

114TH CONGRESS
1ST SESSION

S. 364

To amend the Internal Revenue Code of 1986 to extend tax incentives to certain live theatrical performances, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 4, 2015

Mr. BLUNT (for himself and Mr. SCHUMER) 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 extend tax incentives to certain live theatrical performances, 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 “Support Theaters in
5 America Growth and Expansion Act” or the “STAGE
6 Act”.

7 **SEC. 2. EXPENSING OF QUALIFIED PRODUCTIONS.**

8 (a) EXTENSION.—Subsection (f) of section 181 of the
9 Internal Revenue Code of 1986 is amended by striking

1 “December 31, 2014” and inserting “December 31,
2 2016”.

3 (b) APPLICATION TO LIVE PRODUCTIONS.—

4 (1) IN GENERAL.—Paragraph (1) of section
5 181(a) of the Internal Revenue Code of 1986 is
6 amended by inserting “, and any qualified live theat-
7 rical production,” after “any qualified film or tele-
8 vision production”.

9 (2) CONFORMING AMENDMENTS.—Section 181
10 of such Code is amended—

11 (A) by inserting “or any qualified live the-
12 atrical production” after “qualified film or tele-
13 vision production” each place it appears in sub-
14 sections (a)(2), (b), and (c),

15 (B) by inserting “or qualified live theat-
16 rical productions” after “qualified film or tele-
17 vision productions” in subsection (f), and

18 (C) by inserting “**AND LIVE THEAT-**
19 **RICAL**” after “**FILM AND TELEVISION**” in
20 the heading.

21 (c) QUALIFIED LIVE THEATRICAL PRODUCTION.—
22 Section 181 of the Internal Revenue Code of 1986 is
23 amended—

1 (1) by redesignating subsections (e) and (f), as
 2 amended by subsections (a) and (b), as subsections
 3 (f) and (g), respectively, and

4 (2) by inserting after subsection (d) the fol-
 5 lowing new subsection:

6 “(e) QUALIFIED LIVE THEATRICAL PRODUCTION.—

7 For purposes of this section—

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

13 “(2) PRODUCTION.—

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

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

1 “(i) for which the election under this
 2 section would be allowable to the same tax-
 3 payer, and

4 “(ii) which are—

5 “(I) separate phases (within the
 6 meaning of section 469(g)(4)(B)) of a
 7 production, or

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

13 each such live staged production shall be treat-
 14 ed as a separate production.

15 “(C) EXCEPTION.—A production is not de-
 16 scribed in this paragraph if such production in-
 17 cludes or consists of any performance of con-
 18 duct described in section 2257(h)(1) of title 18,
 19 United States Code.”.

20 (d) EFFECTIVE DATES.—

21 (1) IN GENERAL.—The amendments made by
 22 this section shall apply to productions commencing
 23 after December 31, 2014.

24 (2) COMMENCEMENT.—For purposes of para-
 25 graph (1), the date on which a qualified live theat-

1 rical production commences is the date of the first
 2 public performance of such production for a paying
 3 audience.

4 **SEC. 3. DISPOSITIONS OF INTEREST IN THEATRICAL PRO-**
 5 **DUCTIONS AS PASSIVE ACTIVITY.**

6 (a) IN GENERAL.—Subsection (g) of section 469 of
 7 the Internal Revenue Code of 1986 is amended by adding
 8 at the end the following new paragraph:

9 “(4) SPECIAL RULE FOR INTEREST IN QUALI-
 10 FIED LIVE THEATRICAL PRODUCTIONS.—

11 “(A) IN GENERAL.—In the case of an in-
 12 terest in a qualified live theatrical production
 13 (as defined in section 181(e)(1)) as a passive
 14 activity—

15 “(i) each phase of such production
 16 shall be treated separately for purposes of
 17 this subsection, and

18 “(ii) the termination of any phase of
 19 such production in which the taxpayer
 20 holds an interest as a passive activity shall
 21 be treated as a disposition of such tax-
 22 payer’s entire interest in such passive ac-
 23 tivity.

24 “(B) PHASE.—For purposes of subpara-
 25 graph (A), the term ‘phase’ with respect to any

1 qualified live theatrical production refers to
2 each of the following, but only if each of the fol-
3 lowing is treated as a separate activity by the
4 taxpayer for all purposes of this title:

5 “(i) The initial staging of a live theat-
6 rical production.

7 “(ii) Subsequent additional stagings
8 or touring of such production which are
9 produced by the same producer as the ini-
10 tial staging.

11 “(iii) Disposition of copyrights, licens-
12 ing rights, or subsidiary rights in connec-
13 tion with such production.”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 this section shall apply to taxable years beginning after
16 December 31, 2014.

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