

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 4122**

A bill to amend 1984 PA 270, entitled  
"Michigan strategic fund act,"  
by amending section 29h (MCL 125.2029h), as amended by 2014 PA 396;  
and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 29h. (1) The Michigan film office shall create and  
2       operate the film and digital media production assistance program.  
3       The film and digital media production assistance program may  
4       provide funds to eligible production companies for direct  
5       production expenditures or qualified personnel expenditures for  
6       state certified qualified productions. **BEGINNING OCTOBER 1, 2016,**  
7       **THE MICHIGAN FILM OFFICE AND THE FUND SHALL NOT PROVIDE FUNDING**  
8       **UNDER A NEW AGREEMENT, OR INCREASE FUNDING THROUGH AN AMENDMENT TO**

1 AN EXISTING AGREEMENT, FOR DIRECT PRODUCTION EXPENDITURES, MICHIGAN  
2 PERSONNEL EXPENDITURES, CREW PERSONNEL EXPENDITURES, OR QUALIFIED  
3 PERSONNEL EXPENDITURES UNDER THIS SECTION.

4 (2) If the office receives applications that would exceed what  
5 the office can award in any year, the office may prioritize that  
6 application for funding in the subsequent year.

7 (3) The film and digital media production assistance program  
8 shall provide for all of the following:

9 (a) Funding shall be provided only to reimburse direct  
10 production expenditures or qualified personnel expenditures.

11 (b) To be eligible to apply for funding, the eligible  
12 production company shall have direct production expenditures or  
13 qualified personnel expenditures, or a combination of direct  
14 production expenditures and qualified personnel expenditures, of  
15 \$100,000.00 or more.

16 (c) To be eligible to apply for funding, the eligible  
17 production company shall not be delinquent in a tax or other  
18 obligation owed to this state or be owned or under common control  
19 of an entity that is delinquent in a tax or other obligation owed  
20 to this state.

21 (d) ~~For~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, FOR**  
22 state certified qualified production expenditures on or before  
23 December 1, 2014, funding as provided in the agreement if that  
24 agreement was entered into on or before December 1, 2014. ~~For~~  
25 **EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, FOR** state certified  
26 qualified production expenditures after December 1, 2014 **THROUGH**  
27 **SEPTEMBER 30, 2016**, an agreement under this section shall provide

1 for funding equal to the sum of the following:

2 (i) 25% of direct production expenditures and qualified  
3 personnel expenditures.

4 (ii) In addition to the expenditures described in subparagraph  
5 (i), 3% of direct production expenditures and qualified personnel  
6 expenditures at a qualified facility or 10% of direct production  
7 expenditures and qualified personnel expenditures at a  
8 postproduction facility for a qualified production produced at the  
9 facility.

10 (e) A television show may submit an application for 1 or more  
11 successive seasons, notwithstanding the fact that the successive  
12 seasons have not been ordered. The successive season's direct  
13 production expenditures and qualified personnel expenditures shall  
14 be based on the current season's estimated expenditures. Upon the  
15 completion of production of each season, a television show may  
16 submit an application for successive additional seasons. If a  
17 television show received funding under this section and completed  
18 the production of that television show season, the television show  
19 shall receive a preference for funding the immediately succeeding  
20 season for that television show.

21 (f) As a separate and distinct part of the film and digital  
22 media production assistance program, the office may create a  
23 program to directly support and promote qualified facilities and  
24 other infrastructure throughout this state.

25 (g) That not less than 10% of the funding awarded under this  
26 section is awarded for qualified productions that are motion  
27 pictures, documentaries, or television series with a budget of less

1 than \$15,000,000.00.

