

## ALERTS

# Entertainment Law Alert - Hitting A High Note: Georgia Department Of Revenue Publishes Proposed Rules For Music Tax Credit Bill

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On Oct. 5, the Georgia Department of Revenue (DOR) [released proposed rules](#) for the Georgia Musical Investment Act (HB155). The Department of Economic Development will likely also release regulations to cover its portion of the application process for the Musical Tax Credit. The deadline for comments on the DOR proposed rules is Nov. 8. There also will be a hearing on that date at 10 a.m. at the Georgia Department of Revenue.

In April, the Georgia legislature passed the [Georgia Musical Investment Act](#), which provides an income tax credit for musical recording, musical synchronization for film, television and video games, and touring of musical acts including musical theater. The Musical Tax Credit, like the Film Tax Credit, is administered by the DOR and Department of Economic Development.

The incentive is a 15 percent refundable tax credit granted for the following in-state expenditures:

- **Musical Recording:** An artist, record label or other production company that records or composes a musical recording with an aggregate spend of \$100,000 annually that is publicly released and includes a qualified Georgia promotion
- **Musical Recording for Film, Television or Video Games:** Writing, composing or recording of music for the purpose of inclusion into a film, television or interactive entertainment project not shot in the state, with an aggregate spend of \$250,000 annually
- **Tour Origination and Rehearsals:** The preparation, planning, staging and rehearsing of a musical or theatrical performance intended for viewing by a live audience in Georgia with an aggregate spend of \$500,000 annually. This may include, but is not limited to, concerts, musical tours, ballet, dance, comedy revue, opera, or live variety entertainment, or a series of productions occurring over the course of a 12-month period that originate, are developed, and have their initial public performance before an audience within Georgia, or that have their United States debut within Georgia.

To encourage production throughout the state, the incentive includes an additional 5 percent credit if the project takes place in specified

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