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A bill to be entitled

2 An act relating to economic development; amending s. 3 14.2015, F.S.; authorizing the Office of Tourism, Trade, 4 and Economic Development to administer corporate income 5 tax credits for spaceflight projects; amending ss. 72.011 6 and 72.041, F.S.; deleting a reference to conform to 7 changes made by this act; amending s. 216.138, F.S.; 8 providing for special impact estimating conferences to 9 evaluate legislative proposals; requiring conference 10 meetings to be open to the public; specifying the four 11 principals of the conference; authorizing the convening of any special estimating conference by a specified principal 12 in order to adopt certain supplemental information; 13 14 requiring all official information of a special impact 15 estimating conference to be adopted by consensus; 16 authorizing a principal to invite any person to 17 participate in the conference; providing definitions; amending ss. 220.02 and 220.13, F.S.; revising references 18 19 to conform to changes made by this act; revising the order 20 in which credits against the corporate income tax or 21 franchise tax may be taken to include credits for certain 22 spaceflight projects and certain research and development; 23 redefining the term "adjusted federal income" to include 24 the amount of certain tax credits taken relating to 25 spaceflight projects and research and development; 26 providing application; prohibiting a deduction from 27 taxable income for any net operating loss if a credit 28 against corporate income taxes relating to a spaceflight

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29 project has been taken or transferred; amending s. 220.131, F.S.; conforming provisions to changes made by 30 31 this act; amending s. 220.15, F.S.; conforming provisions 32 to changes made by this act; creating s. 220.153, F.S.; defining the terms "office" and "qualified capital 33 34 expenditures"; providing for the apportionment of certain 35 taxpayer's adjusted federal income solely by the sales 36 factor provided in s. 220.15, F.S.; providing for 37 eligibility based on the taxpayer's capital expenditures; 38 providing a qualification and application process; 39 authorizing the Department of Revenue to examine and verify that a taxpayer has correctly apportioned its 40 taxes; authorizing the Office of Tourism, Trade, and 41 42 Economic Development to approve and revoke approval of an 43 application; providing for the recapture of unpaid taxes, 44 interest, and penalties; authorizing the Office of Tourism, Trade, and Economic Development and the 45 Department of Revenue to adopt rules; amending s. 46 47 220.1845, F.S.; increasing the annual tax credit cap relating to contaminated site rehabilitation; amending s. 48 49 376.30781, F.S.; conforming references; amending s. 50 220.16, F.S.; requiring that the amount of payments 51 received in exchange for transferring a net operating loss 52 for spaceflight projects be allocated to the state; 53 creating s. 220.194, F.S.; providing a short title; 54 providing legislative purpose; defining terms; authorizing 55 a certified spaceflight business to take or transfer 56 corporate income tax credits related to spaceflight Page 2 of 78

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57 projects carried out in this state; specifying tax credit 58 amounts and business eligibility criteria; providing 59 limitations; requiring a business to demonstrate to the 60 satisfaction of the office and the department its eligibility to claim a tax credit; requiring a business to 61 62 submit an application to the office for approval to earn 63 credits; specifying the required contents of the 64 application; requiring the office to approve or deny an 65 application within 60 days after receipt; specifying the 66 approval process; requiring a spaceflight business to 67 submit an application for certification to the office; specifying the required contents of an application for 68 69 certification; specifying the approval process; requiring the office to submit a copy of an approved certification 70 71 to the department; providing procedures for transferring a 72 tax credit to a taxpayer; authorizing the department to 73 perform audits and investigations necessary to verify the 74 accuracy of returns relating to the tax credit; specifying 75 circumstances under which the office may revoke or modify 76 a certification that grants eligibility for tax credits; 77 requiring a certified spaceflight business to file an 78 amended return and pay any required tax within 60 days 79 after receiving notice that previously approved tax 80 credits have been revoked or modified; authorizing the 81 department to assess additional taxes, interest, or 82 penalties; authorizing the office and the department to 83 adopt rules; requiring the office to submit an annual 84 report to the Governor and Legislature regarding the Page 3 of 78

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85	Florida Space Business Incentives Act; creating s.
86	220.195, F.S.; creating a corporate income tax credit to
87	continue credits available under the emergency excise tax;
88	creating s. 220.196, F.S.; providing application;
89	providing definitions; providing a tax credit for certain
90	research and development expenses; providing eligibility
91	requirements for research and development tax credits;
92	providing limitations regarding eligibility; providing an
93	amount for such credit; providing a maximum amount of
94	credit that may be taken during a taxable year by a
95	business enterprise; providing that any unused credit may
96	be carried forward for a specified period; limiting the
97	total amount of tax credits which may be approved by the
98	department in a calendar year; providing that applications
99	for credits may be filed on or after a specified date;
100	requiring that the credits be granted in the order in
101	which applications are received; requiring the
102	recalculation of a credit under certain circumstances;
103	authorizing the department to adopt rules; amending ss.
104	220.801, 213.05, 213.053, and 213.255, F.S.; deleting
105	references to conform to changes made by this act;
106	authorizing the department to share information with the
107	office relating to single sales factor apportionment used
108	by a taxpayer; authorizing the department to share
109	information relating to corporate income tax credits for
110	spaceflight projects with the office; repealing chapter
111	221, F.S.; repealing the emergency excise tax and related
112	provisions; amending ss. 288.075, 288.1045, and 288.106,
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F.S.; deleting references to conform to changes made by 113 114 this act; revising a provision to conform to changes made 115 by this act; amending s. 288.1254, F.S.; revising and 116 providing definitions; revising criteria for awarding tax 117 credits and increasing the amount of credits to be awarded 118 under the entertainment industry financial incentive 119 program; revising the application procedure and approval process; permitting an initial transferee of tax credits 120 121 to make a one-time transfer of unused tax credits; 122 amending s. 288.1258, F.S.; changing the recordkeeping 123 requirements of the Office of Film and Entertainment; amending s. 290.0055, F.S.; authorizing certain governing 124 125 bodies to apply to the Office of Tourism, Trade, and 126 Economic Development to amend the boundary of an 127 enterprise zone that includes a rural area of critical 128 economic concern; providing a limitation; providing an 129 application deadline; authorizing the office to approve 130 the amendment application subject to certain requirements; 131 requiring the office to establish the effective date of certain enterprise zones; creating s. 290.00726, F.S.; 132 133 authorizing Martin County to apply to the Office of 134 Tourism, Trade, and Economic Development for designation 135 of an enterprise zone; providing application requirements; authorizing the office to designate an enterprise zone in 136 137 Martin County; providing responsibilities of the office; creating s. 290.00727, F.S.; authorizing the City of Palm 138 Bay to apply to the Office of Tourism, Trade, and Economic 139 Development for designation of an enterprise zone; 140

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providing application requirements; authorizing the office 141 142 to designate an enterprise zone in the City of Palm Bay; 143 providing responsibilities of the office; creating s. 144 290.00728, F.S.; authorizing Lake County to apply to the 145 Office of Tourism, Trade, and Economic Development for 146 designation of an enterprise zone; providing application 147 requirements; authorizing the office to designate an 148 enterprise zone in Lake County; providing responsibilities 149 of the office; amending ss. 334.30, 624.509, and 150 624.51055, F.S.; deleting references to conform to changes 151 made by this act; authorizing the executive director of 152 the Department of Revenue to adopt emergency rules; 153 specifying a period during this year when the sale of 154 clothing, wallets, bags, and school supplies are exempt 155 from the sales tax; providing definitions; providing 156 exceptions; authorizing the Department of Revenue to adopt 157 emergency rules; providing an appropriation; creating s. 158 288.987, F.S.; creating the Florida Defense Support Task Force; providing for the task force's mission, membership 159 160 composition, appointment of membership, and 161 administration; authorizing the expenditure of 162 appropriated funds by the task force for specified 163 purposes; providing appropriations to the Executive Office 164 of the Governor, Office of Tourism, Trade and Economic 165 Development; providing effective dates. 166 167 Be It Enacted by the Legislature of the State of Florida:

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Section 1. Paragraph (f) of subsection (2) of section 170 14.2015, Florida Statutes, is amended to read:

171 14.2015 Office of Tourism, Trade, and Economic
172 Development; creation; powers and duties.-

173 The purpose of the Office of Tourism, Trade, and (2)174 Economic Development is to assist the Governor in working with 175 the Legislature, state agencies, business leaders, and economic 176 development professionals to formulate and implement coherent 177 and consistent policies and strategies designed to provide economic opportunities for all Floridians. To accomplish such 178 purposes, the Office of Tourism, Trade, and Economic Development 179 180 shall:

(f) 1. Administer the Florida Enterprise Zone Act under ss. 181 182 290.001-290.016, the community contribution tax credit program under ss. 220.183 and 624.5105, the tax refund program for 183 184 qualified target industry businesses under s. 288.106, the tax-185 refund program for qualified defense contractors and space 186 flight business contractors under s. 288.1045, contracts for 187 transportation projects under s. 288.063, the sports franchise 188 facility programs under ss. 288.1162 and 288.11621, the 189 professional golf hall of fame facility program under s. 190 288.1168, the expedited permitting process under s. 403.973, the 191 Rural Community Development Revolving Loan Fund under s. 192 288.065, the Regional Rural Development Grants Program under s. 288.018, the Certified Capital Company Act under s. 288.99, the 193 Florida State Rural Development Council, the Rural Economic 194 195 Development Initiative, the corporate income tax credits for 196 spaceflight projects under s. 220.194, and other programs that

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197 are specifically assigned to the office by law, by the 198 appropriations process, or by the Governor.

199 <u>1.</u> Notwithstanding any other provisions of law, the office 200 may expend interest earned from the investment of program funds 201 deposited in the Grants and Donations Trust Fund to contract for 202 the administration of the programs, or portions of the programs, 203 enumerated in this paragraph or assigned to the office by law, 204 by the appropriations process, or by the Governor. Such 205 expenditures <u>are shall be</u> subject to review under chapter 216.

206 2. The office may enter into contracts in connection with the fulfillment of its duties concerning the Florida First 207 208 Business Bond Pool under chapter 159, tax incentives under chapters 212 and 220, tax incentives under the Certified Capital 209 210 Company Act in chapter 288, foreign offices under chapter 288, the Enterprise Zone program under chapter 290, the Seaport 211 212 Employment Training program under chapter 311, the Florida 213 Professional Sports Team License Plates under chapter 320, 214 Spaceport Florida under chapter 331, Expedited Permitting under 215 chapter 403, and in carrying out other functions that are 216 specifically assigned to the office by law, by the 217 appropriations process, or by the Governor.

218 Section 2. Effective January 1, 2012, paragraph (a) of 219 subsection (1) of section 72.011, Florida Statutes, is amended 220 to read:

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

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224 (1) (a) A taxpayer may contest the legality of any 225 assessment or denial of refund of tax, fee, surcharge, permit, 226 interest, or penalty provided for under s. 125.0104, s. 227 125.0108, chapter 198, chapter 199, chapter 201, chapter 202, 228 chapter 203, chapter 206, chapter 207, chapter 210, chapter 211, 229 chapter 212, chapter 213, chapter 220, chapter 221, s. 230 379.362(3), chapter 376, s. 403.717, s. 403.718, s. 403.7185, s. 231 538.09, s. 538.25, chapter 550, chapter 561, chapter 562, 232 chapter 563, chapter 564, chapter 565, chapter 624, or s. 681.117 by filing an action in circuit court; or, alternatively, 233 the taxpayer may file a petition under the applicable provisions 234 235 of chapter 120. However, once an action has been initiated under 236 s. 120.56, s. 120.565, s. 120.569, s. 120.57, or s. 237 120.80(14)(b), no action relating to the same subject matter may be filed by the taxpayer in circuit court, and judicial review 238 239 shall be exclusively limited to appellate review pursuant to s. 240 120.68; and once an action has been initiated in circuit court, 241 no action may be brought under chapter 120. 242 Section 3. Effective January 1, 2012, section 72.041, 243 Florida Statutes, is amended to read: 244 72.041 Tax liabilities arising under the laws of other 245 states.-Actions to enforce lawfully imposed sales, use, and 246 corporate income taxes and motor and other fuel taxes of another 247 state may be brought in a court of this state under the following conditions: 248 The state seeking to institute an action for the 249 (1)250 collection, assessment, or enforcement of a lawfully imposed tax 251 must have extended a like courtesy to this state;

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252 Venue for any action under this section shall be the (2)253 circuit court of the county in which the defendant resides; 254 This section does not apply to the enforcement of tax (3) 255 warrants of another state unless the warrant has been obtained 256 as a result of a judgment entered by a court of competent 257 jurisdiction in the taxing state or unless the courts of the 258 state seeking to enforce its warrant allow the enforcement of 259 the warrants issued by the Department of Revenue pursuant to 260 chapters 206, 212, 213, and 220, and 221; and (4) All tax liabilities owing to this state or any of its 261 subdivisions shall be paid first and shall be prior in right to 262 263 any tax liability arising under the laws of other states. 264 Section 4. Section 216.138, Florida Statutes, is amended 265 to read: 266 216.138 Authority to request additional analysis of 267 legislative proposals legislation.-268 The President of the Senate or the Speaker of the (1)269 House of Representatives may request special impact sessions of 270 consensus estimating conferences to evaluate legislative 271 proposals proposed legislation based on tools and models not 272 generally employed by the consensus estimating conferences, 273 including cost-benefit, return-on-investment, or dynamic scoring 274 techniques, when suitable and appropriate for the legislative 275 proposals legislation being evaluated. 276 Unless exempt from s. 119.07(1), information used to (2) 277 develop the analyses shall be available to the public. In 278 addition, all meetings of a special impact estimating conference 279 shall be open to the public. The President of the Senate and the Page 10 of 78