2 (H) FOR AGREEMENTS ENTERED INTO AFTER THE EFFECTIVE DATE OF  
3 THE AMENDATORY ACT THAT ADDED THIS SUBDIVISION, THE AGREEMENT SHALL  
4 PROVIDE THAT ONLY THE DIRECT PRODUCTION EXPENDITURES, THE QUALIFIED  
5 PERSONNEL EXPENDITURES AND THE COMBINATION OF DIRECT PRODUCTION  
6 EXPENDITURES AND QUALIFIED PERSONNEL EXPENDITURES INCURRED ON OR  
7 BEFORE SEPTEMBER 30, 2016 ARE ELIGIBLE FOR FUNDING.

8 (4) An eligible production company intending to produce a  
9 qualified production in this state may submit an application for  
10 funding under this section to the Michigan film office. The request  
11 shall be submitted in a form prescribed by the office and shall be  
12 accompanied by an application fee equal to 0.2% of the funding  
13 requested but not less than \$200.00 and not more than \$5,000.00 and  
14 all of the information and records requested by the office. An  
15 application fee received by the office under this subsection shall  
16 be deposited in the Michigan film promotion fund. The office shall  
17 not process the application until it is complete. If an eligible  
18 production company is producing a qualified production at a  
19 qualified facility, a copy of the agreement between the eligible  
20 production company and the qualified facility shall be provided to  
21 the office before the office enters into an agreement to award  
22 funding under this section. The office shall process each  
23 application within 21 days after the application is complete as  
24 determined by the office. As part of the application, the company  
25 shall estimate direct production expenditures and qualified  
26 personnel expenditures for an identified qualified production. If  
27 the office determines to award funding under this section to an

1 eligible production company, the office with the concurrence of the  
2 fund president or his or her designee shall enter into an agreement  
3 under this section. The agreement shall include, but is not limited  
4 to, all of the following:

5 (a) A requirement that the eligible production company  
6 commence work in this state on the identified qualified production  
7 within 90 days of the date of the agreement or else the agreement  
8 shall expire. However, upon request submitted by the company based  
9 on good cause, the office may extend the period for commencement of  
10 work in this state for up to an additional 90 days.

11 (b) A statement identifying the company and the qualified  
12 production that the company intends to produce in whole or in part  
13 in this state.

14 (c) A unique number assigned to the qualified production by  
15 the office.

16 (d) A requirement that the qualified production not depict  
17 obscene matter or an obscene performance.

18 (e) If the qualified production is a long-form narrative film  
19 production, a requirement that the qualified production include  
20 within its presentation worldwide for the life of the qualified  
21 production an acknowledgment as provided by the office that  
22 promotes the ~~pure~~**PURE** Michigan tourism campaign or any successor  
23 campaign. If the qualified production is a television show, a  
24 requirement that the qualified production include within each  
25 broadcast of 30 minutes or longer an acknowledgment as provided by  
26 the office that promotes the ~~pure~~**PURE** Michigan tourism campaign or  
27 any successor campaign. If the qualified production is a music

1 video, a requirement that the music video include an acknowledgment  
2 as provided by the office that promotes the ~~pure~~**PURE** Michigan  
3 tourism campaign or any successor campaign. If the qualified  
4 production is an interactive game, a requirement that the qualified  
5 production include with each unit distributed and online promotions  
6 an acknowledgment as provided by the office that promotes the ~~pure~~  
7 **PURE** Michigan tourism campaign or any successor campaign. If the  
8 qualified production is a long-form narrative film production, the  
9 office also may require that, if the qualified production is  
10 distributed by digital video disc or other digital media for the  
11 secondary market, the qualified production include a video between  
12 30 and 60 seconds long in a form approved by the office that  
13 promotes the ~~pure~~**PURE** Michigan tourism campaign or any successor  
14 campaign.

15 (f) A requirement that the company provide the office with the  
16 information and independent certification the office deems  
17 necessary to verify direct production expenditures and qualified  
18 personnel expenditures, and eligibility for funding under this  
19 section, which may include a report of direct production  
20 expenditures and qualified personnel expenditures for the qualified  
21 production audited and certified by an independent certified public  
22 accountant.

