

[Third Reprint]

**SENATE, No. 122**

**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

**Sponsored by:**

**Senator LORETTA WEINBERG**

**District 37 (Bergen)**

**Senator PAUL A. SARLO**

**District 36 (Bergen and Passaic)**

**Assemblyman GORDON M. JOHNSON**

**District 37 (Bergen)**

**Assemblyman PAUL D. MORIARTY**

**District 4 (Camden and Gloucester)**

**Assemblyman LOUIS D. GREENWALD**

**District 6 (Burlington and Camden)**

**Co-Sponsored by:**

**Senators Brown, Addiego, Gopal, Ruiz, Gill, Greenstein, Gordon, Turner,  
Assemblymen Calabrese, Giblin, Assemblywomen Vainieri Huttle,  
Murphy, Assemblymen Andrzejczak, Land, Chiaravalloti, Houghtaling,  
Senator Lagana and Assemblywoman Quijano**

**SYNOPSIS**

Provides corporation business tax and gross income tax credit for certain expenses incurred for production of certain films and digital media content; designated as Garden State Film and Digital Media Jobs Act.

**CURRENT VERSION OF TEXT**

As amended on June 7, 2018 by the Senate pursuant to the Governor's recommendations.

(Sponsorship Updated As Of: 6/26/2018)

1 AN ACT providing a credit against the corporation business tax and  
2 the gross income tax for certain expenses incurred for the  
3 production of certain films and digital media content and  
4 designated as the Garden State Film and Digital Media Jobs Act,  
5 supplementing P.L.1945, c.162 (C.54:10A-1 et seq.) and Title  
6 54A of the New Jersey Statutes <sup>1</sup>and repealing various parts of  
7 the statutory law<sup>1</sup>.

8  
9 **BE IT ENACTED** by the Senate and General Assembly of the State  
10 of New Jersey:

11  
12 1. a. (1) A taxpayer, upon approval of an application to the  
13 authority and the director, shall be allowed a credit against the tax  
14 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) in  
15 an amount equal to 30 percent of the qualified film production  
16 expenses of the taxpayer during a privilege period commencing on  
17 or after July 1, 2018 but before July 1, 2023, provided that:

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

24 (b) principal photography of the film commences within the  
25 earlier of 180 days from the date of the original application for the  
26 tax credit, or 150 days from the date of approval of the application  
27 for the tax credit;

28 (c) the film includes, when determined to be appropriate by the  
29 commission, at no cost to the State, marketing materials promoting  
30 this State as a film and entertainment production destination, which  
31 materials shall include placement of a “Filmed in New Jersey” or  
32 “Produced in New Jersey” statement <sup>1</sup>, or an approved logo  
33 approved by the Commission,<sup>1</sup> in the end credits of the film;

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

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

40 (2) Notwithstanding the provisions of paragraph (1) of this  
41 subsection a. to the contrary, the tax credit allowed pursuant to this

**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.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup>Senate SBA committee amendments adopted March 13, 2018.

<sup>2</sup>Assembly AAP committee amendments adopted April 5, 2018.

<sup>3</sup>Senate amendments adopted in accordance with Governor's recommendations June 7, 2018.

1 subsection against the tax imposed pursuant to section 5 of  
2 P.L.1945, c.162 (C.54:10A-5) shall be in an amount equal to <sup>1</sup>40  
3 percent for the qualified film production expenses of the taxpayer  
4 during a privilege period that represent expenses of the taxpayer  
5 incurred in an eligible municipality for the production of a film,  
6 including post-production costs of the taxpayer incurred in an  
7 eligible municipality] 35 percent of the qualified film production  
8 expenses of the taxpayer during a privilege period that are incurred  
9 for services performed and tangible personal property purchased  
10 through vendors whose primary place of business is located in  
11 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,  
12 Mercer or Salem County<sup>1</sup>.

13 b. (1) A taxpayer, upon approval of an application to the  
14 authority and the director, shall be allowed a credit against the tax  
15 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) in  
16 an amount equal to 20 percent of the qualified digital media content  
17 production expenses of the taxpayer during a privilege period  
18 commencing on or after July 1, 2018 but before July 1, 2023,  
19 provided that:

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

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

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

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

33 (2) Notwithstanding the provisions of paragraph (1) of this  
34 subsection b. to the contrary, the tax credit allowed pursuant to this  
35 subsection against the tax imposed pursuant to section 5 of  
36 P.L.1945, c.162 (C.54:10A-5) shall be in an amount equal to <sup>1</sup>40  
37 percent for the qualified digital media content production expenses  
38 of the taxpayer during a privilege period that represent expenses of  
39 the taxpayer incurred in an eligible municipality for the production  
40 of digital media content] 25 percent of the qualified digital media  
41 content production expenses of the taxpayer during a privilege  
42 period that are incurred for services performed and tangible  
43 personal property purchased through vendors whose primary place  
44 of business is located in Atlantic, Burlington, Camden, Cape May,  
45 Cumberland, Gloucester, Mercer, or Salem County<sup>1</sup>.

