A bill to be entitled

An act relating to economic development; amending s. 14.2015, F.S.; authorizing the Office of Tourism, Trade, and Economic Development to administer corporate income tax credits for spaceflight projects; amending ss. 72.011 and 72.041, F.S.; deleting a reference to conform to changes made by this act; amending s. 216.138, F.S.; providing for special impact estimating conferences to evaluate legislative proposals; requiring conference meetings to be open to the public; specifying the four principals of the conference; authorizing the convening of any special estimating conference by a specified principal in order to adopt certain supplemental information; requiring all official information of a special impact estimating conference to be adopted by consensus; authorizing a principal to invite any person to participate in the conference; providing definitions; amending ss. 220.02 and 220.13, F.S.; revising references to conform to changes made by this act; revising the order in which credits against the corporate income tax or franchise tax may be taken to include credits for certain spaceflight projects and certain research and development; redefining the term "adjusted federal income" to include the amount of certain tax credits taken relating to spaceflight projects and research and development; providing application; prohibiting a deduction from taxable income for any net operating loss if a credit against corporate income taxes relating to a spaceflight

project has been taken or transferred; amending s. 220.131, F.S.; conforming provisions to changes made by this act; amending s. 220.15, F.S.; conforming provisions to changes made by this act; creating s. 220.153, F.S.; defining the terms "office" and "qualified capital expenditures"; providing for the apportionment of certain taxpayer's adjusted federal income solely by the sales factor provided in s. 220.15, F.S.; providing for eligibility based on the taxpayer's capital expenditures; providing a qualification and application process; authorizing the Department of Revenue to examine and verify that a taxpayer has correctly apportioned its taxes; authorizing the Office of Tourism, Trade, and Economic Development to approve and revoke approval of an application; providing for the recapture of unpaid taxes, interest, and penalties; authorizing the Office of Tourism, Trade, and Economic Development and the Department of Revenue to adopt rules; amending s. 220.1845, F.S.; increasing the annual tax credit cap relating to contaminated site rehabilitation; amending s. 376.30781, F.S.; conforming references; amending s. 220.16, F.S.; requiring that the amount of payments received in exchange for transferring a net operating loss for spaceflight projects be allocated to the state; creating s. 220.194, F.S.; providing a short title; providing legislative purpose; defining terms; authorizing a certified spaceflight business to take or transfer corporate income tax credits related to spaceflight

projects carried out in this state; specifying tax credit amounts and business eligibility criteria; providing limitations; requiring a business to demonstrate to the satisfaction of the office and the department its eligibility to claim a tax credit; requiring a business to submit an application to the office for approval to earn credits; specifying the required contents of the application; requiring the office to approve or deny an application within 60 days after receipt; specifying the approval process; requiring a spaceflight business to submit an application for certification to the office; specifying the required contents of an application for certification; specifying the approval process; requiring the office to submit a copy of an approved certification to the department; providing procedures for transferring a tax credit to a taxpayer; authorizing the department to perform audits and investigations necessary to verify the accuracy of returns relating to the tax credit; specifying circumstances under which the office may revoke or modify a certification that grants eligibility for tax credits; requiring a certified spaceflight business to file an amended return and pay any required tax within 60 days after receiving notice that previously approved tax credits have been revoked or modified; authorizing the department to assess additional taxes, interest, or penalties; authorizing the office and the department to adopt rules; requiring the office to submit an annual report to the Governor and Legislature regarding the

Florida Space Business Incentives Act; creating s. 220.195, F.S.; creating a corporate income tax credit to continue credits available under the emergency excise tax; creating s. 220.196, F.S.; providing application; providing definitions; providing a tax credit for certain research and development expenses; providing eligibility requirements for research and development tax credits; providing limitations regarding eligibility; providing an amount for such credit; providing a maximum amount of credit that may be taken during a taxable year by a business enterprise; providing that any unused credit may be carried forward for a specified period; limiting the total amount of tax credits which may be approved by the department in a calendar year; providing that applications for credits may be filed on or after a specified date; requiring that the credits be granted in the order in which applications are received; requiring the recalculation of a credit under certain circumstances; authorizing the department to adopt rules; amending ss. 220.801, 213.05, 213.053, and 213.255, F.S.; deleting references to conform to changes made by this act; authorizing the department to share information with the office relating to single sales factor apportionment used by a taxpayer; authorizing the department to share information relating to corporate income tax credits for spaceflight projects with the office; repealing chapter 221, F.S.; repealing the emergency excise tax and related provisions; amending ss. 288.075, 288.1045, and 288.106,

F.S.; deleting references to conform to changes made by this act; revising a provision to conform to changes made by this act; amending s. 288.1254, F.S.; revising and providing definitions; revising criteria for awarding tax credits and increasing the amount of credits to be awarded under the entertainment industry financial incentive program; revising the application procedure and approval process; permitting an initial transferee of tax credits to make a one-time transfer of unused tax credits; amending s. 288.1258, F.S.; changing the recordkeeping requirements of the Office of Film and Entertainment; amending s. 290.0055, F.S.; authorizing certain governing bodies to apply to the Office of Tourism, Trade, and Economic Development to amend the boundary of an enterprise zone that includes a rural area of critical economic concern; providing a limitation; providing an application deadline; authorizing the office to approve the amendment application subject to certain requirements; requiring the office to establish the effective date of certain enterprise zones; creating s. 290.00726, F.S.; authorizing Martin County to apply to the Office of Tourism, Trade, and Economic Development for designation of an enterprise zone; providing application requirements; authorizing the office to designate an enterprise zone in Martin County; providing responsibilities of the office; creating s. 290.00727, F.S.; authorizing the City of Palm Bay to apply to the Office of Tourism, Trade, and Economic Development for designation of an enterprise zone;

providing application requirements; authorizing the office to designate an enterprise zone in the City of Palm Bay; providing responsibilities of the office; creating s. 290.00728, F.S.; authorizing Lake County to apply to the Office of Tourism, Trade, and Economic Development for designation of an enterprise zone; providing application requirements; authorizing the office to designate an enterprise zone in Lake County; providing responsibilities of the office; amending ss. 334.30, 624.509, and 624.51055, F.S.; deleting references to conform to changes made by this act; authorizing the executive director of the Department of Revenue to adopt emergency rules; specifying a period during this year when the sale of clothing, wallets, bags, and school supplies are exempt from the sales tax; providing definitions; providing exceptions; authorizing the Department of Revenue to adopt emergency rules; providing an appropriation; creating s. 288.987, F.S.; creating the Florida Defense Support Task Force; providing for the task force's mission, membership composition, appointment of membership, and administration; authorizing the expenditure of appropriated funds by the task force for specified purposes; providing appropriations to the Executive Office of the Governor, Office of Tourism, Trade and Economic Development; providing effective dates.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (f) of subsection (2) of section 14.2015, Florida Statutes, is amended to read:

14.2015 Office of Tourism, Trade, and Economic Development; creation; powers and duties.—

(2) The purpose of the Office of Tourism, Trade, and Economic Development is to assist the Governor in working with the Legislature, state agencies, business leaders, and economic development professionals to formulate and implement coherent and consistent policies and strategies designed to provide economic opportunities for all Floridians. To accomplish such purposes, the Office of Tourism, Trade, and Economic Development shall:

(f)~~1.~~ Administer the Florida Enterprise Zone Act under ss. 290.001-290.016, the community contribution tax credit program under ss. 220.183 and 624.5105, the tax refund program for qualified target industry businesses under s. 288.106, the tax-refund program for qualified defense contractors and space flight business contractors under s. 288.1045, contracts for transportation projects under s. 288.063, the sports franchise facility programs under ss. 288.1162 and 288.11621, the professional golf hall of fame facility program under s. 288.1168, the expedited permitting process under s. 403.973, the Rural Community Development Revolving Loan Fund under s. 288.065, the Regional Rural Development Grants Program under s. 288.018, the Certified Capital Company Act under s. 288.99, the Florida State Rural Development Council, the Rural Economic Development Initiative, the corporate income tax credits for spaceflight projects under s. 220.194, and other programs that

are specifically assigned to the office by law, by the appropriations process, or by the Governor.

1. Notwithstanding any other provisions of law, the office may expend interest earned from the investment of program funds deposited in the Grants and Donations Trust Fund to contract for the administration of the programs, or portions of the programs, enumerated in this paragraph or assigned to the office by law, by the appropriations process, or by the Governor. Such expenditures are ~~shall be~~ subject to review under chapter 216.

2. The office may enter into contracts in connection with the fulfillment of its duties concerning the Florida First Business Bond Pool under chapter 159, tax incentives under chapters 212 and 220, tax incentives under the Certified Capital Company Act in chapter 288, foreign offices under chapter 288, the Enterprise Zone program under chapter 290, the Seaport Employment Training program under chapter 311, the Florida Professional Sports Team License Plates under chapter 320, Spaceport Florida under chapter 331, Expedited Permitting under chapter 403, and in carrying out other functions that are specifically assigned to the office by law, by the appropriations process, or by the Governor.

Section 2. Effective January 1, 2012, paragraph (a) of subsection (1) of section 72.011, Florida Statutes, is amended to read:

72.011 Jurisdiction of circuit courts in specific tax matters; administrative hearings and appeals; time for commencing action; parties; deposits.—

(1)(a) A taxpayer may contest the legality of any assessment or denial of refund of tax, fee, surcharge, permit, interest, or penalty provided for under s. 125.0104, s. 125.0108, chapter 198, chapter 199, chapter 201, chapter 202, chapter 203, chapter 206, chapter 207, chapter 210, chapter 211, chapter 212, chapter 213, chapter 220, ~~chapter 221,~~ s. 379.362(3), chapter 376, s. 403.717, s. 403.718, s. 403.7185, s. 538.09, s. 538.25, chapter 550, chapter 561, chapter 562, chapter 563, chapter 564, chapter 565, chapter 624, or s. 681.117 by filing an action in circuit court; or, alternatively, the taxpayer may file a petition under the applicable provisions of chapter 120. However, once an action has been initiated under s. 120.56, s. 120.565, s. 120.569, s. 120.57, or s. 120.80(14)(b), no action relating to the same subject matter may be filed by the taxpayer in circuit court, and judicial review shall be exclusively limited to appellate review pursuant to s. 120.68; and once an action has been initiated in circuit court, no action may be brought under chapter 120.

Section 3. Effective January 1, 2012, section 72.041, Florida Statutes, is amended to read:

72.041 Tax liabilities arising under the laws of other states.—Actions to enforce lawfully imposed sales, use, and corporate income taxes and motor and other fuel taxes of another state may be brought in a court of this state under the following conditions:

(1) The state seeking to institute an action for the collection, assessment, or enforcement of a lawfully imposed tax must have extended a like courtesy to this state;

(2) Venue for any action under this section shall be the circuit court of the county in which the defendant resides;

(3) This section does not apply to the enforcement of tax warrants of another state unless the warrant has been obtained as a result of a judgment entered by a court of competent jurisdiction in the taxing state or unless the courts of the state seeking to enforce its warrant allow the enforcement of the warrants issued by the Department of Revenue pursuant to chapters 206, 212, 213, and 220~~, and 221~~; and

(4) All tax liabilities owing to this state or any of its subdivisions shall be paid first and shall be prior in right to any tax liability arising under the laws of other states.