23 (g) If determined to be necessary by the office, a provision  
24 for addressing expenditures in excess of those identified in the  
25 agreement.

26 (h) A requirement that residual payments to above the line  
27 personnel, personal service corporations, loan out companies,

1 professional employer organizations, limited liability companies,  
2 corporations, or other entities for a qualified production are  
3 subject to taxation in this state under the income tax act of 1967,  
4 1967 PA 281, MCL 206.1 to 206.713. With respect to residual  
5 payments not otherwise subject to withholding under section 703 of  
6 the income tax act of 1967, 1967 PA 281, MCL 206.703, the eligible  
7 production company, affiliate entity, or its successor company  
8 shall elect to either, for a period of not less than 12 years  
9 following theatrical release of the qualified production, withhold  
10 taxes from those residual payments and pay to this state the amount  
11 provided under section 51 of the income tax act of 1967, 1967 PA  
12 281, MCL 206.51, or require above the line personnel paid directly  
13 or through, except as otherwise provided in this subdivision,  
14 personal services corporations, loan out companies, professional  
15 employer organizations, limited liability companies, corporations,  
16 or other entities for the services of above the line personnel  
17 receiving payments for direct production expenditures or qualified  
18 personnel expenditures under this section to register to do  
19 business under the laws of this state. To the extent that the  
20 production company elects not to withhold, it shall notify the  
21 above the line personnel of their registration obligations in  
22 writing at the time of engagement for their services. Residual  
23 payments shall include deferred, residual, or contingent  
24 compensation, royalties, or profit participation relating to the  
25 qualified production. A personal service corporation, loan out  
26 company, professional employer organization, limited liability  
27 company, corporation, or other entity is exempt from the

1 requirement to be registered to do business under the laws of this  
2 state if it receives less than \$250,000.00 for the above the line  
3 services of an actor during the period that the qualified  
4 production is produced in this state and any related residual  
5 payments are based solely on a collective bargaining agreement. As  
6 used in this subdivision, "loan out company" means a personal  
7 service corporation or other entity contracted with and retained by  
8 the production company to provide individual personnel, including  
9 artists, crew, actors, directors, and producers, for the  
10 performance of services used directly in a production, but not  
11 including entities retained by the production company to provide  
12 tangible property or outside contractor service, including  
13 catering, construction, trailers, equipment, and transportation.

14 (5) In determining whether to award funding under this  
15 section, the Michigan film office shall consider all of the  
16 following:

17 (a) The potential that, in the absence of funding, the  
18 qualified production will be produced in a location other than this  
19 state.

20 (b) The extent to which the qualified production may have the  
21 effect of promoting this state as a tourist destination.

22 (c) The extent to which the qualified production may have the  
23 effect of promoting economic development or job creation in this  
24 state.

25 (d) The extent to which state funding will attract private  
26 investment for the production of qualified productions in this  
27 state.



1 (e) The record of the eligible production company in  
2 completing commitments to engage in a qualified production.

3 (f) The extent to which the qualified production will employ  
4 Michigan residents.

5 (g) Whether the eligible production company will hold a  
6 premiere in this state for the qualified production.

7 (h) Whether the eligible production company will make film  
8 trailers and clips available to the office for the ~~Pure Michigan~~  
9 tourism campaign or any successor campaign to promote the qualified  
10 production and the Pure Michigan tourism campaign or any successor  
11 campaign.

12 (6) If the Michigan film office determines that an eligible  
13 production company has complied with the terms of an agreement  
14 entered into under this section, the office shall award funding as  
15 provided in this section. A person that willfully submits  
16 information under this section that the person knows to be  
17 fraudulent or false shall, in addition to any other penalties  
18 provided by law, be liable for a civil penalty equal to the amount  
19 of funding provided to the person under this section. A penalty  
20 collected under this section shall be deposited in the Michigan  
21 film promotion fund.

