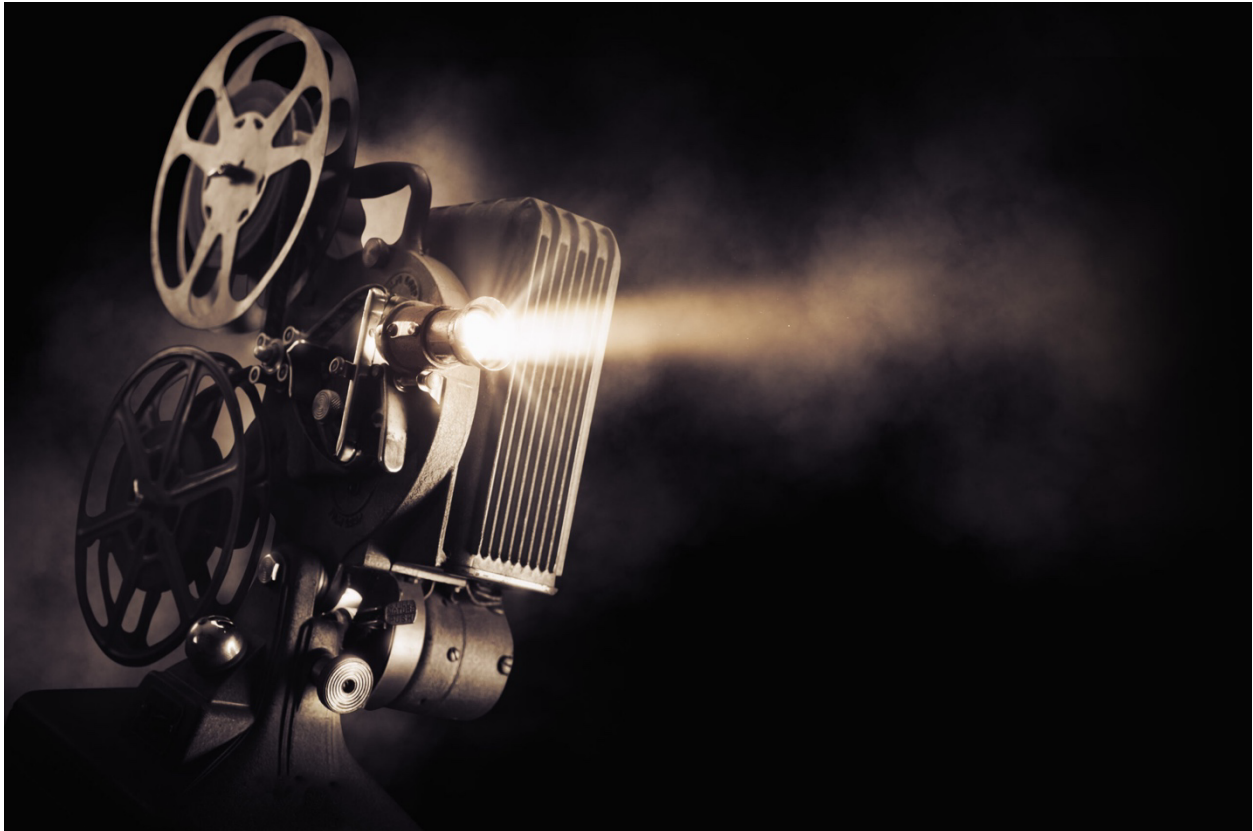


A smarter way to approach Louisiana's film tax credits? This new company thinks so

By Dillon Lowe



Patrick Mulhearn, a major player in Louisiana's film industry, has launched a new business aimed at helping both filmmakers and Louisiana taxpayers get the most out of the state's motion picture tax credit system.

That business, [Irrevocable Designee LLC](#), acts as a matchmaker, connecting production companies looking to monetize their tax credits faster with taxpayers looking to reduce their state tax burdens.

"We call ourselves the tax credit equivalent of Match.com," Mulhearn tells *Daily Report*.

Louisiana offers motion picture tax credits to incentivize filmmaking in the state, but since 2017, these credits have not been freely transferable.

When film tax credits are freely transferable, production companies can sell them to businesses and individuals, enabling them to quickly monetize the credits and improve cash flow. Those businesses and individuals can in turn use the tax credits they bought to reduce their state tax liability.

In Georgia, for instance, where the film industry is booming, film tax credits are still freely transferable. Georgia businesses and individuals buy more than \$1 billion in tax credits awarded to major studios each year.

But now that film tax credits are no longer freely transferable in Louisiana, production companies really only have two options.

First, they can sell the tax credits back to the state. This process often takes several months and requires the production companies to pay the state an out-of-pocket 2% fee.

Alternatively, production companies can assign the tax credits to specific Louisiana taxpayers, or “irrevocable designees.” Those taxpayers—often high-income businesses and individuals—can then apply the credits directly to what they owe in state income taxes.

That’s where Mulhearn’s business comes in. Irrevocable Designee connects production companies with Louisiana taxpayers who can serve as their designees—something he says will benefit the production companies, the taxpayers and the state.

“We’re really seeking a win-win-win situation here,” Mulhearn says. “It’s a win for the producers because they’re going to be able to monetize faster and get a little bit more than what the state’s offering, and it’s a win for the taxpayers because they’ve had a hard time finding these tax credits. But the big win is really for Louisiana, because one of the knocks on Louisiana has always been that we’re not fast enough.”

In essence, the idea is that connecting the right production companies with the right taxpayers will cut months off the wait time for production companies and provide taxpayers with a simple, risk-free way to reduce their state tax burdens.

But beyond that aim, Mulhearn has another goal. He wants to make Louisiana less dependent on Hollywood.

In his view, if Louisiana's independent filmmakers are able to more easily secure local funding, they'll be able to get more of their projects greenlit because they'll be less reliant on the financial backing of major studios.

"We think [what we're doing] opens the door to financing here," Mulhearn says. "There's just nobody out there connecting the people who would benefit most from getting behind a project with the projects that are looking for financing."

Irrevocable Designee is on the hunt to partner with Louisiana taxpayers who anticipate owing at least \$100,000 in state income tax liability for the 2025 tax year or any subsequent years and production companies that anticipate having at least \$100,000 in motion picture tax credits certified and issued by the state of Louisiana in 2025 or 2026.

Mulhearn, who serves as Irrevocable Designee's CEO, is an industry consultant who has worked in Louisiana's film industry for the past 25 years, including as executive director of Celtic Studios from 2009 to 2017. The other partners in the business are Baron Davis, the CEO of Baton Rouge-based financial tech firm Code Willing, and Amanda Spain, an attorney with Baker Donelson.

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