eligible projects.

33 If the cumulative total amount of tax credits, and tax credit  
34 transfer certificates, allowed to taxpayers for privilege periods or  
35 taxable years commencing during a single fiscal year under  
36 subsection a. of this section and subsection a. of section 2 of  
37 P.L.2018, c.56 (C.54A:4-12b) exceeds the amount of tax credits  
38 available in that fiscal year, then taxpayers who have first applied  
39 for and have not been allowed a tax credit or tax credit transfer  
40 certificate amount for that reason shall **be** allowed, in the order in  
41 which they have submitted an application, **have their applications**  
42 approved by the authority, provided the application otherwise  
43 satisfies the requirements of this section, and shall be allowed the  
44 amount of tax credit or tax credit transfer certificate on the first day  
45 of the next succeeding fiscal year in which tax credits and tax credit  
46 transfer certificates under subsection a. of this section and  
47 subsection a. of section 2 of P.L.2018, c.56 (C.54A:4-12b) are not  
48 in excess of the amount of credits available.

1 Notwithstanding any provision of this paragraph to the contrary,  
2 for any fiscal year in which the amount of tax credits approved to  
3 New Jersey studio partners, New Jersey film-lease **[partners]**  
4 production companies, or taxpayers other than New Jersey studio  
5 partners and New Jersey film-lease **[partners]** production  
6 companies pursuant to this paragraph is less than the cumulative  
7 total amount of tax credits permitted to be approved **[to each such**  
8 **category,]** in that fiscal year, the authority shall certify the amount  
9 of the remaining tax credits available for approval **[to each such**  
10 **category]** in that fiscal year, and shall increase the cumulative total  
11 amount of tax credits permitted to be approved for New Jersey  
12 studio partners, New Jersey film-lease **[partners]** production  
13 companies, or taxpayers other than New Jersey studio partners and  
14 New Jersey film-lease **[partners]** production companies in the  
15 subsequent fiscal year by the certified amount remaining **[for each**  
16 **such category]** from the prior fiscal year. The authority shall also  
17 certify, for each fiscal year, the amount of tax credits that were  
18 previously approved, but that the taxpayer is not able to redeem or  
19 transfer to another taxpayer under this section, and shall increase  
20 the cumulative total amount of tax credits permitted to be approved  
21 for New Jersey studio partners, New Jersey film-lease **[partners]**  
22 production companies, or taxpayers other than New Jersey studio  
23 partners and New Jersey film-lease **[partners]** production  
24 companies in the subsequent fiscal year by the amount of tax credits  
25 previously approved **[for each such category]**, but not subject to  
26 redemption or transfer. In each fiscal year in which tax credits  
27 remain unapproved for, or unredeemed or not transferred by, New  
28 Jersey studio partners, New Jersey film-lease **[partners]** production  
29 companies, or taxpayers other than New Jersey studio partners and  
30 New Jersey film-lease **[partners]** production companies, the  
31 authority may reallocate some or all of such remaining tax credits in  
32 the subsequent fiscal year **[between the category of New Jersey**  
33 **film-lease partners and the category of taxpayers other than New**  
34 **Jersey studio partners and New Jersey film-lease partners in lieu of**  
35 **increasing the tax credits available for the respective category by**  
36 **the amount reallocated]** to each category in the authority's  
37 discretion.

38 (2) The value of tax credits, including tax credits allowed  
39 through the granting of tax credit transfer certificates, approved by  
40 the authority and the director pursuant to subsection b. of this  
41 section and pursuant to subsection b. of section 2 of P.L.2018, c.56  
42 (C.54A:4-12b) shall not exceed a cumulative total of \$30,000,000 in  
43 fiscal year 2019 and in each fiscal year thereafter prior to fiscal year  
44 **[2035]** 2040 to apply against the tax imposed pursuant to section 5  
45 of P.L.1945, c.162 (C.54:10A-5) and the tax imposed pursuant to  
46 the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.

1 If the total amount of tax credits and tax credit transfer  
2 certificates allowed to taxpayers for privilege periods or taxable  
3 years commencing during a single fiscal year under subsection b. of  
4 this section and subsection b. of section 2 of P.L.2018, c.56  
5 (C.54A:4-12b) exceeds the amount of tax credits available in that  
6 year, then taxpayers who have first applied for and have not been  
7 allowed a tax credit or tax credit transfer certificate amount for that  
8 reason shall be allowed, in the order in which they have submitted  
9 an application, the amount of tax credit or tax credit transfer  
10 certificate on the first day of the next succeeding fiscal year in  
11 which tax credits and tax credit transfer certificates under  
12 subsection b. of this section and subsection b. of section 2 of  
13 P.L.2018, c.56 (C.54A:4-12b) are not in excess of the amount of  
14 credits available.

15 Notwithstanding any provision of this paragraph to the contrary,  
16 for any fiscal year in which the amount of tax credits approved  
17 pursuant to this paragraph is less than the cumulative total amount  
18 of tax credits permitted to be approved in that fiscal year, the  
19 authority shall certify the amount of the remaining tax credits  
20 available for approval in that fiscal year, and shall increase the  
21 cumulative total amount of tax credits permitted to be approved in  
22 the subsequent fiscal year by the certified amount remaining from  
23 the prior fiscal year. The authority shall also certify, for each fiscal  
24 year, the amount of tax credits that were previously approved, but  
25 that the taxpayer is not able to redeem or transfer to another  
26 taxpayer under this section, and shall increase the cumulative total  
27 amount of tax credits permitted to be approved in the subsequent  
28 fiscal year by the amount of tax credits previously approved, but not  
29 subject to redemption or transfer.

30 f. A taxpayer shall submit to the authority and the director a  
31 report prepared by an independent certified public accountant  
32 licensed in this State to verify the taxpayer's tax credit claim  
33 following the completion of the production. A New Jersey studio  
34 partner that makes deferred compensation payments based on work  
35 or services provided on a production may file a supplemental report  
36 prepared by an independent certified public accountant, pursuant to  
37 agreed-upon procedures prescribed by the authority and the  
38 director, no later than two years after the date on which the  
39 production concludes. The deferred compensation payments shall  
40 constitute qualified film production expenses as if the expenses  
41 were incurred at the time of production, provided there are credits  
42 available and subject to the authority's review. The report shall be  
43 prepared by the independent certified public accountant pursuant to  
44 agreed-upon procedures prescribed by the authority and the  
45 director, and shall include such information and documentation as  
46 shall be determined to be necessary by the authority and the director  
47 to substantiate the qualified film production expenses or the  
48 qualified digital media content production expenses of the taxpayer.

1 A single report with attachments deemed necessary by the authority  
2 shall be submitted electronically. Upon receipt of the report, the  
3 authority and the director shall review the findings of the  
4 independent certified public accountant's report, and shall make a  
5 determination as to the qualified film production expenses or the  
6 qualified digital media content production expenses of the taxpayer.  
7 The authority's and the director's review shall include, but shall not  
8 be limited to: a review of all non-payroll qualified film production  
9 expense items and non-payroll digital media content production  
10 expense items over \$20,000; a review of 100 randomly selected  
11 non-payroll qualified film production expense items and non-  
12 payroll digital media content production expense items that are  
13 greater than \$2,500, but less than \$20,000; a review of 100  
14 randomly selected non-payroll qualified film production expense  
15 items and non-payroll digital media content production expense  
16 items that are less than \$2,500; a review of the qualified wages for  
17 the 15 employees, independent contractors, or loan-out companies  
18 with the highest qualified wages; and a review of the qualified  
19 wages for 35 randomly selected employees, independent  
20 contractors, or loan-out companies with qualified wages other than  
21 the 15 employees, independent contractors, or loan-out companies  
22 with the highest qualified wages. The taxpayer's qualified film  
23 production expenses and digital media content production expenses  
24 shall be adjusted based on any discrepancies identified for the  
25 reviewed non-payroll qualified film production expense items, non-  
26 payroll digital media content production expense items and  
27 qualified wages. The taxpayer's qualified film production expenses  
28 and digital media content production expenses also shall be adjusted  
29 based on the projection of any discrepancies identified based on the  
30 review of randomly selected expense items or wages pursuant to  
31 this subsection to the extent that the discrepancies exceed one  
32 percent of the total reviewed non-payroll qualified film production  
33 expense items, non-payroll digital media content production  
34 expense items, or qualified wages. The determination shall be  
35 provided in writing to the taxpayer, and a copy of the written  
36 determination shall be included in the filing of a return that includes  
37 a claim for a tax credit allowed pursuant to this section.

38 g. A taxpayer shall withhold from each payment to a loan out  
39 company **【or】**, to an independent contractor, or to a homeowner for  
40 the use of a personal residence an amount equal to 6.37 percent of  
41 the payment otherwise due. The amounts withheld shall be deemed  
42 to be withholding of liability pursuant to the "New Jersey Gross  
43 Income Tax Act," N.J.S.54A:1-1 et seq., and the taxpayer shall be  
44 deemed to have the rights, duties, and responsibilities of an  
45 employer pursuant to chapter 7 of Title 54A of the New Jersey  
46 Statutes. The director shall allocate the amounts withheld for a  
47 taxable year to the accounts of the individuals who are employees  
48 of a loan out company in proportion to the employee's payment by

1 the loan out company in connection with a trade, profession, or  
2 occupation carried on in this State or for the rendition of personal  
3 services performed in this State during the taxable year. A loan out  
4 company that reports its payments to employees in connection with  
5 a trade, profession, or occupation carried on in this State or for the  
6 rendition of personal services performed in this State during a  
7 taxable year shall be relieved of its duties and responsibilities as an  
8 employer pursuant to chapter 7 of Title 54A of the New Jersey  
9 Statutes for the taxable year for any payments relating to the  
10 payments on which the taxpayer withheld.

11 h. As used in this section:

12 "Authority" means the New Jersey Economic Development  
13 Authority.