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280	Speaker of the House of Representatives, jointly, shall be the
281	sole judge for the interpretation, implementation, and
282	enforcement of this subsection.
283	(3) A special impact estimating conference shall consist
284	of four principals: one person from the Executive Office of the
285	Governor; the coordinator of the Office of Economic and
286	Demographic Research, or his or her designee; one person from
287	the professional staff of the Senate; and one person from the
288	professional staff of the House of Representatives. Each
289	principal shall have appropriate fiscal expertise in the subject
290	matter of the legislative proposal. A separate special impact
291	estimating conference may be appointed for each proposal.
292	(4) After the designation of the four principals, a
293	special impact estimating conference shall convene to adopt
294	official information relating to the proposal.
295	(a) A principal may invite any person to participate in a
296	special impact estimating conference. Such person shall be
297	designated as a participant. A participant shall, at the request
298	of any principal before or during any meeting of a conference,
299	collect and supply data, perform analyses, or provide other
300	information needed by a conference.
301	(b) The principal from the Office of Economic and
302	Demographic Research may convene any of the conferences
303	established in s. 216.136 to reach a consensus on supplemental
304	information required for the analysis of the proposed
305	legislation.
306	(c) All official information of a special impact
307	estimating conference shall be adopted by consensus of all of
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308 the principals of the conference. For the purposes of this 309 section, the terms "official information" and "consensus" have 310 the same meanings as provided in s. 216.133. 311 Section 5. Subsection (8) of section 220.02, Florida 312 Statutes, is amended to read: 313 220.02 Legislative intent.-314 It is the intent of the Legislature that credits (8) 315 against either the corporate income tax or the franchise tax be 316 applied in the following order: those enumerated in s. 631.828, those enumerated in s. 220.191, those enumerated in s. 220.181, 317 those enumerated in s. 220.183, those enumerated in s. 220.182, 318 319 those enumerated in s. 220.1895, those enumerated in s. 221.02, 320 those enumerated in s. 220.184, those enumerated in s. 220.186, 321 those enumerated in s. 220.1845, those enumerated in s. 220.19, 322 those enumerated in s. 220.185, those enumerated in s. 220.1875, 323 those enumerated in s. 220.192, those enumerated in s. 220.193, 324 those enumerated in s. 288.9916, those enumerated in s. 325 220.1899, and those enumerated in s. 220.1896, those enumerated 326 in s. 220.194, and those enumerated in s. 220.196. 327 Section 6. Effective January 1, 2012, subsection (8) of 328 section 220.02, Florida Statutes, as amended by this act, is 329 amended to read: 330 220.02 Legislative intent.-331 It is the intent of the Legislature that credits (8) against either the corporate income tax or the franchise tax be 332 applied in the following order: those enumerated in s. 631.828, 333 those enumerated in s. 220.191, those enumerated in s. 220.181, 334 335 those enumerated in s. 220.183, those enumerated in s. 220.182, Page 12 of 78

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336 those enumerated in s. 220.1895, those enumerated in s. 220.195 337 221.02, those enumerated in s. 220.184, those enumerated in s. 338 220.186, those enumerated in s. 220.1845, those enumerated in s. 339 220.19, those enumerated in s. 220.185, those enumerated in s. 340 220.1875, those enumerated in s. 220.192, those enumerated in s. 341 220.193, those enumerated in s. 288.9916, those enumerated in s. 342 220.1899, those enumerated in s. 220.1896, those enumerated in 343 s. 220.194, and those enumerated in 220.196. 344 Section 7. Paragraphs (a) and (b) of subsection (1) of

345 section 220.13, Florida Statutes, are amended to read:

346

220.13 "Adjusted federal income" defined.-

347 The term "adjusted federal income" means an amount (1)348 equal to the taxpayer's taxable income as defined in subsection 349 (2), or such taxable income of more than one taxpayer as 350 provided in s. 220.131, for the taxable year, adjusted as 351 follows:

352 (a) Additions.-There shall be added to such taxable 353 income:

354 1. The amount of any tax upon or measured by income, excluding taxes based on gross receipts or revenues, paid or 355 356 accrued as a liability to the District of Columbia or any state 357 of the United States which is deductible from gross income in 358 the computation of taxable income for the taxable year.

359 The amount of interest which is excluded from taxable 2. income under s. 103(a) of the Internal Revenue Code or any other 360 361 federal law, less the associated expenses disallowed in the computation of taxable income under s. 265 of the Internal 362 Revenue Code or any other law, excluding 60 percent of any 363

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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).

367 3. In the case of a regulated investment company or real 368 estate investment trust, an amount equal to the excess of the 369 net long-term capital gain for the taxable year over the amount 370 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.

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

385 7. That portion of assessments to fund a guaranty 386 association incurred for the taxable year which is equal to the 387 amount of the credit allowable for the taxable year.

388 8. In the case of a nonprofit corporation which holds a 389 pari-mutuel permit and which is exempt from federal income tax 390 as a farmers' cooperative, an amount equal to the excess of the

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391 gross income attributable to the pari-mutuel operations over the 392 attributable expenses for the taxable year.

393 9. The amount taken as a credit for the taxable year under394 s. 220.1895.

395 10. Up to nine percent of the eligible basis of any 396 designated project which is equal to the credit allowable for 397 the taxable year under s. 220.185.

398 11. The amount taken as a credit for the taxable year 399 under s. 220.1875. The addition in this subparagraph is intended 400 to ensure that the same amount is not allowed for the tax 401 purposes of this state as both a deduction from income and a 402 credit against the tax. This addition is not intended to result 403 in adding the same expense back to income more than once.

404 12. The amount taken as a credit for the taxable year 405 under s. 220.192.

406 13. The amount taken as a credit for the taxable year 407 under s. 220.193.

408 14. Any portion of a qualified investment, as defined in
409 s. 288.9913, which is claimed as a deduction by the taxpayer and
410 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.

41416. The amount taken as a credit for the taxable year415under s. 220.194.

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

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419	purposes of this state as both a deduction from income and a
420	credit against the tax. The addition is not intended to result
421	in adding the same expense back to income more than once.
422	(b) Subtractions
423	1. There shall be subtracted from such taxable income:
424	a. The net operating loss deduction allowable for federal
425	income tax purposes under s. 172 of the Internal Revenue Code
426	for the taxable year, except that any net operating loss that is
427	transferred pursuant to s. 220.194(6) may not be deducted by the
428	seller,
429	b. The net capital loss allowable for federal income tax
430	purposes under s. 1212 of the Internal Revenue Code for the
431	taxable year,
432	c. The excess charitable contribution deduction allowable
433	for federal income tax purposes under s. 170(d)(2) of the
434	Internal Revenue Code for the taxable year, and
435	d. The excess contributions deductions allowable for
436	federal income tax purposes under s. 404 of the Internal Revenue
437	Code for the taxable year.
438	
439	However, a net operating loss and a capital loss shall never be
440	carried back as a deduction to a prior taxable year, but all
441	deductions attributable to such losses shall be deemed net
442	operating loss carryovers and capital loss carryovers,
443	respectively, and treated in the same manner, to the same
444	extent, and for the same time periods as are prescribed for such
445	carryovers in ss. 172 and 1212, respectively, of the Internal
446	Revenue Code.
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447 2. There shall be subtracted from such taxable income any448 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.

452 b. All amounts included in taxable income under s. 78 or453 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).

468 4. There shall be subtracted from such taxable income any469 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

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475 ended in 1984 from sources within the United States, as 476 described in s. 861(a)(2)(A) of the Internal Revenue Code, not 477 including credits allowed under ss. 902 and 960 of the Internal 478 Revenue Code, withholding taxes on dividends within the meaning 479 of sub-subparagraph 2.a., and withholding taxes on royalties, 480 interest, technical service fees, and capital gains.

481 6. Notwithstanding any other provision of this code, 482 except with respect to amounts subtracted pursuant to subparagraphs 1. and 3., any increment of any apportionment 483 484 factor which is directly related to an increment of gross 485 receipts or income which is deducted, subtracted, or otherwise 486 excluded in determining adjusted federal income shall be 487 excluded from both the numerator and denominator of such 488 apportionment factor. Further, all valuations made for 489 apportionment factor purposes shall be made on a basis 490 consistent with the taxpayer's method of accounting for federal 491 income tax purposes.

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

495

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:

501 (a) Additions.—There shall be added to such taxable 502 income:

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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.

508 The amount of interest which is excluded from taxable 2. 509 income under s. 103(a) of the Internal Revenue Code or any other 510 federal law, less the associated expenses disallowed in the computation of taxable income under s. 265 of the Internal 511 512 Revenue Code or any other law, excluding 60 percent of any amounts included in alternative minimum taxable income, as 513 514 defined in s. 55(b)(2) of the Internal Revenue Code, if the 515 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.

525 5. That portion of the ad valorem school taxes paid or 526 incurred for the taxable year which is equal to the amount of 527 the credit allowable for the taxable year under s. 220.182. This 528 subparagraph shall expire on the date specified in s. 290.016 529 for the expiration of the Florida Enterprise Zone Act.

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530 6. The amount <u>taken as a credit under s. 220.195</u> of 531 emergency excise tax paid or accrued as a liability to this 532 state under chapter 221 which tax is deductible from gross 533 income in the computation of taxable income for the taxable 534 year.

535 7. That portion of assessments to fund a guaranty 536 association incurred for the taxable year which is equal to the 537 amount of the credit allowable for the taxable year.

538 8. In the case of a nonprofit corporation which holds a 539 pari-mutuel permit and which is exempt from federal income tax 540 as a farmers' cooperative, an amount equal to the excess of the 541 gross income attributable to the pari-mutuel operations over the 542 attributable expenses for the taxable year.

543 9. The amount taken as a credit for the taxable year under544 s. 220.1895.

545 10. Up to nine percent of the eligible basis of any 546 designated project which is equal to the credit allowable for 547 the taxable year under s. 220.185.

548 11. The amount taken as a credit for the taxable year 549 under s. 220.1875. The addition in this subparagraph is intended 550 to ensure that the same amount is not allowed for the tax 551 purposes of this state as both a deduction from income and a 552 credit against the tax. This addition is not intended to result 553 in adding the same expense back to income more than once.

554 12. The amount taken as a credit for the taxable year 555 under s. 220.192.

556 13. The amount taken as a credit for the taxable year 557 under s. 220.193.

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558 14. Any portion of a qualified investment, as defined in 559 s. 288.9913, which is claimed as a deduction by the taxpayer and 560 taken as a credit against income tax pursuant to s. 288.9916.

561 15. The costs to acquire a tax credit pursuant to s.
562 288.1254(5) that are deducted from or otherwise reduce federal
563 taxable income for the taxable year.

564 16. The amount taken as a credit for the taxable year 565 pursuant to s. 220.194.

566 17. The amount taken as a credit for the taxable year 567 under s. 220.196. The addition in this subparagraph is intended 568 to ensure that the same amount is not allowed for the tax 569 purposes of this state as both a deduction from income and a 570 credit against the tax. The addition is not intended to result 571 in adding the same expense back to income more than once.

572 Section 9. Subsection (5) of section 220.131, Florida 573 Statutes, is amended to read:

574

220.131 Adjusted federal income; affiliated groups.-

575 Each taxpayer shall apportion adjusted federal income (5) 576 under s. 220.15 as a member of an affiliated group which files a consolidated return under this section on the basis of 577 apportionment factors described in s. 220.15. For the purposes 578 579 of this subsection, each special industry member included in an 580 affiliated group filing a consolidated return hereunder, who 581 which member would otherwise be permitted to use a special method of apportionment under s. 220.151 or s. 220.153, shall 582 583 construct the numerator of its sales, property, and payroll 584 factors, respectively, by multiplying the denominator of each 585 such factor by the premiums, or revenue miles, or single sales

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586 factor ratio otherwise applicable <u>under</u> pursuant to s. 220.151 587 <u>or s. 220.153</u> in the manner prescribed by the department by 588 rule.

589 Section 10. Subsection (1) of section 220.15, Florida 590 Statutes, is amended to read:

591

220.15 Apportionment of adjusted federal income.-

592 Except as provided in ss. 220.151, and 220.152, and (1)593 220.153, adjusted federal income as defined in s. 220.13 shall 594 be apportioned to this state by taxpayers doing business within 595 and without this state by multiplying it by an apportionment 596 fraction composed of a sales factor representing 50 percent of 597 the fraction, a property factor representing 25 percent of the fraction, and a payroll factor representing 25 percent of the 598 599 fraction. If any factor described in subsection (2), subsection (4), or subsection (5) has a denominator that is zero or is 600 601 determined by the department to be insignificant, the relative 602 weights of the other factors in the denominator of the 603 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 payrollfactor is zero or is insignificant, the weighted percentage for

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613	the other shall be 33 $1/3$ percent, and the weighted percentage
614	for the sales factor shall be 66 2/3 percent.
615	Section 11. Section 220.153, Florida Statutes, is created
616	to read:
617	220.153 Apportionment by sales factor
618	(1) DEFINITIONSAs used in this section, the term:
619	(a) "Office" means the Office of Tourism, Trade, and
620	Economic Development.
621	(b) "Qualified capital expenditures" means expenditures in
622	this state for purposes substantially related to a business's
623	production or sale of goods or services. The expenditure must
624	fund the acquisition of additional real property (land,
625	buildings, including appurtenances, fixtures and fixed
626	equipment, structures, etc.), including additions, replacements,
627	major repairs, and renovations to real property which materially
628	extend its useful life or materially improve or change its
629	functional use and the furniture and equipment necessary to
630	furnish and operate a new or improved facility. The term
631	"qualified capital expenditures" does not include an expenditure
632	for a passive investment or for an investment intended for the
633	accumulation of reserves or the realization of profit for
634	distribution to any person holding an ownership interest in the
635	business. The term "qualified capital expenditures" does not
636	include expenditures to acquire an existing business or
637	expenditures in excess of \$125 million to acquire land or
638	buildings.
639	(2) APPORTIONMENT OF TAXES; ELIGIBILITYA taxpayer, not
640	including a financial organization as defined in s. 220.15(6) or
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641	a bank, savings association, international banking facility, or
642	banking organization as defined in s. 220.62, doing business
643	within and without this state, who applies and demonstrates to
644	the office that, within a 2-year period beginning on or after
645	July 1, 2011, it has made qualified capital expenditures equal
646	to or exceeding \$250 million may apportion its adjusted federal
647	income solely by the sales factor set forth in s. 220.15(5),
648	commencing in the taxable year that the office approves the
649	application, but not before a taxable year that begins on or
650	after January 1, 2013. Once approved, a taxpayer may elect to
651	apportion its adjusted federal income for any taxable year using
652	the method provided under this section or the method provided
653	under s. 220.15.
654	(3) QUALIFICATION PROCESS.—
655	(a) To qualify as a taxpayer who is eligible to apportion
656	its adjusted federal income under this section:
657	1. The taxpayer must notify the office of its intent to
658	submit an application to apportion its adjusted federal income
659	in order to commence the 2-year period for measuring qualified
660	capital expenditures.
661	2. The taxpayer must submit an application to apportion
662	its adjusted federal income under this section to the office
663	within 2 years after notifying the office of the taxpayer's
664	intent to qualify. The application must be made under oath and
665	provide such information as the office reasonably requires by
666	rule for determining the applicant's eligibility to apportion
667	adjusted federal income under this section. The taxpayer is