46 c. No tax credit shall be allowed pursuant to this section for  
47 any costs or expenses included in the calculation of any other tax

1 credit or exemption granted pursuant to a claim made on a tax  
2 return filed with the director, or included in the calculation of an  
3 award of business assistance or incentive, for a period of time that  
4 coincides with the privilege period for which a tax credit authorized  
5 pursuant to this section is allowed. The order of priority <sup>1</sup>of the  
6 application of in which<sup>1</sup> the tax credit allowed pursuant to this  
7 section and any other tax credits allowed by law <sup>1</sup>may be taken<sup>1</sup>  
8 shall be as prescribed by the director. The amount of the tax credit  
9 applied under this section against the tax imposed pursuant to  
10 section 5 of P.L.1945, c.162 (C.54:10A-5), for a privilege period,  
11 when taken together with any other payments, credits, deductions,  
12 and adjustments allowed by law shall not reduce the tax liability of  
13 the taxpayer to an amount less than the statutory minimum provided  
14 in subsection (e) of section 5 of P.L.1945, c.162 (C.54:10A-5). The  
15 amount of the tax credit otherwise allowable under this section  
16 which cannot be applied for the privilege period due to the  
17 limitations of this subsection or under other provisions of P.L.1945,  
18 c.162 (C.54:10A-1 et seq.) may be carried forward, if necessary, to  
19 the seven privilege periods following the privilege period for which  
20 the tax credit was allowed.

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

1 same limitations and conditions that apply to the use of a credit  
2 pursuant to subsections c. and d. of section 2 of P.L. , c. (C. )  
3 (pending before the Legislature as this bill).

4 e. (1) The value of tax credits, including tax credits allowed  
5 through the granting of tax credit transfer certificates, approved by  
6 the director and the authority pursuant to subsection a. of this  
7 section and pursuant to subsection a. of section 2 of P.L. ,  
8 c. (C. ) (pending before the Legislature as this bill) shall not  
9 exceed a cumulative total of \$75,000,000 in fiscal year 2019 and in  
10 each fiscal year thereafter prior to fiscal year 2024 to apply against  
11 the tax imposed pursuant to section 5 of P.L.1945, c.162  
12 (C.54:10A-5) and the tax imposed pursuant to the "New Jersey  
13 Gross Income Tax Act," N.J.S.54A:1-1 et seq. If the cumulative  
14 total amount of tax credits, and tax credit transfer certificates,  
15 allowed to taxpayers for privilege periods or taxable years  
16 commencing during a single fiscal year under subsection a. of this  
17 section and subsection a. of section 2 of P.L. , c. (C. )  
18 (pending before the Legislature as this bill) exceeds the amount of  
19 tax credits available in that fiscal year, then taxpayers who have  
20 first applied for and have not been allowed a tax credit or tax credit  
21 transfer certificate amount for that reason shall be allowed, in the  
22 order in which they have submitted an application, the amount of  
23 tax credit or tax credit transfer certificate on the first day of the next  
24 succeeding fiscal year in which tax credits and tax credit transfer  
25 certificates under subsection a. of this section and subsection a. of  
26 section 2 of P.L. , c. (C. ) (pending before the Legislature as  
27 this bill) are not in excess of the amount of credits available.

28 (2) The value of tax credits, including tax credits allowed  
29 through the granting of tax credit transfer certificates, approved by  
30 the authority and the director pursuant to subsection b. of this  
31 section and pursuant to subsection b. of section 2 of P.L. ,  
32 c. (C. ) (pending before the Legislature as this bill) shall not  
33 exceed a cumulative total of \$10,000,000 in fiscal year 2019 and in  
34 each fiscal year thereafter prior to fiscal year 2024 to apply against  
35 the tax imposed pursuant to section 5 of P.L.1945, c.162  
36 (C.54:10A-5) and the tax imposed pursuant to the "New Jersey  
37 Gross Income Tax Act," N.J.S.54A:1-1 et seq. If the total amount  
38 of tax credits and tax credit transfer certificates allowed to  
39 taxpayers for privilege periods or taxable years commencing during  
40 a single fiscal year under subsection b. of this section and  
41 subsection b. of section 2 of P.L. , c. (C. ) (pending before  
42 the Legislature as this bill) exceeds the amount of tax credits  
43 available in that year, then taxpayers who have first applied for and  
44 have not been allowed a tax credit or tax credit transfer certificate  
45 amount for that reason shall be allowed, in the order in which they  
46 have submitted an application, the amount of tax credit or tax credit  
47 transfer certificate on the first day of the next succeeding fiscal year  
48 in which tax credits and tax credit transfer certificates under

1 subsection b. of this section and subsection b. of section 2 of  
2 P.L. , c. (C. ) (pending before the Legislature as this bill) are  
3 not in excess of the amount of credits available.

4 f. A taxpayer shall submit to the authority and the director a  
5 report prepared by an independent certified public accountant  
6 licensed in this State to verify the taxpayer's tax credit claim  
7 following the completion of the production. The report shall be  
8 <sup>2</sup>~~based on a compliance audit conducted~~ prepared<sup>2</sup> by the  
9 independent certified public accountant pursuant to <sup>2</sup>~~procedures~~  
10 agreed upon by the taxpayer, the independent certified public  
11 accountant, and the authority and the director] agreed upon  
12 procedures prescribed by the authority and the director<sup>2</sup>; and shall  
13 include such information and documentation as shall be determined  
14 to be necessary by the authority and the director to substantiate the  
15 qualified film production expenses or the qualified digital media  
16 content production expenses of the taxpayer. Upon receipt of the  
17 report, the authority and the director shall review the findings of the  
18 independent certified public accountant's <sup>2</sup>~~compliance audit~~  
19 report<sup>2</sup>, and shall make a determination as to the qualified film  
20 production expenses or the qualified digital media content  
21 production expenses of the taxpayer. The determination shall be  
22 provided in writing to the taxpayer, and a copy of the written  
23 determination shall be included in the filing of a return that includes  
24 a claim for a tax credit allowed pursuant to this section.