Section 4. Section 216.138, Florida Statutes, is amended to read:

216.138 Authority to request additional analysis of legislative proposals ~~legislation~~.—

(1) The President of the Senate or the Speaker of the House of Representatives may request special impact ~~sessions of consensus~~ estimating conferences to evaluate legislative proposals ~~proposed legislation~~ based on tools and models not generally employed by the consensus estimating conferences, including cost-benefit, return-on-investment, or dynamic scoring techniques, when suitable and appropriate for the legislative proposals ~~legislation~~ being evaluated.

(2) Unless exempt from s. 119.07(1), information used to develop the analyses shall be available to the public. In addition, all meetings of a special impact estimating conference shall be open to the public. The President of the Senate and the

Speaker of the House of Representatives, jointly, shall be the sole judge for the interpretation, implementation, and enforcement of this subsection.

(3) A special impact estimating conference shall consist of four principals: one person from the Executive Office of the Governor; the coordinator of the Office of Economic and Demographic Research, or his or her designee; one person from the professional staff of the Senate; and one person from the professional staff of the House of Representatives. Each principal shall have appropriate fiscal expertise in the subject matter of the legislative proposal. A separate special impact estimating conference may be appointed for each proposal.

(4) After the designation of the four principals, a special impact estimating conference shall convene to adopt official information relating to the proposal.

(a) A principal may invite any person to participate in a special impact estimating conference. Such person shall be designated as a participant. A participant shall, at the request of any principal before or during any meeting of a conference, collect and supply data, perform analyses, or provide other information needed by a conference.

(b) The principal from the Office of Economic and Demographic Research may convene any of the conferences established in s. 216.136 to reach a consensus on supplemental information required for the analysis of the proposed legislation.

(c) All official information of a special impact estimating conference shall be adopted by consensus of all of

the principals of the conference. For the purposes of this section, the terms "official information" and "consensus" have the same meanings as provided in s. 216.133.

Section 5. Subsection (8) of section 220.02, Florida Statutes, is amended to read:

220.02 Legislative intent.—

(8) It is the intent of the Legislature that credits against either the corporate income tax or the franchise tax be applied in the following order: those enumerated in s. 631.828, those enumerated in s. 220.191, those enumerated in s. 220.181, those enumerated in s. 220.183, those enumerated in s. 220.182, those enumerated in s. 220.1895, those enumerated in s. 221.02, those enumerated in s. 220.184, those enumerated in s. 220.186, those enumerated in s. 220.1845, those enumerated in s. 220.19, those enumerated in s. 220.185, those enumerated in s. 220.1875, those enumerated in s. 220.192, those enumerated in s. 220.193, those enumerated in s. 288.9916, those enumerated in s. 220.1899, ~~and~~ those enumerated in s. 220.1896, those enumerated in s. 220.194, and those enumerated in s. 220.196.

Section 6. Effective January 1, 2012, subsection (8) of section 220.02, Florida Statutes, as amended by this act, is amended to read:

220.02 Legislative intent.—

(8) It is the intent of the Legislature that credits against either the corporate income tax or the franchise tax be applied in the following order: those enumerated in s. 631.828, those enumerated in s. 220.191, those enumerated in s. 220.181, those enumerated in s. 220.183, those enumerated in s. 220.182,

those enumerated in s. 220.1895, those enumerated in s. 220.195 ~~221.02~~, those enumerated in s. 220.184, those enumerated in s. 220.186, those enumerated in s. 220.1845, those enumerated in s. 220.19, those enumerated in s. 220.185, those enumerated in s. 220.1875, those enumerated in s. 220.192, those enumerated in s. 220.193, those enumerated in s. 288.9916, those enumerated in s. 220.1899, those enumerated in s. 220.1896, those enumerated in s. 220.194, and those enumerated in 220.196.

Section 7. Paragraphs (a) and (b) of subsection (1) of section 220.13, Florida Statutes, are amended to read:

220.13 "Adjusted federal income" defined.—

(1) The term "adjusted federal income" means an amount equal to the taxpayer's taxable income as defined in subsection (2), or such taxable income of more than one taxpayer as provided in s. 220.131, for the taxable year, adjusted as follows:

(a) Additions.—There shall be added to such taxable income:

1. The amount of any tax upon or measured by income, excluding taxes based on gross receipts or revenues, paid or accrued as a liability to the District of Columbia or any state of the United States which is deductible from gross income in the computation of taxable income for the taxable year.

2. The amount of interest which is excluded from taxable income under s. 103(a) of the Internal Revenue Code or any other federal law, less the associated expenses disallowed in the computation of taxable income under s. 265 of the Internal Revenue Code or any other law, excluding 60 percent of any

amounts included in alternative minimum taxable income, as defined in s. 55(b)(2) of the Internal Revenue Code, if the taxpayer pays tax under s. 220.11(3).

3. In the case of a regulated investment company or real estate investment trust, an amount equal to the excess of the net long-term capital gain for the taxable year over the amount of the capital gain dividends attributable to the taxable year.

4. That portion of the wages or salaries paid or incurred for the taxable year which is equal to the amount of the credit allowable for the taxable year under s. 220.181. This subparagraph shall expire on the date specified in s. 290.016 for the expiration of the Florida Enterprise Zone Act.

5. That portion of the ad valorem school taxes paid or incurred for the taxable year which is equal to the amount of the credit allowable for the taxable year under s. 220.182. This subparagraph shall expire on the date specified in s. 290.016 for the expiration of the Florida Enterprise Zone Act.

6. The amount of emergency excise tax paid or accrued as a liability to this state under chapter 221 which tax is deductible from gross income in the computation of taxable income for the taxable year.

7. That portion of assessments to fund a guaranty association incurred for the taxable year which is equal to the amount of the credit allowable for the taxable year.

8. In the case of a nonprofit corporation which holds a pari-mutuel permit and which is exempt from federal income tax as a farmers' cooperative, an amount equal to the excess of the

gross income attributable to the pari-mutuel operations over the attributable expenses for the taxable year.

9. The amount taken as a credit for the taxable year under s. 220.1895.

10. Up to nine percent of the eligible basis of any designated project which is equal to the credit allowable for the taxable year under s. 220.185.

11. The amount taken as a credit for the taxable year under s. 220.1875. The addition in this subparagraph is intended to ensure that the same amount is not allowed for the tax purposes of this state as both a deduction from income and a credit against the tax. This addition is not intended to result in adding the same expense back to income more than once.

12. The amount taken as a credit for the taxable year under s. 220.192.

13. The amount taken as a credit for the taxable year under s. 220.193.

14. Any portion of a qualified investment, as defined in s. 288.9913, which is claimed as a deduction by the taxpayer and taken as a credit against income tax pursuant to s. 288.9916.

15. The costs to acquire a tax credit pursuant to s. 288.1254(5) that are deducted from or otherwise reduce federal taxable income for the taxable year.

16. The amount taken as a credit for the taxable year under s. 220.194.

17. The amount taken as a credit for the taxable year under s. 220.196. The addition in this subparagraph is intended to ensure that the same amount is not allowed for the tax

purposes of this state as both a deduction from income and a credit against the tax. The addition is not intended to result in adding the same expense back to income more than once.

(b) Subtractions.—

1. There shall be subtracted from such taxable income:

a. The net operating loss deduction allowable for federal income tax purposes under s. 172 of the Internal Revenue Code for the taxable year, except that any net operating loss that is transferred pursuant to s. 220.194(6) may not be deducted by the seller,

b. The net capital loss allowable for federal income tax purposes under s. 1212 of the Internal Revenue Code for the taxable year,

c. The excess charitable contribution deduction allowable for federal income tax purposes under s. 170(d)(2) of the Internal Revenue Code for the taxable year, and

d. The excess contributions deductions allowable for federal income tax purposes under s. 404 of the Internal Revenue Code for the taxable year.

However, a net operating loss and a capital loss shall never be carried back as a deduction to a prior taxable year, but all deductions attributable to such losses shall be deemed net operating loss carryovers and capital loss carryovers, respectively, and treated in the same manner, to the same extent, and for the same time periods as are prescribed for such carryovers in ss. 172 and 1212, respectively, of the Internal Revenue Code.

2. There shall be subtracted from such taxable income any amount to the extent included therein the following:

a. Dividends treated as received from sources without the United States, as determined under s. 862 of the Internal Revenue Code.

b. All amounts included in taxable income under s. 78 or s. 951 of the Internal Revenue Code.

However, as to any amount subtracted under this subparagraph, there shall be added to such taxable income all expenses deducted on the taxpayer's return for the taxable year which are attributable, directly or indirectly, to such subtracted amount. Further, no amount shall be subtracted with respect to dividends paid or deemed paid by a Domestic International Sales Corporation.

3. In computing "adjusted federal income" for taxable years beginning after December 31, 1976, there shall be allowed as a deduction the amount of wages and salaries paid or incurred within this state for the taxable year for which no deduction is allowed pursuant to s. 280C(a) of the Internal Revenue Code (relating to credit for employment of certain new employees).

4. There shall be subtracted from such taxable income any amount of nonbusiness income included therein.

5. There shall be subtracted any amount of taxes of foreign countries allowable as credits for taxable years beginning on or after September 1, 1985, under s. 901 of the Internal Revenue Code to any corporation which derived less than 20 percent of its gross income or loss for its taxable year

ended in 1984 from sources within the United States, as described in s. 861(a)(2)(A) of the Internal Revenue Code, not including credits allowed under ss. 902 and 960 of the Internal Revenue Code, withholding taxes on dividends within the meaning of sub-subparagraph 2.a., and withholding taxes on royalties, interest, technical service fees, and capital gains.

6. Notwithstanding any other provision of this code, except with respect to amounts subtracted pursuant to subparagraphs 1. and 3., any increment of any apportionment factor which is directly related to an increment of gross receipts or income which is deducted, subtracted, or otherwise excluded in determining adjusted federal income shall be excluded from both the numerator and denominator of such apportionment factor. Further, all valuations made for apportionment factor purposes shall be made on a basis consistent with the taxpayer's method of accounting for federal income tax purposes.

Section 8. Effective January 1, 2012, paragraph (a) of subsection (1) of section 220.13, Florida Statutes, as amended by this act, is amended to read:

220.13 "Adjusted federal income" defined.—

(1) The term "adjusted federal income" means an amount equal to the taxpayer's taxable income as defined in subsection (2), or such taxable income of more than one taxpayer as provided in s. 220.131, for the taxable year, adjusted as follows:

(a) Additions.—There shall be added to such taxable income:

1. The amount of any tax upon or measured by income, excluding taxes based on gross receipts or revenues, paid or accrued as a liability to the District of Columbia or any state of the United States which is deductible from gross income in the computation of taxable income for the taxable year.

2. The amount of interest which is excluded from taxable income under s. 103(a) of the Internal Revenue Code or any other federal law, less the associated expenses disallowed in the computation of taxable income under s. 265 of the Internal Revenue Code or any other law, excluding 60 percent of any amounts included in alternative minimum taxable income, as defined in s. 55(b)(2) of the Internal Revenue Code, if the taxpayer pays tax under s. 220.11(3).

3. In the case of a regulated investment company or real estate investment trust, an amount equal to the excess of the net long-term capital gain for the taxable year over the amount of the capital gain dividends attributable to the taxable year.

4. That portion of the wages or salaries paid or incurred for the taxable year which is equal to the amount of the credit allowable for the taxable year under s. 220.181. This subparagraph shall expire on the date specified in s. 290.016 for the expiration of the Florida Enterprise Zone Act.

5. That portion of the ad valorem school taxes paid or incurred for the taxable year which is equal to the amount of the credit allowable for the taxable year under s. 220.182. This subparagraph shall expire on the date specified in s. 290.016 for the expiration of the Florida Enterprise Zone Act.

