

110TH CONGRESS
2D SESSION

S. 3330

To amend the Internal Revenue Code of 1986 to modify the deduction for domestic production activities for film and television productions, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 24 (legislative day, JULY 23), 2008

Mrs. FEINSTEIN (for herself and Mr. SMITH) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to modify the deduction for domestic production activities for film and television productions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Domestic Film Produc-
5 tion Equity Act of 2008”.

6 **SEC. 2. PROVISIONS RELATED TO FILM AND TELEVISION**
7 **PRODUCTIONS.**

8 (a) **MODIFICATIONS TO DEDUCTION FOR DOMESTIC**
9 **ACTIVITIES.—**

1 (1) DETERMINATION OF W-2 WAGES.—Para-
2 graph (2) of section 199(b) of the Internal Revenue
3 Code of 1986 (relating to W-2 wages) is amended
4 by adding at the end the following new subpara-
5 graph:

6 “(D) SPECIAL RULE FOR QUALIFIED
7 FILM.—In the case of a qualified film, such
8 term shall include compensation for services
9 performed in the United States by actors, pro-
10 duction personnel, directors, and producers.”.

11 (2) DEFINITION OF QUALIFIED FILM.—Para-
12 graph (6) of section 199(c) of such Code (relating
13 to qualified film) is amended by adding at the end
14 the following: “A qualified film shall include any
15 copyrights, trademarks, or other intangibles with re-
16 spect to such film. The methods and means of dis-
17 tributing a qualified film shall not affect the avail-
18 ability of the deduction under this section.”.

19 (3) PARTNERSHIPS.—Subparagraph (A) of sec-
20 tion 199(d)(1) of such Code (relating to partner-
21 ships and S corporations) is amended by striking
22 “and” at the end of clause (ii), by striking the pe-
23 riod at the end of clause (iii) and inserting “, and”,
24 and by adding at the end the following new clause:

1 “(iv) in the case of each partner of a
2 partnership, or shareholder of an S cor-
3 poration, who owns (directly or indirectly)
4 at least 20 percent of the capital interests
5 in such partnership or of the stock of such
6 S corporation—

7 “(I) such partner or shareholder
8 shall be treated as having engaged di-
9 rectly in any film produced by such
10 partnership or S corporation, and

11 “(II) such partnership or S cor-
12 poration shall be treated as having en-
13 gaged directly in any film produced by
14 such partner or shareholder.”.

15 (b) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to taxable years beginning after
17 December 31, 2007.

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