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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,
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696	the department shall assess a penalty equal to 100 percent of
697	the additional tax due.
698	(c) The office shall immediately notify the department of
699	an order affecting a taxpayer's eligibility to apportion tax
700	pursuant to this section. A taxpayer who is liable for past tax
701	must file an amended return with the department, or such other
702	report as the department prescribes by rule, and pay any
703	required tax, interest, and penalty within 60 days after the
704	taxpayer receives notification from the office that the
705	previously approved credits have been revoked. If the revocation
706	is contested, the taxpayer shall file an amended return or other
707	report within 30 days after an order becomes final. A taxpayer
708	who fails to pay the past tax, interest, and penalty by the due
709	date is subject to the penalties provided in s. 220.803.
710	(5) RULESThe office and the department may adopt rules
711	to administer this section.
712	Section 12. Paragraph (f) of subsection (2) of section
713	220.1845, Florida Statutes, is amended to read:
714	220.1845 Contaminated site rehabilitation tax credit
715	(2) AUTHORIZATION FOR TAX CREDIT; LIMITATIONS
716	(f) The total amount of the tax credits which may be
717	granted under this section is $\frac{\$5}{\$2}$ million annually.
718	Section 13. Subsections (4), (5), and (11) of section
719	376.30781, Florida Statutes, are amended to read:
720	376.30781 Tax credits for rehabilitation of drycleaning-
721	solvent-contaminated sites and brownfield sites in designated
722	brownfield areas; application process; rulemaking authority;
723	revocation authority
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(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.

728 (5)To claim the credit for site rehabilitation or solid 729 waste removal, each tax credit applicant must apply to the 730 Department of Environmental Protection for an allocation of the 731 \$5 \$2 million annual credit by filing a tax credit application 732 with the Division of Waste Management on a form developed by the 733 Department of Environmental Protection in cooperation with the Department of Revenue. The form shall include an affidavit from 734 735 each tax credit applicant certifying that all information 736 contained in the application, including all records of costs 737 incurred and claimed in the tax credit application, are true and 738 correct. If the application is submitted pursuant to 739 subparagraph (3) (a) 2., the form must include an affidavit signed 740 by the real property owner stating that it is not, and has never 741 been, the owner or operator of the drycleaning facility where 742 the contamination exists. Approval of tax credits must be 743 accomplished on a first-come, first-served basis based upon the 744 date and time complete applications are received by the Division 745 of Waste Management, subject to the limitations of subsection 746 (14). To be eligible for a tax credit, the tax credit applicant 747 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

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752 applicable, and have paid all deductibles pursuant to s. 753 376.3078(3)(e) for eligible drycleaning-solvent-cleanup program 754 sites, as applicable. A site rehabilitation tax credit applicant 755 must submit only a single completed application per site for 756 each calendar year's site rehabilitation costs. A site 757 rehabilitation application must be received by the Division of 758 Waste Management of the Department of Environmental Protection 759 by January 31 of the year after the calendar year for which site 760 rehabilitation costs are being claimed in a tax credit application. All site rehabilitation costs claimed must have 761 762 been for work conducted between January 1 and December 31 of the 763 year for which the application is being submitted. All payment 764 requests must have been received and all costs must have been 765 paid prior to submittal of the tax credit application, but no 766 later than January 31 of the year after the calendar year for 767 which site rehabilitation costs are being claimed.

768 (b) For solid waste removal tax credits, have entered into 769 a brownfield site rehabilitation agreement with the Department 770 of Environmental Protection. A solid waste removal tax credit 771 applicant must submit only a single complete application per 772 brownfield site, as defined in the brownfield site 773 rehabilitation agreement, for solid waste removal costs. A solid 774 waste removal tax credit application must be received by the 775 Division of Waste Management of the Department of Environmental 776 Protection subsequent to the completion of the requirements 777 listed in paragraph (3)(e).

(11) If a tax credit applicant does not receive a tax
 credit allocation due to an exhaustion of the <u>\$5</u> 2 million

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780	annual tax credit authorization, such application will then be
781	included in the same first-come, first-served order in the next
782	year's annual tax credit allocation, if any, based on the prior
783	year application.
784	Section 14. Subsection (5) is added to section 220.16,
785	
	Florida Statutes, to read:
786	220.16 Allocation of nonbusiness incomeNonbusiness
787	income shall be allocated as follows:
788	(5) The amount of payments received in exchange for
789	transferring a net operating loss authorized by s. 220.194 is
790	allocable to the state.
791	Section 15. Section 220.194, Florida Statutes, is created
792	to read:
793	220.194 Corporate income tax credits for spaceflight
794	projects
795	(1) SHORT TITLE.—This section may be cited as the "Florida
796	Space Business Incentives Act."
797	(2) PURPOSE The purpose of this section is to create
798	incentives to attract launch, payload, research and development,
799	and other space business to this state.
800	(3) DEFINITIONSAs used in this section, the term:
801	(a) "Administrative support" means that 51 percent or more
802	of an activity supports a certified spaceflight business.
803	(b) "Certified" means that a spaceflight business has been
804	certified by the office as meeting all of the requirements
805	necessary to obtain at least one of the approved tax credits
806	available under this section, including approval to transfer a
807	credit.
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808	(c) "New employee" means a state resident who begins or
809	maintains full-time employment in this state with a spaceflight
810	business on or after October 1, 2011. The term does not include
811	a person who is a partner, majority stockholder, or owner of the
812	business or a person who is employed in a temporary construction
813	job or primarily involved with the construction of real
814	property.
815	(d) "New job" means the full-time employment of an
816	employee in a manner that is consistent with terms used by the
817	Agency for Workforce Innovation and the United States Department
818	of Labor for purposes of unemployment compensation tax
819	administration and employment estimation. In order to meet the
820	requirement for certification specified in paragraph (5)(b), a
821	new job must:
822	1. Pay new employees at least 115 percent of the statewide
823	or countywide average annual private-sector wage for the 3
824	taxable years immediately preceding filing an application for
825	certification;
826	2. Require a new employee to perform duties on a regular
827	full-time basis in this state for an average of at least 36
828	hours per week each month for the 3 taxable years immediately
829	preceding filing an application for certification; and
830	3. Not be held by a person who has previously been
831	included as a new employee on an application for any credit
832	authorized under this section.
833	(e) "Office" means the Office of Tourism, Trade, and
834	Economic Development.

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835	(f) "Payload" means an object built or assembled in this
836	state to be placed into earth's upper atmospheres or space.
837	(g) "Reentry" means to return or attempt to return an
838	object from earth's upper atmospheres or space.
839	(h) "Reentry service" means an activity conducted in this
840	state related to preparing a reentry vehicle and any payload for
841	reentry and the reentry.
842	(i) "Space vehicle" means any spacecraft, satellite, space
843	station, upper-stage, launch vehicle, reentry vehicle, and
844	related ground-support systems and equipment.
845	(j) "Spaceflight business" means a business that:
846	1. Is registered with the Secretary of State to do
847	business in this state; and
848	2. Is currently engaged in a spaceflight project. A
849	spaceflight business may participate in more than one
850	spaceflight project at a time and may conduct work on a
851	commercial, governmental, or United States defense-related
852	spaceflight project.
853	(k) "Spaceflight project" means any of the following
854	activities performed in this state:
855	1. Designing, manufacturing, testing, or assembling a
856	space vehicle or components thereof;
857	2. Providing a launch service, payload processing service,
858	or reentry service; or
859	3. Providing the payload for a launch vehicle or reentry
860	space vehicle;
861	4. Administrative support; or
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862	5. Providing the launch vehicle or the reentry vehicle for
863	space tourists.
864	(1) "Taxpayer" has the same meaning as provided in s.
865	220.03.
866	(4) TAX CREDITS.—
867	(a) If approved and certified pursuant to subsection (5),
868	the following tax credits may be taken on a return for a taxable
869	year beginning on or after October 1, 2015:
870	1. A certified spaceflight business may take a
871	nontransferable corporate income tax credit for up to 50 percent
872	of the business's tax liability under this chapter for the
873	taxable year in which the credit is taken. The maximum
874	nontransferable tax credit amount that may be approved per
875	taxpayer for a taxable year is \$1 million. No more than $$3$
876	million in total tax credits pursuant to this subparagraph may
877	be certified pursuant to subsection (5). No credit may be
878	approved after October 1, 2017.
879	2. A certified spaceflight business may transfer, in whole
880	or in part, its Florida net operating loss that would otherwise
881	be available to be taken on a return filed under this chapter,
882	provided that the activity giving rise to such net operating
883	loss must have occurred after July 1, 2011. The transfer allowed
884	under this subparagraph will be in the form of a transferable
885	tax credit equal to the amount of the net operating loss
886	eligible to be transferred. The maximum transferable tax credit
887	amount that may be approved per taxpayer for a taxable year is
888	\$2.5 million. No more than \$7 million in total tax credits

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889	pursuant to this subparagraph may be certified pursuant to
890	subsection (5). No credit may be approved after October 1, 2017.
891	a. In order to transfer the credit, the business must:
892	(I) Have been approved to transfer the tax credit for the
893	taxable year in which it is transferred;
894	(II) Have incurred a qualifying net operating loss on
895	activity in this state after July 1, 2011, directly associated
896	with one or more spaceflight projects in any of its 3 previous
897	taxable years;
898	(III) Not be 50 percent or more owned or controlled,
899	directly or indirectly, by another corporation that has
900	demonstrated positive net income in any of the 3 previous
901	taxable years of ongoing operations; and
902	(IV) Not be part of a consolidated group of affiliated
903	corporations, as filed for federal income tax purposes, which in
904	the aggregate demonstrated positive net income in any of the 3
905	previous taxable years.
906	b. The credit that may be transferred by a certified
907	spaceflight business:
908	(I) Is limited to the amount of eligible net operating
909	losses incurred in the immediate 3 taxable years before the
910	transfer; and
911	(II) Must be directly associated with a spaceflight
912	project in this state as verified through an audit or
913	examination by a certified public accountant licensed to do
914	business in this state and as verified by the office.
915	(b) Each certified spaceflight business may only be
916	approved for a credit under subparagraph (a)1. once and may only
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917	be approved to transfer a tax credit under subparagraph (a)2.
918	once, and a certified spaceflight business may not be approved
919	for both in a single state fiscal year.
920	(c) Credits approved under subparagraph (a)1. may be taken
921	only against the corporate income tax liability generated by or
922	arising out of a spaceflight project in this state, as verified
923	through an audit or examination by a certified public accountant
924	licensed to do business in this state and as verified by the
925	office.
926	(d) A certified spaceflight business may not file a
927	consolidated return in order to claim the tax incentives
928	described in this subsection.
929	(e) The certified spaceflight business or transferee must
930	demonstrate to the satisfaction of the office and the department
931	that it is eligible to take the credits approved under this
932	section.
933	(5) APPLICATION AND CERTIFICATION
934	(a) In order to claim a tax credit under this section, a
935	spaceflight business must first submit an application to the
936	office for approval to earn tax credits or create transferable
937	tax credits. The application must be filed by the date
938	established by the office. In addition to any information that
939	the office may require, the applicant must provide a complete
940	description of the activity in this state which demonstrates to
941	the office the applicant's likelihood to be certified to take or
942	transfer a credit. The applicant must also provide a description
943	of the total amount and type of credits for which approval is
944	sought. The office may consult with Space Florida regarding the
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945	qualifications of an applicant. The applicant shall provide an
946	affidavit certifying that all information contained in the
947	application is true and correct.
948	1. Approval of the credits shall be provided on a first-
949	come, first-served basis, based on the date the completed
950	applications are received by the office. A taxpayer may not
951	submit more than one completed application per state fiscal
952	year. The office may not accept an incomplete placeholder
953	application, and the submission of such an application will not
954	secure a place in the first-come, first-served application line.
955	2. The office has 60 days after the receipt of a completed
956	application within which to issue a notice of intent to deny or
957	approve an application for credits. The office must ensure that
958	the corporate income tax credits approved for all applicants
959	does not exceed the limits provided in this section.
960	(b) In order to take a tax credit under subparagraph (a)1.
961	or, if applicable, to transfer an approved credit under
962	subparagraph (a)2., a spaceflight business must submit an
963	application for certification to the office along with a
964	nonrefundable \$250 fee.
965	1. The application must include:
966	a. The name and physical in-state address of the taxpayer.
967	b. Documentation demonstrating to the satisfaction of the
968	office that:
969	(I) The taxpayer is a spaceflight business.
970	(II) The business has engaged in a qualifying spaceflight
971	project before taking or transferring a credit under this
	project before taking of transferring a create anact this
972	section.

