

1 A bill to be entitled
2 An act relating to corporate tax credits for spaceflight
3 projects; amending s. 14.2015, F.S.; authorizing the
4 Office of Tourism, Trade, and Economic Development to
5 administer corporate income tax credits for spaceflight
6 projects; amending s. 213.053, F.S.; authorizing the
7 Department of Revenue to share information relating to
8 corporate income tax credits for spaceflight projects with
9 the Office of Tourism, Trade, and Economic Development;
10 amending s. 220.02, F.S.; revising the order in which
11 credits against the corporate income tax or franchise tax
12 may be taken to include credits for spaceflight projects;
13 amending s. 220.13, F.S.; requiring that the amount taken
14 as a credit for a spaceflight project be added to taxable
15 income; prohibiting a deduction from taxable income for
16 any net operating loss taken as a credit against corporate
17 income taxes or transferred; amending s. 220.16, F.S.;
18 requiring that the amount of payments received in exchange
19 for transferring a net operating loss for spaceflight
20 projects be allocated to the state; creating s. 220.194,
21 F.S.; providing a short title; providing legislative
22 purpose; defining terms; authorizing a certified
23 spaceflight business to take or transfer corporate income
24 tax credits related to spaceflight projects carried out in
25 this state; specifying tax credit amounts and business
26 eligibility criteria; providing limitations; requiring a
27 business to demonstrate to the satisfaction of the office
28 and the department its eligibility to claim a tax credit;

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29 requiring a business to submit an application to the
30 office for approval to earn credits; specifying the
31 required contents of the application; requiring the office
32 to approve or deny an application within 60 days after
33 receipt; specifying the approval process; requiring a
34 spaceflight business to submit an application for
35 certification to the office; specifying the required
36 contents of an application for certification; specifying
37 the approval process; requiring the office to submit a
38 copy of an approved certification to the department;
39 providing procedures for transferring a tax credit to a
40 taxpayer; authorizing the department to perform audits and
41 investigations necessary to verify the accuracy of returns
42 relating to the tax credit; specifying circumstances under
43 which the office may revoke or modify a certification that
44 grants eligibility for tax credits; requiring a certified
45 spaceflight business to file an amended return and pay any
46 required tax within 60 days after receiving notice that
47 previously approved tax credits have been revoked or
48 modified; authorizing the department to assess additional
49 taxes, interest, or penalties; authorizing the office and
50 the department to adopt rules; requiring the office to
51 submit an annual report to the Governor and Legislature
52 regarding the Florida Space Business Incentives Act;
53 providing for application; providing an effective date.

54
55 Be It Enacted by the Legislature of the State of Florida:
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57 Section 1. Paragraph (f) of subsection (2) of section
58 14.2015, Florida Statutes, is amended to read:

59 14.2015 Office of Tourism, Trade, and Economic
60 Development; creation; powers and duties.—

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

69 (f)~~1.~~ Administer the Florida Enterprise Zone Act under ss.
70 290.001-290.016, the community contribution tax credit program
71 under ss. 220.183 and 624.5105, the tax refund program for
72 qualified target industry businesses under s. 288.106, the tax-
73 refund program for qualified defense contractors and space
74 flight business contractors under s. 288.1045, contracts for
75 transportation projects under s. 288.063, the sports franchise
76 facility programs under ss. 288.1162 and 288.11621, the
77 professional golf hall of fame facility program under s.
78 288.1168, the expedited permitting process under s. 403.973, the
79 Rural Community Development Revolving Loan Fund under s.
80 288.065, the Regional Rural Development Grants Program under s.
81 288.018, the Certified Capital Company Act under s. 288.99, the
82 Florida State Rural Development Council, the Rural Economic
83 Development Initiative, the corporate income tax credits for
84 spaceflight projects under s. 220.194, and other programs that

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

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

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

Section 2. Paragraph (cc) is added to subsection (8) of section 213.053, Florida Statutes, to read:

213.053 Confidentiality and information sharing.—

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

(cc) Information relating to tax credits taken under s. 220.194 to the Office of Tourism, Trade, and Economic

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Development or to Space Florida.

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

Section 3. Subsection (8) of section 220.02, Florida Statutes, is amended to read:

220.02 Legislative intent.—

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

Section 4. Paragraphs (a) and (b) of subsection (1) of section 220.13, Florida Statutes, are amended to read:

220.13 "Adjusted federal income" defined.—

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

146 (a) Additions.—~~The following~~ There shall be added to such
147 taxable income:

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

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

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

165 4. That portion of the wages or salaries paid or incurred
166 for the taxable year which is equal to ~~the amount of~~ the credit
167 allowable for the taxable year under s. 220.181. This
168 subparagraph expires ~~shall expire~~ on the date specified in s.

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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 expires ~~shall expire~~ on the date specified in s. 290.016 for the expiration of the Florida Enterprise Zone Act.

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

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

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

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

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

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

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197 in adding the same expense back to income more than once.

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

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

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

205 15. The costs to acquire a tax credit pursuant to s.
206 288.1254(5) which ~~that~~ are deducted from or otherwise reduce
207 federal taxable income for the taxable year.