25 g. A taxpayer shall withhold from each payment to a loan out  
26 company or to an independent contractor an amount equal to 6.37  
27 percent of the payment otherwise due. The amounts withheld shall  
28 be deemed to be withholding of liability pursuant to the "New  
29 Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., and the  
30 taxpayer shall be deemed to have the rights, duties, and  
31 responsibilities of an employer pursuant to chapter 7 of Title 54A of  
32 the New Jersey Statutes. The director shall allocate the amounts  
33 withheld for a taxable year to the accounts of the individuals who  
34 are employees of a loan out company in proportion to the  
35 employee's payment by the loan out company in connection with a  
36 trade, profession, or occupation carried on in this State or for the  
37 rendition of personal services performed in this State during the  
38 taxable year. A loan out company that reports its payments to  
39 employees in connection with a trade, profession, or occupation  
40 carried on in this State or for the rendition of personal services  
41 performed in this State during a taxable year shall be relieved of its  
42 duties and responsibilities as an employer pursuant to chapter 7 of  
43 Title 54A of the New Jersey Statutes for the taxable year for any  
44 payments relating to the payments on which the taxpayer withheld.

45 h. As used in this section:

46 "Authority" means the New Jersey Economic Development  
47 Authority.

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

4 “Commission” means the Motion Picture and Television  
5 Development Commission.

6 “Digital media content” means any data or information that is  
7 produced in digital form, including data or information created in  
8 analog form but reformatted in digital form, text, graphics,  
9 photographs, animation, sound <sup>1,1</sup> and video content. “Digital media  
10 content” does not mean content offerings generated by the end user  
11 (including postings on electronic bulletin boards and chat rooms);  
12 content offerings comprised primarily of local news, events,  
13 weather <sup>1,1</sup> or local market reports; public service content;  
14 electronic commerce platforms (such as retail and wholesale  
15 websites); websites or content offerings that contain obscene  
16 material as defined pursuant to N.J.S.2C:34-2 and N.J.S.2C:34-3;  
17 websites or content that are produced or maintained primarily for  
18 private, industrial, corporate <sup>1,1</sup> or institutional purposes; or digital  
19 media content acquired or licensed by the taxpayer for distribution  
20 or incorporation into the taxpayer's digital media content.

21 <sup>1</sup>【“Eligible municipality” means a municipality in this State that  
22 has experienced the closure of at least two casino hotel facilities  
23 that had been licensed and operated, within the boundaries of the  
24 municipality, in accordance with the laws of this State.】<sup>1</sup>

25 “Film” means a feature film, a television series <sup>1,1</sup> or a television  
26 show of 22 minutes or more in length, intended for a national  
27 audience, or a television series or a television show of 22 minutes  
28 or more in length intended for a national or regional audience,  
29 including, but not limited to, a game show, award show, 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 <sup>1,1</sup> and market  
33 reports or public programming, talk show, <sup>3</sup>or<sup>3</sup> sports event, <sup>3</sup>【or  
34 reality show,】<sup>3</sup> a production that solicits funds, a production  
35 containing obscene material as defined under N.J.S.2C:34-2 and  
36 N.J.S.2C:34-3, or a production primarily for private, industrial,  
37 corporate <sup>1,1</sup> or institutional purposes <sup>3</sup>, or a reality show, except if  
38 the production company of the reality show owns, leases, or  
39 otherwise occupies a production facility of no less than 20,000  
40 square feet of real property for a minimum term of twenty-four (24)  
41 months, and invests no less than \$3,000,000 in such a facility within  
42 a designated enterprise zone established pursuant to the “New  
43 Jersey Urban Enterprise Zones Act,” P.L.1983, c.303 (C.52:27H-60  
44 et al.), or a UEZ-impacted business district established pursuant to  
45 section 3 of P.L.2001, c.347 (C.52:27H-66.2)<sup>3</sup>. “Film” shall not  
46 include <sup>1</sup>【a game show,】 an<sup>1</sup> award show <sup>1</sup>【,】<sup>1</sup> or other gala event

1 that is not filmed and produced at a nonprofit arts and cultural  
2 venue receiving State funding.

3 “Full-time or full-time equivalent employee” means an  
4 individual employed by the taxpayer for consideration for at least  
5 35 hours a week, or who renders any other standard of service  
6 generally accepted by custom or practice as full-time or full-time  
7 equivalent employment, whose wages are subject to withholding as  
8 provided in the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1  
9 et seq., or who is a partner of a taxpayer, who works for the  
10 partnership for at least 35 hours a week, or who renders any other  
11 standard of service generally accepted by custom or practice as full-  
12 time or full-time equivalent employment, and whose distributive  
13 share of income, gain, loss, or deduction, or whose guaranteed  
14 payments, or any combination thereof, is subject to the payment of  
15 estimated taxes, as provided in the “New Jersey Gross Income Tax  
16 Act,” N.J.S.54A:1-1 et seq. “Full-time or full-time equivalent  
17 employee” shall not include an individual who works as an  
18 independent contractor or on a consulting basis for the taxpayer.

19 “Highly compensated individual” means an individual who  
20 directly or indirectly receives compensation in excess of  
21 ~~1~~ **[\$1,500,000]** \$500,000<sup>1</sup> for the performance of services used  
22 directly in a production. An individual receives compensation  
23 indirectly when the taxpayer pays a loan out company that, in turn,  
24 pays the individual for the performance of services.