14 "Business assistance or incentive" means "business assistance or  
15 incentive" as that term is defined pursuant to section 1 of P.L.2007,  
16 c.101 (C.54:50-39).

17 "Commission" means the Motion Picture and Television  
18 Development Commission.

19 "Commitment period" means for New Jersey studio partners, the  
20 period beginning with the commencement of the eligibility period  
21 and expiring 10 years following:

22 (1) in the case of a taxpayer developing or purchasing a  
23 production facility, the issuance of a temporary certificate of  
24 occupancy for the production facility developed or purchased as a  
25 condition of designation as a New Jersey studio partner; or

26 (2) in the case of a taxpayer leasing a production facility,  
27 commencement of the lease term for the production facility leased  
28 as a condition of designation as a New Jersey studio partner.

29 "Digital media content" means any data or information that is  
30 produced in digital form, including data or information created in  
31 analog form but reformatted in digital form, text, graphics,  
32 photographs, animation, sound, and video content. "Digital media  
33 content" shall not mean content offerings generated by the end user  
34 (including postings on electronic bulletin boards and chat rooms);  
35 content offerings comprised primarily of local news, events,  
36 weather, or local market reports; public service content; electronic  
37 commerce platforms (such as retail and wholesale websites);  
38 websites or content offerings that contain obscene material as  
39 defined pursuant to N.J.S.2C:34-2 and N.J.S.2C:34-3; websites or  
40 content that are produced or maintained primarily for private,  
41 industrial, corporate, or institutional purposes; or digital media  
42 content acquired or licensed by the taxpayer for distribution or  
43 incorporation into the taxpayer's digital media content.

44 "Eligibility period" means, with respect to New Jersey studio  
45 partners, the period in which a New Jersey studio partner may claim  
46 a tax credit for qualified film production expenses, including  
47 expenses that would not constitute qualified film production  
48 expenses but for the taxpayer's designation as a New Jersey studio

1 partner, beginning the earlier of the commencement of the principal  
2 photography for the New Jersey studio partner's initial film in New  
3 Jersey or, in the case of a taxpayer developing or purchasing a  
4 production facility, at the issuance of a temporary certificate of  
5 occupancy for the production facility developed or purchased as a  
6 condition of designation as a New Jersey studio partner and, in the  
7 case of a taxpayer leasing a production facility, at the  
8 commencement of the lease term for the production facility leased  
9 as a condition of designation as a New Jersey studio partner, and  
10 extending thereafter for a term of not more than 10 years.

11 "Film" means a feature film, a television series, or a television  
12 show of 22 minutes or more in length, intended for a national  
13 audience, or a television series or a television show of 22 minutes  
14 or more in length intended for a national or regional audience,  
15 including, but not limited to, a game show, award show,  
16 competition or variety show filmed before a live audience, or other  
17 gala event filmed and produced at a nonprofit arts and cultural  
18 venue receiving State funding. "Film" shall not include a  
19 production featuring news, current events, weather, and market  
20 reports or public programming, talk show, or sports event, a  
21 production that solicits funds, a production containing obscene  
22 material as defined under N.J.S.2C:34-2 and N.J.S.2C:34-3, or a  
23 production primarily for private, industrial, corporate, or  
24 institutional purposes, or a reality show, except if the production  
25 company of the reality show owns, leases, or otherwise occupies a  
26 production facility of no less than 20,000 square feet of real  
27 property for a minimum term of 24 months, and invests no less than  
28 \$3,000,000 in such a facility within a designated enterprise zone  
29 established pursuant to the "New Jersey Urban Enterprise Zones  
30 Act," P.L.1983, c.303 (C.52:27H-60 et al.), or a UEZ-impacted  
31 business district established pursuant to section 3 of P.L.2001,  
32 c.347 (C.52:27H-66.2). "Film" shall not include an award show or  
33 other gala event that is not filmed and produced at a nonprofit arts  
34 and cultural venue receiving State funding.

35 "Full-time or full-time equivalent employee" means an individual  
36 employed by the taxpayer for consideration for at least 35 hours a  
37 week, or who renders any other standard of service generally  
38 accepted by custom or practice as full-time or full-time equivalent  
39 employment, whose wages are subject to withholding as provided in  
40 the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., or  
41 who is a partner of a taxpayer, who works for the partnership for at  
42 least 35 hours a week, or who renders any other standard of service  
43 generally accepted by custom or practice as full-time or full-time  
44 equivalent employment, and whose distributive share of income,  
45 gain, loss, or deduction, or whose guaranteed payments, or any  
46 combination thereof, is subject to the payment of estimated taxes, as  
47 provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1  
48 et seq. "Full-time or full-time equivalent employee" shall not



1 include an individual who works as an independent contractor or on  
2 a consulting basis for the taxpayer.

3 "Highly compensated individual" means an individual who  
4 directly or indirectly receives compensation in excess of \$500,000  
5 for the performance of services used directly in a production. An  
6 individual receives compensation indirectly when the taxpayer pays  
7 a loan out company that, in turn, pays the individual for the  
8 performance of services.

9 "Incurred in New Jersey" means, for any application submitted  
10 after the effective date of P.L.2018, c.56 (C.54:10A-5.39b et al.),  
11 pursuant to which a tax credit has not been allowed prior to the  
12 effective date of P.L.2021, c.160, service performed within New  
13 Jersey and tangible personal property used or consumed in New  
14 Jersey. A service is performed in New Jersey to the extent that the  
15 individual performing the service is physically located in New  
16 Jersey while performing the service. Notwithstanding where the  
17 property is delivered or acquired, rented tangible property is used or  
18 consumed in New Jersey to the extent that the property is located in  
19 New Jersey during its use or consumption and is rented from a  
20 vendor authorized to do business in New Jersey or the film  
21 production company provides to the authority the vendor's  
22 information in a form and manner prescribed by the authority.  
23 Purchased tangible property is not used and consumed in New  
24 Jersey unless it is purchased from a vendor authorized to do  
25 business in New Jersey and is delivered to or acquired within New  
26 Jersey; provided, however, that if a production is also located in  
27 another jurisdiction, the purchased tangible property is used and  
28 consumed in New Jersey if the acquisition and delivery of  
29 purchased tangible property is located in either New Jersey or  
30 another jurisdiction where the production takes place. Payment  
31 made to a homeowner for the use of a personal residence located in  
32 the State for filming shall be deemed an expense incurred in New  
33 Jersey notwithstanding the fact that such homeowner is not a vendor  
34 authorized to do business in New Jersey, provided the taxpayer has  
35 made the withholding required by subsection g. of this section.

36 "Independent contractor" means an individual treated as an  
37 independent contractor for federal and State tax purposes who is  
38 contracted with by the taxpayer for the performance of services  
39 used directly in a production.

40 "Loan out company" means a personal service corporation or  
41 other entity that is contracted with by the taxpayer to provide  
42 specified individual personnel, such as artists, crew, actors,  
43 producers, or directors for the performance of services used directly  
44 in a production. "Loan out company" shall not include entities  
45 contracted with by the taxpayer to provide goods or ancillary  
46 contractor services such as catering, construction, trailers,  
47 equipment, or transportation.

48 "New Jersey film-lease partner facility" means:

1     (1) (a) a production facility in New Jersey whose owner or  
2     developer has made the commitment to build, lease, or operate a  
3     production facility of 250,000 square feet or more, including a  
4     sound stage and production support space, such as production  
5     offices or a backlot, for a period of five or more successive years;

6     (b) a production facility built, leased, or operated by a  
7     production company designated as a New Jersey studio partner and  
8     which the New Jersey studio partner no longer occupies; or

9     (c) a portion of a production facility owned by a New Jersey  
10    studio partner that is in excess of the space being utilized by the  
11    New Jersey studio partner; provided the space utilized and  
12    unutilized by the New Jersey studio partners both exceed 250,000  
13    square feet.

14    (2) A film production company that executes at least a 10-year  
15    lease for 250,000 square feet or more from a New Jersey film-lease  
16    partner facility shall be eligible to be designated as a New Jersey  
17    studio partner, provided the film production company otherwise  
18    complies with the eligibility requirements of the program.

19    (3) Except for a production facility, or portion thereof, owned,  
20    built, leased, or operated by a film production company designated  
21    a New Jersey studio partner by the authority on or before the 181st  
22    day next following the effective date of P.L.     , c.     (C.....)  
23    (pending before the Legislature as this bill), in order for a  
24    production facility to be designated as a New Jersey film-lease  
25    partner facility, the owner or developer shall accept the acquisition  
26    by the authority, at the authority's discretion, of equity in the  
27    production facility, on terms and conditions determined by the  
28    authority. A film production facility may receive its film-lease  
29    partner facility designation prior to executing an equity agreement  
30    with the authority provided final approval of such agreement occurs  
31    on or before the date on which production commences at the  
32    facility.

33    (4) No more than three New Jersey production facilities may be  
34    designated as a New Jersey film-lease partner facility; provided,  
35    however, this limitation shall not apply to production facilities, or  
36    portions thereof, owned, built, leased, or operated by a film  
37    production company designated as a New Jersey studio partner.