6. The amount taken as a credit under s. 220.195 ~~of emergency excise tax paid or accrued as a liability to this state under chapter 221~~ which ~~tax~~ is deductible from gross income in the computation of taxable income for the taxable year.

7. That portion of assessments to fund a guaranty association incurred for the taxable year which is equal to the amount of the credit allowable for the taxable year.

8. In the case of a nonprofit corporation which holds a pari-mutuel permit and which is exempt from federal income tax as a farmers' cooperative, an amount equal to the excess of the gross income attributable to the pari-mutuel operations over the attributable expenses for the taxable year.

9. The amount taken as a credit for the taxable year under s. 220.1895.

10. Up to nine percent of the eligible basis of any designated project which is equal to the credit allowable for the taxable year under s. 220.185.

11. The amount taken as a credit for the taxable year under s. 220.1875. The addition in this subparagraph is intended to ensure that the same amount is not allowed for the tax purposes of this state as both a deduction from income and a credit against the tax. This addition is not intended to result in adding the same expense back to income more than once.

12. The amount taken as a credit for the taxable year under s. 220.192.

13. The amount taken as a credit for the taxable year under s. 220.193.

14. Any portion of a qualified investment, as defined in s. 288.9913, which is claimed as a deduction by the taxpayer and taken as a credit against income tax pursuant to s. 288.9916.

15. The costs to acquire a tax credit pursuant to s. 288.1254(5) that are deducted from or otherwise reduce federal taxable income for the taxable year.

16. The amount taken as a credit for the taxable year pursuant to s. 220.194.

17. The amount taken as a credit for the taxable year under s. 220.196. The addition in this subparagraph is intended to ensure that the same amount is not allowed for the tax purposes of this state as both a deduction from income and a credit against the tax. The addition is not intended to result in adding the same expense back to income more than once.

Section 9. Subsection (5) of section 220.131, Florida Statutes, is amended to read:

220.131 Adjusted federal income; affiliated groups.—

(5) Each taxpayer shall apportion adjusted federal income under s. 220.15 as a member of an affiliated group which files a consolidated return under this section on the basis of apportionment factors described in s. 220.15. For the purposes of this subsection, each special industry member included in an affiliated group filing a consolidated return ~~hereunder~~, who ~~which member~~ would otherwise be permitted to use a special method of apportionment under s. 220.151 or s. 220.153, shall construct the numerator of its sales, property, and payroll factors, respectively, by multiplying the denominator of each such factor by the premiums, ~~or~~ revenue miles, or single sales

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

factor ratio otherwise applicable under ~~pursuant to~~ s. 220.151 or s. 220.153 in the manner prescribed by ~~the~~ department ~~by~~ rule.

Section 10. Subsection (1) of section 220.15, Florida Statutes, is amended to read:

220.15 Apportionment of adjusted federal income.—

(1) Except as provided in ss. 220.151, ~~and~~ 220.152, and 220.153, adjusted federal income as defined in s. 220.13 shall be apportioned to this state by taxpayers doing business within and without this state by multiplying it by an apportionment fraction composed of a sales factor representing 50 percent of the fraction, a property factor representing 25 percent of the fraction, and a payroll factor representing 25 percent of the fraction. If any factor described in subsection (2), subsection (4), or subsection (5) has a denominator that is zero or is determined by the department to be insignificant, the relative weights of the other factors in the denominator of the apportionment fraction shall be as follows:

(a) If the denominators for any two factors are zero or are insignificant, the weighted percentage for the remaining factor shall be 100 percent.

(b) If the denominator for the sales factor is zero or is insignificant, the weighted percentage for the property and payroll factors shall change from 25 percent to 50 percent, respectively.

(c) If the denominator for either the property or payroll factor is zero or is insignificant, the weighted percentage for

the other shall be 33 1/3 percent, and the weighted percentage for the sales factor shall be 66 2/3 percent.

Section 11. Section 220.153, Florida Statutes, is created to read:

220.153 Apportionment by sales factor.—

(1) DEFINITIONS.—As used in this section, the term:

(a) "Office" means the Office of Tourism, Trade, and Economic Development.

(b) "Qualified capital expenditures" means expenditures in this state for purposes substantially related to a business's production or sale of goods or services. The expenditure must fund the acquisition of additional real property (land, buildings, including appurtenances, fixtures and fixed equipment, structures, etc.), including additions, replacements, major repairs, and renovations to real property which materially extend its useful life or materially improve or change its functional use and the furniture and equipment necessary to furnish and operate a new or improved facility. The term "qualified capital expenditures" does not include an expenditure for a passive investment or for an investment intended for the accumulation of reserves or the realization of profit for distribution to any person holding an ownership interest in the business. The term "qualified capital expenditures" does not include expenditures to acquire an existing business or expenditures in excess of $125 million to acquire land or buildings.

(2) APPORTIONMENT OF TAXES; ELIGIBILITY.—A taxpayer, not including a financial organization as defined in s. 220.15(6) or

a bank, savings association, international banking facility, or banking organization as defined in s. 220.62, doing business within and without this state, who applies and demonstrates to the office that, within a 2-year period beginning on or after July 1, 2011, it has made qualified capital expenditures equal to or exceeding $250 million may apportion its adjusted federal income solely by the sales factor set forth in s. 220.15(5), commencing in the taxable year that the office approves the application, but not before a taxable year that begins on or after January 1, 2013. Once approved, a taxpayer may elect to apportion its adjusted federal income for any taxable year using the method provided under this section or the method provided under s. 220.15.

(3) QUALIFICATION PROCESS.—

(a) To qualify as a taxpayer who is eligible to apportion its adjusted federal income under this section:

1. The taxpayer must notify the office of its intent to submit an application to apportion its adjusted federal income in order to commence the 2-year period for measuring qualified capital expenditures.

2. The taxpayer must submit an application to apportion its adjusted federal income under this section to the office within 2 years after notifying the office of the taxpayer's intent to qualify. The application must be made under oath and provide such information as the office reasonably requires by rule for determining the applicant's eligibility to apportion adjusted federal income under this section. The taxpayer is

668 responsible for affirmatively demonstrating to the satisfaction
669 of the office that it meets the eligibility requirements.
670 (b) The taxpayer notice and application forms shall be
671 established by the office by rule. The office shall acknowledge
672 receipt of the notice and approve or deny the application in
673 writing within 45 days after receipt.
674 (4) REVIEW AUTHORITY; RECAPTURE OF TAX.—
675 (a) In addition to its existing audit authority, the
676 department may perform any financial and technical review and
677 investigation, including examining the accounts, books, and
678 records of the taxpayer as necessary, to verify that the
679 taxpayer's tax return correctly computes and apportions adjusted
680 federal income and to ensure compliance with this chapter.
681 (b) The office may, by order, revoke its decision to grant
682 eligibility for apportionment pursuant to this section, and may
683 also order the recalculation of apportionment factors to those
684 applicable under s. 220.15 if, as the result of an audit,
685 investigation, or examination, it determines that information
686 provided by the taxpayer in the application, or in a statement,
687 representation, record, report, plan, or other document provided
688 to the office to become eligible for apportionment, was
689 materially false at the time it was made and that an individual
690 acting on behalf of the taxpayer knew, or should have known,
691 that the information submitted was false. The taxpayer shall pay
692 such additional taxes and interest as may be due pursuant to
693 this chapter computed as the difference between the tax that
694 would have been due under the apportionment formula provided in
695 s. 220.15 for such years and the tax actually paid. In addition,

the department shall assess a penalty equal to 100 percent of the additional tax due.

(c) The office shall immediately notify the department of an order affecting a taxpayer's eligibility to apportion tax pursuant to this section. A taxpayer who is liable for past tax must file an amended return with the department, or such other report as the department prescribes by rule, and pay any required tax, interest, and penalty within 60 days after the taxpayer receives notification from the office that the previously approved credits have been revoked. If the revocation is contested, the taxpayer shall file an amended return or other report within 30 days after an order becomes final. A taxpayer who fails to pay the past tax, interest, and penalty by the due date is subject to the penalties provided in s. 220.803.

(5) RULES.—The office and the department may adopt rules to administer this section.

Section 12. Paragraph (f) of subsection (2) of section 220.1845, Florida Statutes, is amended to read:

220.1845 Contaminated site rehabilitation tax credit.—

(2) AUTHORIZATION FOR TAX CREDIT; LIMITATIONS.—

(f) The total amount of the tax credits which may be granted under this section is $5 ~~$2~~ million annually.

Section 13. Subsections (4), (5), and (11) of section 376.30781, Florida Statutes, are amended to read:

376.30781 Tax credits for rehabilitation of drycleaning-solvent-contaminated sites and brownfield sites in designated brownfield areas; application process; rulemaking authority; revocation authority.—

(4) The Department of Environmental Protection is responsible for allocating the tax credits provided for in s. 220.1845, which may not exceed a total of $5 ~~$2~~ million in tax credits annually.

(5) To claim the credit for site rehabilitation or solid waste removal, each tax credit applicant must apply to the Department of Environmental Protection for an allocation of the $5 ~~$2~~ million annual credit by filing a tax credit application with the Division of Waste Management on a form developed by the Department of Environmental Protection in cooperation with the Department of Revenue. The form shall include an affidavit from each tax credit applicant certifying that all information contained in the application, including all records of costs incurred and claimed in the tax credit application, are true and correct. If the application is submitted pursuant to subparagraph (3)(a)2., the form must include an affidavit signed by the real property owner stating that it is not, and has never been, the owner or operator of the drycleaning facility where the contamination exists. Approval of tax credits must be accomplished on a first-come, first-served basis based upon the date and time complete applications are received by the Division of Waste Management, subject to the limitations of subsection (14). To be eligible for a tax credit, the tax credit applicant must:

(a) For site rehabilitation tax credits, have entered into a voluntary cleanup agreement with the Department of Environmental Protection for a drycleaning-solvent-contaminated site or a Brownfield Site Rehabilitation Agreement, as

applicable, and have paid all deductibles pursuant to s. 376.3078(3)(e) for eligible drycleaning-solvent-cleanup program sites, as applicable. A site rehabilitation tax credit applicant must submit only a single completed application per site for each calendar year's site rehabilitation costs. A site rehabilitation application must be received by the Division of Waste Management of the Department of Environmental Protection by January 31 of the year after the calendar year for which site rehabilitation costs are being claimed in a tax credit application. All site rehabilitation costs claimed must have been for work conducted between January 1 and December 31 of the year for which the application is being submitted. All payment requests must have been received and all costs must have been paid prior to submittal of the tax credit application, but no later than January 31 of the year after the calendar year for which site rehabilitation costs are being claimed.

(b) For solid waste removal tax credits, have entered into a brownfield site rehabilitation agreement with the Department of Environmental Protection. A solid waste removal tax credit applicant must submit only a single complete application per brownfield site, as defined in the brownfield site rehabilitation agreement, for solid waste removal costs. A solid waste removal tax credit application must be received by the Division of Waste Management of the Department of Environmental Protection subsequent to the completion of the requirements listed in paragraph (3)(e).

(11) If a tax credit applicant does not receive a tax credit allocation due to an exhaustion of the $5 ~~2~~ million

annual tax credit authorization, such application will then be included in the same first-come, first-served order in the next year's annual tax credit allocation, if any, based on the prior year application.

Section 14. Subsection (5) is added to section 220.16, Florida Statutes, to read:

220.16 Allocation of nonbusiness income.—Nonbusiness income shall be allocated as follows:

(5) The amount of payments received in exchange for transferring a net operating loss authorized by s. 220.194 is allocable to the state.

