

1 **SEC. 169. 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) is amended by
6 striking “December 31, 2014” and inserting “December
7 31, 2016”.

8 (b) APPLICATION TO LIVE PRODUCTIONS.—

9 (1) IN GENERAL.—Paragraph (1) of section
10 181(a) 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 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 is amended to read as
2 follows:

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

3 (c) QUALIFIED LIVE THEATRICAL PRODUCTION.—
4 Section 181 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) SEASONAL PRODUCTIONS.—

6 “(i) IN GENERAL.—In the case of a
7 live staged production not described in
8 subparagraph (B) which is produced or
9 presented by a taxable entity for not more
10 than 10 weeks of the taxable year, sub-
11 paragraph (A) shall be applied by sub-
12 stituting ‘6,500’ for ‘3,000’.

13 “(ii) SHORT TAXABLE YEARS.—For
14 purposes of clause (i), in the case of any
15 taxable year of less than 12 months, the
16 number of weeks for which a production is
17 produced or presented shall be annualized
18 by multiplying the number of weeks the
19 production is produced or presented during
20 such taxable year by 12 and dividing the
21 result by the number of months in such
22 taxable year.

23 “(E) EXCEPTION.—A production is not de-
24 scribed in this paragraph if such production in-
25 cludes or consists of any performance of con-

1 duct described in section 2257(h)(1) of title 18,
2 United States Code.”.

3 (d) EFFECTIVE DATE.—

4 (1) EXTENSION.—The amendment made by
5 subsection (a) shall apply to productions com-
6 mencing after December 31, 2014.

7 (2) MODIFICATIONS.—

8 (A) IN GENERAL.—The amendments made
9 by subsections (b) and (c) shall apply to pro-
10 ductions commencing after December 31, 2015.

11 (B) COMMENCEMENT.—For purposes of
12 subparagraph (A), the date on which a qualified
13 live theatrical production commences is the date
14 of the first public performance of such produc-
15 tion for a paying audience.

16 **SEC. 170. EXTENSION OF DEDUCTION ALLOWABLE WITH**
17 **RESPECT TO INCOME ATTRIBUTABLE TO DO-**
18 **MESTIC PRODUCTION ACTIVITIES IN PUERTO**
19 **RICO.**

20 (a) IN GENERAL.—Section 199(d)(8)(C) is amend-
21 ed—

22 (1) by striking “first 9 taxable years” and in-
23 serting “first 11 taxable years”, and

24 (2) by striking “January 1, 2015” and insert-
25 ing “January 1, 2017”.