38    "New Jersey film-lease [partner] production company" means a  
39    taxpayer, including any taxpayer that is a member of a combined  
40    group under section 23 of P.L.2018, c.48 (C.54:10A-4.11) or any  
41    other entity in which the film-lease production company has a  
42    material ownership interest and material operational role in the  
43    production, that otherwise complies with the eligibility  
44    requirements of the Film and Digital Media Tax Credit Program and  
45    has made a commitment to lease or [acquire all or part of]  
46    otherwise occupy production space in a New Jersey [production  
47    facility, which leased or acquired space shall have an aggregate  
48    square footage of at least 50,000 square feet, including a sound

1 stage and production support space, such as production offices or a  
2 backlot, for a period of five or more successive years and commits  
3 to spend, on a separate-entity basis or in the aggregate with other  
4 members of the taxpayer's combined group, an annual average of  
5 \$50,000,000 of qualified film production expenses over the period  
6 of at least five but not to exceed 10 years】 film-lease partner  
7 facility and who will shoot at least 50 percent of the total principal  
8 photography shoot days of the project within New Jersey and who  
9 will shoot at least 50 percent of the total principal photography  
10 shoot days within New Jersey at the New Jersey film-lease partner  
11 facility. A "New Jersey film-lease production company" may  
12 include any other member of a taxpayer's combined group, pursuant  
13 to P.L.2018, c.131 (C.54:10A-4.11), or an unrelated entity  
14 principally engaged in the production of a film or other commercial  
15 audiovisual product with whom a designated New Jersey film-lease  
16 production company contracts to perform film production services  
17 on its behalf such that the designated New Jersey film-lease  
18 production company controls such film or product during  
19 preproduction, production, and postproduction and all results and  
20 proceeds of such services constitute, from the moment of creation,  
21 "works made for hire" for the New Jersey film-lease production  
22 company pursuant to the provisions of the federal "Copyright Act of  
23 1976" (17 U.S.C. s.101 et seq.).

24 "New Jersey studio partner" means a film production company  
25 that has made a commitment to produce films or commercial  
26 audiovisual products in New Jersey and has developed, purchased,  
27 or executed a 10-year contract to lease a production facility of  
28 250,000 square feet or more, or has executed a purchase contract  
29 with a governmental authority for the purpose of developing a  
30 production facility of 250,000 square feet or more within 48 months  
31 from the date of designation as a New Jersey studio partner;  
32 provided, however, the board, in its discretion, may extend the time  
33 to execute a purchase contract for an additional 12 months.  
34 Effective upon designation as a New Jersey studio partner, a film  
35 production company shall be eligible for a credit pursuant to this  
36 section, provided the film production company otherwise complies  
37 with the eligibility requirements of Film and Digital Media Tax  
38 Credit Program. In the event the authority determines that a film  
39 production company has failed to meet the qualifications of a New  
40 Jersey studio partner or otherwise comply with the provisions of  
41 this section, the authority may rescind the New Jersey studio  
42 partner designation and may recapture from that film production  
43 company the portion of any tax credit that had been awarded to that  
44 film production company that was only available to the film  
45 production company by virtue of the film production company's  
46 designation as a New Jersey studio partner. A "New Jersey studio  
47 partner" may include any other member of a taxpayer's combined  
48 group, pursuant to P.L.2018, c.131 (C.54:10A-4.11), or an unrelated

1 entity principally engaged in the production of a film or other  
2 commercial audiovisual product with whom a designated New  
3 Jersey studio partner contracts to perform film production services  
4 on its behalf such that the designated New Jersey studio partner  
5 controls such film or product during pre-production, production,  
6 and post-production, and all results and proceeds of such services  
7 constitute, from the moment of creation, “works made for hire” for  
8 the New Jersey studio partner pursuant to the provisions of the  
9 federal “Copyright Act of 1976,” Pub.L.94-552. No more than  
10 three film production companies may be designated as a New Jersey  
11 studio partner.

12 "Partnership" means an entity classified as a partnership for  
13 federal income tax purposes.

14 "Post-production costs" means the costs of the phase of  
15 production of a film that follows principal photography, in which  
16 raw footage is cut and assembled into a finished film with sound  
17 synchronization and visual effects.

18 "Pre-production costs" means the costs of the phase of  
19 production of a film that precedes principal photography, in which a  
20 detailed schedule and budget for the production is prepared, the  
21 script and location is finalized, and contracts with vendors are  
22 negotiated.

23 "Qualified digital media content production expenses" means an  
24 expense incurred in New Jersey for the production of digital media  
25 content. "Qualified digital media content production expenses"  
26 shall include but not be limited to: wages and salaries of individuals  
27 employed in the production of digital media content on which the  
28 tax imposed by the "New Jersey Gross Income Tax Act,"  
29 N.J.S.54A:1-1 et seq. has been paid or is due; and the costs of  
30 computer software and hardware, data processing, visualization  
31 technologies, sound synchronization, editing, and the rental of  
32 facilities and equipment. Payment made to a loan out company or  
33 to an independent contractor shall not be deemed a "qualified digital  
34 media content production expense" unless the payment is made in  
35 connection with a trade, profession, or occupation carried on in this  
36 State or for the rendition of personal services performed in this  
37 State and the taxpayer has made the withholding required pursuant  
38 to subsection g. of this section. "Qualified digital media content  
39 production expenses" shall not include expenses incurred in  
40 marketing, promotion, or advertising digital media or other costs  
41 not directly related to the production of digital media content.  
42 Costs related to the acquisition or licensing of digital media content  
43 by the taxpayer for distribution or incorporation into the taxpayer's  
44 digital media content shall not be deemed "qualified digital media  
45 content production expenses."

46 "Qualified film production expenses" means an expense incurred  
47 in New Jersey for the production of a film including pre-production  
48 costs and post-production costs incurred in New Jersey. "Qualified

1 film production expenses" shall include but not be limited to: wages  
2 and salaries of individuals employed in the production of a film on  
3 which the tax imposed by the "New Jersey Gross Income Tax Act,"  
4 N.J.S.54A:1-1 et seq. has been paid or is due; and the costs for  
5 tangible personal property used, and services performed, directly  
6 and exclusively in the production of a film, such as expenditures for  
7 film production facilities, props, makeup, wardrobe, film  
8 processing, camera, sound recording, set construction, lighting,  
9 shooting, editing, and meals. Payment made to a loan out company  
10 or to an independent contractor shall not be deemed a "qualified  
11 film production expense" unless the payment is made in connection  
12 with a trade, profession, or occupation carried on in this State or for  
13 the rendition of personal services performed in this State and the  
14 taxpayer has made the withholding required pursuant to subsection  
15 g. of this section. Payment made to a homeowner, who is otherwise  
16 not a vendor authorized to do business in New Jersey, for the use of  
17 a personal residence for filming shall not be deemed a "qualified  
18 film production expense" unless the taxpayer has made the  
19 withholding required by subsection g. of this section. For the  
20 purposes of this definition, wages and salaries of individuals  
21 employed in the production of a film shall include deferred  
22 compensation, including advances on deferred compensation,  
23 incurred by New Jersey studio partners, provided the New Jersey  
24 studio partner files a supplemental report prepared by an  
25 independent certified public accountant, pursuant to agreed-upon  
26 procedures prescribed by the authority and the director, no later  
27 than two years after the date on which the production concludes.  
28 "Qualified film production expenses" shall not include: expenses  
29 incurred in marketing or advertising a film; and payment in excess  
30 of \$500,000 to a highly compensated individual for costs for a  
31 story, script, or scenario used in the production of a film and wages  
32 or salaries or other compensation for writers, directors, including  
33 music directors, producers, and performers, other than background  
34 actors with no scripted lines, except as follows:

35 (1) for a New Jersey studio partner that incurs **more than**  
36 **\$15,000,000, but** less than \$50,000,000**,** in qualified film  
37 production expenses in the State, an amount, not to exceed  
38 **[\$15,000,000] \$18,000,000**, of the wages or salaries or other  
39 compensation for writers, directors, including music directors,  
40 producers, and performers, other than background actors with no  
41 scripted lines, shall constitute qualified film production expenses;

42 (2) **for** a New Jersey studio partner that incurs \$50,000,000 or  
43 more, but less than \$100,000,000, in qualified film production  
44 expenses in the State, an amount, not to exceed \$25,000,000, of the  
45 wages or salaries or other compensation for writers, directors,  
46 including music directors, producers, and performers, other than  
47 background actors with no scripted lines, shall constitute qualified

1 film production expenses; **】** (Deleted by amendment, P.L. , c. )  
2 (pending before the Legislature as this bill)

3 (3) **【**for a New Jersey studio partner that incurs \$100,000,000 or  
4 more, but less than \$150,000,000, in qualified film production  
5 expenses in the State, an amount, not to exceed \$40,000,000, of the  
6 wages or salaries or other compensation for writers, directors,  
7 including music directors, producers, and performers, other than  
8 background actors with no scripted lines, shall constitute qualified  
9 film production expenses; and **】** (Deleted by amendment, P.L.  
10 , c. ) (pending before the Legislature as this bill)

11 (4) for a New Jersey studio partner that incurs **【\$150,000,000】**  
12 \$50,000,000 or more in qualified film production expenses in the  
13 State, an amount, not to exceed **【\$60,000,000】** \$72,000,000, of the  
14 wages or salaries or other compensation for writers, directors,  
15 including music directors, producers, and performers, other than  
16 background actors with no scripted lines, shall constitute qualified  
17 film production expenses;

18 (5) for a New Jersey film-lease production company that incurs  
19 less than \$50,000,000 in qualified film production expenses in the  
20 State, an amount not to exceed \$15,000,000, of the wages or  
21 salaries or other compensation for writers, directors, including  
22 music directors, producers, and performers, other than background  
23 actors with no scripted lines, shall constitute qualified film  
24 production expenses; and

25 (6) for a New Jersey film-lease production company that incurs  
26 \$50,000,000 or more in qualified film production expenses in the  
27 State, an amount not to exceed \$60,000,000, of the wages or  
28 salaries or other compensation for writers, directors, including  
29 music directors, producers, and performers, other than background  
30 actors with no scripted lines, shall constitute qualified film  
31 production expenses.

32 "Total digital media content production expenses" means costs  
33 for services performed and property used or consumed in the  
34 production of digital media content.

35 "Total film production expenses" means costs for services  
36 performed and tangible personal property used or consumed in the  
37 production of a film.

