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Department of Commerce  
Alabama Film Office

NOTICE OF INTENDED ACTION

**RULE NO. & TITLE:** 281-3-1 Alabama Film Office Incentives

**INTENDED ACTION:** Amend rules.

**SUBSTANCE OF PROPOSED ACTION:** The agency proposes to amend its rules in order to make more efficient use of taxpayer funded incentives to help grow the Alabama film industry and promote economic activity within Alabama. The changes below include without limitation the following provisions which:

Provide definitions for both "Above the Line Expenditures" and "Below the Line Expenditures",

Provide for the preparation of a Loan-Out Affidavit by the Alabama Department of Revenue,

Amend the definition of "Production Expenditures" to limit Related Party transactions and excluded finance fees and similar charges,

Amend the definition of "Qualified Production" to exclude certain music festivals, concerts, shows, commemorative services and exhibitions,

Expand the definition of "Related Party",

Require that the Application provide information about how the production will be financed,

Set a time limit for the beginning of the principal photography for a production,

Expand the information required in the Final Incentive Audit and Report,

Excludes certain expenditures to Pass-Through Companies,

Place Limits on Payroll, payments to Loan-Out Companies and other Production Expenditures to nonresidents,

Limit qualified Payroll Expenditures to Payroll which is subject to Alabama income tax, and.

Make additions and clarifications to the "chart of Production Expenditures".

**TIME PLACE, MANNER OF PRESENTING VIEWS:** All interested parties may submit their views either orally or in writing to the Department of Commerce, 401 Adams Avenue, Suite 170, Montgomery, AL 36130, at any time prior to the date specified below which is more than thirty-five (35) days following the publication of the notice.

**FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:**

February 7, 2015

**CONTACT PERSONS AT AGENCY:**

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Angela Till  
Deputy Secretary of Commerce

December 15, 2014  
Date