22 (7) Information, records, or other data received, prepared,  
23 used, or retained by the Michigan film office under this section  
24 that are submitted by an eligible production company and considered  
25 by the applicant and acknowledged by the office as confidential  
26 shall not be subject to the disclosure requirements of the freedom  
27 of information act, 1976 PA 442, MCL 15.231 to 15.246. Information,

1 records, or other data shall only be considered confidential to the  
2 extent that the information or records describe the commercial and  
3 financial operations or intellectual property of the company, the  
4 information or records have not been publicly disseminated at any  
5 time, and disclosure of the information or records may put the  
6 company at a competitive disadvantage. For purposes of this  
7 subsection, information or records that describe commercial and  
8 financial operations do not include that portion of information or  
9 records that include any expenses that qualify under this section  
10 as direct production expenditures or qualified personnel  
11 expenditures.

12 (8) The office shall produce a performance dashboard for the  
13 assistance authorized by this section. The performance dashboard  
14 shall be made available by the office on the fund's website and  
15 shall be updated at least annually. The performance dashboard shall  
16 include the following measures:

17 (a) Direct and indirect economic impacts in this state of the  
18 assistance authorized by this section.

19 (b) Direct and indirect job creation attributable to the  
20 assistance authorized by this section.

21 (c) Direct and indirect private investment in this state  
22 attributable to the assistance authorized by this section.

23 (d) Any other measures considered relevant by the office or  
24 the Michigan film advisory council.

25 (e) The name of each eligible production company and the  
26 amount of each incentive ~~dispersed~~ **DISBURSED** for each state  
27 certified qualified production.

1 (9) Funding under this section for above the line personnel  
2 shall not exceed 30% of total funding under this section for each  
3 qualified production.

4 (10) To be eligible for funding under this section, except as  
5 otherwise provided in subsection (11), Michigan residents shall be  
6 hired to work on qualified productions ~~as follows:~~

7 ~~—— (a) Through **THROUGH** September 30, 2017, 2016, at a ratio of~~  
8 ~~not less than 1 Michigan resident for every nonresident hired.~~

9 ~~—— (b) Beginning October 1, 2017 through September 30, 2020, at a~~  
10 ~~ratio of not less than 1.5 Michigan residents for every nonresident~~  
11 ~~hired.~~

12 ~~—— (c) Beginning October 1, 2020 through September 30, 2022, at a~~  
13 ~~ratio of not less than 2 Michigan residents for every nonresident~~  
14 ~~hired.~~

15 ~~—— (d) Beginning October 1, 2022, at a ratio of not less than 3~~  
16 ~~Michigan residents for every nonresident hired.~~

17 (11) A producer may apply to the Michigan economic development  
18 corporation for a waiver of the Michigan resident hiring  
19 requirements described in subsection (10), based on the  
20 unavailability of qualified Michigan residents. The Michigan  
21 economic development corporation may waive the Michigan resident  
22 hiring requirement described in subsection (10) if the Michigan  
23 economic development corporation determines that there is an  
24 insufficient number of qualified Michigan residents for the  
25 qualified production.

26 (12) The legislature finds and declares that funding  
27 authorized under this section to encourage diversification of the

1 economy, to encourage film production, to encourage investment, and  
2 to encourage the creation of jobs in this state is a public purpose  
3 and of paramount concern in the interest of the health, safety, and  
4 general welfare of the citizens of this state. It is the intent of  
5 the legislature that the economic benefits, film production,  
6 investment, and the creation of jobs resulting from this section  
7 shall accrue substantially within this state.

8 (13) The fund board may authorize the use of money  
9 appropriated for the program authorized by this section for  
10 administration of the program. However, the fund board shall not  
11 use more than 4% of the annual appropriation for administering the  
12 program authorized under this section.

13 (14) At the end of each fiscal year, the commissioner shall  
14 certify the total amount of unclaimed certificates of completion,  
15 agreements where work has not commenced as required in subsection  
16 (4), and agreements for qualified productions the commissioner  
17 reasonably believes will not be completed. Funding allocated for  
18 qualified productions described in the preceding sentence may be  
19 reallocated.