25 “Independent contractor” means an individual treated as an  
26 independent contractor for federal and State tax purposes who is  
27 contracted with by the taxpayer for the performance of services  
28 used directly in a production.

29 “Loan out company” means a personal service corporation or  
30 other entity that is contracted with by the taxpayer to provide  
31 specified individual personnel, such as artists, crew, actors,  
32 producers, or directors for the performance of services used directly  
33 in a production. “Loan out company” does not include entities  
34 contracted with by the taxpayer to provide goods or ancillary  
35 contractor services such as catering, construction, trailers,  
36 equipment, or transportation.

37 “Partnership” means an entity classified as a partnership for  
38 federal income tax purposes.

39 “Post-production costs” means the costs of the phase of  
40 production of a film that follows principal photography, in which  
41 raw footage is cut and assembled into a finished film with sound  
42 synchronization and visual effects.

43 “Pre-production costs” means the costs of the phase of  
44 production of a film that precedes principal photography, in which a  
45 detailed schedule and budget for the production is prepared, the  
46 script and location is finalized, and contracts with vendors are  
47 negotiated.

1 "Qualified digital media content production expenses" means an  
2 expense incurred in New Jersey for the production of digital media  
3 content. "Qualified digital media content production expenses"  
4 shall include but shall not be limited to <sup>1</sup> wages and salaries of  
5 individuals employed in the production of digital media content on  
6 which the tax imposed by the "New Jersey Gross Income Tax Act,"  
7 N.J.S.54A:1-1 et seq. has been paid or is due; and the costs of  
8 computer software and hardware, data processing, visualization  
9 technologies, sound synchronization, editing, and the rental of  
10 facilities and equipment. Payment made to a loan out company or  
11 to an independent contractor shall not be a "qualified digital media  
12 content production expense" unless the payment is made in  
13 connection with a trade, profession, or occupation carried on in this  
14 State or for the rendition of personal services performed in this  
15 State and the taxpayer has made the withholding required by  
16 subsection g. of this section. "Qualified digital media content  
17 production expenses" shall not include expenses incurred in  
18 marketing, promotion, or advertising digital media or other costs  
19 not directly related to the production of digital media content.  
20 Costs related to the acquisition or licensing of digital media content  
21 by the taxpayer for distribution or incorporation into the taxpayer's  
22 digital media content shall not be "qualified digital media content  
23 production expenses."

24 "Qualified film production expenses" means an expense incurred  
25 in New Jersey for the production of a film including pre-production  
26 costs and post-production costs incurred in New Jersey. "Qualified  
27 film production expenses" shall include but shall not be limited to:  
28 wages and salaries of individuals employed in the production of a  
29 film on which the tax imposed by the "New Jersey Gross Income  
30 Tax Act," N.J.S.54A:1-1 et seq. has been paid or is due; and the  
31 costs for tangible personal property used, and services performed,  
32 directly and exclusively in the production of a film, such as  
33 expenditures for film production facilities, props, makeup,  
34 wardrobe, film processing, camera, sound recording, set  
35 construction, lighting, shooting, editing, and meals. Payment made  
36 to a loan out company or to an independent contractor shall not be a  
37 "qualified film production expense" unless the payment is made in  
38 connection with a trade, profession, or occupation carried on in this  
39 State or for the rendition of personal services performed in this  
40 State and the taxpayer has made the withholding required by  
41 subsection g. of this section. "Qualified film production expenses"  
42 shall not include: expenses incurred in marketing or advertising a  
43 film; and payment in excess of <sup>1</sup> ~~[\$1,500,000]~~ \$500,000<sup>1</sup> to a highly  
44 compensated individual for costs for a story, script, or scenario used  
45 in the production of a film and wages or salaries or other  
46 compensation for writers, directors, including music directors,  
47 producers, and performers, other than background actors with no  
48 scripted lines.

1 “Total digital media content production expenses” means costs  
2 for services performed and property used or consumed in the  
3 production of digital media content.

4 “Total film production expenses” means costs for services  
5 performed and tangible personal property used or consumed in the  
6 production of a film.

7 <sup>2</sup>i. A business that is not a “taxpayer” as defined and used in the  
8 “Corporation Business Tax Act (1945)” P.L.1945, c.162 (C.54:10A-  
9 1 et seq.) and therefore is not directly allowed a credit under this  
10 section, but is a business entity that is classified as a partnership for  
11 federal income tax purposes and is ultimately owned by a business  
12 entity that is a “corporation” as defined in subsection (c) of section  
13 4 of P.L.1945, c.162 (C.54:10A-4), or a limited liability company  
14 formed under the “Revised Uniform Limited Liability Company  
15 Act,” P.L.2012, c.50 (C.42:2C-1 et seq.), or qualified to do business  
16 in this State as a foreign limited liability company, with one  
17 member, and is wholly owned by the business entity that is a  
18 “corporation” as defined in subsection (c) of section 4 of P.L.1945,  
19 c.162 (C.54:10A-4), but otherwise meets all other requirements of  
20 this section, shall be considered an eligible applicant and “taxpayer”  
21 as that term is used in this section.<sup>2</sup>

22  
23 2. a. (1) A taxpayer, upon approval of an application to the  
24 authority and the director, shall be allowed a credit against the tax  
25 otherwise due for the taxable year under the “New Jersey Gross  
26 Income Tax Act,” N.J.S.54A:1-1 et seq., in an amount equal to 30  
27 percent of the qualified film production expenses of the taxpayer  
28 during a taxable year commencing on or after July 1, 2018 but  
29 before July 1, 2023, provided that:

30 (a) at least 60 percent of the total film production expenses,  
31 exclusive of post-production costs, of the taxpayer are incurred for  
32 services performed, and goods purchased through vendors  
33 authorized to do business, in New Jersey, or the qualified film  
34 production expenses of the taxpayer during the taxable year exceed  
35 \$1,000,000 per production;

36 (b) principal photography of the film commences within the  
37 earlier of 180 days from the date of the original application for the  
38 tax credit, or 150 days from the date of approval of the application  
39 for the tax credit;

40 (c) the film includes, when determined to be appropriate by the  
41 commission, at no cost to the State, marketing materials promoting  
42 this State as a film and entertainment production destination, which  
43 materials shall include placement of a “Filmed in New Jersey” or  
44 “Produced in New Jersey” statement <sup>1</sup>, or an appropriate logo  
45 approved by the Commission,<sup>1</sup> in the end credits of the film;

1 (d) the taxpayer submits a tax credit verification report prepared  
2 by an independent certified public accountant licensed in this State  
3 in accordance with subsection <sup>1</sup>~~['f.] g.~~<sup>1</sup> of this section; and

4 (e) the taxpayer complies with the withholding requirements  
5 provided for payments to loan out companies and independent  
6 contractors in accordance with subsection <sup>1</sup>~~['g.] h.~~<sup>1</sup> of this section.

7 (2) Notwithstanding the provisions of paragraph (1) of this  
8 subsection a. to the contrary, the tax credit allowed pursuant to this  
9 subsection against the tax otherwise due for the taxable year under  
10 the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq.,  
11 shall be in an amount equal to <sup>1</sup>~~40~~<sup>1</sup> percent for the qualified film  
12 production expenses of the taxpayer during a taxable year that  
13 represent expenses of the taxpayer incurred in an eligible  
14 municipality for the production of a film, including post-production  
15 costs of the taxpayer incurred in an eligible municipality ~~35~~  
16 percent of the qualified film production expenses of the taxpayer  
17 during a taxable year that are incurred for services performed and  
18 tangible personal property purchased through vendors whose  
19 primary place of business is located in Atlantic, Burlington,  
20 Camden, Cape May, Cumberland, Gloucester, Mercer, or Salem  
21 County<sup>1</sup>.

22 b. (1) A taxpayer, upon approval of an application to the  
23 authority and the director, shall be allowed a credit against the tax  
24 otherwise due for the taxable year under the “New Jersey Gross  
25 Income Tax Act,” N.J.S.54A:1-1 et seq., in an amount equal to 20  
26 percent of the qualified digital media content production expenses  
27 of the taxpayer during a taxable year commencing on or after July  
28 1, 2018 but before July 1, 2023, provided that:

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

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

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

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

42 (2) Notwithstanding the provisions of paragraph (1) of this  
43 subsection b. to the contrary, the tax credit allowed pursuant to this  
44 subsection against the tax otherwise due for the taxable year under  
45 the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq.,  
46 shall be in an amount equal to <sup>1</sup>~~40~~<sup>1</sup> percent for the qualified digital  
47 media content production expenses of the taxpayer during a taxable

1 year that represent expenses of the taxpayer incurred in an eligible  
2 municipality for the production of digital media content **】 25 percent**  
3 for the qualified digital media content production expenses of the  
4 taxpayer during a taxable year that are incurred for services  
5 performed and tangible personal property purchased through  
6 vendors whose primary place of business is located in Atlantic,  
7 Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer,  
8 or Salem County<sup>1</sup>.

9 c. No tax credit shall be allowed pursuant to this section for  
10 any costs or expenses included in the calculation of any other tax  
11 credit or exemption granted pursuant to a claim made on a tax  
12 return filed with the director, or included in the calculation of an  
13 award of business assistance or incentive, for a period of time that  
14 coincides with the taxable year for which a tax credit authorized  
15 pursuant to this section is allowed. The order of priority <sup>1</sup>**【of the**  
16 **application of】 in which**<sup>1</sup> the tax credit allowed pursuant to this  
17 section and any other tax credits allowed by law <sup>1</sup>**may be taken**<sup>1</sup>  
18 shall be as prescribed by the director. The amount of the tax credit  
19 applied under this section against the tax otherwise due under the  
20 “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq., for a  
21 taxable year, when taken together with any other payments, credits,  
22 deductions, and adjustments allowed by law shall not reduce the tax  
23 liability of the taxpayer to an amount less than zero. The amount of  
24 the tax credit otherwise allowable under this section which cannot  
25 be applied for the taxable year due to the limitations of this  
26 subsection or under other provisions of N.J.S.54A:1-1 et seq., may  
27 be carried forward, if necessary, to the seven taxable years  
28 following the taxable year for which the tax credit was allowed.

29 d. (1) A business entity that is classified as a partnership for  
30 federal income tax purposes shall not be allowed a tax credit  
31 pursuant to this section directly, but the amount of tax credit of a  
32 taxpayer in respect of a distributive share of entity income, shall be  
33 determined by allocating to the taxpayer that proportion of the tax  
34 credit acquired by the entity that is equal to the taxpayer's share,  
35 whether or not distributed, of the total distributive income or gain  
36 of the entity for its taxable year ending within or with the taxpayer's  
37 taxable year.