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973	c. In addition to any requirement specific to a credit,
974	documentation that the business has:
975	(I) Created 35 new jobs in this state directly associated
976	with spaceflight projects during its immediately preceding 3
977	taxable years. The business shall be deemed to have created new
978	jobs if the number of full-time jobs located in this state at
979	the time of application for certification is greater than the
980	total number of full-time jobs located in this state at the time
981	of application for approval to earn credits; and
982	(II) Invested a total of at least \$15 million in this
983	state on a spaceflight project during its immediately preceding
984	<u>3 taxable years.</u>
985	d. The total amount and types of credits sought.
986	e. An acknowledgment that a transfer of a tax credit is to
987	be accomplished pursuant to subsection (5).
988	f. A copy of an audit or audits of the preceding 3 taxable
989	years, prepared by a certified public accountant licensed to
990	practice in this state, which identifies that portion of the
991	business's activities in this state related to spaceflight
992	projects in this state.
993	g. An acknowledgement that the business must file an
994	annual report on the spaceflight project's progress with the
995	office.
996	h. Any other information necessary to demonstrate that the
997	applicant meets the job creation, investment, and other
998	requirements of this section.
999	2. Within 60 days after receipt of the application for
1000	certification, the office shall evaluate the application and
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1001	recommend the business for certification or denial. The
1002	executive director of the office must approve or deny the
1003	application within 30 days after receiving the recommendation.
1004	If approved, the office must provide a letter of certification
1005	to the applicant consistent with any restrictions imposed. If
1006	the office denies any part of the requested credit, the office
1007	must inform the applicant of the grounds for the denial. A copy
1008	of the certification shall be submitted to the department within
1009	10 days after the executive director's approval.
1010	(6) TRANSFERABILITY OF CREDIT.—
1011	(a) A certified spaceflight business allowed to transfer
1012	an approved credit, in whole or in part, to a taxpayer by
1013	written agreement may do so without transferring any ownership
1014	interest in the property generating the credit or any interest
1015	in the entity owning such property.
1016	(b) In order to perfect the transfer, the transferor shall
1017	provide the department with a written transfer statement that
1018	has been approved by the office notifying the department of the
1019	transferor's intent to transfer the tax credits to the
1020	transferee; the date that the transfer is effective; the
1021	transferee's name, address, and federal taxpayer identification
1022	number; the tax period; and the amount of tax credits to be
1023	transferred. Upon receipt of the approved transfer statement,
1024	the department shall provide the transferee and the office with
1025	a certificate reflecting the tax credit amounts transferred. A
1026	copy of the certificate must be attached to each tax return for
1027	which the transferee seeks to apply the credits.
1028	(7) AUDIT AUTHORITY; RECAPTURE OF CREDITS
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1029	(a) In addition to its existing audit and investigative
1030	authority, the department may perform any additional financial
1031	and technical audits and investigations, including examining the
1032	accounts, books, and financial records of the tax credit
1033	applicant, which are necessary for verifying the accuracy of the
1034	return and to ensure compliance with this section. If requested
1035	by the department, the office and Space Florida must provide
1036	technical assistance for any technical audits or examinations
1037	performed under this subsection.
1038	(b) Grounds for forfeiture of previously claimed tax
1039	credits approved under this section exist if the department
1040	determines, as a result of an audit or examination, or from
1041	information received from the office, that a certified
1042	spaceflight business, or in the case of transferred tax credits,
1043	a taxpayer received tax credits for which the certified
1044	spaceflight business or taxpayer was not entitled. The
1045	spaceflight business or transferee must file an amended return
1046	reflecting the disallowed credits and paying any tax due as a
1047	result of the amendment.
1048	(c) If an amendment to, recomputation of, or
1049	redetermination of a certified spaceflight business's Florida
1050	corporate income tax return changes an item entered into the
1051	computation of a claimed credit, the taxpayer must notify the
1052	department by filing an amended return. The amount of any credit
1053	award not supported by the amended return shall be deemed a
1054	deficiency that must be remitted with the amended return and is
1055	subject to s. 220.23. The spaceflight business is also liable
1056	for a penalty equal to the credit claimed or transferred,
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1057	reduced in proportion to the amount of the net operating loss
1058	certified for transfer which is disallowed over the amount of
1059	the net operating loss certified for the credit. The certified
1060	business and its successors must maintain all records necessary
1061	to support the reported net operating loss.
1062	(d) The office may revoke or modify a certification
1063	granting eligibility for tax credits if it finds that the
1064	certified spaceflight business made a false statement or
1065	representation in any application, record, report, plan, or
1066	other document filed in an attempt to receive tax credits under
1067	this section. The office shall immediately notify the department
1068	of any revoked or modified orders affecting previously granted
1069	tax credits. The certified spaceflight business must also notify
1070	the department of any change in its claimed tax credit.
1071	(e) The certified spaceflight business must file with the
1072	department an amended return or other report required by the
1073	department by rule and pay any required tax and interest within
1074	60 days after the certified business receives notification from
1075	the office that previously approved tax credits have been
1076	revoked or modified. If the revocation or modification order is
1077	contested, the spaceflight business must file the amended return
1078	or other report within 60 days after a final order is issued.
1079	(f) The department may assess an additional tax, penalty,
1080	or interest pursuant to s. 95.091.
1081	(8) RULES.—
1082	(a) The office, in consultation with Space Florida, shall
1083	adopt rules to administer this section, including rules relating
1084	to application forms for credit approval and certification, and

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2011 Legislature

1085	the application and certification procedures, guidelines, and
1086	requirements necessary to administer this section.
1087	(b) The department may adopt rules to administer this
1088	section, including rules relating to:
1089	1. The forms required to claim a tax credit under this
1090	section, the requirements and basis for establishing an
1091	entitlement to a credit, and the examination and audit
1092	procedures required to administer this section.
1093	2. The implementation and administration of provisions
1094	allowing the transfer of a net operating loss as a tax credit,
1095	including rules that prescribe forms, reporting requirements,
1096	and specific procedures, guidelines, and requirements necessary
1097	to perform the transfer.
1098	3. The minimum portion of the credit which is available
1099	for transfer.
1100	(9) ANNUAL REPORTBeginning in 2014, the office, in
1101	cooperation with Space Florida and the department, shall submit
1102	an annual report summarizing activities relating to the Florida
1103	Space Business Incentives Act established under this section to
1104	the Governor, the President of the Senate, and the Speaker of
1105	the House of Representatives by each November 30.
1106	(10) NONAPPLICABILITYThis section does not apply to
1107	returns filed for any tax period before October 1, 2015.
1108	Section 16. Effective January 1, 2012, section 220.195,
1109	Florida Statutes, is created to read:
1110	220.195 Emergency excise tax credit
1111	(1) Beginning with taxable years ending in 2012, a
1112	taxpayer who has earned, but not yet taken, a credit for
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1113	emergency excise tax paid under former s. 221.02 may take such
1114	credit against the tax imposed by this chapter.
1115	(2) If a credit granted pursuant to this section is not
1116	fully used in taxable years ending in 2012 because of
1117	insufficient tax liability on the part of the taxpayer, the
1118	unused amount may be carried forward for a period not to exceed
1119	5 years. The carryover credit may be used in a subsequent year
1120	when the tax imposed by this chapter for such year exceeds the
1121	credit for such year, after applying the other credits and
1122	unused credit carryovers in the order provided in s. 220.02(8).
1123	Section 17. Effective July 1, 2011, and applicable to
1124	taxable years beginning on or after January 1, 2012, section
1125	220.196, Florida Statutes, is created to read:
1126	220.196 Research and development tax credit
1127	(1) DEFINITIONSAs used in this section, the term:
1128	(a) "Base amount" means the average of the business
1129	enterprise's qualified research expenses in this state allowed
1130	under 26 U.S.C. s. 41 for the 4 taxable years preceding the
1131	taxable year for which the credit is determined. The qualified
1132	research expenses taken into account in computing the base
1133	amount shall be determined on a basis consistent with the
1134	determination of qualified research expenses for the taxable
1135	year.
1136	(b) "Business enterprise" means any corporation as defined
1137	in s. 220.03 which meets the definition of a target industry
1138	business as defined in s. 288.106.
1139	(c) "Qualified research expenses" mean research expenses
1140	qualifying for the credit under 26 U.S.C. s. 41 for in-house
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1141	research expenses incurred in this state or contract research
1142	_
	expenses incurred in this state. The term does not include
1143	research conducted outside this state or research expenses that
1144	do not qualify for a credit under 26 U.S.C. s. 41.
1145	(2) TAX CREDITSubject to the limitations contained in
1146	paragraph (e), a business enterprise is eligible for a credit
1147	against the tax imposed by this chapter if the business
1148	enterprise has qualified research expenses in this state in the
1149	taxable year exceeding the base amount and, for the same taxable
1150	year, claims and is allowed a research credit for such qualified
1151	research expenses under 26 U.S.C. s. 41.
1152	(a) The tax credit shall be 10 percent of the excess
1153	qualified research expenses over the base amount. However, the
1154	maximum tax credit for a business enterprise that has not been
1155	in existence for at least 4 taxable years immediately preceding
1156	the taxable year is reduced by 25 percent for each taxable year
1157	for which the business enterprise, or a predecessor corporation
1158	that was a business enterprise, did not exist.
1159	(b) The credit taken in any taxable year may not exceed 50
1160	percent of the business enterprise's remaining net income tax
1161	liability under this chapter after all other credits have been
1162	applied under s. 220.02(8).
1163	(c) Any unused credit authorized under this section may be
1164	carried forward and claimed by the taxpayer for up to 5 years.
1165	(d) The combined total amount of tax credits which may be
1166	granted to all business enterprises under this section during
1167	any calendar year is \$9 million. Applications may be filed with
1168	the department on or after March 20 for qualified research
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1169	expenses incurred within the preceding calendar year, and
1170	credits shall be granted in the order in which completed
1171	applications are received.
1172	(3) RECALCULATION OF CREDIT AMOUNTIf the amount of
1173	qualified research expenses is reduced as a result of a federal
1174	audit or examination, the credit granted pursuant to this
1175	section must be recalculated. The taxpayer must file amended
1176	returns for all affected years pursuant to s. 220.23(2), and the
1177	taxpayer must pay to the department the difference between the
1178	initial credit amount taken and the recalculated credit amount
1179	with interest.
1180	(4) RULESThe department may adopt rules to administer
1181	this section, including, but not limited to, rules prescribing
1182	forms and application procedures and dates, and may establish
1183	guidelines for making an affirmative showing of qualification
1184	for a credit and any evidence needed to substantiate a claim for
1185	credit under this section.
1186	Section 18. Effective January 1, 2012, subsection (4) of
1187	section 220.801, Florida Statutes, is amended to read:
1188	220.801 Penalties; failure to timely file returns
1189	(4) The provisions of this section shall specifically
1190	apply to the notice of federal change required under s. 220.23 $_{ au}$
1191	and to any tax returns required under chapter 221, relating to
1192	the emergency excise tax.
1193	Section 19. Effective January 1, 2012, section 213.05,
1194	Florida Statutes, is amended to read:
1195	213.05 Department of Revenue; control and administration
1196	of revenue lawsThe Department of Revenue shall have only those
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1197 responsibilities for ad valorem taxation specified to the 1198 department in chapter 192, taxation, general provisions; chapter 1199 193, assessments; chapter 194, administrative and judicial 1200 review of property taxes; chapter 195, property assessment 1201 administration and finance; chapter 196, exemption; chapter 197, 1202 tax collections, sales, and liens; chapter 199, intangible 1203 personal property taxes; and chapter 200, determination of 1204 millage. The Department of Revenue shall have the responsibility 1205 of regulating, controlling, and administering all revenue laws 1206 and performing all duties as provided in s. 125.0104, the Local 1207 Option Tourist Development Act; s. 125.0108, tourist impact tax; 1208 chapter 198, estate taxes; chapter 201, excise tax on documents; 1209 chapter 202, communications services tax; chapter 203, gross 1210 receipts taxes; chapter 206, motor and other fuel taxes; chapter 1211 211, tax on production of oil and gas and severance of solid 1212 minerals; chapter 212, tax on sales, use, and other 1213 transactions; chapter 220, income tax code; chapter 221, 1214 emergency excise tax; ss. 336.021 and 336.025, taxes on motor 1215 fuel and special fuel; s. 376.11, pollutant spill prevention and 1216 control; s. 403.718, waste tire fees; s. 403.7185, lead-acid 1217 battery fees; s. 538.09, registration of secondhand dealers; s. 1218 538.25, registration of secondary metals recyclers; s. 624.4621, 1219 group self-insurer's fund premium tax; s. 624.5091, retaliatory tax; s. 624.475, commercial self-insurance fund premium tax; ss. 1220 1221 624.509-624.511, insurance code: administration and general provisions; s. 624.515, State Fire Marshal regulatory 1222 1223 assessment; s. 627.357, medical malpractice self-insurance

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1224	premium tax; s. 629.5011, reciprocal insurers premium tax; and
1225	s. 681.117, motor vehicle warranty enforcement.
1226	Section 20. Paragraph (dd) is added to subsection (8) of
1227	section 213.053, Florida Statutes, as amended by chapter 2010-
1228	280, Laws of Florida, and effective January 1, 2012, subsection
1229	(1) and paragraph (k) of subsection (8) of that section are
1230	amended, to read:
1231	213.053 Confidentiality and information sharing
1232	(1) This section applies to:
1233	(a) Section 125.0104, county government;
1234	(b) Section 125.0108, tourist impact tax;
1235	(c) Chapter 175, municipal firefighters' pension trust
1236	funds;
1237	(d) Chapter 185, municipal police officers' retirement
1238	trust funds;
1239	(e) Chapter 198, estate taxes;
1240	(f) Chapter 199, intangible personal property taxes;
1241	(g) Chapter 201, excise tax on documents;
1242	(h) Chapter 202, the Communications Services Tax
1243	Simplification Law;
1244	(i) Chapter 203, gross receipts taxes;
1245	(j) Chapter 211, tax on severance and production of
1246	minerals;
1247	(k) Chapter 212, tax on sales, use, and other
1248	transactions;
1249	(1) Chapter 220, income tax code;
1250	(m) Chapter 221, emergency excise tax;

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	ENROLLED CS/HB 143, Engrossed 1 2011 Legislature
1251	(m) (n) Section 252.372, emergency management,
1252	preparedness, and assistance surcharge;
1253	(n) (o) Section 379.362(3), Apalachicola Bay oyster
1254	surcharge;
1255	(o) (p) Chapter 376, pollutant spill prevention and
1256	control;
1257	(p) (q) Section 403.718, waste tire fees;
1258	(q) (r) Section 403.7185, lead-acid battery fees;
1259	<u>(r)</u> Section 538.09, registration of secondhand dealers;
1260	(s) (t) Section 538.25, registration of secondary metals
1261	recyclers;
1262	(t) (u) Sections 624.501 and 624.509-624.515, insurance
1263	code;
1264	(u) (v) Section 681.117, motor vehicle warranty
1265	enforcement; and
1266	(v) (w) Section 896.102, reports of financial transactions
1267	in trade or business.
1268	(8) Notwithstanding any other provision of this section,
1269	the department may provide:
1270	(k)1. Payment information relative to chapters 199, 201,
1271	202, 212, 220, 221, and 624 <u>and former chapter 221</u> to the Office
1272	of Tourism, Trade, and Economic Development, or its employees or
1273	agents that are identified in writing by the office to the
1274	department, in the administration of the tax refund program for
1275	qualified defense contractors and space flight business
1276	contractors authorized by s. 288.1045 and the tax refund program
1277	for qualified target industry businesses authorized by s.
1278	288.106.
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1279 Information relative to tax credits taken by a business 2. 1280 under s. 220.191 and exemptions or tax refunds received by a 1281 business under s. 212.08(5)(j) to the Office of Tourism, Trade, 1282 and Economic Development, or its employees or agents that are 1283 identified in writing by the office to the department, in the 1284 administration and evaluation of the capital investment tax 1285 credit program authorized in s. 220.191 and the semiconductor, 1286 defense, and space tax exemption program authorized in s. 1287 212.08(5)(j).