20 ~~(15) The Michigan film office shall not award funding 7 years~~  
21 ~~after the effective date of the amendatory act that added this~~  
22 ~~subsection.~~ **NOTWITHSTANDING ANY OTHER PROVISION IN SECTION 29D,**  
23 **AFTER SEPTEMBER 30, 2016 AFTER ALL PAYMENTS AND OBLIGATIONS UNDER**  
24 **THIS SECTION HAVE BEEN SATISFIED, THE MONEY REMAINING IN THE**  
25 **MICHIGAN FILM PROMOTION FUND SHALL REVERT BACK TO THE GENERAL FUND**  
26 **OF THIS STATE.**

27 (16) As used in this section:

1           (a) "Above the line personnel" means a producer, director,  
2 writer, actor, other than extras and stunt performers, or other  
3 similar personnel whose compensation is negotiated prior to the  
4 start of the production.

5           (b) "Below the line crew" means persons employed by an  
6 eligible production company for state certified qualified  
7 production expenditures made after production begins and before  
8 production is completed, including, but not limited to, a best boy,  
9 boom operator, camera loader, camera operator, assistant camera  
10 operator, compositor, cook, driver, dialogue editor, film editor,  
11 assistant film editor, focus puller, Foley operator, Foley editor,  
12 gaffer, grip, key grip, lighting crew, lighting board operator,  
13 lighting technician, music editor, sound editor, sound effects  
14 editor, sound mixer, steadicam operator, first assistant camera  
15 operator, second assistant camera operator, digital imaging  
16 technician, camera operator working with a director of photography,  
17 electric best boy, grip best boy, dolly grip, rigging grip,  
18 assistant key for makeup, assistant key for hair, assistant script  
19 supervisor, set construction foreperson, lead set dresser,  
20 assistant key for wardrobe, scenic foreperson, assistant  
21 propmaster, assistant audio mixer, assistant boom person, assistant  
22 key for special effects, stunt performer, and other similar  
23 personnel. Below the line crew does not include a producer,  
24 director, writer, actor, or other similar personnel.

25           (c) "Direct production expenditure" means a development,  
26 preproduction, production, or postproduction expenditure made in  
27 this state directly attributable to the production or development

1 of a qualified production that is a transaction subject to taxation  
2 in this state. Direct production expenditure does not include out-  
3 of-state production costs that are made in this state even if the  
4 costs are passed through a third-party company in this state or  
5 payments made by an eligible production company to its parent  
6 company, affiliate, subsidiary, or joint venture partner except  
7 where the payments are for transactions entered into pursuant to  
8 arm's-length negotiations and which reflect a commercially  
9 reasonable price for the goods and services purchased. A direct  
10 production expenditure must have true economic substance within the  
11 state. Direct production expenditure does not include a prize  
12 payable to participants in a game show; an expenditure for  
13 entertainment, amusement, or recreation; or an expenditure of more  
14 than \$2,500.00 for the purchase of artwork or jewelry used in a  
15 production. Direct production expenditure does not include a  
16 qualified personnel expenditure. Direct production expenditure  
17 includes payments to vendors doing business in this state to  
18 purchase or use tangible personal property in producing the  
19 qualified production or to purchase services relating to the  
20 production or development of the qualified production, including  
21 all of the following:

22 (i) Production work, production equipment, production  
23 software, development work, postproduction work, postproduction  
24 equipment, postproduction software, set design, set construction,  
25 set operations, props, lighting, wardrobe, makeup, makeup  
26 accessories, photography, sound synchronization, special effects,  
27 visual effects, audio effects, digital effects, film processing,

1 music, sound mixing, editing, interactive game development and  
2 programming, and related services and materials.

3 (ii) Use of facilities or equipment, use of soundstages or  
4 studios, location fees, and related services and materials.