Section 15. Section 220.194, Florida Statutes, is created to read:

220.194 Corporate income tax credits for spaceflight projects.—

(1) SHORT TITLE.—This section may be cited as the "Florida Space Business Incentives Act."

(2) PURPOSE.—The purpose of this section is to create incentives to attract launch, payload, research and development, and other space business to this state.

(3) DEFINITIONS.—As used in this section, the term:

(a) "Administrative support" means that 51 percent or more of an activity supports a certified spaceflight business.

(b) "Certified" means that a spaceflight business has been certified by the office as meeting all of the requirements necessary to obtain at least one of the approved tax credits available under this section, including approval to transfer a credit.

(c) "New employee" means a state resident who begins or maintains full-time employment in this state with a spaceflight business on or after October 1, 2011. The term does not include a person who is a partner, majority stockholder, or owner of the business or a person who is employed in a temporary construction job or primarily involved with the construction of real property.

(d) "New job" means the full-time employment of an employee in a manner that is consistent with terms used by the Agency for Workforce Innovation and the United States Department of Labor for purposes of unemployment compensation tax administration and employment estimation. In order to meet the requirement for certification specified in paragraph (5)(b), a new job must:

1. Pay new employees at least 115 percent of the statewide or countywide average annual private-sector wage for the 3 taxable years immediately preceding filing an application for certification;

2. Require a new employee to perform duties on a regular full-time basis in this state for an average of at least 36 hours per week each month for the 3 taxable years immediately preceding filing an application for certification; and

3. Not be held by a person who has previously been included as a new employee on an application for any credit authorized under this section.

(e) "Office" means the Office of Tourism, Trade, and Economic Development.

(f) "Payload" means an object built or assembled in this state to be placed into earth's upper atmospheres or space.

(g) "Reentry" means to return or attempt to return an object from earth's upper atmospheres or space.

(h) "Reentry service" means an activity conducted in this state related to preparing a reentry vehicle and any payload for reentry and the reentry.

(i) "Space vehicle" means any spacecraft, satellite, space station, upper-stage, launch vehicle, reentry vehicle, and related ground-support systems and equipment.

(j) "Spaceflight business" means a business that:

1. Is registered with the Secretary of State to do business in this state; and

2. Is currently engaged in a spaceflight project. A spaceflight business may participate in more than one spaceflight project at a time and may conduct work on a commercial, governmental, or United States defense-related spaceflight project.

(k) "Spaceflight project" means any of the following activities performed in this state:

1. Designing, manufacturing, testing, or assembling a space vehicle or components thereof;

2. Providing a launch service, payload processing service, or reentry service; or

3. Providing the payload for a launch vehicle or reentry space vehicle;

4. Administrative support; or

5. Providing the launch vehicle or the reentry vehicle for space tourists.

(l) "Taxpayer" has the same meaning as provided in s. 220.03.

(4) TAX CREDITS.—

(a) If approved and certified pursuant to subsection (5), the following tax credits may be taken on a return for a taxable year beginning on or after October 1, 2015:

1. A certified spaceflight business may take a nontransferable corporate income tax credit for up to 50 percent of the business's tax liability under this chapter for the taxable year in which the credit is taken. The maximum nontransferable tax credit amount that may be approved per taxpayer for a taxable year is $1 million. No more than $3 million in total tax credits pursuant to this subparagraph may be certified pursuant to subsection (5). No credit may be approved after October 1, 2017.

2. A certified spaceflight business may transfer, in whole or in part, its Florida net operating loss that would otherwise be available to be taken on a return filed under this chapter, provided that the activity giving rise to such net operating loss must have occurred after July 1, 2011. The transfer allowed under this subparagraph will be in the form of a transferable tax credit equal to the amount of the net operating loss eligible to be transferred. The maximum transferable tax credit amount that may be approved per taxpayer for a taxable year is $2.5 million. No more than $7 million in total tax credits

pursuant to this subparagraph may be certified pursuant to subsection (5). No credit may be approved after October 1, 2017.

a. In order to transfer the credit, the business must:

(I) Have been approved to transfer the tax credit for the taxable year in which it is transferred;

(II) Have incurred a qualifying net operating loss on activity in this state after July 1, 2011, directly associated with one or more spaceflight projects in any of its 3 previous taxable years;

(III) Not be 50 percent or more owned or controlled, directly or indirectly, by another corporation that has demonstrated positive net income in any of the 3 previous taxable years of ongoing operations; and

(IV) Not be part of a consolidated group of affiliated corporations, as filed for federal income tax purposes, which in the aggregate demonstrated positive net income in any of the 3 previous taxable years.

b. The credit that may be transferred by a certified spaceflight business:

(I) Is limited to the amount of eligible net operating losses incurred in the immediate 3 taxable years before the transfer; and

(II) Must be directly associated with a spaceflight project in this state as verified through an audit or examination by a certified public accountant licensed to do business in this state and as verified by the office.

(b) Each certified spaceflight business may only be approved for a credit under subparagraph (a)1. once and may only

be approved to transfer a tax credit under subparagraph (a)2. once, and a certified spaceflight business may not be approved for both in a single state fiscal year.

(c) Credits approved under subparagraph (a)1. may be taken only against the corporate income tax liability generated by or arising out of a spaceflight project in this state, as verified through an audit or examination by a certified public accountant licensed to do business in this state and as verified by the office.

(d) A certified spaceflight business may not file a consolidated return in order to claim the tax incentives described in this subsection.

(e) The certified spaceflight business or transferee must demonstrate to the satisfaction of the office and the department that it is eligible to take the credits approved under this section.

(5) APPLICATION AND CERTIFICATION.—

(a) In order to claim a tax credit under this section, a spaceflight business must first submit an application to the office for approval to earn tax credits or create transferable tax credits. The application must be filed by the date established by the office. In addition to any information that the office may require, the applicant must provide a complete description of the activity in this state which demonstrates to the office the applicant's likelihood to be certified to take or transfer a credit. The applicant must also provide a description of the total amount and type of credits for which approval is sought. The office may consult with Space Florida regarding the

qualifications of an applicant. The applicant shall provide an affidavit certifying that all information contained in the application is true and correct.

1. Approval of the credits shall be provided on a first-come, first-served basis, based on the date the completed applications are received by the office. A taxpayer may not submit more than one completed application per state fiscal year. The office may not accept an incomplete placeholder application, and the submission of such an application will not secure a place in the first-come, first-served application line.

2. The office has 60 days after the receipt of a completed application within which to issue a notice of intent to deny or approve an application for credits. The office must ensure that the corporate income tax credits approved for all applicants does not exceed the limits provided in this section.

(b) In order to take a tax credit under subparagraph (a)1. or, if applicable, to transfer an approved credit under subparagraph (a)2., a spaceflight business must submit an application for certification to the office along with a nonrefundable $250 fee.

1. The application must include:

a. The name and physical in-state address of the taxpayer.

b. Documentation demonstrating to the satisfaction of the office that:

(I) The taxpayer is a spaceflight business.

(II) The business has engaged in a qualifying spaceflight project before taking or transferring a credit under this section.

c. In addition to any requirement specific to a credit, documentation that the business has:

(I) Created 35 new jobs in this state directly associated with spaceflight projects during its immediately preceding 3 taxable years. The business shall be deemed to have created new jobs if the number of full-time jobs located in this state at the time of application for certification is greater than the total number of full-time jobs located in this state at the time of application for approval to earn credits; and

(II) Invested a total of at least $15 million in this state on a spaceflight project during its immediately preceding 3 taxable years.

d. The total amount and types of credits sought.

e. An acknowledgment that a transfer of a tax credit is to be accomplished pursuant to subsection (5).

f. A copy of an audit or audits of the preceding 3 taxable years, prepared by a certified public accountant licensed to practice in this state, which identifies that portion of the business's activities in this state related to spaceflight projects in this state.

g. An acknowledgement that the business must file an annual report on the spaceflight project's progress with the office.

h. Any other information necessary to demonstrate that the applicant meets the job creation, investment, and other requirements of this section.

2. Within 60 days after receipt of the application for certification, the office shall evaluate the application and

recommend the business for certification or denial. The executive director of the office must approve or deny the application within 30 days after receiving the recommendation. If approved, the office must provide a letter of certification to the applicant consistent with any restrictions imposed. If the office denies any part of the requested credit, the office must inform the applicant of the grounds for the denial. A copy of the certification shall be submitted to the department within 10 days after the executive director's approval.

(6) TRANSFERABILITY OF CREDIT.—

(a) A certified spaceflight business allowed to transfer an approved credit, in whole or in part, to a taxpayer by written agreement may do so without transferring any ownership interest in the property generating the credit or any interest in the entity owning such property.

(b) In order to perfect the transfer, the transferor shall provide the department with a written transfer statement that has been approved by the office notifying the department of the transferor's intent to transfer the tax credits to the transferee; the date that the transfer is effective; the transferee's name, address, and federal taxpayer identification number; the tax period; and the amount of tax credits to be transferred. Upon receipt of the approved transfer statement, the department shall provide the transferee and the office with a certificate reflecting the tax credit amounts transferred. A copy of the certificate must be attached to each tax return for which the transferee seeks to apply the credits.

(7) AUDIT AUTHORITY; RECAPTURE OF CREDITS.—

(a) In addition to its existing audit and investigative authority, the department may perform any additional financial and technical audits and investigations, including examining the accounts, books, and financial records of the tax credit applicant, which are necessary for verifying the accuracy of the return and to ensure compliance with this section. If requested by the department, the office and Space Florida must provide technical assistance for any technical audits or examinations performed under this subsection.

(b) Grounds for forfeiture of previously claimed tax credits approved under this section exist if the department determines, as a result of an audit or examination, or from information received from the office, that a certified spaceflight business, or in the case of transferred tax credits, a taxpayer received tax credits for which the certified spaceflight business or taxpayer was not entitled. The spaceflight business or transferee must file an amended return reflecting the disallowed credits and paying any tax due as a result of the amendment.

(c) If an amendment to, recomputation of, or redetermination of a certified spaceflight business's Florida corporate income tax return changes an item entered into the computation of a claimed credit, the taxpayer must notify the department by filing an amended return. The amount of any credit award not supported by the amended return shall be deemed a deficiency that must be remitted with the amended return and is subject to s. 220.23. The spaceflight business is also liable for a penalty equal to the credit claimed or transferred,

reduced in proportion to the amount of the net operating loss certified for transfer which is disallowed over the amount of the net operating loss certified for the credit. The certified business and its successors must maintain all records necessary to support the reported net operating loss.

(d) The office may revoke or modify a certification granting eligibility for tax credits if it finds that the certified spaceflight business made a false statement or representation in any application, record, report, plan, or other document filed in an attempt to receive tax credits under this section. The office shall immediately notify the department of any revoked or modified orders affecting previously granted tax credits. The certified spaceflight business must also notify the department of any change in its claimed tax credit.

(e) The certified spaceflight business must file with the department an amended return or other report required by the department by rule and pay any required tax and interest within 60 days after the certified business receives notification from the office that previously approved tax credits have been revoked or modified. If the revocation or modification order is contested, the spaceflight business must file the amended return or other report within 60 days after a final order is issued.

(f) The department may assess an additional tax, penalty, or interest pursuant to s. 95.091.

(8) RULES.—

(a) The office, in consultation with Space Florida, shall adopt rules to administer this section, including rules relating to application forms for credit approval and certification, and

the application and certification procedures, guidelines, and requirements necessary to administer this section.

(b) The department may adopt rules to administer this section, including rules relating to:

1. The forms required to claim a tax credit under this section, the requirements and basis for establishing an entitlement to a credit, and the examination and audit procedures required to administer this section.