1288 3. Information relative to tax credits taken by a taxpayer 1289 pursuant to the tax credit programs created in ss. 193.017; 1290 212.08(5)(q),(h),(n),(o) and (p); 212.08(15); 212.096; 212.097; 1291 212.098; 220.181; 220.182; 220.183; 220.184; 220.1845; 220.185; 1292 220.1895; 220.19; 220.191; 220.192; 220.193; 288.0656; 288.99; 1293 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 1294 1295 the Office of Tourism, Trade, and Economic Development, or its 1296 employees or agents that are identified in writing by the office 1297 to the department, for use in the administration or evaluation 1298 of such programs.

1299 <u>4. Information relative to single sales factor</u>
1300 <u>apportionment used by a taxpayer to the Office of Tourism,</u>
1301 <u>Trade, and Economic Development or its employees or agents who</u>
1302 <u>are identified in writing by the office to the department for</u>
1303 <u>use by the office to administer s. 220.153.</u>
1304 <u>(dd) Information relating to tax credits taken under s.</u>

1305 220.194 to the Office of Tourism, Trade, and Economic

1306 Development or to Space Florida.

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1307	
1308	Disclosure of information under this subsection shall be
1309	pursuant to a written agreement between the executive director
1310	and the agency. Such agencies, governmental or nongovernmental,
1311	shall be bound by the same requirements of confidentiality as
1312	the Department of Revenue. Breach of confidentiality is a
1313	misdemeanor of the first degree, punishable as provided by s.
1314	775.082 or s. 775.083.
1315	Section 21. Effective January 1, 2012, subsection (12) of
1316	section 213.255, Florida Statutes, is amended to read:
1317	213.255 InterestInterest shall be paid on overpayments
1318	of taxes, payment of taxes not due, or taxes paid in error,
1319	subject to the following conditions:
1320	(12) The rate of interest shall be the adjusted rate
1321	established pursuant to s. 213.235, except that the annual rate
1322	of interest shall never be greater than 11 percent. This annual
1323	rate of interest shall be applied to all refunds of taxes
1324	administered by the department except for corporate income taxes
1325	and emergency excise taxes governed by ss. 220.721 and 220.723.
1326	Section 22. Effective January 1, 2012, chapter 221,
1327	Florida Statutes, consisting of sections 221.01, 221.02, 221.04,
1328	and 221.05, is repealed.
1329	Section 23. Effective January 1, 2012, paragraph (a) of
1330	subsection (6) of section 288.075, Florida Statutes, is amended
1331	to read:
1332	288.075 Confidentiality of records
1333	(6) ECONOMIC INCENTIVE PROGRAMS

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1334 The following information held by an economic (a) 1335 development agency pursuant to the administration of an economic 1336 incentive program for qualified businesses is confidential and 1337 exempt from s. 119.07(1) and s. 24(a), Art. I of the State 1338 Constitution for a period not to exceed the duration of the 1339 incentive agreement, including an agreement authorizing a tax 1340 refund or tax credit, or upon termination of the incentive 1341 agreement:

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.

1348 2. The anticipated wages for the project jobs that the 1349 business plans to create, as reported on the application for 1350 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.

1357

4. The amount of:

1358 a. Taxes on sales, use, and other transactions paid1359 pursuant to chapter 212;

1360

b. Corporate income taxes paid pursuant to chapter 220;

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ENROLLED CS/HB 143, Engrossed 1 1361 Intangible personal property taxes paid pursuant to с. 1362 chapter 199; 1363 d. Emergency excise taxes paid pursuant to chapter 221; 1364 d.e. Insurance premium taxes paid pursuant to chapter 624; 1365 e.f. Excise taxes paid on documents pursuant to chapter

1366 201;

1367 f.g. Ad valorem taxes paid, as defined in s. 220.03(1); or 1368 g.h. State communications services taxes paid pursuant to 1369 chapter 202.

1370 Section 24. Paragraph (c) of subsection (2) of section 288.1045, Florida Statutes, and effective January 1, 2012, 1371 1372 paragraph (f) of that subsection, are amended to read:

1373 288.1045 Qualified defense contractor and space flight 1374 business tax refund program.-

1375

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

1376 (C) A qualified applicant may not receive more than \$7 \$5 1377 million in tax refunds pursuant to this section in all fiscal 1378 years.

1379 (f) After entering into a tax refund agreement pursuant to 1380 subsection (4), a qualified applicant may:

1381 1. Receive refunds from the account for corporate income 1382 taxes due and paid pursuant to chapter 220 by that business 1383 beginning with the first taxable year of the business which 1384 begins after entering into the agreement.

1385 2. Receive refunds from the account for the following 1386 taxes due and paid by that business after entering into the 1387 agreement:

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1388 a. Taxes on sales, use, and other transactions paid1389 pursuant to chapter 212.

b. Intangible personal property taxes paid pursuant tochapter 199.

1392c. Emergency excise taxes paid pursuant to chapter 221.1393c.d. Excise taxes paid on documents pursuant to chapter1394201.

 1395
 d.e.
 Ad valorem taxes paid, as defined in s. 220.03(1)(a)

 1396
 on June 1, 1996.

1397 <u>e.f.</u> State communications services taxes administered 1398 under chapter 202. This provision does not apply to the gross 1399 receipts tax imposed under chapter 203 and administered under 1400 chapter 202 or the local communications services tax authorized 1401 under s. 202.19.

1403 However, a qualified applicant may not receive a tax refund 1404 pursuant to this section for any amount of credit, refund, or 1405 exemption granted such contractor for any of such taxes. If a 1406 refund for such taxes is provided by the office, which taxes are 1407 subsequently adjusted by the application of any credit, refund, 1408 or exemption granted to the qualified applicant other than that 1409 provided in this section, the qualified applicant shall 1410 reimburse the Economic Development Trust Fund for the amount of 1411 such credit, refund, or exemption. A qualified applicant must 1412 notify and tender payment to the office within 20 days after 1413 receiving a credit, refund, or exemption, other than that provided in this section. The addition of communications 1414 services taxes administered under chapter 202 is remedial in 1415

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1416 nature and retroactive to October 1, 2001. The office may make 1417 supplemental tax refund payments to allow for tax refunds for 1418 communications services taxes paid by an eligible qualified 1419 defense contractor after October 1, 2001.

1420Section 25. Paragraph (c) of subsection (3) of section1421288.106, Florida Statutes, and effective January 1, 2012,1422paragraph (d) of that subsection, are amended to read:

1423 288.106 Tax refund program for qualified target industry 1424 businesses.-

1425

(3) TAX REFUND; ELIGIBLE AMOUNTS.-

1426 A qualified target industry business may not receive (C) 1427 refund payments of more than 25 percent of the total tax refunds 1428 specified in the tax refund agreement under subparagraph (5) (a)1. in any fiscal year. Further, a qualified target 1429 1430 industry business may not receive more than \$1.5 million in 1431 refunds under this section in any single fiscal year, or more 1432 than \$2.5 million in any single fiscal year if the project is 1433 located in an enterprise zone. A qualified target industry 1434 business may not receive more than \$7 \$5 million in refund payments under this section in all fiscal years, or more than 1435 1436 \$7.5 million if the project is located in an enterprise zone.

1437 (d) After entering into a tax refund agreement under1438 subsection (5), a qualified target industry business may:

1439 1. Receive refunds from the account for the following 1440 taxes due and paid by that business beginning with the first 1441 taxable year of the business that begins after entering into the 1442 agreement:

a. Corporate income taxes under chapter 220.

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1444	b. Insurance premium tax under s. 624.509.
1445	2. Receive refunds from the account for the following
1446	taxes due and paid by that business after entering into the
1447	agreement:
1448	a. Taxes on sales, use, and other transactions under
1449	chapter 212.
1450	b. Intangible personal property taxes under chapter 199.
1451	c. Emergency excise taxes under chapter 221.
1452	<u>c.d.</u> Excise taxes on documents under chapter 201.
1453	<u>d.</u> e. Ad valorem taxes paid, as defined in s. 220.03(1).
1454	e.f. State communications services taxes administered
1455	under chapter 202. This provision does not apply to the gross
1456	receipts tax imposed under chapter 203 and administered under
1457	chapter 202 or the local communications services tax authorized
1458	under s. 202.19.
1459	Section 26. Paragraphs (b), (h), and (i) of subsection
1460	(1), paragraphs (c) and (e) of subsection (3), paragraph (b) of
1461	subsection (4), paragraph (c) of subsection (5), paragraph (a)
1462	of subsection (7), and subsection (10) of section 288.1254,
1463	Florida Statutes, are amended, and paragraphs (k), (l), (m),
1464	(n), and (o) are added to subsection (1) of that section, to
1465	read:
1466	288.1254 Entertainment industry financial incentive
1467	program
1468	(1) DEFINITIONSAs used in this section, the term:
1469	(b) "Digital media project" means a production of
1470	interactive entertainment that is produced for distribution in
1471	commercial or educational markets. The term includes a video
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1472 game or production intended for Internet or wireless 1473 distribution. The term does not include a production <u>that</u> 1474 <u>contains</u> deemed by the Office of Film and Entertainment to 1475 contain obscene content as defined in s. 847.001(10).

1476 (f) "Production" means a theatrical or direct-to-video 1477 motion picture; a made-for-television motion picture; visual 1478 effects or digital animation sequences produced in conjunction 1479 with a motion picture; a commercial; a music video; an 1480 industrial or educational film; an infomercial; a documentary 1481 film; a television pilot program; a presentation for a 1482 television pilot program; a television series, including, but not limited to, a drama, a reality show, a comedy, a soap opera, 1483 1484 a telenovela, a game show, an awards show, or a miniseries 1485 production; or a digital media project by the entertainment 1486 industry. One season of a television series is considered one 1487 production. The term does not include a weather or market 1488 program; a sporting event; a sports show; a gala; a production 1489 that solicits funds; a home shopping program; a political 1490 program; a political documentary; political advertising; a 1491 gambling-related project or production; a concert production; or 1492 a local, regional, or Internet-distributed-only news show, 1493 current-events show, pornographic production, or current-affairs 1494 show. A production may be produced on or by film, tape, or otherwise by means of a motion picture camera; electronic camera 1495 1496 or device; tape device; computer; any combination of the 1497 foregoing; or any other means, method, or device.

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

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1500 Goods purchased or leased from, or services, including, 1. 1501 but not limited to, insurance costs and bonding, payroll 1502 services, and legal fees, which are provided by, a vendor or 1503 supplier in this state that is registered with the Department of 1504 State or the Department of Revenue, has a physical location in 1505 this state, and employs one or more legal residents of this 1506 state. This does not include re-billed goods or services 1507 provided by an in-state company from out-of-state vendors or 1508 suppliers. When services are provided by the vendor or supplier 1509 include personal services or labor, only personal services or 1510 labor provided by residents of this state, evidenced by the 1511 required documentation of residency in this state, qualify. 1512 Payments to legal residents of this state in the form 2. 1513 of salary, wages, or other compensation up to a maximum of

1513 of salary, wages, or other compensation up to a maximum of 1514 \$400,000 per resident unless otherwise specified in subsection 1515 (4). A completed declaration of residency in this state must 1516 accompany the documentation submitted to the office for 1517 reimbursement.

1519 For a qualified production involving an event, such as an awards 1520 show, the term does not include expenditures solely associated 1521 with the event itself and not directly required by the 1522 production. The term does not include expenditures incurred 1523 before certification, with the exception of those incurred for a 1524 commercial, a music video, or the pickup of additional episodes 1525 of a high-impact television series within a single season. Under no circumstances may the qualified production include in the 1526 1527 calculation for qualified expenditures the original purchase

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1528 price for equipment or other tangible property that is later 1529 sold or transferred by the qualified production for 1530 consideration. In such cases, the qualified expenditure is the 1531 net of the original purchase price minus the consideration 1532 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:

In which, for the first 2 years of the incentive 1536 1. 1537 program, less than 50 percent, and thereafter, less than 60 1538 percent, of the positions that make up its production cast and 1539 below-the-line production crew, or, in the case of digital media 1540 projects, less than 75 percent of such positions, are filled by 1541 legal residents of this state, whose residency is demonstrated 1542 by a valid Florida driver's license or other state-issued 1543 identification confirming residency, or students enrolled fulltime in a film-and-entertainment-related course of study at an 1544 1545 institution of higher education in this state; or

1546 2. That <u>contains</u> is deemed by the Office of Film and 1547 Entertainment to contain obscene content as defined in s. 1548 847.001(10).