5 (iii) Catering, food, lodging, and related services and  
6 materials.

7 (iv) Use of vehicles, which may include chartered aircraft  
8 based in this state used for transportation in this state directly  
9 attributable to production of a qualified production, but may not  
10 include the chartering of aircraft for transportation outside of  
11 this state.

12 (v) Commercial airfare if purchased through a travel agency or  
13 travel company based in this state for travel to this state or  
14 within this state directly attributable to production or  
15 development of a qualified production.

16 (vi) Insurance coverage or bonding if purchased from an  
17 insurance agent based in this state.

18 (vii) Interest on a loan, if the entity from which the  
19 financing is obtained is a public, private, or institutional entity  
20 with the requisite level of physical presence in this state that is  
21 not related to or affiliated with the eligible production company  
22 or any above the line personnel or cast members, and whose  
23 principal business activity is the lending of money to individuals  
24 and businesses. In addition, the financing shall be a good faith  
25 loan, payable by the eligible production company, evidenced by an  
26 enforceable promissory note or other debt instrument with clear  
27 repayment obligations and bearing a market-related rate of

1 interest.

2 (viii) Other expenditures for production of a qualified  
3 production in accordance with generally accepted entertainment  
4 industry practices.

5 (d) "Eligible production company" or "company" means an entity  
6 in the business of producing qualified productions or for  
7 interactive games in the business of developing interactive games,  
8 but does not include an entity that is more than 30% owned,  
9 affiliated, or controlled by an entity or individual who is in  
10 default on a loan made by this state, a loan guaranteed by this  
11 state, or a loan made or guaranteed by any other state. For an  
12 interactive game, an eligible production company need not possess  
13 ownership of or legal control over all of the intellectual property  
14 rights or other rights necessary to complete the qualified  
15 production in its entirety nor be the same entity that distributes  
16 or publishes the interactive game.

17 (e) "Made in this state" means all of the following:

18 (i) Tangible personal property and services acquired by the  
19 eligible production company from a source within this state. If an  
20 item of tangible personal property is not available from a source  
21 within this state and a vendor with the requisite physical presence  
22 in this state that regularly sells or leases property of that kind  
23 obtains the property from an out-of-state vendor and sells or  
24 leases it to an eligible production company, that expenditure is  
25 considered made in this state and is a direct production  
26 expenditure and not an out-of-state production cost.

27 (ii) Services wholly performed within this state.



1 (f) "Obscene matter or an obscene performance" means matter  
2 described in 1984 PA 343, MCL 752.361 to 752.374.

3 (g) "Postproduction expenditure" means a direct expenditure  
4 for editing, Foley recording, automatic dialogue replacement, sound  
5 editing, special or visual effects including computer-generated  
6 imagery or other effects, scoring and music editing, beginning and  
7 end credits, negative cutting, soundtrack production, dubbing,  
8 subtitling, or addition of sound or visual effects. Postproduction  
9 expenditure includes direct expenditures for advertising,  
10 marketing, or related expenses.

11 (h) "Postproduction facility" means a permanent facility  
12 within this state equipped for the postproduction of motion  
13 pictures, television shows, or digital media production that meets  
14 all of the following requirements:

15 (i) Includes at least 3,000 square feet of contiguous space.

16 (ii) Includes at least 8 work stations.

17 (iii) Has been a qualified film and digital media  
18 infrastructure project from which an investment expenditure  
19 certificate was issued under section 457 of the Michigan business  
20 tax act, 2007 PA 36, MCL 208.1457, or has been the location of a  
21 state certified qualified production for which a postproduction  
22 certificate of completion was issued under section 455 of the  
23 Michigan business tax act, 2007 PA 36, MCL 208.1455, or both.

24 (i) "Producer" means an individual without regard to his or  
25 her actual title or screen credit involved in or responsible for  
26 any of the following:

27 (i) Funding for financing in whole or in part, or arranging

1 for the funding, or financing, of the qualified production.