2. The implementation and administration of provisions allowing the transfer of a net operating loss as a tax credit, including rules that prescribe forms, reporting requirements, and specific procedures, guidelines, and requirements necessary to perform the transfer.

3. The minimum portion of the credit which is available for transfer.

(9) ANNUAL REPORT.—Beginning in 2014, the office, in cooperation with Space Florida and the department, shall submit an annual report summarizing activities relating to the Florida Space Business Incentives Act established under this section to the Governor, the President of the Senate, and the Speaker of the House of Representatives by each November 30.

(10) NONAPPLICABILITY.—This section does not apply to returns filed for any tax period before October 1, 2015.

Section 16. Effective January 1, 2012, section 220.195, Florida Statutes, is created to read:

220.195 Emergency excise tax credit.—

(1) Beginning with taxable years ending in 2012, a taxpayer who has earned, but not yet taken, a credit for

emergency excise tax paid under former s. 221.02 may take such credit against the tax imposed by this chapter.

(2) If a credit granted pursuant to this section is not fully used in taxable years ending in 2012 because of insufficient tax liability on the part of the taxpayer, the unused amount may be carried forward for a period not to exceed 5 years. The carryover credit may be used in a subsequent year when the tax imposed by this chapter for such year exceeds the credit for such year, after applying the other credits and unused credit carryovers in the order provided in s. 220.02(8).

Section 17. Effective July 1, 2011, and applicable to taxable years beginning on or after January 1, 2012, section 220.196, Florida Statutes, is created to read:

220.196 Research and development tax credit.—

(1) DEFINITIONS.—As used in this section, the term:

(a) "Base amount" means the average of the business enterprise's qualified research expenses in this state allowed under 26 U.S.C. s. 41 for the 4 taxable years preceding the taxable year for which the credit is determined. The qualified research expenses taken into account in computing the base amount shall be determined on a basis consistent with the determination of qualified research expenses for the taxable year.

(b) "Business enterprise" means any corporation as defined in s. 220.03 which meets the definition of a target industry business as defined in s. 288.106.

(c) "Qualified research expenses" mean research expenses qualifying for the credit under 26 U.S.C. s. 41 for in-house

research expenses incurred in this state or contract research expenses incurred in this state. The term does not include research conducted outside this state or research expenses that do not qualify for a credit under 26 U.S.C. s. 41.

(2) TAX CREDIT.—Subject to the limitations contained in paragraph (e), a business enterprise is eligible for a credit against the tax imposed by this chapter if the business enterprise has qualified research expenses in this state in the taxable year exceeding the base amount and, for the same taxable year, claims and is allowed a research credit for such qualified research expenses under 26 U.S.C. s. 41.

(a) The tax credit shall be 10 percent of the excess qualified research expenses over the base amount. However, the maximum tax credit for a business enterprise that has not been in existence for at least 4 taxable years immediately preceding the taxable year is reduced by 25 percent for each taxable year for which the business enterprise, or a predecessor corporation that was a business enterprise, did not exist.

(b) The credit taken in any taxable year may not exceed 50 percent of the business enterprise's remaining net income tax liability under this chapter after all other credits have been applied under s. 220.02(8).

(c) Any unused credit authorized under this section may be carried forward and claimed by the taxpayer for up to 5 years.

(d) The combined total amount of tax credits which may be granted to all business enterprises under this section during any calendar year is $9 million. Applications may be filed with the department on or after March 20 for qualified research

expenses incurred within the preceding calendar year, and credits shall be granted in the order in which completed applications are received.

(3) RECALCULATION OF CREDIT AMOUNT.—If the amount of qualified research expenses is reduced as a result of a federal audit or examination, the credit granted pursuant to this section must be recalculated. The taxpayer must file amended returns for all affected years pursuant to s. 220.23(2), and the taxpayer must pay to the department the difference between the initial credit amount taken and the recalculated credit amount with interest.

(4) RULES.—The department may adopt rules to administer this section, including, but not limited to, rules prescribing forms and application procedures and dates, and may establish guidelines for making an affirmative showing of qualification for a credit and any evidence needed to substantiate a claim for credit under this section.

Section 18. Effective January 1, 2012, subsection (4) of section 220.801, Florida Statutes, is amended to read:

220.801 Penalties; failure to timely file returns.—

(4) The provisions of this section shall specifically apply to the notice of federal change required under s. 220.23~~, and to any tax returns required under chapter 221, relating to the emergency excise tax~~.

Section 19. Effective January 1, 2012, section 213.05, Florida Statutes, is amended to read:

213.05 Department of Revenue; control and administration of revenue laws.—The Department of Revenue shall have only those

responsibilities for ad valorem taxation specified to the department in chapter 192, taxation, general provisions; chapter 193, assessments; chapter 194, administrative and judicial review of property taxes; chapter 195, property assessment administration and finance; chapter 196, exemption; chapter 197, tax collections, sales, and liens; chapter 199, intangible personal property taxes; and chapter 200, determination of millage. The Department of Revenue shall have the responsibility of regulating, controlling, and administering all revenue laws and performing all duties as provided in s. 125.0104, the Local Option Tourist Development Act; s. 125.0108, tourist impact tax; chapter 198, estate taxes; chapter 201, excise tax on documents; chapter 202, communications services tax; chapter 203, gross receipts taxes; chapter 206, motor and other fuel taxes; chapter 211, tax on production of oil and gas and severance of solid minerals; chapter 212, tax on sales, use, and other transactions; chapter 220, income tax code; ~~chapter 221, emergency excise tax;~~ ss. 336.021 and 336.025, taxes on motor fuel and special fuel; s. 376.11, pollutant spill prevention and control; s. 403.718, waste tire fees; s. 403.7185, lead-acid battery fees; s. 538.09, registration of secondhand dealers; s. 538.25, registration of secondary metals recyclers; s. 624.4621, group self-insurer's fund premium tax; s. 624.5091, retaliatory tax; s. 624.475, commercial self-insurance fund premium tax; ss. 624.509-624.511, insurance code: administration and general provisions; s. 624.515, State Fire Marshal regulatory assessment; s. 627.357, medical malpractice self-insurance

premium tax; s. 629.5011, reciprocal insurers premium tax; and s. 681.117, motor vehicle warranty enforcement.

Section 20. Paragraph (dd) is added to subsection (8) of section 213.053, Florida Statutes, as amended by chapter 2010-280, Laws of Florida, and effective January 1, 2012, subsection (1) and paragraph (k) of subsection (8) of that section are amended, to read:

213.053 Confidentiality and information sharing.—

(1) This section applies to:

(a) Section 125.0104, county government;

(b) Section 125.0108, tourist impact tax;

(c) Chapter 175, municipal firefighters' pension trust funds;

(d) Chapter 185, municipal police officers' retirement trust funds;

(e) Chapter 198, estate taxes;

(f) Chapter 199, intangible personal property taxes;

(g) Chapter 201, excise tax on documents;

(h) Chapter 202, the Communications Services Tax Simplification Law;

(i) Chapter 203, gross receipts taxes;

(j) Chapter 211, tax on severance and production of minerals;

(k) Chapter 212, tax on sales, use, and other transactions;

(l) Chapter 220, income tax code;

~~(m) Chapter 221, emergency excise tax;~~

(m)~~(n)~~ Section 252.372, emergency management, preparedness, and assistance surcharge;

(n)~~(o)~~ Section 379.362(3), Apalachicola Bay oyster surcharge;

(o)~~(p)~~ Chapter 376, pollutant spill prevention and control;

(p)~~(q)~~ Section 403.718, waste tire fees;

(q)~~(r)~~ Section 403.7185, lead-acid battery fees;

(r)~~(s)~~ Section 538.09, registration of secondhand dealers;

(s)~~(t)~~ Section 538.25, registration of secondary metals recyclers;

(t)~~(u)~~ Sections 624.501 and 624.509-624.515, insurance code;

(u)~~(v)~~ Section 681.117, motor vehicle warranty enforcement; and

(v)~~(w)~~ Section 896.102, reports of financial transactions in trade or business.

(8) Notwithstanding any other provision of this section, the department may provide:

(k)1. Payment information relative to chapters 199, 201, 202, 212, 220, ~~221,~~ and 624 and former chapter 221 to the Office of Tourism, Trade, and Economic Development, or its employees or agents that are identified in writing by the office to the department, in the administration of the tax refund program for qualified defense contractors and space flight business contractors authorized by s. 288.1045 and the tax refund program for qualified target industry businesses authorized by s. 288.106.

2. Information relative to tax credits taken by a business under s. 220.191 and exemptions or tax refunds received by a business under s. 212.08(5)(j) to the Office of Tourism, Trade, and Economic Development, or its employees or agents that are identified in writing by the office to the department, in the administration and evaluation of the capital investment tax credit program authorized in s. 220.191 and the semiconductor, defense, and space tax exemption program authorized in s. 212.08(5)(j).

3. Information relative to tax credits taken by a taxpayer pursuant to the tax credit programs created in ss. 193.017; 212.08(5)(g),(h),(n),(o) and (p); 212.08(15); 212.096; 212.097; 212.098; 220.181; 220.182; 220.183; 220.184; 220.1845; 220.185; 220.1895; 220.19; 220.191; 220.192; 220.193; 288.0656; 288.99; 290.007; 376.30781; 420.5093; 420.5099; 550.0951; 550.26352; 550.2704; 601.155; 624.509; 624.510; 624.5105; and 624.5107 to the Office of Tourism, Trade, and Economic Development, or its employees or agents that are identified in writing by the office to the department, for use in the administration or evaluation of such programs.

4. Information relative to single sales factor apportionment used by a taxpayer to the Office of Tourism, Trade, and Economic Development or its employees or agents who are identified in writing by the office to the department for use by the office to administer s. 220.153.

(dd) Information relating to tax credits taken under s. 220.194 to the Office of Tourism, Trade, and Economic Development or to Space Florida.

Disclosure of information under this subsection shall be pursuant to a written agreement between the executive director and the agency. Such agencies, governmental or nongovernmental, shall be bound by the same requirements of confidentiality as the Department of Revenue. Breach of confidentiality is a misdemeanor of the first degree, punishable as provided by s. 775.082 or s. 775.083.

Section 21. Effective January 1, 2012, subsection (12) of section 213.255, Florida Statutes, is amended to read:

213.255 Interest.—Interest shall be paid on overpayments of taxes, payment of taxes not due, or taxes paid in error, subject to the following conditions:

(12) The rate of interest shall be the adjusted rate established pursuant to s. 213.235, except that the annual rate of interest shall never be greater than 11 percent. This annual rate of interest shall be applied to all refunds of taxes administered by the department except for corporate income taxes ~~and emergency excise taxes~~ governed by ss. 220.721 and 220.723.

Section 22. Effective January 1, 2012, chapter 221, Florida Statutes, consisting of sections 221.01, 221.02, 221.04, and 221.05, is repealed.

Section 23. Effective January 1, 2012, paragraph (a) of subsection (6) of section 288.075, Florida Statutes, is amended to read:

288.075 Confidentiality of records.—

(6) ECONOMIC INCENTIVE PROGRAMS.—

(a) The following information held by an economic development agency pursuant to the administration of an economic incentive program for qualified businesses is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution for a period not to exceed the duration of the incentive agreement, including an agreement authorizing a tax refund or tax credit, or upon termination of the incentive agreement:

1. The percentage of the business's sales occurring outside this state and, for businesses applying under s. 288.1045, the percentage of the business's gross receipts derived from Department of Defense contracts during the 5 years immediately preceding the date the business's application is submitted.