38 i. A business that is not a "taxpayer" as defined and used in the  
39 "Corporation Business Tax Act (1945)," P.L.1945, c.162  
40 (C.54:10A-1 et seq.) and therefore is not directly allowed a credit  
41 under this section, but is a business entity that is classified as a  
42 partnership for federal income tax purposes and is ultimately owned  
43 by a business entity that is a "corporation" as defined in subsection  
44 (c) of section 4 of P.L.1945, c.162 (C.54:10A-4), or a limited  
45 liability company formed under the "Revised Uniform Limited  
46 Liability Company Act," P.L.2012, c.50 (C.42:2C-1 et seq.), or  
47 qualified to do business in this State as a foreign limited liability

1 company, with one member, and is wholly owned by the business  
2 entity that is a "corporation" as defined in subsection (c) of section  
3 4 of P.L.1945, c.162 (C.54:10A-4), but otherwise meets all other  
4 requirements of this section, shall be considered an eligible  
5 applicant and "taxpayer" as that term is used in this section.  
6 (cf: P.L.2021, c.367, s.1)

7  
8 6. Section 2 of P.L.2018, c.56 (C.54A:4-12b) is amended to  
9 read as follows:

10 2. a. (1) A taxpayer, upon approval of an application to the  
11 authority and the director, shall be allowed a credit against the tax  
12 otherwise due for the taxable year under the "New Jersey Gross  
13 Income Tax Act," N.J.S.54A:1-1 et seq., in an amount equal to, in  
14 the case of a taxpayer designated as a New Jersey studio partner or  
15 New Jersey film-lease production company, 40 percent, and in the  
16 case of a taxpayer other than a New Jersey studio partner or New  
17 Jersey film-lease production company, 35 percent, of the qualified  
18 film production expenses of the taxpayer during a taxable year  
19 commencing on or after July 1, 2018 but before July 1, [2034]  
20 2039, provided that:

21 (a) at least 60 percent of the total film production expenses,  
22 exclusive of post-production costs, of the taxpayer are incurred for  
23 services performed, and goods purchased through vendors  
24 authorized to do business, in New Jersey, or the qualified film  
25 production expenses of the taxpayer during the taxable year for  
26 services performed, and goods purchased, through vendors  
27 authorized to do business in New Jersey, exceed \$1,000,000 per  
28 production;

29 (b) principal photography of the film commences within 180  
30 days from the date of the original application for the tax credit;

31 (c) the film includes, when determined to be appropriate by the  
32 commission, at no cost to the State, marketing materials promoting  
33 this State as a film and entertainment production destination, which  
34 materials shall include placement of a "Filmed in New Jersey" or  
35 "Produced in New Jersey" statement, or an appropriate logo  
36 approved by the commission, in the end credits of the film;

37 (d) the taxpayer submits a tax credit verification report prepared  
38 by an independent certified public accountant licensed in this State  
39 in accordance with subsection g. of this section; and

40 (e) the taxpayer complies with the withholding requirements  
41 provided for payments to loan out companies and independent  
42 contractors in accordance with subsection h. of this section.

43 (2) Notwithstanding the provisions of paragraph (1) of  
44 subsection a. of this section to the contrary, the tax credit allowed  
45 pursuant to this subsection against the tax otherwise due for the  
46 taxable year under the "New Jersey Gross Income Tax Act,"  
47 N.J.S.54A:1-1 et seq., shall be in an amount equal to, in the case of  
48 a taxpayer designated as a New Jersey studio partner or New Jersey

1 film-lease production company, 35 percent, and in the case of a  
2 taxpayer other than a New Jersey studio partner or New Jersey film-  
3 lease production company, 30 percent, of the qualified film  
4 production expenses of the taxpayer during a taxable year that are  
5 incurred for services performed and tangible personal property  
6 purchased for use at a sound stage or other location that is located  
7 in the State within a 30-mile radius of the intersection of Eighth  
8 Avenue/Central Park West, Broadway, and West 59th Street/Central  
9 Park South, New York, New York.

10 b. (1) A taxpayer, upon approval of an application to the  
11 authority and the director, shall be allowed a credit against the tax  
12 otherwise due for the taxable year under the "New Jersey Gross  
13 Income Tax Act," N.J.S.54A:1-1 et seq., in an amount equal to: 30  
14 percent of the qualified digital media content production expenses  
15 of the taxpayer during a taxable year commencing on or after July  
16 1, 2018 but before July 1, **[2034]** 2039, provided that:

17 (a) at least \$2,000,000 of the total digital media content  
18 production expenses of the taxpayer are incurred for services  
19 performed, and goods purchased through vendors authorized to do  
20 business, in New Jersey;

21 (b) at least 50 percent of the qualified digital media content  
22 production expenses of the taxpayer are for wages and salaries paid  
23 to full-time or full-time equivalent employees in New Jersey;

24 (c) the taxpayer submits a tax credit verification report prepared  
25 by an independent certified public accountant licensed in this State  
26 in accordance with subsection g. of this section; and

27 (d) the taxpayer complies with the withholding requirements  
28 provided for payments to loan out companies and independent  
29 contractors in accordance with subsection h. of this section.

30 (2) Notwithstanding the provisions of paragraph (1) of  
31 subsection b. of this section to the contrary, the tax credit allowed  
32 pursuant to this subsection against the tax otherwise due for the  
33 taxable year under the "New Jersey Gross Income Tax Act,"  
34 N.J.S.54A:1-1 et seq., shall be in an amount equal to 35 percent for  
35 the qualified digital media content production expenses of the  
36 taxpayer during a taxable year that are incurred for services  
37 performed and tangible personal property purchased through  
38 vendors whose primary place of business is located in Atlantic,  
39 Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer,  
40 or Salem County.

41 c. No tax credit shall be allowed pursuant to this section for  
42 any costs or expenses included in the calculation of any other tax  
43 credit or exemption granted pursuant to a claim made on a tax  
44 return filed with the director, or included in the calculation of an  
45 award of business assistance or incentive, for a period of time that  
46 coincides with the taxable year for which a tax credit authorized  
47 pursuant to this section is allowed. The order of priority in which  
48 the tax credit allowed pursuant to this section and any other tax



1 credits allowed by law may be taken shall be as prescribed by the  
2 director. The amount of the tax credit applied under this section  
3 against the tax otherwise due under the "New Jersey Gross Income  
4 Tax Act," N.J.S.54A:1-1 et seq., for a taxable year, when taken  
5 together with any other payments, credits, deductions, and  
6 adjustments allowed by law shall not reduce the tax liability of the  
7 taxpayer to an amount less than zero. The amount of the tax credit  
8 otherwise allowable under this section which cannot be applied for  
9 the taxable year due to the limitations of this subsection or under  
10 other provisions of N.J.S.54A:1-1 et seq., may be carried forward, if  
11 necessary, to the seven taxable years following the taxable year for  
12 which the tax credit was allowed.

13 d. (1) A business entity that is classified as a partnership for  
14 federal income tax purposes shall not be allowed a tax credit  
15 pursuant to this section directly, but the amount of tax credit of a  
16 taxpayer in respect of a distributive share of entity income, shall be  
17 determined by allocating to the taxpayer that proportion of the tax  
18 credit acquired by the entity that is equal to the taxpayer's share,  
19 whether or not distributed, of the total distributive income or gain  
20 of the entity for its taxable year ending within or with the taxpayer's  
21 taxable year.

22 (2) A New Jersey S Corporation shall not be allowed a tax credit  
23 pursuant to this section directly, but the amount of tax credit of a  
24 taxpayer in respect of a pro rata share of S Corporation income,  
25 shall be determined by allocating to the taxpayer that proportion of  
26 the tax credit acquired by the New Jersey S Corporation that is  
27 equal to the taxpayer's share, whether or not distributed, of the total  
28 pro rata share of S Corporation income of the New Jersey S  
29 Corporation for its privilege period ending within or with the  
30 taxpayer's taxable year.

31 A business entity that is not a gross income "taxpayer" as defined  
32 and used in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1  
33 et seq., and therefore is not directly allowed a credit under this  
34 section, but otherwise meets all the other requirements of this  
35 section, shall be considered an eligible applicant and "taxpayer" as  
36 that term is used in this section, and the application of an otherwise  
37 allowed credit amount shall be distributed to appropriate gross  
38 income taxpayers pursuant to the other requirements of this  
39 subsection.

40 e. A taxpayer, with an application for a tax credit provided for  
41 in subsection a. or subsection b. of this section, may apply to the  
42 authority and the director for a tax credit transfer certificate in lieu  
43 of the taxpayer being allowed any amount of the tax credit against  
44 the tax liability of the taxpayer. The tax credit transfer certificate,  
45 upon receipt thereof by the taxpayer from the authority and the  
46 director, may be sold or assigned, in full or in part, to any other  
47 taxpayer that may have a tax liability under the "New Jersey Gross  
48 Income Tax Act," N.J.S.54A:1-1 et seq., or the "Corporation

1 Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), in  
2 exchange for private financial assistance to be provided by the  
3 purchaser or assignee to the taxpayer that has applied for and been  
4 granted the tax credit. The tax credit transfer certificate provided to  
5 the taxpayer shall include a statement waiving the taxpayer's right  
6 to claim that amount of the tax credit against the tax imposed  
7 pursuant to N.J.S.54A:1-1 et seq. that the taxpayer has elected to  
8 sell or assign. The sale or assignment of any amount of a tax credit  
9 transfer certificate allowed under this section shall not be  
10 exchanged for consideration received by the taxpayer of less than  
11 75 percent of the transferred tax credit amount. Any amount of a  
12 tax credit transfer certificate used by a purchaser or assignee against  
13 a tax liability under N.J.S.54A:1-1 et seq. shall be subject to the  
14 same limitations and conditions that apply to the use of a tax credit  
15 pursuant to subsections c. and d. of this section. Any amount of a  
16 tax credit transfer certificate obtained by a purchaser or assignee  
17 under subsection e. of this section may be applied against the  
18 purchaser's or assignee's tax liability under P.L.1945, c.162  
19 (C.54:10A-1 et seq.) and shall be subject to the same limitations  
20 and conditions that apply to the use of a credit pursuant to  
21 subsection c. of section 1 of P.L.2018, c.56 (C.54:10A-5.39b).