1549 (k) "Qualified digital media production facility" means a 1550 building or series of buildings and their improvements in which 1551 data processing, visualization, and sound synchronization 1552 technologies are regularly applied for the production of 1553 qualified digital media projects or the digital animation 1554 components of qualified productions.

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1555	(1) "Qualified production facility" means a building or
1556	complex of buildings and their improvements and associated
1557	backlot facilities in which regular filming activity for film or
1558	television has occurred for a period of no less than one year
1559	and which contain at least one sound stage of at least 7,800
1560	square feet.
1561	(m) "Regional population ratio" means the ratio of the
1562	population of a region to the population of this state. The
1563	regional population ratio applicable to a given fiscal year is
1564	the regional population ratio calculated by the Office of Film
1565	and Entertainment using the latest official estimates of
1566	population certified under s. 186.901, available on the first
1567	day of that fiscal year.
1568	(n) "Regional tax credit ratio" means a ratio the
1569	numerator of which is the sum of tax credits awarded to
1570	productions in a region to date plus the tax credits certified,
1571	but not yet awarded, to productions currently in that region and
1572	the denominator of which is the sum of all tax credits awarded
1573	in the state to date plus all tax credits certified, but not yet
1574	awarded, to productions currently in the state. The regional tax
1575	credit ratio applicable to a given year is the regional tax
1576	credit ratio calculated by the Office of Film and Entertainment
1577	using credit award and certification information available on
1578	the first day of that fiscal year.
1579	(o) "Underutilized region" for a given state fiscal year
1580	means a region with a regional tax credit ratio applicable to
1581	that fiscal year that is lower than its regional population

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1583established for purposes of making this determination:15841. North Region, consisting of Alachua, Baker, Bay,1585Bradford, Calhoun, Clay, Columbia, Dixie, Duval, Escambia,1586Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Holmes, Jackson,1587Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Nassau,1588Okaloosa, Putnam, Santa Rosa, St. Johns, Suwannee, Taylor,1589Union, Wakulla, Walton, and Washington counties.15902. Central East Region, consisting of Brevard, Flagler,1591Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St.1592Lucie, and Volusia counties.15933. Central West Region, consisting of Citrus, Hernando,1594Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota,1595and Sumter counties.15964. Southwest Region, consisting of Broward, Martin, Miami-1597DeSoto, Glades, Hardee, Hendry, Highlands, and Lee counties.15985. Southeast Region, consisting of Broward, Martin, Miami-1599Dade, Monroe, and Palm Beach counties.1600(3) APPLICATION PROCEDURE; APPROVAL PROCESS1601(c) Application processThe Office of Film and1602Entertainment shall establish a process by which an application1603is accepted and reviewed and by which tax credit eligibility and1604award amount are determined. The Office of Film and1605Entertainment may request assistance from a duly appointed local1606film commission in determining compliance with this section. <u>A</u>	1582	ratio applicable to that fiscal year. The following regions are
1585Bradford, 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.1589Union, Wakulla, Walton, and Washington counties.15902. Central East Region, consisting of Brevard, Flagler, Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St.1591Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St.1592Lucie, and Volusia counties.15933. Central West Region, consisting of Citrus, Hernando, Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota, and Sumter counties.15964. Southwest Region, consisting of Charlotte, Collier, DeSoto, Glades, Hardee, Hendry, Highlands, and Lee counties.15985. Southeast Region, consisting of Broward, Martin, Miami- Dade, Monroe, and Palm Beach counties.1600(3) APPLICATION PROCEDURE; APPROVAL PROCESS (c) Application processThe Office of Film and1601is accepted and reviewed and by which tax credit eligibility and award amount are determined. The Office of Film and1602Entertainment may request assistance from a duly appointed local1603film 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,	1583	established for purposes of making this determination:
 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 Broward, Martin, Miami- 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 processThe Office of Film and Entertainment shall establish a process by which an application 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, 	1584	1. North Region, consisting of Alachua, Baker, Bay,
1587Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Nassau, Okaloosa, Putnam, Santa Rosa, St. Johns, Suwannee, Taylor, Union, Wakulla, Walton, and Washington counties.1589Union, Wakulla, Walton, and Washington counties.15902. Central East Region, consisting of Brevard, Flagler, Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St.1591Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St.1592Lucie, and Volusia counties.15933. Central West Region, consisting of Citrus, Hernando, Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota, and Sumter counties.1595and Sumter counties.15964. Southwest Region, consisting of Charlotte, Collier, DeSoto, Glades, Hardee, Hendry, Highlands, and Lee counties.15985. Southeast Region, consisting of Broward, Martin, Miami- Dade, Monroe, and Palm Beach counties.1600(3) APPLICATION PROCEDURE; APPROVAL PROCESS (c) Application processThe Office of Film and1601is accepted and reviewed and by which tax credit eligibility and award amount are determined. The Office of Film and1605Entertainment may reguest assistance from a duly appointed local film commission in determining compliance with this section. <u>A</u> certified high-impact television series may submit an initial application for no more than two successive seasons,	1585	Bradford, Calhoun, Clay, Columbia, Dixie, Duval, Escambia,
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15902. Central East Region, consisting of Brevard, Flagler,1591Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St.1592Lucie, and Volusia counties.15933. Central West Region, consisting of Citrus, Hernando,1594Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota,1595and Sumter counties.15964. Southwest Region, consisting of Charlotte, Collier,1597DeSoto, Glades, Hardee, Hendry, Highlands, and Lee counties.15985. Southeast Region, consisting of Broward, Martin, Miami-1599Dade, Monroe, and Palm Beach counties.1600(3) APPLICATION PROCEDURE; APPROVAL PROCESS1601(c) Application processThe Office of Film and1602Entertainment shall establish a process by which an application1603is accepted and reviewed and by which tax credit eligibility and1604award amount are determined. The Office of Film and1605Entertainment may request assistance from a duly appointed local1606film commission in determining compliance with this section. <u>A</u> 1607certified high-impact television series may submit an initial1608application for no more than two successive seasons,	1588	<u>Okaloosa, Putnam, Santa Rosa, St. Johns, Suwannee, Taylor,</u>
Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St.1591Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St.1592Lucie, and Volusia counties.15933. Central West Region, consisting of Citrus, Hernando,1594Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota,1595and Sumter counties.15964. Southwest Region, consisting of Charlotte, Collier,1597DeSoto, Glades, Hardee, Hendry, Highlands, and Lee counties.15985. Southeast Region, consisting of Broward, Martin, Miami-1599Dade, Monroe, and Palm Beach counties.1600(3) APPLICATION PROCEDURE; APPROVAL PROCESS1601(c) Application processThe Office of Film and1602Entertainment shall establish a process by which an application1603is accepted and reviewed and by which tax credit eligibility and1604award amount are determined. The Office of Film and1605Entertainment may request assistance from a duly appointed local1606film commission in determining compliance with this section. A1607certified high-impact television series may submit an initial1608application for no more than two successive seasons,	1589	Union, Wakulla, Walton, and Washington counties.
Lucie, and Volusia counties.1592Lucie, and Volusia counties.15933. Central West Region, consisting of Citrus, Hernando,1594Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota,and Sumter counties.1595and Sumter counties.15964. Southwest Region, consisting of Charlotte, Collier,DeSoto, Glades, Hardee, Hendry, Highlands, and Lee counties.15985. Southeast Region, consisting of Broward, Martin, Miami-1599Dade, Monroe, and Palm Beach counties.1600(3) APPLICATION PROCEDURE; APPROVAL PROCESS1601(c) Application processThe Office of Film and1602Entertainment shall establish a process by which an application16031604award amount are determined. The Office of Film and1605Entertainment may request assistance from a duly appointed local1606film commission in determining compliance with this section. A1607certified high-impact television series may submit an initial1608application for no more than two successive seasons,	1590	2. Central East Region, consisting of Brevard, Flagler,
15933. Central West Region, consisting of Citrus, Hernando,1594Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota,1595and Sumter counties.15964. Southwest Region, consisting of Charlotte, Collier,1597DeSoto, Glades, Hardee, Hendry, Highlands, and Lee counties.15985. Southeast Region, consisting of Broward, Martin, Miami-1599Dade, Monroe, and Palm Beach counties.1600(3) APPLICATION PROCEDURE; APPROVAL PROCESS1601(c) Application processThe Office of Film and1602Entertainment shall establish a process by which an application1603is accepted and reviewed and by which tax credit eligibility and1604award amount are determined. The Office of Film and1605Entertainment may request assistance from a duly appointed local1606film commission in determining compliance with this section. A1607certified high-impact television series may submit an initial1608application for no more than two successive seasons,	1591	Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St.
 Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota, and Sumter counties. A. Southwest Region, consisting of Charlotte, Collier, DeSoto, Glades, Hardee, Hendry, Highlands, and Lee counties. Southeast Region, consisting of Broward, Martin, Miami- Dade, Monroe, and Palm Beach counties. (3) APPLICATION PROCEDURE; APPROVAL PROCESS (c) Application processThe 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. <u>A</u> <u>certified high-impact television series may submit an initial</u> application for no more than two successive seasons, 	1592	Lucie, and Volusia counties.
1595and Sumter counties.15964. Southwest Region, consisting of Charlotte, Collier,1597DeSoto, Glades, Hardee, Hendry, Highlands, and Lee counties.15985. Southeast Region, consisting of Broward, Martin, Miami-1599Dade, Monroe, and Palm Beach counties.1600(3) APPLICATION PROCEDURE; APPROVAL PROCESS1601(c) Application processThe Office of Film and1602Entertainment shall establish a process by which an application1603is accepted and reviewed and by which tax credit eligibility and1604award amount are determined. The Office of Film and1605Entertainment may request assistance from a duly appointed local1606film commission in determining compliance with this section. A1607certified high-impact television series may submit an initial1608application for no more than two successive seasons,	1593	3. Central West Region, consisting of Citrus, Hernando,
15964. Southwest Region, consisting of Charlotte, Collier,1597DeSoto, Glades, Hardee, Hendry, Highlands, and Lee counties.15985. Southeast Region, consisting of Broward, Martin, Miami-1599Dade, Monroe, and Palm Beach counties.1600(3) APPLICATION PROCEDURE; APPROVAL PROCESS1601(c) Application processThe Office of Film and1602Entertainment shall establish a process by which an application1603is accepted and reviewed and by which tax credit eligibility and1604award amount are determined. The Office of Film and1605Entertainment may request assistance from a duly appointed local1606film commission in determining compliance with this section. A1607certified high-impact television series may submit an initial1608application for no more than two successive seasons,	1594	Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota,
1597DeSoto, Glades, Hardee, Hendry, Highlands, and Lee counties.15985. Southeast Region, consisting of Broward, Martin, Miami-1599Dade, Monroe, and Palm Beach counties.1600(3) APPLICATION PROCEDURE; APPROVAL PROCESS1601(c) Application processThe Office of Film and1602Entertainment shall establish a process by which an application1603is accepted and reviewed and by which tax credit eligibility and1604award amount are determined. The Office of Film and1605Entertainment may request assistance from a duly appointed local1606film commission in determining compliance with this section. <u>A</u> 1607certified high-impact television series may submit an initial1608application for no more than two successive seasons,	1595	and Sumter counties.
15985. Southeast Region, consisting of Broward, Martin, Miami-1599Dade, Monroe, and Palm Beach counties.1600(3) APPLICATION PROCEDURE; APPROVAL PROCESS1601(c) Application processThe Office of Film and1602Entertainment shall establish a process by which an application1603is accepted and reviewed and by which tax credit eligibility and1604award amount are determined. The Office of Film and1605Entertainment may request assistance from a duly appointed local1606film commission in determining compliance with this section. <u>A</u> 1607certified high-impact television series may submit an initial1608application for no more than two successive seasons,	1596	4. Southwest Region, consisting of Charlotte, Collier,
1599Dade, Monroe, and Palm Beach counties.1600(3) APPLICATION PROCEDURE; APPROVAL PROCESS1601(c) Application processThe Office of Film and1602Entertainment shall establish a process by which an application1603is accepted and reviewed and by which tax credit eligibility and1604award amount are determined. The Office of Film and1605Entertainment may request assistance from a duly appointed local1606film commission in determining compliance with this section. <u>A</u> 1607certified high-impact television series may submit an initial1608application for no more than two successive seasons,	1597	DeSoto, Glades, Hardee, Hendry, Highlands, and Lee counties.
 1600 (3) APPLICATION PROCEDURE; APPROVAL PROCESS 1601 (c) Application processThe Office of Film and 1602 Entertainment shall establish a process by which an application 1603 is accepted and reviewed and by which tax credit eligibility and 1604 award amount are determined. The Office of Film and 1605 Entertainment may request assistance from a duly appointed local 1606 film commission in determining compliance with this section. <u>A</u> 1607 <u>certified high-impact television series may submit an initial</u> 1608 <u>application for no more than two successive seasons</u>, 	1598	5. Southeast Region, consisting of Broward, Martin, Miami-
 (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. <u>A</u> <u>certified high-impact television series may submit an initial</u> <u>application for no more than two successive seasons</u>, 	1599	Dade, Monroe, and Palm Beach counties.
1602 Entertainment shall establish a process by which an application 1603 is accepted and reviewed and by which tax credit eligibility and 1604 award amount are determined. The Office of Film and 1605 Entertainment may request assistance from a duly appointed local 1606 film commission in determining compliance with this section. <u>A</u> 1607 <u>certified high-impact television series may submit an initial</u> 1608 <u>application for no more than two successive seasons</u> ,	1600	(3) APPLICATION PROCEDURE; APPROVAL PROCESS
1603 is accepted and reviewed and by which tax credit eligibility and 1604 award amount are determined. The Office of Film and 1605 Entertainment may request assistance from a duly appointed local 1606 film commission in determining compliance with this section. <u>A</u> 1607 <u>certified high-impact television series may submit an initial</u> 1608 <u>application for no more than two successive seasons,</u>	1601	(c) Application processThe Office of Film and
1604award amount are determined. The Office of Film and1605Entertainment may request assistance from a duly appointed local1606film commission in determining compliance with this section. <u>A</u> 1607 <u>certified high-impact television series may submit an initial</u> 1608 <u>application for no more than two successive seasons,</u>	1602	Entertainment shall establish a process by which an application
Entertainment may request assistance from a duly appointed local film commission in determining compliance with this section. <u>A</u> <u>certified high-impact television series may submit an initial</u> <u>application for no more than two successive seasons</u> ,	1603	is accepted and reviewed and by which tax credit eligibility and
<pre>1606 film commission in determining compliance with this section. <u>A</u> 1607 <u>certified high-impact television series may submit an initial</u> 1608 <u>application for no more than two successive seasons,</u></pre>	1604	award amount are determined. The Office of Film and
1607 <u>certified high-impact television series may submit an initial</u> 1608 <u>application for no more than two successive seasons</u> ,	1605	Entertainment may request assistance from a duly appointed local
1608 application for no more than two successive seasons,	1606	film commission in determining compliance with this section. \underline{A}
	1607	certified high-impact television series may submit an initial
1609 notwithstanding the fact that the successive seasons have not	1608	application for no more than two successive seasons,
	1609	notwithstanding the fact that the successive seasons have not

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1610	been ordered. The successive season's qualified expenditure
1611	amounts shall be based on the current season's estimated
1612	qualified expenditures. Upon the completion of production of
1613	each season, a high-impact television series may submit an
1614	application for no more than one additional season.
1615	(e) Grounds for denial.—The Office of Film and
1616	Entertainment shall deny an application if it determines that
1617	the application is not complete or the production or application
1618	does not meet the requirements of this section. Within 90 days
1619	after submitting a program application, except with respect to
1620	applications in the independent and emerging media queue, a
1621	production must provide proof of project financing to the Office
1622	of Film and Entertainment, otherwise the project is deemed
1623	denied and withdrawn. A project that has been withdrawn may
1624	submit a new application upon providing the Office of Film and
1625	Entertainment proof of financing.