2. The anticipated wages for the project jobs that the business plans to create, as reported on the application for certification.

3. The average wage actually paid by the business for those jobs created by the project or an employee's personal identifying information which is held as evidence of the achievement or nonachievement of the wage requirements of the tax refund, tax credit, or incentive agreement programs or of the job creation requirements of such programs.

4. The amount of:

a. Taxes on sales, use, and other transactions paid pursuant to chapter 212;

b. Corporate income taxes paid pursuant to chapter 220;

c. Intangible personal property taxes paid pursuant to chapter 199;

~~d. Emergency excise taxes paid pursuant to chapter 221;~~

d.~~e.~~ Insurance premium taxes paid pursuant to chapter 624;

e.~~f.~~ Excise taxes paid on documents pursuant to chapter 201;

f.~~g.~~ Ad valorem taxes paid, as defined in s. 220.03(1); or

g.~~h.~~ State communications services taxes paid pursuant to chapter 202.

Section 24. Paragraph (c) of subsection (2) of section 288.1045, Florida Statutes, and effective January 1, 2012, paragraph (f) of that subsection, are amended to read:

288.1045 Qualified defense contractor and space flight business tax refund program.—

(2) GRANTING OF A TAX REFUND; ELIGIBLE AMOUNTS.—

(c) A qualified applicant may not receive more than $7 ~~$5~~ million in tax refunds pursuant to this section in all fiscal years.

(f) After entering into a tax refund agreement pursuant to subsection (4), a qualified applicant may:

1. Receive refunds from the account for corporate income taxes due and paid pursuant to chapter 220 by that business beginning with the first taxable year of the business which begins after entering into the agreement.

2. Receive refunds from the account for the following taxes due and paid by that business after entering into the agreement:

a. Taxes on sales, use, and other transactions paid pursuant to chapter 212.

b. Intangible personal property taxes paid pursuant to chapter 199.

~~c. Emergency excise taxes paid pursuant to chapter 221.~~

c.~~d.~~ Excise taxes paid on documents pursuant to chapter 201.

d.~~e.~~ Ad valorem taxes paid, as defined in s. 220.03(1)(a) on June 1, 1996.

e.~~f.~~ State communications services taxes administered under chapter 202. This provision does not apply to the gross receipts tax imposed under chapter 203 and administered under chapter 202 or the local communications services tax authorized under s. 202.19.

However, a qualified applicant may not receive a tax refund pursuant to this section for any amount of credit, refund, or exemption granted such contractor for any of such taxes. If a refund for such taxes is provided by the office, which taxes are subsequently adjusted by the application of any credit, refund, or exemption granted to the qualified applicant other than that provided in this section, the qualified applicant shall reimburse the Economic Development Trust Fund for the amount of such credit, refund, or exemption. A qualified applicant must notify and tender payment to the office within 20 days after receiving a credit, refund, or exemption, other than that provided in this section. The addition of communications services taxes administered under chapter 202 is remedial in

nature and retroactive to October 1, 2001. The office may make supplemental tax refund payments to allow for tax refunds for communications services taxes paid by an eligible qualified defense contractor after October 1, 2001.

Section 25. Paragraph (c) of subsection (3) of section 288.106, Florida Statutes, and effective January 1, 2012, paragraph (d) of that subsection, are amended to read:

288.106 Tax refund program for qualified target industry businesses.—

(3) TAX REFUND; ELIGIBLE AMOUNTS.—

(c) A qualified target industry business may not receive refund payments of more than 25 percent of the total tax refunds specified in the tax refund agreement under subparagraph (5)(a)1. in any fiscal year. Further, a qualified target industry business may not receive more than $1.5 million in refunds under this section in any single fiscal year, or more than $2.5 million in any single fiscal year if the project is located in an enterprise zone. A qualified target industry business may not receive more than $7 ~~$5~~ million in refund payments under this section in all fiscal years, or more than $7.5 million if the project is located in an enterprise zone.

(d) After entering into a tax refund agreement under subsection (5), a qualified target industry business may:

1. Receive refunds from the account for the following taxes due and paid by that business beginning with the first taxable year of the business that begins after entering into the agreement:

a. Corporate income taxes under chapter 220.

b. Insurance premium tax under s. 624.509.

2. Receive refunds from the account for the following taxes due and paid by that business after entering into the agreement:

a. Taxes on sales, use, and other transactions under chapter 212.

b. Intangible personal property taxes under chapter 199.

~~c. Emergency excise taxes under chapter 221.~~

c.~~d.~~ Excise taxes on documents under chapter 201.

d.~~e.~~ Ad valorem taxes paid, as defined in s. 220.03(1).

e.~~f.~~ State communications services taxes administered under chapter 202. This provision does not apply to the gross receipts tax imposed under chapter 203 and administered under chapter 202 or the local communications services tax authorized under s. 202.19.

Section 26. Paragraphs (b), (h), and (i) of subsection (1), paragraphs (c) and (e) of subsection (3), paragraph (b) of subsection (4), paragraph (c) of subsection (5), paragraph (a) of subsection (7), and subsection (10) of section 288.1254, Florida Statutes, are amended, and paragraphs (k), (l), (m), (n), and (o) are added to subsection (1) of that section, to read:

288.1254 Entertainment industry financial incentive program.—

(1) DEFINITIONS.—As used in this section, the term:

(b) "Digital media project" means a production of interactive entertainment that is produced for distribution in commercial or educational markets. The term includes a video

game or production intended for Internet or wireless distribution. The term does not include a production that contains ~~deemed by the Office of Film and Entertainment to contain~~ obscene content as defined in s. 847.001(10).

(f) "Production" means a theatrical or direct-to-video motion picture; a made-for-television motion picture; visual effects or digital animation sequences produced in conjunction with a motion picture; a commercial; a music video; an industrial or educational film; an infomercial; a documentary film; a television pilot program; a presentation for a television pilot program; a television series, including, but not limited to, a drama, a reality show, a comedy, a soap opera, a telenovela, a game show, an awards show, or a miniseries production; or a digital media project by the entertainment industry. One season of a television series is considered one production. The term does not include a weather or market program; a sporting event; a sports show; a gala; a production that solicits funds; a home shopping program; a political program; a political documentary; political advertising; a gambling-related project or production; a concert production; or a local, regional, or Internet-distributed-only news show, current-events show, pornographic production, or current-affairs show. A production may be produced on or by film, tape, or otherwise by means of a motion picture camera; electronic camera or device; tape device; computer; any combination of the foregoing; or any other means, method, or device.

(h) "Qualified expenditures" means production expenditures incurred in this state by a qualified production for:

1. Goods purchased or leased from, or services, including, but not limited to, insurance costs and bonding, payroll services, and legal fees, which are provided by, a vendor or supplier in this state that is registered with the Department of State or the Department of Revenue, has a physical location in this state, and employs one or more legal residents of this state. This does not include re-billed goods or services provided by an in-state company from out-of-state vendors or suppliers. When services are provided by the vendor or supplier include personal services or labor, only personal services or labor provided by residents of this state, evidenced by the required documentation of residency in this state, qualify.

2. Payments to legal residents of this state in the form of salary, wages, or other compensation up to a maximum of $400,000 per resident unless otherwise specified in subsection (4). A completed declaration of residency in this state must accompany the documentation submitted to the office for reimbursement.

For a qualified production involving an event, such as an awards show, the term does not include expenditures solely associated with the event itself and not directly required by the production. The term does not include expenditures incurred before certification, with the exception of those incurred for a commercial, a music video, or the pickup of additional episodes of a high-impact television series within a single season. Under no circumstances may the qualified production include in the calculation for qualified expenditures the original purchase

price for equipment or other tangible property that is later sold or transferred by the qualified production for consideration. In such cases, the qualified expenditure is the net of the original purchase price minus the consideration received upon sale or transfer.

(i) "Qualified production" means a production in this state meeting the requirements of this section. The term does not include a production:

1. In which, for the first 2 years of the incentive program, less than 50 percent, and thereafter, less than 60 percent, of the positions that make up its production cast and below-the-line production crew, or, in the case of digital media projects, less than 75 percent of such positions, are filled by legal residents of this state, whose residency is demonstrated by a valid Florida driver's license or other state-issued identification confirming residency, or students enrolled full-time in a film-and-entertainment-related course of study at an institution of higher education in this state; or

2. That contains ~~is deemed by the Office of Film and Entertainment to contain~~ obscene content as defined in s. 847.001(10).

(k) "Qualified digital media production facility" means a building or series of buildings and their improvements in which data processing, visualization, and sound synchronization technologies are regularly applied for the production of qualified digital media projects or the digital animation components of qualified productions.

(l) "Qualified production facility" means a building or complex of buildings and their improvements and associated backlot facilities in which regular filming activity for film or television has occurred for a period of no less than one year and which contain at least one sound stage of at least 7,800 square feet.

(m) "Regional population ratio" means the ratio of the population of a region to the population of this state. The regional population ratio applicable to a given fiscal year is the regional population ratio calculated by the Office of Film and Entertainment using the latest official estimates of population certified under s. 186.901, available on the first day of that fiscal year.

(n) "Regional tax credit ratio" means a ratio the numerator of which is the sum of tax credits awarded to productions in a region to date plus the tax credits certified, but not yet awarded, to productions currently in that region and the denominator of which is the sum of all tax credits awarded in the state to date plus all tax credits certified, but not yet awarded, to productions currently in the state. The regional tax credit ratio applicable to a given year is the regional tax credit ratio calculated by the Office of Film and Entertainment using credit award and certification information available on the first day of that fiscal year.

(o) "Underutilized region" for a given state fiscal year means a region with a regional tax credit ratio applicable to that fiscal year that is lower than its regional population

ratio applicable to that fiscal year. The following regions are established for purposes of making this determination:

1. North Region, consisting of Alachua, Baker, Bay, Bradford, Calhoun, Clay, Columbia, Dixie, Duval, Escambia, Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Holmes, Jackson, Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Nassau, Okaloosa, Putnam, Santa Rosa, St. Johns, Suwannee, Taylor, Union, Wakulla, Walton, and Washington counties.

2. Central East Region, consisting of Brevard, Flagler, Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St. Lucie, and Volusia counties.

3. Central West Region, consisting of Citrus, Hernando, Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota, and Sumter counties.

4. Southwest Region, consisting of Charlotte, Collier, DeSoto, Glades, Hardee, Hendry, Highlands, and Lee counties.

5. Southeast Region, consisting of Broward, Martin, Miami-Dade, Monroe, and Palm Beach counties.

(3) APPLICATION PROCEDURE; APPROVAL PROCESS.—

(c) Application process.—The Office of Film and Entertainment shall establish a process by which an application is accepted and reviewed and by which tax credit eligibility and award amount are determined. The Office of Film and Entertainment may request assistance from a duly appointed local film commission in determining compliance with this section. A certified high-impact television series may submit an initial application for no more than two successive seasons, notwithstanding the fact that the successive seasons have not

been ordered. The successive season's qualified expenditure amounts shall be based on the current season's estimated qualified expenditures. Upon the completion of production of each season, a high-impact television series may submit an application for no more than one additional season.

(e) Grounds for denial.—The Office of Film and Entertainment shall deny an application if it determines that the application is not complete or the production or application does not meet the requirements of this section. Within 90 days after submitting a program application, except with respect to applications in the independent and emerging media queue, a production must provide proof of project financing to the Office of Film and Entertainment, otherwise the project is deemed denied and withdrawn. A project that has been withdrawn may submit a new application upon providing the Office of Film and Entertainment proof of financing.