22 f. (1) The value of tax credits, including tax credits allowed  
23 through the granting of tax credit transfer certificates, approved by  
24 the director and the authority pursuant to subsection a. of this  
25 section and pursuant to subsection a. of section 1 of P.L.2018, c.56  
26 (C.54:10A-5.39b) to taxpayers, other than New Jersey studio  
27 partners and New Jersey film-lease **partners** production  
28 companies, shall not exceed a cumulative total of \$100,000,000 in  
29 fiscal year 2019 and in each fiscal year thereafter prior to fiscal year  
30 **[2035]** 2040 to apply against the tax imposed pursuant to the "New  
31 Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., and pursuant  
32 to section 5 of P.L.1945, c.162 (C.54:10A-5). In addition to the  
33 **[\$100,000,000]** limitation on the value of tax credits approved by  
34 the director for New Jersey film-lease **partners** production  
35 companies and the **[\$100,000,000]** limitation on the value of tax  
36 credits approved by the director for other taxpayers imposed by this  
37 paragraph, and except as provided in section 98 of P.L.2020, c.156  
38 (C.34:1B-362), the value of tax credits, including tax credits  
39 allowed through the granting of tax credit transfer certificates,  
40 approved by the director and the authority pursuant to subsection a.  
41 of this section and pursuant to subsection a. of section 1 of  
42 P.L.2018, c.56 (C.54:10A-5.39b) to New Jersey studio partners  
43 shall not exceed a cumulative total of \$100,000,000 in fiscal year  
44 2021 and in each fiscal year thereafter prior to fiscal year **[2034]**  
45 2024, and shall not exceed a cumulative total of \$150,000,000 in  
46 fiscal year 2024 and in each fiscal year thereafter prior to fiscal year  
47 2040, to apply against the tax imposed pursuant to section 5 of

1 P.L.1945, c.162 (C.54:10A-5) and the tax imposed pursuant to the  
2 "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.  
3 Beginning in fiscal year **[2025]** 2023, in addition to the  
4 **[\$100,000,000]** cumulative total tax credits made available for  
5 New Jersey studio partners pursuant to this paragraph and  
6 subsection d. of section 98 of P.L.2020, c.156 (C.34:1B-362), up to  
7 an additional **[\$350,000,000]** \$400,000,000 may be made available  
8 annually, in the discretion of the authority, to New Jersey studio  
9 partners for the award of tax credits, including tax credits allowed  
10 through the granting of tax credit transfer certificates, pursuant to  
11 subsection a. of this section and subsection a. of section 1 of  
12 P.L.2018, c.56 (C.54:10A-5.39b), from the funds made available  
13 pursuant to subparagraph (i) of paragraph (1) of subsection b. of  
14 section 98 of P.L.2020, c.156 (C.34:1B-362). In addition to the  
15 **[\$100,000,000]** limitation on the value of tax credits approved by  
16 the director for New Jersey studio partners and the **[\$100,000,000]**  
17 limitation on the value of tax credits approved by the director for  
18 other taxpayers imposed by this paragraph, and except as provided  
19 in section 98 of P.L.2020, c.156 (C.34:1B-362), the value of tax  
20 credits, including tax credits allowed through the granting of tax  
21 credit transfer certificates, approved by the director and the  
22 authority pursuant to subsection a. of this section and pursuant to  
23 subsection a. of section 1 of P.L.2018, c.56 (C.54:10A-5.39b) to  
24 New Jersey film-lease **[partners]** production companies shall not  
25 exceed a cumulative total of \$100,000,000 in fiscal year 2021 and  
26 in each fiscal year thereafter prior to fiscal year **[2034]** 2024, and  
27 shall not exceed a cumulative total of \$150,000,000 in fiscal year  
28 2024 and in each fiscal year thereafter prior to fiscal year 2040, to  
29 apply against the tax imposed pursuant to section 5 of P.L.1945,  
30 c.162 (C.54:10A-5) and the tax imposed pursuant to the "New  
31 Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq. Beginning in  
32 fiscal year **[2025]** 2023, in addition to the **[\$100,000,000]**  
33 cumulative total tax credits made available for New Jersey film-  
34 lease **[partners]** production companies pursuant to this paragraph  
35 and subsection d. of section 98 of P.L.2020, c.156 (C.34:1B-362),  
36 up to an additional **[\$100,000,000]** \$250,000,000 may be made  
37 available annually, in the discretion of the authority, to New Jersey  
38 film-lease **[partners]** production companies for the award of tax  
39 credits, including tax credits allowed through the granting of tax  
40 credit transfer certificates, pursuant to subsection a. of this section  
41 and subsection a. of section 1 of P.L.2018, c.56 (C.54:10A-5.39b),  
42 from the funds made available pursuant to subparagraph (i) of  
43 paragraph (1) of subsection b. of section 98 of P.L.2020, c.156  
44 (C.34:1B-362). Approvals made to New Jersey studio partners and  
45 New Jersey film-lease **[partners]** production companies shall be  
46 subject to award agreements with the authority detailing obligations  
47 of the awardee and outcomes relating to events of default,

1 including, but not limited to, recapture, forfeiture, and termination.

2 **【If in any taxable year, beginning following a date determined by**  
3 **the authority, a New Jersey film-lease partner's annual average of**  
4 **qualified film production expenses falls below \$50,000,000, the**  
5 **authority shall reduce by 20 percent any tax credit award for a film**  
6 **for which final documentation has been submitted, until a taxable**  
7 **year when the annual average of qualified film production expenses**  
8 **has been restored to \$50,000,000.】** Notwithstanding any provision  
9 of this subsection or other law to the contrary, if a film production  
10 company designated as a New Jersey studio partner ceases to  
11 qualify for its designation as a New Jersey film studio partner and  
12 becomes designated as a New Jersey film-lease partner facility, the  
13 authority shall reduce the cumulative total amount of tax credits,  
14 including tax credits allowed through the granting of tax credit  
15 transfer certificates, made available to New Jersey studio partners in  
16 each fiscal year and shall increase the cumulative total amount of  
17 tax credits permitted to be approved for New Jersey film-lease  
18 production companies in each fiscal year by a corresponding  
19 amount pursuant to a formula established in rules adopted by the  
20 authority which shall consider the volume of applications submitted  
21 by New Jersey studio partners and New Jersey film-lease  
22 production facilities, the cumulative total amount of tax credits  
23 allowed to New Jersey studio partners and New Jersey film-lease  
24 production facilities in the prior fiscal year, the total square footage  
25 of facility space occupied in the State by New Jersey studio partners  
26 and New Jersey film-lease production facilities, and any other  
27 factors that the authority deems appropriate. Award agreements  
28 between the authority and New Jersey studio partners shall include  
29 a requirement for each New Jersey studio partner to occupy the  
30 production facility developed, purchased, or leased as a condition of  
31 designation as a New Jersey studio partner for the duration of the  
32 commitment period. If a New Jersey studio partner fails to occupy  
33 the production facility developed, purchased, or leased as a  
34 condition of designation as a New Jersey studio partner for the  
35 duration of the commitment period or otherwise fails to satisfy the  
36 conditions for designation as a New Jersey studio partner, the  
37 authority shall recapture the portion of the tax credit that was only  
38 available to the taxpayer by virtue of the taxpayer's designation as a  
39 New Jersey studio partner, and all films for which an initial  
40 approval has been given, but for which the authority has not  
41 approved final documentation, shall terminate. The authority shall  
42 establish a non-binding, administrative pre-certification process for  
43 potentially eligible projects.

44 If the cumulative total amount of tax credits, and tax credit  
45 transfer certificates, allowed to taxpayers for taxable years or  
46 privilege periods commencing during a single fiscal year under  
47 subsection a. of this section and subsection a. of section 1 of  
48 P.L.2018, c.56 (C.54:10A-5.39b) exceeds the amount of tax credits

1 available in that fiscal year, then taxpayers who have first applied  
2 for and have not been allowed a tax credit or tax credit transfer  
3 certificate amount for that reason shall **be allowed, in the order in**  
4 **which they have submitted an application, have their applications**  
5 **approved by the authority, provided the application otherwise**  
6 **satisfies the requirements of this section, and shall be allowed the**  
7 amount of tax credit or tax credit transfer certificate on the first day  
8 of the next succeeding fiscal year in which tax credits and tax credit  
9 transfer certificates under subsection a. of this section and  
10 subsection a. of section 1 of P.L.2018, c.56 (C.54:10A-5.39b) are  
11 not in excess of the amount of credits available.

12 Notwithstanding any provision of this paragraph to the contrary,  
13 for any fiscal year in which the amount of tax credits approved to  
14 New Jersey studio partners, New Jersey film-lease **partners**  
15 production companies, or taxpayers other than New Jersey studio  
16 partners and New Jersey film-lease **partners** production  
17 companies pursuant to this paragraph is less than the cumulative  
18 total amount of tax credits permitted to be approved **to each such**  
19 **category** in that fiscal year, the authority shall certify the amount  
20 of the remaining tax credits available for approval **to each such**  
21 **category** in that fiscal year, and shall increase the cumulative total  
22 amount of tax credits permitted to be approved for New Jersey  
23 studio partners, New Jersey film-lease **partners** production  
24 companies, or taxpayers other than New Jersey studio partners and  
25 New Jersey film-lease **partners** production companies in the  
26 subsequent fiscal year by the certified amount remaining from the  
27 prior fiscal year. The authority shall also certify, for each fiscal  
28 year, the amount of tax credits that were previously approved, but  
29 that the taxpayer is not able to redeem or transfer to another  
30 taxpayer under this section, and shall increase the cumulative total  
31 amount of tax credits permitted to be approved for New Jersey  
32 studio partners, New Jersey film-lease **partners** production  
33 companies, or taxpayers other than New Jersey studio partners and  
34 New Jersey film-lease **partners** production companies in the  
35 subsequent fiscal year by the amount of tax credits previously  
36 approved **for each such category**, but not subject to redemption or  
37 transfer. In each fiscal year in which tax credits remain unapproved  
38 for, or unredeemed or not transferred by, New Jersey studio  
39 partners, New Jersey film-lease **partners** production companies,  
40 or taxpayers other than New Jersey studio partners and New Jersey  
41 film-lease **partners** production companies, the authority may  
42 reallocate some or all of such remaining tax credits in the  
43 subsequent fiscal year **between the category of New Jersey film-**  
44 **lease partners and the category of taxpayers other than New Jersey**  
45 **studio partners and New Jersey film-lease partners in lieu of**  
46 **increasing the tax credits available for the respective category by**

1 the amount reallocated】 to each category in the authority's  
2 discretion.