1626 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;
1627 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;
1628 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND
1629 ACQUISITIONS.-

1630

(b) Tax credit eligibility.-

1631 1. General production queue.—Ninety-four percent of tax 1632 credits authorized pursuant to subsection (6) in any state 1633 fiscal year must be dedicated to the general production queue. 1634 The general production queue consists of all qualified 1635 productions other than those eligible for the commercial and 1636 music video queue or the independent and emerging media 1637 production queue. A qualified production that demonstrates a

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1638 minimum of \$625,000 in qualified expenditures is eligible for 1639 tax credits equal to 20 percent of its actual qualified 1640 expenditures, up to a maximum of \$8 million. A qualified 1641 production that incurs qualified expenditures during multiple 1642 state fiscal years may combine those expenditures to satisfy the \$625,000 minimum threshold.

1644 An off-season certified production that is a feature a. film, independent film, or television series or pilot is 1645 1646 eligible for an additional 5-percent tax credit on actual 1647 qualified expenditures. An off-season certified production that 1648 does not complete 75 percent of principal photography due to a 1649 disruption caused by a hurricane or tropical storm may not be 1650 disqualified from eligibility for the additional 5-percent 1651 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.

1658c. The calculations required by this sub-subparagraph1659shall use only credits available to be certified and awarded on1660or after July 1, 2011.

1661 <u>(I) If the provisions of sub-subparagraph b. are not</u> 1662 <u>applicable and less than 25 percent of the sum of the total tax</u> 1663 <u>credits awarded to productions and the total tax credits</u> 1664 <u>certified, but not yet awarded, to productions currently in this</u> 1665 <u>state has been to high-impact television series, any A</u> qualified

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1666	high-impact television series shall be allowed first position in
1667	this queue for tax credit awards not yet certified.
1668	(II) If less than 20 percent of the sum of the total tax
1669	credits awarded to productions and the total tax credits
1670	certified, but not yet awarded, to productions currently in this
1671	state has been to digital media projects, any digital media
1672	project with qualified expenditures of greater than \$4,500,000
1673	shall be allowed first position in this queue for tax credit
1674	awards not yet certified.
1675	(III) For the purposes of determining position between a
1676	high-impact television series allowed first position and a
1677	digital media project allowed first position under this sub-
1678	subparagraph, tax credits shall be awarded on a first-come,
1679	first-served basis.
1680	d. A qualified production that incurs at least 85 percent
1681	of its qualified expenditures within a region designated as an
1682	underutilized region at the time that the production is
1683	certified is eligible for an additional 5 percent tax credit.
1684	e. Any qualified production that employs students enrolled
1685	full-time in a film and entertainment-related or digital media-
1686	related course of study at an institution of higher education in
1687	this state is eligible for an additional 15 percent tax credit
1688	on qualified expenditures that are wages, salaries, or other
1689	compensation paid to such students. The additional 15 percent
1690	tax credit shall also be applicable to persons hired within 12
1691	months of graduating from a film and entertainment-related or
1692	digital media-related course of study at an institution of
1693	higher education in this state. The additional 15 percent tax
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1694	credit shall apply to qualified expenditures that are wages,
1695	salaries, or other compensation paid to such recent graduates
1696	for one year from the date of hiring.
1697	f. A qualified production for which 50 percent or more of
1698	its principal photography occurs at a qualified production
1699	facility, or a qualified digital media project or the digital
1700	animation component of a qualified production for which 50
1701	percent or more of the project's or component's qualified
1702	expenditures are related to a qualified digital media production
1703	facility shall be eligible for an additional 5 percent tax
1704	credit on actual qualified expenditures for production activity
1705	at that facility.
1706	g. No qualified production shall be eligible for tax
1707	credits provided under this paragraph totaling more than 30
1708	percent of its actual qualified expenses.
1709	2. Commercial and music video queueThree percent of tax
1710	credits authorized pursuant to subsection (6) in any state
1711	fiscal year must be dedicated to the commercial and music video
1712	queue. A qualified production company that produces national or
1713	regional commercials or music videos may be eligible for a tax
1714	credit award if it demonstrates a minimum of \$100,000 in
1715	qualified expenditures per national or regional commercial or
1716	music video and exceeds a combined threshold of \$500,000 after
1717	combining actual qualified expenditures from qualified
1718	commercials and music videos during a single state fiscal year.
1719	After a qualified production company that produces commercials,
1720	music videos, or both reaches the threshold of \$500,000, it is
1721	eligible to apply for certification for a tax credit award. The
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1722 maximum credit award shall be equal to 20 percent of its actual 1723 qualified expenditures up to a maximum of \$500,000. If there is 1724 a surplus at the end of a fiscal year after the Office of Film 1725 and Entertainment certifies and determines the tax credits for 1726 all qualified commercial and video projects, such surplus tax 1727 credits shall be carried forward to the following fiscal year 1728 and be available to any eligible qualified productions under the 1729 general production queue.

1730 3. Independent and emerging media production queue.-Three 1731 percent of tax credits authorized pursuant to subsection (6) in 1732 any state fiscal year must be dedicated to the independent and 1733 emerging media production queue. This queue is intended to 1734 encourage Florida independent film and emerging media 1735 production. Any qualified production, excluding commercials, infomercials, or music videos, that demonstrates at least 1736 1737 \$100,000, but not more than \$625,000, in total qualified 1738 expenditures is eligible for tax credits equal to 20 percent of 1739 its actual qualified expenditures. If a surplus exists at the 1740 end of a fiscal year after the Office of Film and Entertainment 1741 certifies and determines the tax credits for all qualified 1742 independent and emerging media production projects, such surplus 1743 tax credits shall be carried forward to the following fiscal 1744 year and be available to any eligible qualified productions 1745 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

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1750 Council, to be family-friendly, based on the review of the 1751 script and the review of the final release version, is eligible 1752 for an additional tax credit equal to 5 percent of its actual 1753 qualified expenditures. Family-friendly productions are those 1754 that have cross-generational appeal; would be considered 1755 suitable for viewing by children age 5 or older; are appropriate 1756 in theme, content, and language for a broad family audience; 1757 embody a responsible resolution of issues; and do not exhibit or 1758 imply any act of smoking, sex, nudity, or vulgar or profane 1759 language.

1760

(5) TRANSFER OF TAX CREDITS.-

1761 Transferee rights and limitations.-The transferee is (C) 1762 subject to the same rights and limitations as the certified 1763 production company awarded the tax credit, except that the 1764 initial transferee shall be permitted a one-time transfer of 1765 unused credits to no more than two subsequent transferees, and 1766 such transfers must occur in the same taxable year as the 1767 credits were received by the initial transferee, after which the 1768 subsequent transferees may not sell or otherwise transfer the 1769 tax credit.

1770 (7) ANNUAL ALLOCATION OF TAX CREDITS.-1771 The aggregate amount of the tax credits that may be (a) 1772 certified pursuant to paragraph (3) (d) may not exceed: 1773 For fiscal year 2010-2011, \$53.5 million. 1. 1774 For fiscal year 2011-2012, \$74.5 million. 2. For fiscal years 2012-2013, 2013-2014, and 2014-2015, 1775 3. 1776 \$42 \$38 million per fiscal year.

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1777 ANNUAL REPORT.-Each October 1, the Office of Film and (10)1778 Entertainment shall provide an annual report for the previous 1779 fiscal year to the Governor, the President of the Senate, and 1780 the Speaker of the House of Representatives which outlines the 1781 return on investment and economic benefits to the state. The 1782 report shall also include an estimate of the full-time 1783 equivalent positions created by each production that received 1784 tax credits under s. 288.1254 and information relating to the 1785 distribution of productions receiving credits by geographic 1786 region and type of production. 1787 Section 27. Subsection (5) of section 288.1258, Florida 1788 Statutes, is amended to read: 1789 288.1258 Entertainment industry qualified production 1790 companies; application procedure; categories; duties of the 1791 Department of Revenue; records and reports.-1792 (5)RELATIONSHIP OF TAX EXEMPTIONS AND INCENTIVES TO 1793 INDUSTRY GROWTH; REPORT TO THE LEGISLATURE.-The Office of Film 1794 and Entertainment shall keep annual records from the information 1795 provided on taxpayer applications for tax exemption certificates beginning January 1, 2001. These records shall reflect a ratio 1796 1797 of the annual amount of sales and use tax exemptions under this 1798 section and incentives awarded pursuant to s. 288.1254 to the 1799 estimated amount of funds expended by certified productions, 1800 including productions that received incentives pursuant to s. 1801 288.1254. These records also shall reflect a separate ratio of 1802 the annual amount of sales and use tax exemptions under this 1803 section, plus the incentives awarded pursuant to s. 288.1254 to 1804 the estimated amount of funds expended by certified productions.

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1805	In addition, the office shall maintain data showing annual
1806	growth in Florida-based entertainment industry companies and
1807	entertainment industry employment and wages. The employment
1808	information shall include an estimate of the full-time
1809	equivalent positions created by each production that received
1810	tax credits pursuant to s. 288.1254. The Office of Film and
1811	Entertainment shall report this information to the Legislature
1812	no later than December 1 of each year.
1813	Section 28. Effective January 1, 2012, paragraph (d) is
1814	added to subsection (6) of section 290.0055, Florida Statutes,
1815	to read:
1816	290.0055 Local nominating procedure
1817	(6)
1818	(d)1. The governing body of a jurisdiction which has
1819	nominated an application for an enterprise zone that is no
1820	larger than 12 square miles and includes a portion of the state
1821	designated as a rural area of critical economic concern under s.
1822	288.0656(7) may apply to the Office of Tourism, Trade, and
1823	Economic Development to expand the boundary of the enterprise
1824	zone by not more than 3 square miles. An application to expand
1825	the boundary of an enterprise zone under this paragraph must be
1826	submitted by December 31, 2012.
1827	2. Notwithstanding the area limitations specified in
1828	subsection (4), the Office of Tourism, Trade, and Economic
1829	Development may approve the request for a boundary amendment if
1830	the area continues to satisfy the remaining requirements of this
1831	section.

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1832	3. The Office of Tourism, Trade, and Economic Development
1833	shall establish the initial effective date of an enterprise zone
1834	designated under this paragraph.
1835	Section 29. Effective January 1, 2012, section 290.00726,
1836	Florida Statutes, is created to read:
1837	290.00726 Enterprise zone designation for Martin County
1838	Martin County may apply to the Office of Tourism, Trade, and
1839	Economic Development for designation of one enterprise zone for
1840	an area within Martin County, which zone shall encompass an area
1841	of up to 10 square miles consisting of land within the primary
1842	urban services boundary and focusing on Indiantown, but
1843	excluding property owned by Florida Power and Light to the west,
1844	two areas to the north designated as estate residential, and the
1845	county-owned Timer Powers Recreational Area. Within the
1846	designated enterprise zone, Martin County shall exempt
1847	residential condominiums from benefiting from state enterprise
1848	zone incentives, unless prohibited by law. The application must
1849	have been submitted by December 31, 2011, and must comply with
1850	the requirements of s. 290.0055. Notwithstanding s. 290.0065
1851	limiting the total number of enterprise zones designated and the
1852	number of enterprise zones within a population category, the
1853	Office of Tourism, Trade, and Economic Development may designate
1854	one enterprise zone under this section. The Office of Tourism,
1855	Trade, and Economic Development shall establish the initial
1856	effective date of the enterprise zone designated under this
1857	section.
1858	Section 30. Section 290.00727, Florida Statutes, is
1859	created to read:
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1860	290.00727 Enterprise zone designation for the City of Palm
1861	Bay.—The City of Palm Bay may apply to the Office of Tourism,
1862	Trade, and Economic Development for designation of one
1863	enterprise zone for an area within the northeast portion of the
1864	city, which zone shall encompass an area of up to 5 square
1865	miles. The application must have been submitted by December 31,
1866	2011, and must comply with the requirements of s. 290.0055.
1867	Notwithstanding s. 290.0065 limiting the total number of
1868	enterprise zones designated and the number of enterprise zones
1869	within a population category, the Office of Tourism, Trade, and
1870	Economic Development may designate one enterprise zone under
1871	this section. The Office of Tourism, Trade, and Economic
1872	Development shall establish the initial effective date of the
1873	enterprise zone designated under this section.
1874	Section 31. Section 290.00728, Florida Statutes, is
1875	created to read:
1876	290.00728 Enterprise zone designation for Lake County
1877	Lake County may apply to the Office of Tourism, Trade, and
1878	Economic Development for designation of one enterprise zone,
1879	which zone shall encompass an area of up to 10 square miles
1880	within Lake County. The application must have been submitted by
1881	December 31, 2011, and must comply with the requirements of s.
1882	290.0055. Notwithstanding s. 290.0065 limiting the total number
1883	of enterprise zones designated and the number of enterprise
1884	zones within a population category, the Office of Tourism,
1885	Trade, and Economic Development may designate one enterprise
1886	zone under this section. The Office of Tourism, Trade, and

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1887 Economic Development shall establish the initial effective date 1888 of the enterprise zone designated under this section. 1889 Section 32. Effective January 1, 2012, subsection (1) of 1890 section 334.30, Florida Statutes, is amended to read: 1891 Public-private transportation facilities.-The 334.30 1892 Legislature finds and declares that there is a public need for 1893 the rapid construction of safe and efficient transportation 1894 facilities for the purpose of traveling within the state, and 1895 that it is in the public's interest to provide for the 1896 construction of additional safe, convenient, and economical 1897 transportation facilities. 1898 The department may receive or solicit proposals and, (1)1899 with legislative approval as evidenced by approval of the 1900 project in the department's work program, enter into agreements 1901 with private entities, or consortia thereof, for the building, 1902 operation, ownership, or financing of transportation facilities. 1903 The department may advance projects programmed in the adopted 5-1904 year work program or projects increasing transportation capacity 1905 and greater than \$500 million in the 10-year Strategic 1906 Intermodal Plan using funds provided by public-private 1907 partnerships or private entities to be reimbursed from 1908 department funds for the project as programmed in the adopted 1909 work program. The department shall by rule establish an 1910 application fee for the submission of unsolicited proposals 1911 under this section. The fee must be sufficient to pay the costs 1912 of evaluating the proposals. The department may engage the 1913 services of private consultants to assist in the evaluation.