(4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES; ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS; PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND ACQUISITIONS.—

(b) Tax credit eligibility.—

1. General production queue.—Ninety-four percent of tax credits authorized pursuant to subsection (6) in any state fiscal year must be dedicated to the general production queue. The general production queue consists of all qualified productions other than those eligible for the commercial and music video queue or the independent and emerging media production queue. A qualified production that demonstrates a

minimum of $625,000 in qualified expenditures is eligible for tax credits equal to 20 percent of its actual qualified expenditures, up to a maximum of $8 million. A qualified production that incurs qualified expenditures during multiple state fiscal years may combine those expenditures to satisfy the $625,000 minimum threshold.

a. An off-season certified production that is a feature film, independent film, or television series or pilot is eligible for an additional 5-percent tax credit on actual qualified expenditures. An off-season certified production that does not complete 75 percent of principal photography due to a disruption caused by a hurricane or tropical storm may not be disqualified from eligibility for the additional 5-percent credit as a result of the disruption.

b. If more than 25 percent of the sum of total tax credits awarded to productions after July 1, 2010, and total tax credits certified, but not yet awarded, to productions currently in this state has been awarded for television series, then no television series or pilot shall be eligible for tax credits under this subparagraph.

c. The calculations required by this sub-subparagraph shall use only credits available to be certified and awarded on or after July 1, 2011.

(I) If the provisions of sub-subparagraph b. are not applicable and less than 25 percent of the sum of the total tax credits awarded to productions and the total tax credits certified, but not yet awarded, to productions currently in this state has been to high-impact television series, any ~~A~~ qualified

high-impact television series shall be allowed first position in this queue for tax credit awards not yet certified.

(II) If less than 20 percent of the sum of the total tax credits awarded to productions and the total tax credits certified, but not yet awarded, to productions currently in this state has been to digital media projects, any digital media project with qualified expenditures of greater than $4,500,000 shall be allowed first position in this queue for tax credit awards not yet certified.

(III) For the purposes of determining position between a high-impact television series allowed first position and a digital media project allowed first position under this sub-subparagraph, tax credits shall be awarded on a first-come, first-served basis.

d. A qualified production that incurs at least 85 percent of its qualified expenditures within a region designated as an underutilized region at the time that the production is certified is eligible for an additional 5 percent tax credit.

e. Any qualified production that employs students enrolled full-time in a film and entertainment-related or digital media-related course of study at an institution of higher education in this state is eligible for an additional 15 percent tax credit on qualified expenditures that are wages, salaries, or other compensation paid to such students. The additional 15 percent tax credit shall also be applicable to persons hired within 12 months of graduating from a film and entertainment-related or digital media-related course of study at an institution of higher education in this state. The additional 15 percent tax

credit shall apply to qualified expenditures that are wages, salaries, or other compensation paid to such recent graduates for one year from the date of hiring.

f. A qualified production for which 50 percent or more of its principal photography occurs at a qualified production facility, or a qualified digital media project or the digital animation component of a qualified production for which 50 percent or more of the project's or component's qualified expenditures are related to a qualified digital media production facility shall be eligible for an additional 5 percent tax credit on actual qualified expenditures for production activity at that facility.

g. No qualified production shall be eligible for tax credits provided under this paragraph totaling more than 30 percent of its actual qualified expenses.

2. Commercial and music video queue.—Three percent of tax credits authorized pursuant to subsection (6) in any state fiscal year must be dedicated to the commercial and music video queue. A qualified production company that produces national or regional commercials or music videos may be eligible for a tax credit award if it demonstrates a minimum of $100,000 in qualified expenditures per national or regional commercial or music video and exceeds a combined threshold of $500,000 after combining actual qualified expenditures from qualified commercials and music videos during a single state fiscal year. After a qualified production company that produces commercials, music videos, or both reaches the threshold of $500,000, it is eligible to apply for certification for a tax credit award. The

maximum credit award shall be equal to 20 percent of its actual qualified expenditures up to a maximum of $500,000. If there is a surplus at the end of a fiscal year after the Office of Film and Entertainment certifies and determines the tax credits for all qualified commercial and video projects, such surplus tax credits shall be carried forward to the following fiscal year and be available to any eligible qualified productions under the general production queue.

3. Independent and emerging media production queue.—Three percent of tax credits authorized pursuant to subsection (6) in any state fiscal year must be dedicated to the independent and emerging media production queue. This queue is intended to encourage Florida independent film and emerging media production. Any qualified production, excluding commercials, infomercials, or music videos, that demonstrates at least $100,000, but not more than $625,000, in total qualified expenditures is eligible for tax credits equal to 20 percent of its actual qualified expenditures. If a surplus exists at the end of a fiscal year after the Office of Film and Entertainment certifies and determines the tax credits for all qualified independent and emerging media production projects, such surplus tax credits shall be carried forward to the following fiscal year and be available to any eligible qualified productions under the general production queue.

4. Family-friendly productions.—A certified theatrical or direct-to-video motion picture production or video game determined by the Commissioner of Film and Entertainment, with the advice of the Florida Film and Entertainment Advisory

Council, to be family-friendly, based on the review of the script and the review of the final release version, is eligible for an additional tax credit equal to 5 percent of its actual qualified expenditures. Family-friendly productions are those that have cross-generational appeal; would be considered suitable for viewing by children age 5 or older; are appropriate in theme, content, and language for a broad family audience; embody a responsible resolution of issues; and do not exhibit or imply any act of smoking, sex, nudity, or vulgar or profane language.

(5) TRANSFER OF TAX CREDITS.—

(c) Transferee rights and limitations.—The transferee is subject to the same rights and limitations as the certified production company awarded the tax credit, except that the initial transferee shall be permitted a one-time transfer of unused credits to no more than two subsequent transferees, and such transfers must occur in the same taxable year as the credits were received by the initial transferee, after which the subsequent transferees may not sell or otherwise transfer the tax credit.

(7) ANNUAL ALLOCATION OF TAX CREDITS.—

(a) The aggregate amount of the tax credits that may be certified pursuant to paragraph (3)(d) may not exceed:

1. For fiscal year 2010-2011, $53.5 million.

2. For fiscal year 2011-2012, $74.5 million.

3. For fiscal years 2012-2013, 2013-2014, and 2014-2015, $42 ~~$38~~ million per fiscal year.

(10) ANNUAL REPORT.—Each October 1, the Office of Film and Entertainment shall provide an annual report for the previous fiscal year to the Governor, the President of the Senate, and the Speaker of the House of Representatives which outlines the return on investment and economic benefits to the state. The report shall also include an estimate of the full-time equivalent positions created by each production that received tax credits under s. 288.1254 and information relating to the distribution of productions receiving credits by geographic region and type of production.

Section 27. Subsection (5) of section 288.1258, Florida Statutes, is amended to read:

288.1258 Entertainment industry qualified production companies; application procedure; categories; duties of the Department of Revenue; records and reports.—

(5) RELATIONSHIP OF TAX EXEMPTIONS AND INCENTIVES TO INDUSTRY GROWTH; REPORT TO THE LEGISLATURE.—The Office of Film and Entertainment shall keep annual records from the information provided on taxpayer applications for tax exemption certificates beginning January 1, 2001. ~~These records shall reflect a ratio of the annual amount of sales and use tax exemptions under this section and incentives awarded pursuant to s. 288.1254 to the estimated amount of funds expended by certified productions, including productions that received incentives pursuant to s. 288.1254.~~ These records also shall reflect a ~~separate~~ ratio of the annual amount of sales and use tax exemptions under this section, plus the incentives awarded pursuant to s. 288.1254 to the estimated amount of funds expended by certified productions.

In addition, the office shall maintain data showing annual growth in Florida-based entertainment industry companies and entertainment industry employment and wages. The employment information shall include an estimate of the full-time equivalent positions created by each production that received tax credits pursuant to s. 288.1254. The Office of Film and Entertainment shall report this information to the Legislature no later than December 1 of each year.

Section 28. Effective January 1, 2012, paragraph (d) is added to subsection (6) of section 290.0055, Florida Statutes, to read:

290.0055 Local nominating procedure.—

(6)

(d)1. The governing body of a jurisdiction which has nominated an application for an enterprise zone that is no larger than 12 square miles and includes a portion of the state designated as a rural area of critical economic concern under s. 288.0656(7) may apply to the Office of Tourism, Trade, and Economic Development to expand the boundary of the enterprise zone by not more than 3 square miles. An application to expand the boundary of an enterprise zone under this paragraph must be submitted by December 31, 2012.

2. Notwithstanding the area limitations specified in subsection (4), the Office of Tourism, Trade, and Economic Development may approve the request for a boundary amendment if the area continues to satisfy the remaining requirements of this section.

3. The Office of Tourism, Trade, and Economic Development shall establish the initial effective date of an enterprise zone designated under this paragraph.

Section 29. Effective January 1, 2012, section 290.00726, Florida Statutes, is created to read:

290.00726 Enterprise zone designation for Martin County.—Martin County may apply to the Office of Tourism, Trade, and Economic Development for designation of one enterprise zone for an area within Martin County, which zone shall encompass an area of up to 10 square miles consisting of land within the primary urban services boundary and focusing on Indiantown, but excluding property owned by Florida Power and Light to the west, two areas to the north designated as estate residential, and the county-owned Timer Powers Recreational Area. Within the designated enterprise zone, Martin County shall exempt residential condominiums from benefiting from state enterprise zone incentives, unless prohibited by law. The application must have been submitted by December 31, 2011, and must comply with the requirements of s. 290.0055. Notwithstanding s. 290.0065 limiting the total number of enterprise zones designated and the number of enterprise zones within a population category, the Office of Tourism, Trade, and Economic Development may designate one enterprise zone under this section. The Office of Tourism, Trade, and Economic Development shall establish the initial effective date of the enterprise zone designated under this section.

Section 30. Section 290.00727, Florida Statutes, is created to read:

290.00727 Enterprise zone designation for the City of Palm Bay.—The City of Palm Bay may apply to the Office of Tourism, Trade, and Economic Development for designation of one enterprise zone for an area within the northeast portion of the city, which zone shall encompass an area of up to 5 square miles. The application must have been submitted by December 31, 2011, and must comply with the requirements of s. 290.0055. Notwithstanding s. 290.0065 limiting the total number of enterprise zones designated and the number of enterprise zones within a population category, the Office of Tourism, Trade, and Economic Development may designate one enterprise zone under this section. The Office of Tourism, Trade, and Economic Development shall establish the initial effective date of the enterprise zone designated under this section.

Section 31. Section 290.00728, Florida Statutes, is created to read:

290.00728 Enterprise zone designation for Lake County.—Lake County may apply to the Office of Tourism, Trade, and Economic Development for designation of one enterprise zone, which zone shall encompass an area of up to 10 square miles within Lake County. The application must have been submitted by December 31, 2011, and must comply with the requirements of s. 290.0055. Notwithstanding s. 290.0065 limiting the total number of enterprise zones designated and the number of enterprise zones within a population category, the Office of Tourism, Trade, and Economic Development may designate one enterprise zone under this section. The Office of Tourism, Trade, and

Economic Development shall establish the initial effective date of the enterprise zone designated under this section.

Section 32. Effective January 1, 2012, subsection (1) of section 334.30, Florida Statutes, is amended to read:

334.30 Public-private transportation facilities.—The Legislature finds and declares that there is a public need for the rapid construction of safe and efficient transportation facilities for the purpose of traveling within the state, and that it is in the public's interest to provide for the construction of additional safe, convenient, and economical transportation facilities.

