

114TH CONGRESS  
1ST SESSION

# H. R. 2405

To amend the Internal Revenue Code of 1986 to extend the special expensing rules for certain film and television productions and to provide for special expensing for live theatrical productions.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 19, 2015

Mr. COLLINS of Georgia (for himself, Mr. CROWLEY, Mr. SMITH of Missouri, Ms. LINDA T. SÁNCHEZ of California, Mr. SCHIFF, Mr. COLLINS of New York, and Ms. LORETTA SANCHEZ of California) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to extend the special expensing rules for certain film and television productions and to provide for special expensing for live theatrical productions.

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 “Facilitating Invest-  
5 ments in Local Markets Act” or the “FILM Act”.

1 **SEC. 2. EXTENSION OF SPECIAL EXPENSING RULES FOR**  
2 **CERTAIN FILM AND TELEVISION PRODUC-**  
3 **TIONS; SPECIAL EXPENSING FOR LIVE THE-**  
4 **ATRICAL PRODUCTIONS.**

5 (a) IN GENERAL.—Section 181(f) of the Internal  
6 Revenue Code of 1986 is amended by striking “December  
7 31, 2014” and inserting “December 31, 2016”.

8 (b) APPLICATION TO LIVE PRODUCTIONS.—

9 (1) IN GENERAL.—Section 181(a)(1) of such  
10 Code is amended by inserting “, and any qualified  
11 live theatrical production,” after “any qualified film  
12 or television production”.

13 (2) CONFORMING AMENDMENTS.—Section 181  
14 of such Code is amended—

15 (A) by inserting “or any qualified live the-  
16 atrical production” after “qualified film or tele-  
17 vision production” each place it appears in sub-  
18 sections (a)(2), (b), and (c)(1),

19 (B) by inserting “or qualified live theat-  
20 rical productions” after “qualified film or tele-  
21 vision productions” in subsection (f), and

22 (C) by inserting “**AND LIVE THEAT-**  
23 **RICAL**” after “**FILM AND TELEVISION**” in  
24 the heading.

25 (3) CLERICAL AMENDMENT.—The item relating  
26 to section 181 in the table of sections for part VI

1 of subchapter B of chapter 1 of such Code is amend-  
2 ed to read as follows:

“Sec. 181. Treatment of certain qualified film and television and live theatrical  
productions.”.

3 (c) QUALIFIED LIVE THEATRICAL PRODUCTION.—  
4 Section 181 of such Code is amended—

5 (1) by redesignating subsections (e) and (f), as  
6 amended by subsections (a) and (b), as subsections  
7 (f) and (g), respectively, and

8 (2) by inserting after subsection (d) the fol-  
9 lowing new subsection:

10 “(e) QUALIFIED LIVE THEATRICAL PRODUCTION.—  
11 For purposes of this section—

12 “(1) IN GENERAL.—The term ‘qualified live  
13 theatrical production’ means any production de-  
14 scribed in paragraph (2) if 75 percent of the total  
15 compensation of the production is qualified com-  
16 pensation (as defined in subsection (d)(3)).

17 “(2) PRODUCTION.—

18 “(A) IN GENERAL.—A production is de-  
19 scribed in this paragraph if such production is  
20 a live staged production of a play (with or with-  
21 out music) which is derived from a written book  
22 or script and is produced or presented by a tax-  
23 able entity in any venue which has an audience  
24 capacity of not more than 3,000 or a series of

1 venues the majority of which have an audience  
2 capacity of not more than 3,000.

3 “(B) TOURING COMPANIES, ETC.—In the  
4 case of multiple live staged productions—

5 “(i) for which the election under this  
6 section would be allowable to the same tax-  
7 payer, and

8 “(ii) which are—

9 “(I) separate phases of a produc-  
10 tion, or

11 “(II) separate simultaneous stag-  
12 ings of the same production in dif-  
13 ferent geographical locations (not in-  
14 cluding multiple performance locations  
15 of any one touring production),

16 each such live staged production shall be treat-  
17 ed as a separate production.

18 “(C) PHASE.—For purposes of subpara-  
19 graph (B), the term ‘phase’ with respect to any  
20 qualified live theatrical production refers to  
21 each of the following, but only if each of the fol-  
22 lowing is treated by the taxpayer as a separate  
23 activity for all purposes of this title:

24 “(i) The initial staging of a live theat-  
25 rical production.

1                   “(ii) Subsequent additional stagings  
2                   or touring of such production which are  
3                   produced by the same producer as the ini-  
4                   tial staging.

5                   “(D) EXCEPTION.—A production is not de-  
6                   scribed in this paragraph if such production in-  
7                   cludes or consists of any performance of con-  
8                   duct described in section 2257(h)(1) of title 18,  
9                   United States Code.”.

10                  (d) EFFECTIVE DATES.—

11                   (1) IN GENERAL.—The amendments made by  
12                   this section shall apply to productions commencing  
13                   after December 31, 2014.

14                   (2) COMMENCEMENT.—For purposes of para-  
15                   graph (1), the date on which a qualified live theat-  
16                   rical production commences is the date of the first  
17                   public performance of such production for a paying  
18                   audience.

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