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1914 Before approval, the department must determine that the proposed 1915 project:

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

1917 (b) Would not require state funds to be used unless the 1918 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 ortermination of the agreement.

1930 The department shall ensure that all reasonable costs to the 1931 state, related to transportation facilities that are not part of 1932 the State Highway System, are borne by the private entity. The 1933 department shall also ensure that all reasonable costs to the 1934 state and substantially affected local governments and 1935 utilities, related to the private transportation facility, are 1936 borne by the private entity for transportation facilities that 1937 are owned by private entities. For projects on the State Highway 1938 System, the department may use state resources to participate in 1939 funding and financing the project as provided for under the 1940 department's enabling legislation. Because the Legislature 1941 recognizes that private entities or consortia thereof would

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1942 perform a governmental or public purpose or function when they 1943 enter into agreements with the department to design, build, 1944 operate, own, or finance transportation facilities, the 1945 transportation facilities, including leasehold interests 1946 thereof, are exempt from ad valorem taxes as provided in chapter 1947 196 to the extent property is owned by the state or other 1948 government entity, and from intangible taxes as provided in 1949 chapter 199 and special assessments of the state, any city, 1950 town, county, special district, political subdivision of the 1951 state, or any other governmental entity. The private entities or 1952 consortia thereof are exempt from tax imposed by chapter 201 on 1953 all documents or obligations to pay money which arise out of the 1954 agreements to design, build, operate, own, lease, or finance transportation facilities. Any private entities or consortia 1955 1956 thereof must pay any applicable corporate taxes as provided in 1957 chapter chapters 220 and 221, and unemployment compensation 1958 taxes as provided in chapter 443, and sales and use tax as 1959 provided in chapter 212 shall be applicable. The private entities or consortia thereof must also register and collect the 1960 1961 tax imposed by chapter 212 on all their direct sales and leases 1962 that are subject to tax under chapter 212. The agreement between 1963 the private entity or consortia thereof and the department 1964 establishing a transportation facility under this chapter 1965 constitutes documentation sufficient to claim any exemption 1966 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:

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1970 624.509 Premium tax; rate and computation.-1971 (4)The income tax imposed under chapter 220 and the 1972 emergency excise tax imposed under chapter 221 which is are paid 1973 by any insurer shall be credited against, and to the extent 1974 thereof shall discharge, the liability for tax imposed by this 1975 section for the annual period in which such tax payments are 1976 made. As to any insurer issuing policies insuring against loss 1977 or damage from the risks of fire, tornado, and certain casualty 1978 lines, the tax imposed by this section, as intended and 1979 contemplated by this subsection, shall be construed to mean the 1980 net amount of such tax remaining after there has been credited 1981 thereon such gross premium receipts tax as may be payable by 1982 such insurer in pursuance of the imposition of such tax by any 1983 incorporated cities or towns in the state for firefighters' 1984 relief and pension funds and police officers' retirement funds 1985 maintained in such cities or towns, as provided in and by 1986 relevant provisions of the Florida Statutes. For purposes of 1987 this subsection, payments of estimated income tax under chapter 1988 220 and of estimated emergency excise tax under chapter 221 1989 shall be deemed paid either at the time the insurer actually 1990 files its annual returns under chapter 220 or at the time such 1991 returns are required to be filed, whichever first occurs, and 1992 not at such earlier time as such payments of estimated tax are 1993 actually made.

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

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1998 paid by the insurer under ss. 175.101 and 185.08 and any 1999 assessments pursuant to s. 440.51.

2000 Credits and deductions against the tax imposed by this (7)2001 section shall be taken in the following order: deductions for 2002 assessments made pursuant to s. 440.51; credits for taxes paid 2003 under ss. 175.101 and 185.08; credits for income taxes paid 2004 under chapter 220, the emergency excise tax paid under chapter 2005 $\frac{221}{221}$ and the credit allowed under subsection (5), as these 2006 credits are limited by subsection (6); all other available credits and deductions. 2007

2008 Section 34. Effective January 1, 2012, subsection (1) of 2009 section 624.51055, Florida Statutes, is amended to read:

2010 624.51055 Credit for contributions to eligible nonprofit 2011 scholarship-funding organizations.-

2012 There is allowed a credit of 100 percent of an (1)2013 eligible contribution made to an eligible nonprofit scholarship-2014 funding organization under s. 1002.395 against any tax due for a 2015 taxable year under s. 624.509(1). However, such a credit may not 2016 exceed 75 percent of the tax due under s. 624.509(1) after 2017 deducting from such tax deductions for assessments made pursuant 2018 to s. 440.51; credits for taxes paid under ss. 175.101 and 2019 185.08; credits for income taxes paid under chapter 220; credits 2020 for the emergency excise tax paid under chapter 221; and the 2021 credit allowed under s. 624.509(5), as such credit is limited by 2022 s. 624.509(6). An insurer claiming a credit against premium tax 2023 liability under this section shall not be required to pay any 2024 additional retaliatory tax levied pursuant to s. 624.5091 as a

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2025	result of claiming such credit. Section 624.5091 does not limit
2026	such credit in any manner.
2027	Section 35. (1) The executive director of the Department
2028	of Revenue is authorized, and all conditions are deemed met, to
2029	adopt emergency rules under ss. 120.536(1) and 120.54(4),
2030	Florida Statutes, for the purpose of implementing this act.
2031	(2) Notwithstanding any other provision of law, such
2032	emergency rules shall remain in effect for 6 months after the
2033	date adopted and may be renewed during the pendency of
2034	procedures to adopt permanent rules addressing the subject of
2035	the emergency rules.
2036	Section 36. (1) The tax levied under chapter 212, Florida
2037	Statutes, may not be collected during the period from 12:01 a.m.
2038	on August 12, 2011, through 11:59 p.m. on August 14, 2011, on
2039	the sale of:
2040	(a) Clothing, wallets, or bags, including handbags,
2041	backpacks, fanny packs, and diaper bags, but excluding
2042	briefcases, suitcases, and other garment bags, having a sales
2043	price of \$75 or less per item. As used in this paragraph, the
2044	term "clothing" means:
2045	1. Any article of wearing apparel intended to be worn on
2046	or about the human body, excluding watches, watchbands, jewelry,
2047	umbrellas, or handkerchiefs; and
2048	2. All footwear, excluding skis, swim fins, roller blades,
2049	and skates.
2050	(b) School supplies having a sales price of \$15 or less
2051	per item. As used in this paragraph, the term "school supplies"
2052	means pens, pencils, erasers, crayons, notebooks, notebook
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2053	filler paper, legal pads, binders, lunch boxes, construction
2054	paper, markers, folders, poster board, composition books, poster
2055	paper, scissors, cellophane tape, glue or paste, rulers,
2056	computer disks, protractors, compasses, and calculators.
2057	(2) The tax exemptions in this section do not apply to
2058	sales within a theme park or entertainment complex as defined in
2059	s. 509.013(9), Florida Statutes, a public lodging establishment
2060	as defined in s. 509.013(4), Florida Statutes, or an airport as
2061	defined in s. 330.27(2), Florida Statutes.
2062	(3) The Department of Revenue may, and all conditions are
2063	deemed met to, adopt emergency rules pursuant to ss. 120.536(1)
2064	and 120.54, Florida Statutes, to administer this section.
2065	(4) This section shall take effect upon this act becoming
2066	<u>a law.</u>
2067	Section 37. Effective upon this act becoming a law, and
2068	for the 2010-2011 fiscal year, the sum of \$218,905 in
2069	nonrecurring funds is appropriated from the General Revenue Fund
2070	to the Department of Revenue for purposes of administering
2071	section 36. Funds remaining unexpended or unencumbered from this
2072	appropriation as of June 30, 2011, shall revert and be
2073	reappropriated for the same purpose in the 2011-2012 fiscal
2074	year.
2075	Section 38. Effective upon this act becoming a law,
2076	section 288.987, Florida Statutes, is created to read:
2077	288.987 Florida Defense Support Task Force
2078	(1) The Florida Defense Support Task Force is created.
2079	(2) The mission of the task force is to make
2080	recommendations to prepare the state to effectively compete in
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2081	any federal base realignment and closure action, to support the
2082	state's position in research and development related to or
2083	arising out of military missions and contracting, and to improve
2084	the state's military-friendly environment for service members,
2085	military dependents, military retirees, and businesses that
2086	bring military and base-related jobs to the state.
2087	(3) The task force shall be comprised of the Governor or
2088	his or her designee, and 12 members appointed as follows:
2089	(a) Four members appointed by the Governor.
2090	(b) Four members appointed by the President of the Senate.
2091	(c) Four members appointed by the Speaker of the House of
2092	Representatives.
2093	(d) Appointed members must represent defense-related
2094	industries or communities that host military bases and
2095	installations. All appointments must be made by August 1, 2011.
2096	Members shall serve for a term of 4 years, with the first term
2097	ending July 1, 2015. However, if members of the Legislature are
2098	appointed to the task force, those members shall serve until the
2099	expiration of their legislative term and may be reappointed
2100	once. A vacancy shall be filled for the remainder of the
2101	unexpired term in the same manner as the initial appointment.
2102	All members of the council are eligible for reappointment. A
2103	member who serves in the Legislature may participate in all task
2104	force activities, but may only vote on matters that are
2105	advisory.
2106	(4) The President of the Senate and the Speaker of the
2107	House of Representatives shall each designate one of their
2108	appointees to serve as chair of the task force. The chair shall
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2109	rotate each July 1. The appointee designated by the President of
2110	the Senate shall serve as initial chair. If the Governor,
2111	instead of his or her designee, participates in the activities
2112	of the task force, then the Governor shall serve as chair.
2113	(5) The Director of the Office of Tourism, Trade, and
2114	Economic Development within the Executive Office of the
2115	Governor, or his or her designee, shall serve as the ex officio,
2116	nonvoting executive director of the task force.
2117	(6) The chair shall schedule and conduct the first meeting
2118	of the task force by October 1, 2011. The task force shall
2119	submit a progress report and work plan for the remainder of the
2120	2011-2012 fiscal year to the Governor, the President of the
2121	Senate, and the Speaker of the House of Representatives by
2122	February 1, 2012, and shall submit an annual report each
2123	February 1 thereafter.
2124	(7) The Office of Tourism, Trade, and Economic Development
2125	shall contract with the task force for expenditure of
2126	appropriated funds, which may be used by the task force for
2127	economic and product research and development, joint planning
2128	with host communities to accommodate military missions and
2129	prevent base encroachment, advocacy on the state's behalf with
2130	federal civilian and military officials, assistance to school
2131	districts in providing a smooth transition for large numbers of
2132	additional military-related students, job training and placement
2133	for military spouses in communities with high proportions of
2134	active duty military personnel, and promotion of the state to
2135	military and related contractors and employers. The task force
2136	may annually spend up to \$200,000 of funds appropriated to the
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2137	Executive Office of the Governor, Office of Tourism, Trade, and
2138	Economic Development, for the task force for staffing and
2139	administrative expenses of the task force, including travel and
2140	per diem costs incurred by task force members who are not
2141	otherwise eligible for state reimbursement.
2142	Section 39. There is appropriated for state fiscal year
2143	2011-2012 to the Executive Office of the Governor, Office of
2144	Tourism, Trade, and Economic Development:
2145	(1) The sum of \$15 million in nonrecurring funds from the
2146	General Revenue Fund for the Innovation Incentive Fund program.
2147	(2) The sum of \$42 million in nonrecurring funds from the
2148	General Revenue Fund for the Quick Action Closing Fund program.
2149	From these funds, preference shall be given to those projects
2149	that include at least a 20 percent local match of cash or in-
2151	kind contributions, which contributions provide a cash savings
2152	to the private business entity receiving the incentive awards.
2153	(3) The sum of \$10 million in nonrecurring funds from the
2154	General Revenue Fund for the Institute for the Commercialization
2155	of Public Research.
2156	(4) The sum of \$5 million in nonrecurring funds from the
2157	General Revenue Fund for the Florida Defense Support Task Force.
2158	Section 40. Except as otherwise expressly provided in this
2159	act and except for this section, which shall take effect upon
2160	this act becoming a law, this act shall take effect July 1,
2161	2011.

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