(1) The department may receive or solicit proposals and, with legislative approval as evidenced by approval of the project in the department's work program, enter into agreements with private entities, or consortia thereof, for the building, operation, ownership, or financing of transportation facilities. The department may advance projects programmed in the adopted 5-year work program or projects increasing transportation capacity and greater than $500 million in the 10-year Strategic Intermodal Plan using funds provided by public-private partnerships or private entities to be reimbursed from department funds for the project as programmed in the adopted work program. The department shall by rule establish an application fee for the submission of unsolicited proposals under this section. The fee must be sufficient to pay the costs of evaluating the proposals. The department may engage the services of private consultants to assist in the evaluation.

Before approval, the department must determine that the proposed project:

(a) Is in the public's best interest;

(b) Would not require state funds to be used unless the project is on the State Highway System;

(c) Would have adequate safeguards in place to ensure that no additional costs or service disruptions would be realized by the traveling public and residents of the state in the event of default or cancellation of the agreement by the department;

(d) Would have adequate safeguards in place to ensure that the department or the private entity has the opportunity to add capacity to the proposed project and other transportation facilities serving similar origins and destinations; and

(e) Would be owned by the department upon completion or termination of the agreement.

The department shall ensure that all reasonable costs to the state, related to transportation facilities that are not part of the State Highway System, are borne by the private entity. The department shall also ensure that all reasonable costs to the state and substantially affected local governments and utilities, related to the private transportation facility, are borne by the private entity for transportation facilities that are owned by private entities. For projects on the State Highway System, the department may use state resources to participate in funding and financing the project as provided for under the department's enabling legislation. Because the Legislature recognizes that private entities or consortia thereof would

perform a governmental or public purpose or function when they enter into agreements with the department to design, build, operate, own, or finance transportation facilities, the transportation facilities, including leasehold interests thereof, are exempt from ad valorem taxes as provided in chapter 196 to the extent property is owned by the state or other government entity, and from intangible taxes as provided in chapter 199 and special assessments of the state, any city, town, county, special district, political subdivision of the state, or any other governmental entity. The private entities or consortia thereof are exempt from tax imposed by chapter 201 on all documents or obligations to pay money which arise out of the agreements to design, build, operate, own, lease, or finance transportation facilities. Any private entities or consortia thereof must pay any applicable corporate taxes as provided in chapter ~~chapters~~ 220 ~~and 221~~, and unemployment compensation taxes as provided in chapter 443, and sales and use tax as provided in chapter 212 shall be applicable. The private entities or consortia thereof must also register and collect the tax imposed by chapter 212 on all their direct sales and leases that are subject to tax under chapter 212. The agreement between the private entity or consortia thereof and the department establishing a transportation facility under this chapter constitutes documentation sufficient to claim any exemption under this section.

Section 33. Effective January 1, 2012, subsection (4), paragraph (a) of subsection (6), and subsection (7) of section 624.509, Florida Statutes, are amended to read:

624.509 Premium tax; rate and computation.—

(4) The income tax imposed under chapter 220 ~~and the emergency excise tax imposed under chapter 221~~ which is ~~are~~ paid by any insurer shall be credited against, and to the extent thereof shall discharge, the liability for tax imposed by this section for the annual period in which such tax payments are made. As to any insurer issuing policies insuring against loss or damage from the risks of fire, tornado, and certain casualty lines, the tax imposed by this section, as intended and contemplated by this subsection, shall be construed to mean the net amount of such tax remaining after there has been credited thereon such gross premium receipts tax as may be payable by such insurer in pursuance of the imposition of such tax by any incorporated cities or towns in the state for firefighters' relief and pension funds and police officers' retirement funds maintained in such cities or towns, as provided in and by relevant provisions of the Florida Statutes. For purposes of this subsection, payments of estimated income tax under chapter 220 ~~and of estimated emergency excise tax under chapter 221~~ shall be deemed paid either at the time the insurer actually files its annual returns under chapter 220 or at the time such returns are required to be filed, whichever first occurs, and not at such earlier time as such payments of estimated tax are actually made.

(6)(a) The total of the credit granted for the taxes paid by the insurer under chapter ~~chapters~~ 220 ~~and 221~~ and the credit granted by subsection (5) may ~~shall~~ not exceed 65 percent of the tax due under subsection (1) after deducting therefrom the taxes

paid by the insurer under ss. 175.101 and 185.08 and any assessments pursuant to s. 440.51.

(7) Credits and deductions against the tax imposed by this section shall be taken in the following order: deductions for assessments made pursuant to s. 440.51; credits for taxes paid under ss. 175.101 and 185.08; credits for income taxes paid under chapter 220~~, the emergency excise tax paid under chapter 221~~ and the credit allowed under subsection (5), as these credits are limited by subsection (6); all other available credits and deductions.

Section 34. Effective January 1, 2012, subsection (1) of section 624.51055, Florida Statutes, is amended to read:

624.51055 Credit for contributions to eligible nonprofit scholarship-funding organizations.—

(1) There is allowed a credit of 100 percent of an eligible contribution made to an eligible nonprofit scholarship-funding organization under s. 1002.395 against any tax due for a taxable year under s. 624.509(1). However, such a credit may not exceed 75 percent of the tax due under s. 624.509(1) after deducting from such tax deductions for assessments made pursuant to s. 440.51; credits for taxes paid under ss. 175.101 and 185.08; credits for income taxes paid under chapter 220; ~~credits for the emergency excise tax paid under chapter 221;~~ and the credit allowed under s. 624.509(5), as such credit is limited by s. 624.509(6). An insurer claiming a credit against premium tax liability under this section shall not be required to pay any additional retaliatory tax levied pursuant to s. 624.5091 as a

result of claiming such credit. Section 624.5091 does not limit such credit in any manner.

Section 35. (1) The executive director of the Department of Revenue is authorized, and all conditions are deemed met, to adopt emergency rules under ss. 120.536(1) and 120.54(4), Florida Statutes, for the purpose of implementing this act.

(2) Notwithstanding any other provision of law, such emergency rules shall remain in effect for 6 months after the date adopted and may be renewed during the pendency of procedures to adopt permanent rules addressing the subject of the emergency rules.

Section 36. (1) The tax levied under chapter 212, Florida Statutes, may not be collected during the period from 12:01 a.m. on August 12, 2011, through 11:59 p.m. on August 14, 2011, on the sale of:

(a) Clothing, wallets, or bags, including handbags, backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags, having a sales price of $75 or less per item. As used in this paragraph, the term "clothing" means:

1. Any article of wearing apparel intended to be worn on or about the human body, excluding watches, watchbands, jewelry, umbrellas, or handkerchiefs; and

2. All footwear, excluding skis, swim fins, roller blades, and skates.

(b) School supplies having a sales price of $15 or less per item. As used in this paragraph, the term "school supplies" means pens, pencils, erasers, crayons, notebooks, notebook

filler paper, legal pads, binders, lunch boxes, construction paper, markers, folders, poster board, composition books, poster paper, scissors, cellophane tape, glue or paste, rulers, computer disks, protractors, compasses, and calculators.

(2) The tax exemptions in this section do not apply to sales within a theme park or entertainment complex as defined in s. 509.013(9), Florida Statutes, a public lodging establishment as defined in s. 509.013(4), Florida Statutes, or an airport as defined in s. 330.27(2), Florida Statutes.

(3) The Department of Revenue may, and all conditions are deemed met to, adopt emergency rules pursuant to ss. 120.536(1) and 120.54, Florida Statutes, to administer this section.

(4) This section shall take effect upon this act becoming a law.

Section 37. Effective upon this act becoming a law, and for the 2010-2011 fiscal year, the sum of $218,905 in nonrecurring funds is appropriated from the General Revenue Fund to the Department of Revenue for purposes of administering section 36. Funds remaining unexpended or unencumbered from this appropriation as of June 30, 2011, shall revert and be reappropriated for the same purpose in the 2011-2012 fiscal year.

Section 38. Effective upon this act becoming a law, section 288.987, Florida Statutes, is created to read:

288.987 Florida Defense Support Task Force.—

(1) The Florida Defense Support Task Force is created.

(2) The mission of the task force is to make recommendations to prepare the state to effectively compete in

any federal base realignment and closure action, to support the state's position in research and development related to or arising out of military missions and contracting, and to improve the state's military-friendly environment for service members, military dependents, military retirees, and businesses that bring military and base-related jobs to the state.

(3) The task force shall be comprised of the Governor or his or her designee, and 12 members appointed as follows:

(a) Four members appointed by the Governor.

(b) Four members appointed by the President of the Senate.

(c) Four members appointed by the Speaker of the House of Representatives.

(d) Appointed members must represent defense-related industries or communities that host military bases and installations. All appointments must be made by August 1, 2011. Members shall serve for a term of 4 years, with the first term ending July 1, 2015. However, if members of the Legislature are appointed to the task force, those members shall serve until the expiration of their legislative term and may be reappointed once. A vacancy shall be filled for the remainder of the unexpired term in the same manner as the initial appointment. All members of the council are eligible for reappointment. A member who serves in the Legislature may participate in all task force activities, but may only vote on matters that are advisory.

(4) The President of the Senate and the Speaker of the House of Representatives shall each designate one of their appointees to serve as chair of the task force. The chair shall

rotate each July 1. The appointee designated by the President of the Senate shall serve as initial chair. If the Governor, instead of his or her designee, participates in the activities of the task force, then the Governor shall serve as chair.

(5) The Director of the Office of Tourism, Trade, and Economic Development within the Executive Office of the Governor, or his or her designee, shall serve as the ex officio, nonvoting executive director of the task force.

(6) The chair shall schedule and conduct the first meeting of the task force by October 1, 2011. The task force shall submit a progress report and work plan for the remainder of the 2011-2012 fiscal year to the Governor, the President of the Senate, and the Speaker of the House of Representatives by February 1, 2012, and shall submit an annual report each February 1 thereafter.

(7) The Office of Tourism, Trade, and Economic Development shall contract with the task force for expenditure of appropriated funds, which may be used by the task force for economic and product research and development, joint planning with host communities to accommodate military missions and prevent base encroachment, advocacy on the state's behalf with federal civilian and military officials, assistance to school districts in providing a smooth transition for large numbers of additional military-related students, job training and placement for military spouses in communities with high proportions of active duty military personnel, and promotion of the state to military and related contractors and employers. The task force may annually spend up to $200,000 of funds appropriated to the

Executive Office of the Governor, Office of Tourism, Trade, and Economic Development, for the task force for staffing and administrative expenses of the task force, including travel and per diem costs incurred by task force members who are not otherwise eligible for state reimbursement.

Section 39. There is appropriated for state fiscal year 2011-2012 to the Executive Office of the Governor, Office of Tourism, Trade, and Economic Development:

(1) The sum of $15 million in nonrecurring funds from the General Revenue Fund for the Innovation Incentive Fund program.

(2) The sum of $42 million in nonrecurring funds from the General Revenue Fund for the Quick Action Closing Fund program. From these funds, preference shall be given to those projects that include at least a 20 percent local match of cash or in-kind contributions, which contributions provide a cash savings to the private business entity receiving the incentive awards.

(3) The sum of $10 million in nonrecurring funds from the General Revenue Fund for the Institute for the Commercialization of Public Research.

(4) The sum of $5 million in nonrecurring funds from the General Revenue Fund for the Florida Defense Support Task Force.

Section 40. Except as otherwise expressly provided in this act and except for this section, which shall take effect upon this act becoming a law, this act shall take effect July 1, 2011.