3 (2) The value of tax credits, including tax credits allowed  
4 through the granting of tax credit transfer certificates, approved by  
5 the authority and the director pursuant to subsection b. of this  
6 section and pursuant to subsection b. of section 1 of P.L.2018, c.56  
7 (C.54:10A-5.39b) shall not exceed a cumulative total of  
8 \$30,000,000 in fiscal year 2019 and in each fiscal year thereafter  
9 prior to fiscal year 【2035】 2040 to apply against the tax imposed  
10 pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1  
11 et seq. and the tax imposed pursuant to section 5 of P.L.1945, c.162  
12 (C.54:10A-5).

13 If the total amount of tax credits and tax credit transfer  
14 certificates allowed to taxpayers for taxable years or privilege  
15 periods commencing during a single fiscal year under subsection b.  
16 of this section and subsection b. of section 1 of P.L.2018, c.56  
17 (C.54:10A-5.39b) exceeds the amount of tax credits available in  
18 that year, then taxpayers who have first applied for and have not  
19 been allowed a tax credit or tax credit transfer certificate amount for  
20 that reason shall be allowed, in the order in which they have  
21 submitted an application, the amount of tax credit or tax credit  
22 transfer certificate on the first day of the next succeeding fiscal year  
23 in which tax credits and tax credit transfer certificates under  
24 subsection b. of this section and subsection b. of section 1 of  
25 P.L.2018, c.56 (C.54:10A-5.39b) are not in excess of the amount of  
26 credits available.

27 Notwithstanding any provision of this paragraph to the contrary,  
28 for any fiscal year in which the amount of tax credits approved  
29 pursuant to this paragraph is less than the cumulative total amount  
30 of tax credits permitted to be approved in that fiscal year, the  
31 authority shall certify the amount of the remaining tax credits  
32 available for approval in that fiscal year, and shall increase the  
33 cumulative total amount of tax credits permitted to be approved in  
34 the subsequent fiscal year by the certified amount remaining from  
35 the prior fiscal year. The authority shall also certify, for each fiscal  
36 year, the amount of tax credits that were previously approved, but  
37 that the taxpayer is not able to redeem or transfer to another  
38 taxpayer under this section, and shall increase the cumulative total  
39 amount of tax credits permitted to be approved in the subsequent  
40 fiscal year by the amount of tax credits previously approved, but not  
41 subject to redemption or transfer.

42 g. A taxpayer shall submit to the authority and the director a  
43 report prepared by an independent certified public accountant  
44 licensed in this State to verify the taxpayer's tax credit claim  
45 following the completion of the production. A New Jersey studio  
46 partner that makes deferred compensation payments based on work  
47 or services provided on a production may file a supplemental report  
48 prepared by an independent certified public accountant, pursuant to

1 agreed-upon procedures prescribed by the authority and the  
2 director, no later than two years after the date on which the  
3 production concludes. The deferred compensation payments shall  
4 constitute qualified film production expenses as if the expenses  
5 were incurred at the time of production, provided there are credits  
6 available and subject to the authority's review. The report shall be  
7 prepared by the independent certified public accountant pursuant to  
8 agreed-upon procedures prescribed by the authority and the  
9 director, and shall include such information and documentation as  
10 shall be determined to be necessary by the authority and the director  
11 to substantiate the qualified film production expenses or the  
12 qualified digital media content production expenses of the taxpayer.  
13 A single report with attachments deemed necessary by the authority  
14 shall be submitted electronically. Upon receipt of the report, the  
15 authority and the director shall review the findings of the  
16 independent certified public accountant's report, and shall make a  
17 determination as to the qualified film production expenses or the  
18 qualified digital media content production expenses of the taxpayer.  
19 The authority's and the director's review shall include, but shall not  
20 be limited to: a review of all non-payroll qualified film production  
21 expense items and non-payroll digital media content production  
22 expense items over \$20,000; a review of 100 randomly selected  
23 non-payroll qualified film production expense items and non-  
24 payroll digital media content production expense items that are  
25 greater than \$2,500, but less than \$20,000; a review of 100  
26 randomly selected non-payroll qualified film production expense  
27 items and non-payroll digital media content production expense  
28 items that are less than \$2,500; a review of the qualified wages for  
29 the 15 employees, independent contractors, or loan-out companies  
30 with the highest qualified wages; and a review of the qualified  
31 wages for 35 randomly selected employees, independent  
32 contractors, or loan-out companies with qualified wages other than  
33 the 15 employees, independent contractors, or loan-out companies  
34 with the highest qualified wages. The taxpayer's qualified film  
35 production expenses and digital media content production expenses  
36 shall be adjusted based on any discrepancies identified for the  
37 reviewed non-payroll qualified film production expense items, non-  
38 payroll digital media content production expense items and  
39 qualified wages. The taxpayer's qualified film production expenses  
40 and digital media content production expenses also shall be adjusted  
41 based on the projection of any discrepancies identified based on the  
42 review of randomly selected expense items or wages pursuant to  
43 this subsection to the extent that the discrepancies exceed one  
44 percent of the total reviewed non-payroll qualified film production  
45 expense items, non-payroll digital media content production  
46 expense items, or qualified wages. The determination shall be  
47 provided in writing to the taxpayer, and a copy of the written

determination shall be included in the filing of a return that includes a claim for a tax credit allowed pursuant to this section.

h. A taxpayer shall withhold from each payment to a loan out company **【or】**, to an independent contractor, or to a homeowner for the use of a personal residence an amount equal to 6.37 percent of the payment otherwise due. The amounts withheld shall be deemed to be withholding of liability pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., and the taxpayer shall be deemed to have the rights, duties, and responsibilities of an employer pursuant to chapter 7 of Title 54A of the New Jersey Statutes. The director shall allocate the amounts withheld for a taxable year to the accounts of the individuals who are employees of a loan out company in proportion to the employee's payment by the loan out company in connection with a trade, profession, or occupation carried on in this State or for the rendition of personal services performed in this State during the taxable year. A loan out company that reports its payments to employees in connection with a trade, profession, or occupation carried on in this State or for the rendition of personal services performed in this State during a taxable year shall be relieved of its duties and responsibilities as an employer pursuant to chapter 7 of Title 54A of the New Jersey Statutes for the taxable year for any payments relating to the payments on which the taxpayer withheld.

i. As used in this section:

"Authority" means the New Jersey Economic Development Authority.

"Business assistance or incentive" means "business assistance or incentive" as that term is defined pursuant to section 1 of P.L.2007, c.101 (C.54:50-39).

"Commission" means the Motion Picture and Television Development Commission.

"Commitment period" means for New Jersey studio partners, the period beginning with the commencement of the eligibility period and expiring 10 years following:

(1) in the case of a taxpayer developing or purchasing a production facility, the issuance of a temporary certificate of occupancy for the production facility developed or purchased as a condition of designation as a New Jersey studio partner; or

(2) in the case of a taxpayer leasing a production facility, commencement of the lease term for the production facility leased as a condition of designation as a New Jersey studio partner.

"Digital media content" means any data or information that is produced in digital form, including data or information created in analog form but reformatted in digital form, text, graphics, photographs, animation, sound, and video content. "Digital media content" shall not mean content offerings generated by the end user (including postings on electronic bulletin boards and chat rooms); content offerings comprised primarily of local news, events,



1 weather or local market reports; public service content; electronic  
2 commerce platforms (such as retail and wholesale websites);  
3 websites or content offerings that contain obscene material as  
4 defined pursuant to N.J.S.2C:34-2 and N.J.S.2C:34-3; websites or  
5 content that are produced or maintained primarily for private,  
6 industrial, corporate, or institutional purposes; or digital media  
7 content acquired or licensed by the taxpayer for distribution or  
8 incorporation into the taxpayer's digital media content.

9 "Eligibility period" means for New Jersey studio partners, the  
10 period in which a New Jersey studio partner may claim a tax credit  
11 for qualified film production expenses, including expenses that  
12 would not constitute qualified film production expenses but for the  
13 taxpayer's designation as a New Jersey studio partner, beginning  
14 the earlier of the commencement of the principal photography for  
15 the New Jersey studio partner's initial film in New Jersey or, in the  
16 case of a taxpayer developing or purchasing a production facility, at  
17 the issuance of a temporary certificate of occupancy for the  
18 production facility developed or purchased as a condition of  
19 designation as a New Jersey studio partner and, in the case of a  
20 taxpayer leasing a production facility, at the commencement of the  
21 lease term for the production facility leased as a condition of  
22 designation as a New Jersey studio partner, and extending thereafter  
23 for a term of not more than 10 years.