38 (2) A New Jersey S Corporation shall not be allowed a tax credit  
39 pursuant to this section directly, but the amount of tax credit of a  
40 taxpayer in respect of a pro rata share of S Corporation income,  
41 shall be determined by allocating to the taxpayer that proportion of  
42 the tax credit acquired by the New Jersey S Corporation that is  
43 equal to the taxpayer's share, whether or not distributed, of the total  
44 pro rata share of S Corporation income of the New Jersey S  
45 Corporation for its privilege period ending within or with the  
46 taxpayer's taxable year.

1       <sup>2</sup>A business entity that is not a gross income “taxpayer” as  
2 defined and used in the “New Jersey Gross Income Tax Act,”  
3 N.J.S.54A:1-1 et seq., and therefore is not directly allowed a credit  
4 under this section, but otherwise meets all the other requirements of  
5 this section, shall be considered an eligible applicant and “taxpayer”  
6 as that term is used in this section, and the application of an  
7 otherwise allowed credit amount shall be distributed to appropriate  
8 gross income taxpayers pursuant to the other requirements of this  
9 subsection.<sup>2</sup>

10       e. A taxpayer, with an application for a tax credit provided for  
11 in subsection a. or subsection b. of this section, may apply to the  
12 authority and the director for a tax credit transfer certificate in lieu  
13 of the taxpayer being allowed any amount of the tax credit against  
14 the tax liability of the taxpayer. The tax credit transfer certificate,  
15 upon receipt thereof by the taxpayer from the authority and the  
16 director, may be sold or assigned, in full or in part, to any other  
17 taxpayer that may have a tax liability under the “New Jersey Gross  
18 Income Tax Act,” N.J.S.54A:1-1 et seq., or the “Corporation  
19 Business Tax Act (1945),” P.L.1945, c.162 (C.54:10A-1 et seq.), in  
20 exchange for private financial assistance to be provided by the  
21 purchaser or assignee to the taxpayer that has applied for and been  
22 granted the tax credit. The tax credit transfer certificate provided to  
23 the taxpayer shall include a statement waiving the taxpayer's right  
24 to claim that amount of the tax credit against the tax imposed  
25 pursuant to N.J.S.54A:1-1 et seq. that the taxpayer has elected to  
26 sell or assign. The sale or assignment of any amount of a tax credit  
27 transfer certificate allowed under this section shall not be  
28 exchanged for consideration received by the taxpayer of less than  
29 75 percent of the transferred tax credit amount. Any amount of a  
30 tax credit transfer certificate used by a purchaser or assignee against  
31 a tax liability under N.J.S.54A:1-1 et seq. shall be subject to the  
32 same limitations and conditions that apply to the use of a tax credit  
33 pursuant to subsections c. and d. of this section. Any amount of a  
34 tax credit transfer certificate obtained by a purchaser or assignee  
35 under this subsection e. may be applied against the purchaser's or  
36 assignee's tax liability under P.L.1945, c.162 (C.54:10A-1 et seq.)  
37 and shall be subject to the same limitations and conditions that  
38 apply to the use of a credit pursuant to subsection c. of section 1 of  
39 P.L. , c. (C. ) (pending before the Legislature as this bill).

40       f. (1) The value of tax credits, including tax credits allowed  
41 through the granting of tax credit transfer certificates, approved by  
42 the director and the authority pursuant to subsection a. of this  
43 section and pursuant to subsection a. of section 1 of P.L. ,  
44 c. (C. ) (pending before the Legislature as this bill) shall not  
45 exceed a cumulative total of \$75,000,000 in fiscal year 2019 and in  
46 each fiscal year thereafter prior to fiscal year 2024 to apply against  
47 the tax imposed pursuant to the “New Jersey Gross Income Tax  
48 Act,” N.J.S.54A:1-1 et seq., and pursuant to section 5 of P.L.1945,

1 c.162 (C.54:10A-5). If the cumulative total amount of tax credits,  
2 and tax credit transfer certificates, allowed to taxpayers for taxable  
3 years or privilege periods commencing during a single fiscal year  
4 under subsection a. of this section and subsection a. of section 1 of  
5 P.L. , c. (C. ) (pending before the Legislature as this bill)  
6 exceeds the amount of tax credits available in that fiscal year, then  
7 taxpayers who have first applied for and have not been allowed a  
8 tax credit or tax credit transfer certificate amount for that reason  
9 shall be allowed, in the order in which they have submitted an  
10 application, the amount of tax credit or tax credit transfer certificate  
11 on the first day of the next succeeding fiscal year in which tax  
12 credits and tax credit transfer certificates under subsection a. of this  
13 section and subsection a. of section 1 of P.L. , c. (C. )  
14 (pending before the Legislature as this bill) are not in excess of the  
15 amount of credits available.

16 (2) The value of tax credits, including tax credits allowed  
17 through the granting of tax credit transfer certificates, approved by  
18 the authority and the director pursuant to subsection b. of this  
19 section and pursuant to subsection b. of section 1 of P.L. ,  
20 c. (C. ) (pending before the Legislature as this bill) shall not  
21 exceed a cumulative total of \$10,000,000 in fiscal year 2019 and in  
22 each fiscal year thereafter prior to fiscal year 2024 to apply against  
23 the tax imposed pursuant to the “New Jersey Gross Income Tax  
24 Act,” N.J.S.54A:1-1 et seq. and the tax imposed pursuant to section  
25 5 of P.L.1945, c.162 (C.54:10A-5). If the total amount of tax credits  
26 and tax credit transfer certificates allowed to taxpayers for taxable  
27 years or privilege periods commencing during a single fiscal year  
28 under subsection b. of this section and subsection b. of section 2 of  
29 P.L. , c. (C. ) (pending before the Legislature as this bill)  
30 exceeds the amount of tax credits available in that year, then  
31 taxpayers who have first applied for and have not been allowed a  
32 tax credit or tax credit transfer certificate amount for that reason  
33 shall be allowed, in the order in which they have submitted an  
34 application, the amount of tax credit or tax credit transfer certificate  
35 on the first day of the next succeeding fiscal year in which tax  
36 credits and tax credit transfer certificates under subsection b. of this  
37 section and subsection b. of section 2 of P.L. , c. (C. )  
38 (pending before the Legislature as this bill) are not in excess of the  
39 amount of credits available.