2 (ii) Obtaining the creative rights to or the intellectual  
3 property for development or production of the qualified production.

4 (iii) Hiring above the line personnel.

5 (iv) Supervising the overall production of the qualified  
6 production.

7 (v) Arranging for the exhibition of the qualified production.

8 (j) "Qualified facility" means a permanent facility within  
9 this state equipped for the production of motion pictures,  
10 television shows, or digital media production that meets all of the  
11 following requirements:

12 (i) Includes more than 1 soundstage.

13 (ii) Includes not less than 3,000 square feet of contiguous,  
14 column-free space for production activities with a height of at  
15 least 12 feet.

16 (iii) Includes any grid and sufficient built-in electric  
17 service for shooting without the need of portable electric  
18 generators.

19 (iv) Has been a qualified film and digital media  
20 infrastructure project for which an investment expenditure  
21 certificate was issued under section 457 of the Michigan business  
22 tax act, 2007 PA 36, MCL 208.1457, or has been the location of a  
23 state certified qualified production for which a postproduction  
24 certificate of completion was issued under section 455 of the  
25 Michigan business tax act, 2007 PA 36, MCL 208.1455, or both.

26 (k) "Qualified personnel expenditure" means an expenditure  
27 made in this state directly attributable to the production or

1 development of a qualified production that is a transaction subject  
2 to taxation in this state and is a payment or compensation for  
3 personnel, talent, management, or labor, including both of the  
4 following:

5 (i) Payment of wages, benefits, or fees for talent,  
6 management, or labor.

7 (ii) Payment to a personal services corporation or  
8 professional employer organization for the services of a performing  
9 artist or crew member if the personal services corporation or  
10 professional employer organization is subject to taxation in this  
11 state on the portion of the payment qualifying for funding under  
12 this section and the payments received by the performing artist or  
13 crew member that are subject to taxation under the income tax act  
14 of 1967, 1967 PA 281, MCL 206.1 to 206.713, and are withheld and  
15 paid to this state in the amount provided under section 703 of the  
16 income tax act of 1967, 1967 PA 281, MCL 206.703.

17 (l) "State certified qualified production" or "qualified  
18 production" means single media or multimedia entertainment content  
19 created in whole or in part in this state for distribution or  
20 exhibition to the general public in 2 or more states by any means  
21 and media in any digital media format, film, or video tape,  
22 including, but not limited to, a motion picture, a documentary, a  
23 television series, a television miniseries, a television special,  
24 interstitial television programming, long-form television,  
25 interactive television, music videos, interactive games such as  
26 video games or wireless games, including console, computer, mobile,  
27 and online games, internet programming, an internet video, a sound

1 recording, a video, digital animation, or an interactive website.

2 Qualified production also includes any trailer, pilot, video  
3 teaser, or demo created primarily to stimulate the sale, marketing,  
4 promotion, or exploitation of future investment in a production.

5 Qualified production does not include any of the following:

6 (i) A production for which records are required to be  
7 maintained with respect to any performer in the production under 18  
8 USC 2257.

9 (ii) A production that includes obscene matter or an obscene  
10 performance.

11 (iii) A production that primarily consists of televised news  
12 or current events.

13 (iv) A production that primarily consists of a live sporting  
14 event.

15 (v) A production that primarily consists of political  
16 advertising.

17 (vi) A radio program.

18 (vii) A weather show.

19 (viii) A financial market report.

20 (ix) An awards show or other gala event production.

21 (x) A production with the primary purpose of fund-raising.

22 (xi) A production that primarily is for employee training or  
23 in-house corporate advertising or other similar production.

24 (xii) A commercial.

25 Enacting section 1. Chapter 2a of the Michigan strategic fund  
26 act, 1984 PA 270, MCL 125.2029 to 125.2029h, is repealed effective  
27 October 1, 2017.