24 "Film" means a feature film, a television series, or a television  
25 show of 22 minutes or more in length, intended for a national  
26 audience, or a television series or a television show of 22 minutes  
27 or more in length intended for a national or regional audience,  
28 including, but not limited to, a game show, award show,  
29 competition or variety show filmed before a live audience, or other  
30 gala event filmed and produced at a nonprofit arts and cultural  
31 venue receiving State funding. "Film" shall not include a  
32 production featuring news, current events, weather, and market  
33 reports or public programming, talk show, sports event, or reality  
34 show, a production that solicits funds, a production containing  
35 obscene material as defined under N.J.S.2C:34-2 and N.J.S.2C:34-  
36 3, or a production primarily for private, industrial, corporate, or  
37 institutional purposes. "Film" shall not include an award show or  
38 other gala event that is not filmed and produced at a nonprofit arts  
39 and cultural venue receiving State funding.

40 "Full-time or full-time equivalent employee" means an individual  
41 employed by the taxpayer for consideration for at least 35 hours a  
42 week, or who renders any other standard of service generally  
43 accepted by custom or practice as full-time or full-time equivalent  
44 employment, whose wages are subject to withholding as provided in  
45 the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., or  
46 who is a partner of a taxpayer, who works for the partnership for at  
47 least 35 hours a week, or who renders any other standard of service  
48 generally accepted by custom or practice as full-time or full-time

1 equivalent employment, and whose distributive share of income,  
2 gain, loss, or deduction, or whose guaranteed payments, or any  
3 combination thereof, is subject to the payment of estimated taxes, as  
4 provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1  
5 et seq. "Full-time or full-time equivalent employee" shall not  
6 include an individual who works as an independent contractor or on  
7 a consulting basis for the taxpayer.

8 "Highly compensated individual" means an individual who  
9 directly or indirectly receives compensation in excess of \$500,000  
10 for the performance of services used directly in a production. An  
11 individual receives compensation indirectly when the taxpayer pays  
12 a loan out company that, in turn, pays the individual for the  
13 performance of services.

14 "Incurred in New Jersey" means, for any application submitted  
15 after the effective date of P.L.2018, c.56 (C.54:10A-5.39b et al.),  
16 pursuant to which a tax credit has not been allowed prior to the  
17 effective date of P.L.2021, c.160, service performed within New  
18 Jersey and tangible personal property used or consumed in New  
19 Jersey. A service is performed in New Jersey to the extent that the  
20 individual performing the service is physically located in New  
21 Jersey while performing the service. Notwithstanding where the  
22 property is delivered or acquired, rented tangible property is used or  
23 consumed in New Jersey to the extent that the property is located in  
24 New Jersey during its use or consumption and is rented from a  
25 vendor authorized to do business in New Jersey or the film  
26 production company provides to the authority the vendor's  
27 information in a form and manner prescribed by the authority.  
28 Purchased tangible property is not used and consumed in New  
29 Jersey unless it is purchased from a vendor authorized to do  
30 business in New Jersey and is delivered to or acquired within New  
31 Jersey; provided, however, that if a production is also located in  
32 another jurisdiction, the purchased tangible property is used and  
33 consumed in New Jersey if the acquisition and delivery of  
34 purchased tangible property is located in either New Jersey or  
35 another jurisdiction where the production takes place. Payment  
36 made to a homeowner for the use of a personal residence located in  
37 the State for filming shall be deemed an expense incurred in New  
38 Jersey notwithstanding the fact that such homeowner is not a vendor  
39 authorized to do business in New Jersey, provided the taxpayer has  
40 made the withholding required by subsection h. of this section.

41 "Independent contractor" means an individual treated as an  
42 independent contractor for federal and State tax purposes who is  
43 contracted with by the taxpayer for the performance of services  
44 used directly in a production.

45 "Loan out company" means a personal service corporation or  
46 other entity that is contracted with by the taxpayer to provide  
47 specified individual personnel, such as artists, crew, actors,  
48 producers, or directors for the performance of services used directly

1 in a production. "Loan out company" shall not include entities  
2 contracted with by the taxpayer to provide goods or ancillary  
3 contractor services such as catering, construction, trailers,  
4 equipment, or transportation.

5 "New Jersey film-lease partner facility" means:

6 (1) (a) a production facility in New Jersey whose owner or  
7 developer has made the commitment to build, lease, or operate a  
8 production facility of 250,000 square feet or more, including a  
9 sound stage and production support space, such as production  
10 offices or a backlot, for a period of five or more successive years;

11 (b) a production facility built, leased, or operated by a  
12 production company designated as a New Jersey studio partner and  
13 which the New Jersey studio partner no longer occupies; or

14 (c) a portion of a production facility owned by a New Jersey  
15 studio partner that is in excess of the space being utilized by the  
16 New Jersey studio partner; provided the space utilized and  
17 unutilized by the New Jersey studio partners both exceed 250,000  
18 square feet.

19 (2) A film production company that executes at least a 10-year  
20 lease for 250,000 square feet or more from a New Jersey film-lease  
21 partner facility shall be eligible to be designated as a New Jersey  
22 studio partner, provided the film production company otherwise  
23 complies with the eligibility requirements of the program.

24 (3) Except for a production facility, or portion thereof, owned,  
25 built, leased, or operated by a film production company designated  
26 a New Jersey studio partner by the authority on or before the 181st  
27 day next following the effective date of P.L. , c. (C.....)  
28 (pending before the Legislature as this bill), in order for a  
29 production facility to be designated as a New Jersey film-lease  
30 partner facility, the owner or developer shall accept the acquisition  
31 by the authority, at the authority's discretion, of equity in the  
32 production facility, on terms and conditions determined by the  
33 authority. A film production facility may receive its film-lease  
34 partner facility designation prior to executing an equity agreement  
35 with the authority provided final approval of such agreement occurs  
36 on or before the date on which production commences at the  
37 facility.

38 (4) No more than three New Jersey production facilities may be  
39 designated as a New Jersey film-lease partner facility; provided,  
40 however, this limitation shall not apply to production facilities, or  
41 portions thereof, owned, built, leased, or operated by a film  
42 production company designated as a New Jersey studio partner.

43 "New Jersey film-lease [partner] production company" means a  
44 taxpayer, including any taxpayer that is a member of a combined  
45 group under section 23 of P.L.2018, c.48 (C.54:10A-4.11) or any  
46 other entity in which the film-lease production company has a  
47 material ownership interest and material operational role in the  
48 production, that otherwise complies with the eligibility

1 requirements of the Film and Digital Media Tax Credit Program and  
2 has made a commitment to lease or [acquire all or part of] otherwise  
3 occupy production space in a New Jersey [production facility,  
4 which leased or acquired space shall have an aggregate square  
5 footage of at least 50,000 square feet, including a sound stage and  
6 production support space, such as production offices or a backlot,  
7 for a period of five or more successive years and commits to spend,  
8 on a separate-entity basis or in the aggregate with other members of  
9 the taxpayer's combined group, an annual average of \$50,000,000 of  
10 qualified film production expenses over the period of at least five  
11 but not to exceed 10 years] film-lease partner facility and who will  
12 shoot at least 50 percent of the total principal photography shoot  
13 days of the project within New Jersey and who will shoot at least 50  
14 percent of the total principal photography shoot days within New  
15 Jersey at the New Jersey film-lease partner facility. A "New Jersey  
16 film-lease production company" may include any other member of a  
17 taxpayer's combined group, pursuant to P.L.2018, c.131 (C.54:10A-  
18 4.11), or an unrelated entity principally engaged in the production  
19 of a film or other commercial audiovisual product with whom a  
20 designated New Jersey film-lease production company contracts to  
21 perform film production services on its behalf such that the  
22 designated New Jersey film-lease production company controls  
23 such film or product during preproduction, production, and  
24 postproduction and all results and proceeds of such services  
25 constitute, from the moment of creation, "works made for hire" for  
26 the New Jersey film-lease production company pursuant to the  
27 provisions of the federal "Copyright Act of 1976" (17 U.S.C. s.101  
28 et seq.).

29 "New Jersey studio partner" means a film production company  
30 that has made a commitment to produce films or commercial  
31 audiovisual products in New Jersey and has developed, purchased,  
32 or executed a 10-year contract to lease a production facility of  
33 250,000 square feet or more, or has executed a purchase contract  
34 with a governmental authority for the purpose of developing a  
35 production facility of 250,000 square feet or more within 48 months  
36 from the date of designation as a New Jersey studio partner;  
37 provided, however, the board, in its discretion, may extend the time  
38 to execute a purchase contract for an additional 12 months.  
39 Effective upon designation as a New Jersey studio partner, a film  
40 production company shall be eligible for a credit pursuant to this  
41 section, provided the film production company otherwise complies  
42 with the eligibility requirements of Film and Digital Media Tax  
43 Credit Program. In the event the authority determines that a film  
44 production company has failed to meet the qualifications of a New  
45 Jersey studio partner or otherwise comply with the provisions of  
46 this section, the authority may rescind the New Jersey studio  
47 partner designation and may recapture from that film production  
48 company the portion of any tax credit that had been awarded to that

1 film production company that was only available to the film  
2 production company by virtue of the film production company's  
3 designation as a New Jersey studio partner. A "New Jersey studio  
4 partner" may include any other member of a taxpayer's combined  
5 group, pursuant to P.L.2018, c.131 (C.54:10A-4.11), or an unrelated  
6 entity principally engaged in the production of a film or other  
7 commercial audiovisual product with whom a designated New  
8 Jersey studio partner contracts to perform film production services  
9 on its behalf such that the designated New Jersey studio partner  
10 controls such film or product during pre-production, production,  
11 and post-production, and all results and proceeds of such services  
12 constitute, from the moment of creation, "works made for hire" for  
13 the New Jersey studio partner pursuant to the provisions of the  
14 federal "Copyright Act of 1976," Pub.L.94-552. No more than  
15 three film production companies may be designated as a New Jersey  
16 studio partner.

17 "Partnership" means an entity classified as a partnership for  
18 federal income tax purposes.