40 g. A taxpayer shall submit to the authority and the director a  
41 report prepared by an independent certified public accountant  
42 licensed in this State to verify the taxpayer’s tax credit claim  
43 following the completion of the production. The report shall be  
44 <sup>2</sup>**[based on a compliance audit conducted]** prepared<sup>2</sup> by the  
45 independent certified public accountant pursuant to <sup>2</sup>**[procedures**  
46 **agreed upon by the taxpayer, the independent certified public**  
47 **accountant, and the authority and the director]** agreed upon  
48 procedures prescribed by the authority and the director<sup>2</sup>; and shall

1 include such information and documentation as shall be determined  
2 to be necessary by the authority and the director to substantiate the  
3 qualified film production expenses or the qualified digital media  
4 content production expenses of the taxpayer. Upon receipt of the  
5 report, the authority and the director shall review the findings of the  
6 independent certified public accountant's <sup>2</sup>**[compliance audit]**  
7 report<sup>2</sup>, and shall make a determination as to the qualified film  
8 production expenses or the qualified digital media content  
9 production expenses of the taxpayer. The determination shall be  
10 provided in writing to the taxpayer, and a copy of the written  
11 determination shall be included in the filing of a return that includes  
12 a claim for a tax credit allowed pursuant to this section.

13 h. A taxpayer shall withhold from each payment to a loan out  
14 company or to an independent contractor an amount equal to 6.37  
15 percent of the payment otherwise due. The amounts withheld shall  
16 be deemed to be withholding of liability pursuant to the "New  
17 Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., and the  
18 taxpayer shall be deemed to have the rights, duties, and  
19 responsibilities of an employer pursuant to chapter 7 of Title 54A of  
20 the New Jersey Statutes. The director shall allocate the amounts  
21 withheld for a taxable year to the accounts of the individuals who  
22 are employees of a loan out company in proportion to the  
23 employee's payment by the loan out company in connection with a  
24 trade, profession, or occupation carried on in this State or for the  
25 rendition of personal services performed in this State during the  
26 taxable year. A loan out company that reports its payments to  
27 employees in connection with a trade, profession, or occupation  
28 carried on in this State or for the rendition of personal services  
29 performed in this State during a taxable year shall be relieved of its  
30 duties and responsibilities as an employer pursuant to chapter 7 of  
31 Title 54A of the New Jersey Statutes for the taxable year for any  
32 payments relating to the payments on which the taxpayer withheld.

33 i. As used in this section:

34 "Authority" means the New Jersey Economic Development  
35 Authority.

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

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

41 "Digital media content" means any data or information that is  
42 produced in digital form, including data or information created in  
43 analog form but reformatted in digital form, text, graphics,  
44 photographs, animation, sound <sup>1, 1</sup> and video content. "Digital media  
45 content" does not mean content offerings generated by the end user  
46 (including postings on electronic bulletin boards and chat rooms);  
47 content offerings comprised primarily of local news, events,  
48 weather or local market reports; public service content; electronic

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

8 <sup>1</sup>["Eligible municipality" means a municipality in this State that  
9 has experienced the closure of at least two casino hotel facilities  
10 that had been licensed and operated, within the boundaries of the  
11 municipality, in accordance with the laws of this State.]<sup>1</sup>

12 "Film" means a feature film, a television series <sup>1</sup>/<sub>2</sub> or a television  
13 show of 22 minutes or more in length, intended for a national  
14 audience, or a television series or a television show of 22 minutes  
15 or more in length intended for a national or regional audience,  
16 including, but not limited to, a game show, award show, 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 <sup>1</sup>/<sub>2</sub> and market  
20 reports or public programming, talk show, sports event, or reality  
21 show, a production that solicits funds, a production containing  
22 obscene material as defined under N.J.S.2C:34-2 and N.J.S.2C:34-  
23 3, or a production primarily for private, industrial, corporate <sup>1</sup>/<sub>2</sub> or  
24 institutional purposes. "Film" shall not include <sup>1</sup>["a game show,  
25 an award show <sup>1</sup>["],] or other gala event that is not filmed and  
26 produced at a nonprofit arts and cultural venue receiving State  
27 funding.

28 "Full-time or full-time equivalent employee" means an  
29 individual employed by the taxpayer for consideration for at least  
30 35 hours a week, or who renders any other standard of service  
31 generally accepted by custom or practice as full-time or full-time  
32 equivalent employment, whose wages are subject to withholding as  
33 provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1  
34 et seq., or who is a partner of a taxpayer, who works for the  
35 partnership for at least 35 hours a week, or who renders any other  
36 standard of service generally accepted by custom or practice as full-  
37 time or full-time equivalent employment, and whose distributive  
38 share of income, gain, loss, or deduction, or whose guaranteed  
39 payments, or any combination thereof, is subject to the payment of  
40 estimated taxes, as provided in the "New Jersey Gross Income Tax  
41 Act," N.J.S.54A:1-1 et seq. "Full-time or full-time equivalent  
42 employee" shall not include an individual who works as an  
43 independent contractor or on a consulting basis for the taxpayer.