19 "Post-production costs" means the costs of the phase of  
20 production of a film that follows principal photography, in which  
21 raw footage is cut and assembled into a finished film with sound  
22 synchronization and visual effects.

23 "Pre-production costs" means the costs of the phase of  
24 production of a film that precedes principal photography, in which a  
25 detailed schedule and budget for the production is prepared, the  
26 script and location is finalized, and contracts with vendors are  
27 negotiated.

28 "Qualified digital media content production expenses" means an  
29 expense incurred in New Jersey for the production of digital media  
30 content. "Qualified digital media content production expenses"  
31 shall include but not be limited to: wages and salaries of individuals  
32 employed in the production of digital media content on which the  
33 tax imposed by the "New Jersey Gross Income Tax Act,"  
34 N.J.S.54A:1-1 et seq. has been paid or is due; and the costs of  
35 computer software and hardware, data processing, visualization  
36 technologies, sound synchronization, editing, and the rental of  
37 facilities and equipment. Payment made to a loan out company or  
38 to an independent contractor shall not be deemed a "qualified digital  
39 media content production expense" unless the payment is made in  
40 connection with a trade, profession, or occupation carried on in this  
41 State or for the rendition of personal services performed in this  
42 State and the taxpayer has made the withholding required pursuant  
43 to subsection h. of this section. "Qualified digital media content  
44 production expenses" shall not include expenses incurred in  
45 marketing, promotion, or advertising digital media or other costs  
46 not directly related to the production of digital media content.  
47 Costs related to the acquisition or licensing of digital media content  
48 by the taxpayer for distribution or incorporation into the taxpayer's

1 digital media content shall not be deemed "qualified digital media  
2 content production expenses."

3 "Qualified film production expenses" means an expense incurred  
4 in New Jersey for the production of a film including pre-production  
5 costs and post-production costs incurred in New Jersey. "Qualified  
6 film production expenses" shall include but not be limited to:  
7 wages and salaries of individuals employed in the production of a  
8 film on which the tax imposed by the "New Jersey Gross Income  
9 Tax Act," N.J.S.54A:1-1 et seq. has been paid or is due; and the  
10 costs for tangible personal property used, and services performed,  
11 directly and exclusively in the production of a film, such as  
12 expenditures for film production facilities, props, makeup,  
13 wardrobe, film processing, camera, sound recording, set  
14 construction, lighting, shooting, editing, and meals. Payment made  
15 to a loan out company or to an independent contractor shall not be  
16 deemed a "qualified film production expense" unless the payment is  
17 made in connection with a trade, profession, or occupation carried  
18 on in this State or for the rendition of personal services performed  
19 in this State and the taxpayer has made the withholding required by  
20 subsection h. of this section. Payment made to a homeowner, who  
21 is otherwise not a vendor authorized to do business in New Jersey,  
22 for the use of a personal residence for filming shall not be deemed a  
23 "qualified film production expense" unless the taxpayer has made  
24 the withholding required by subsection h. of this section. For the  
25 purposes of this definition, wages and salaries of individuals  
26 employed in the production of a film shall include deferred  
27 compensation, including advances on deferred compensation,  
28 incurred by New Jersey studio partners, provided the New Jersey  
29 studio partner files a supplemental report prepared by an  
30 independent certified public accountant, pursuant to agreed-upon  
31 procedures prescribed by the authority and the director, no later  
32 than two years after the date on which the production concludes.  
33 "Qualified film production expenses" shall not include: expenses  
34 incurred in marketing or advertising a film; and payment in excess  
35 of \$500,000 to a highly compensated individual for costs for a  
36 story, script, or scenario used in the production of a film and wages  
37 or salaries or other compensation for writers, directors, including  
38 music directors, producers, and performers, other than background  
39 actors with no scripted lines, except as follows:

40 (1) for a New Jersey studio partner that incurs **more than**  
41 **\$15,000,000, but** less than \$50,000,000**,** in qualified film  
42 production expenses in the State, an amount, not to exceed  
43 **[\$15,000,000] \$18,000,000**, of the wages or salaries or other  
44 compensation for writers, directors, including music directors,  
45 producers, and performers, other than background actors with no  
46 scripted lines, shall constitute qualified film production expenses;

47 (2) **for** a New Jersey studio partner that incurs \$50,000,000 or  
48 more, but less than \$100,000,000, in qualified film production

1 expenses in the State, an amount, not to exceed \$25,000,000, of the  
 2 wages or salaries or other compensation for writers, directors,  
 3 including music directors, producers, and performers, other than  
 4 background actors with no scripted lines, shall constitute qualified  
 5 film production expenses; **】** (Deleted by amendment, P.L. , c. )  
 6 (pending before the Legislature as this bill)

7 (3) **【**for a New Jersey studio partner that incurs \$100,000,000 or  
 8 more, but less than \$150,000,000, in qualified film production  
 9 expenses in the State, an amount, not to exceed \$40,000,000, of the  
 10 wages or salaries or other compensation for writers, directors,  
 11 including music directors, producers, and performers, other than  
 12 background actors with no scripted lines, shall constitute qualified  
 13 film production expenses; **and】** (Deleted by amendment,  
 14 P.L. , c. ) (pending before the Legislature as this bill)

15 (4) for a New Jersey studio partner that incurs **【\$150,000,000】**  
 16 \$50,000,000 or more in qualified film production expenses in the  
 17 State, an amount, not to exceed **【\$60,000,000】** \$72,000,000, of the  
 18 wages or salaries or other compensation for writers, directors,  
 19 including music directors, producers, and performers, other than  
 20 background actors with no scripted lines, shall constitute qualified  
 21 film production expenses;

22 (5) for a New Jersey film-lease production company that incurs  
 23 less than \$50,000,000 in qualified film production expenses in the  
 24 State, an amount not to exceed \$15,000,000, of the wages or  
 25 salaries or other compensation for writers, directors, including  
 26 music director, producers, and performers, other than background  
 27 actors with no scripted lines, shall constitute qualified film  
 28 production expenses; and

29 (6) for a New Jersey film-lease production company that incurs  
 30 \$50,000,000 or more in qualified film production expenses in the  
 31 State, an amount not to exceed \$60,000,000, of the wages or  
 32 salaries or other compensation for writers, directors, including  
 33 music director, producers, and performers, other than background  
 34 actors with no scripted lines, shall constitute qualified film  
 35 production expenses.

36 "Total digital media content production expenses" means costs  
 37 for services performed and property used or consumed in the  
 38 production of digital media content.

39 "Total film production expenses" means costs for services  
 40 performed and tangible personal property used or consumed in the  
 41 production of a film.

42 (cf: P.L.2021, c.367, s.2)

43

44 7. Section 4 of P.L.2018, c.56 is amended to read as follows:

45 4. a. A taxpayer, upon approval of an application to the  
 46 authority and the director, shall be allowed a credit against the tax  
 47 imposed pursuant to section 5 of P.L.1945, c. 162 (C.54:10A-5) or

1 under the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et  
2 seq. in an amount equal to **[2]** two percent of the qualified film or  
3 digital media content production expenses of the taxpayer during a  
4 privilege period or taxable year commencing on or after July 1,  
5 2018 but before July 1, **[2034]** 2039, provided that:

6 (1) the application is accompanied by a diversity plan outlining  
7 specific goals, which may include advertising and recruitment  
8 actions, for hiring minority persons and women;

9 (2) the director and the authority have approved the plan as  
10 meeting the requirements established by the director and the  
11 authority; and

12 (3) the director and the authority have verified that the applicant  
13 has met or made good faith efforts in achieving those goals.

14 b. The amount of a tax credit allowed pursuant to subsection a.  
15 of this section shall increase to four percent of the qualified film or  
16 digital media content production expenses of the taxpayer if the  
17 diversity plan, in addition to meeting the requirements of subsection  
18 a. of this section, outlines specific goals that include hiring persons  
19 as performers in the film or digital media production who are: (i)  
20 women or members of **[ethnic]** a minority **[groups that are**  
21 **underrepresented in film or digital media productions]** group; (ii)  
22 **[if credited,]** residents of New Jersey for at least 12 months  
23 preceding the beginning of filming or recording **[**, and if  
24 uncredited, residents of any municipality in New Jersey in which  
25 filming occurs as part of the production for at least 12 months  
26 preceding the beginning of filming or recording at that location, or  
27 any surrounding municipality**]**; and (iii) members of a bona fide  
28 labor union representing film and television performers.

29 c. The director and the authority shall adopt any rules  
30 necessary to implement this provision.

31 d. The application shall indicate whether the applicant intends  
32 to participate in training, education, and recruitment programs that  
33 are organized in cooperation with State colleges and universities,  
34 labor organizations, and the motion picture industry and are  
35 designed to promote and encourage the training and hiring of New  
36 Jersey residents who represent the diversity of the State population.  
37 (cf: P.L.2021, c.367, s.3)  
38

39 8. (New section) Notwithstanding the provisions of the  
40 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et  
41 seq.), to the contrary, the chief executive officer of the authority  
42 may adopt, immediately upon filing with the Office of  
43 Administrative Law, regulations that the chief executive officer, in  
44 consultation with the Commissioner of Labor and Workforce  
45 Development, deems necessary to implement the provisions of  
46 P.L. , c. (C. ) (pending before the Legislature as this bill),  
47 which regulations shall be effective for a period not to exceed 180



- 1 days from the date of the filing. The chief executive officer shall  
2 thereafter amend, adopt, or readopt the regulations in accordance  
3 with the requirements of P.L.1968, c.410 (C.52:14B-1 et seq.).  
4
- 5 9. (New section) There is appropriated from the General Fund  
6 to the New Jersey Economic Development Authority the sum of  
7 \$30,000,000 for the purpose of making investments authorized by  
8 subsection ll. of section 5 of P.L.1974, c.80 (C.34:1B-5).  
9
- 10 10. This act shall take effect immediately.