44 "Highly compensated individual" means an individual who  
45 directly or indirectly receives compensation in excess of  
46 <sup>1</sup>["\$1,500,000"] \$500,000<sup>1</sup> for the performance of services used  
47 directly in a production. An individual receives compensation

1 indirectly when the taxpayer pays a loan out company that, in turn,  
2 pays the individual for the performance of services.

3 “Independent contractor” means an individual treated as an  
4 independent contractor for federal and State tax purposes who is  
5 contracted with by the taxpayer for the performance of services  
6 used directly in a production.

7 “Loan out company” means a personal service corporation or  
8 other entity that is contracted with by the taxpayer to provide  
9 specified individual personnel, such as artists, crew, actors,  
10 producers, or directors for the performance of services used directly  
11 in a production. “Loan out company” does not include entities  
12 contracted with by the taxpayer to provide goods or ancillary  
13 contractor services such as catering, construction, trailers,  
14 equipment, or transportation.

15 “Partnership” means an entity classified as a partnership for  
16 federal income tax purposes.

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

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

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

1       “Qualified film production expenses” means an expense incurred  
2 in New Jersey for the production of a film including pre-production  
3 costs and post-production costs incurred in New Jersey. “Qualified  
4 film production expenses” shall include but shall not be limited to:  
5 wages and salaries of individuals employed in the production of a  
6 film on which the tax imposed by the “New Jersey Gross Income  
7 Tax Act,” N.J.S.54A:1-1 et seq. has been paid or is due; and the  
8 costs for tangible personal property used, and services performed,  
9 directly and exclusively in the production of a film, such as  
10 expenditures for film production facilities, props, makeup,  
11 wardrobe, film processing, camera, sound recording, set  
12 construction, lighting, shooting, editing, and meals. Payment made  
13 to a loan out company or to an independent contractor shall not be a  
14 “qualified film production expense” unless the payment is made in  
15 connection with a trade, profession, or occupation carried on in this  
16 State or for the rendition of personal services performed in this  
17 State and the taxpayer has made the withholding required by  
18 subsection h. of this section. “Qualified film production expenses”  
19 shall not include: expenses incurred in marketing or advertising a  
20 film; and payment in excess of <sup>1</sup>[\$1,500,000] \$500,000<sup>1</sup> to a highly  
21 compensated individual for costs for a story, script, or scenario used  
22 in the production of a film and wages or salaries or other  
23 compensation for writers, directors, including music directors,  
24 producers, and performers, other than background actors with no  
25 scripted lines.

26       “Total digital media content production expenses” means costs  
27 for services performed and property used or consumed in the  
28 production of digital media content.

29       “Total film production expenses” means costs for services  
30 performed and tangible personal property used or consumed in the  
31 production of a film.

32

33       3. Notwithstanding the provisions of the "Administrative  
34 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the  
35 contrary, the New Jersey Economic Development Authority and the  
36 Director of the Division of Taxation in the Department of the  
37 Treasury may adopt immediately upon filing with the Office of  
38 Administrative Law such rules and regulations as the authority or  
39 the director shall determine to be necessary to effectuate the  
40 purposes of P.L. , c. (C. ) (pending before the Legislature as  
41 this bill), which rules and regulation shall be effective for a period  
42 not exceeding 360 days following the effective date of  
43 P.L. , c. (C. ) (pending before the Legislature as this bill)  
44 and may thereafter be amended, adopted, or readopted by the  
45 authority or the director in accordance with the requirements of  
46 P.L.1968, 1 c.410 (C.52:14B-1 et seq.).

1 <sup>3</sup>4. a. A taxpayer, upon approval of an application to the  
2 authority and the director, shall be allowed a credit against the tax  
3 imposed pursuant to section 5 of P.L.1945, c. 162 (C.54:10A-5) in  
4 an amount equal to 2 percent of the qualified film or digital media  
5 content production expenses of the taxpayer during a privilege  
6 period commencing on or after July 1, 2018 but before July 1, 2023,  
7 provided that:

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

11 (b) the director and the authority have approved the plan as  
12 meeting the requirements established by the director and the  
13 authority; and

14 (c) the director and the authority have verified that the applicant  
15 has met or made good-faith efforts in achieving those goals.

16 The director and the authority shall adopt any rules necessary to  
17 implement this provision.

18 The application shall indicate whether the applicant intends to  
19 participate in training, education, and recruitment programs that are  
20 organized in cooperation with State colleges and universities, labor  
21 organizations, and the motion picture industry and are designed to  
22 promote and encourage the training and hiring of New Jersey  
23 residents who represent the diversity of the State population.<sup>3</sup>

24  
25 <sup>3</sup>[<sup>1</sup>4.] <sup>5.</sup><sup>3</sup> The following sections are repealed:

26 Sections 1 and 2 of P.L.2005, c.345 (C.54:10A-5.39 and  
27 C.54A:4-12); and

28 Sections 2 and 3 of P.L.2010, c.20 (C.54:10A-5.39a and  
29 C.54A:4-12a).<sup>1</sup>

30  
31 <sup>1</sup>[4.] <sup>3</sup>[<sup>5.</sup><sup>1</sup>] <sup>6.</sup><sup>3</sup> This act shall take effect immediately.