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

210 (b) *Subtractions.*—

211 1. The following ~~There~~ shall be subtracted from such
212 taxable income:

213 a. The net operating loss deduction allowable for federal
214 income tax purposes under s. 172 of the Internal Revenue Code
215 for the taxable year, except that any net operating loss that is
216 taken as a credit to corporate income taxes owed or that is
217 transferred pursuant to s. 220.194(3)(b) may not be deducted by
218 the seller;

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

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

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

However, a net operating loss and a capital loss may not ~~shall~~ ~~never~~ be carried back as a deduction to a prior taxable year, but all deductions attributable to such losses shall be deemed net operating loss carryovers and capital loss carryovers, respectively, and treated in the same manner, to the same extent, and for the same time periods as are prescribed for ~~such~~ carryovers in ss. 172 and 1212, respectively, of the Internal Revenue Code.

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

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

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

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

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

260 4. ~~There shall be subtracted from such taxable income~~ Any
261 amount of nonbusiness income included therein shall be
262 subtracted from such taxable income.

263 5. ~~There shall be subtracted~~ Any amount of taxes of
264 foreign countries allowable as credits for taxable years
265 beginning on or after September 1, 1985, under s. 901 of the
266 Internal Revenue Code to any corporation that ~~which~~ derived less
267 than 20 percent of its gross income or loss for its taxable year
268 ended in 1984 shall be subtracted from sources within the United
269 States, as described in s. 861(a)(2)(A) of the Internal Revenue
270 Code, not including credits allowed under ss. 902 and 960 of the
271 Internal Revenue Code, withholding taxes on dividends within the
272 meaning of sub-subparagraph 2.a., and withholding taxes on
273 royalties, interest, technical service fees, and capital gains.

274 6. Notwithstanding any other provision of this code,
275 except with respect to amounts subtracted pursuant to
276 subparagraphs 1. and 3., any increment of any apportionment
277 factor which is directly related to an increment of gross
278 receipts or income which is deducted, subtracted, or otherwise
279 excluded in determining adjusted federal income shall be
280 excluded from both the numerator and denominator of such

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281 apportionment factor. Further, all valuations made for
282 apportionment factor purposes shall be made on a basis
283 consistent with the taxpayer's method of accounting for federal
284 income tax purposes.

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

287 220.16 Allocation of nonbusiness income.—Nonbusiness
288 income shall be allocated as follows:

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

292 Section 6. Section 220.194, Florida Statutes, is created
293 to read:

294 220.194 Corporate income tax credits for spaceflight
295 projects.—

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

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

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

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

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

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309 (c) "Department" means the Department of Revenue.

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

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

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

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

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

335 (f) "Office" means the Office of Tourism, Trade, and
336 Economic Development.

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

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

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

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

347 (k) "Spaceflight business" means a business that:

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

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

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

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

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

361 3. Providing the payload for a launch vehicle or reentry
362 space vehicle, administrative support, and tourism activities
363 related to these activities.

364 (m) "Taxpayer" has the same meaning as provided in s.

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220.03.

(n) "Total tax credits" means, for any state fiscal year, the sum of the tax credits approved for taxpayers whose taxable year begins on or after January 1 of the calendar year preceding the start of the applicable state fiscal year.

(4) TAX CREDITS.—

(a) If approved and certified pursuant to subsection (5), the following tax credits may be taken on a final return for a taxable year beginning on or after October 1, 2014:

1. A certified spaceflight business may take a nontransferable corporate income tax credit tax credit for up to 50 percent of the business's tax liability under this chapter for the taxable year in which the credit is taken. The maximum nontransferable tax credit amount that may be approved per taxpayer for a taxable year is \$1 million, and the total tax credits that may be approved for any state fiscal year pursuant to this subparagraph may not exceed \$10 million.

2. A certified spaceflight business may transfer, in whole or in part, its Florida net operating loss that would otherwise be available to be taken on a return filed under this chapter. The maximum transferable tax credit amount that may be approved per taxpayer for a taxable year is \$2.5 million; the total tax credits that may be approved for any state fiscal year pursuant to this subparagraph may not exceed \$25 million. However, any outstanding credit that is carried forward by a transferee may not be used to calculate the annual limit.

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

(I) Have been approved to transfer the tax credit for the

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393 taxable year in which it is transferred;

394 (II) Have incurred a qualifying net operating loss on
395 activity in this state directly associated with one or more
396 space flight projects in any of its 3 previous taxable years;

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

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

405 b. The amount that may be claimed and transferred by a
406 business is equal to:

407 (I) One hundred percent of the net operating loss that
408 could otherwise be claimed on a return filed under this chapter
409 during its first full year of operations in this state.

410 (II) One hundred percent of the net operating loss that
411 could otherwise be claimed on a return filed under this chapter
412 during its second full year of operations in this state.

413 (III) One hundred percent of the net operating loss that
414 could otherwise be claimed on a return filed under this chapter
415 during its third full year of operations in this state.

416 (b) Each business may be approved for only one credit per
417 state fiscal year and may not claim any credit more than once.

418 (c) Unless transferred pursuant to this section, credits
419 may be granted only against the corporate income tax liability
420 generated by or arising out of a spaceflight project in this

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421 state, as documented in the certified spaceflight business's
422 annual audit prepared by a certified public accountant licensed
423 to do business in this state and as verified by the office.

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

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

431 (5) APPLICATION AND CERTIFICATION.—

432 (a) In order to claim a tax credit under this section, a
433 spaceflight business must first submit an application to the
434 office for approval to earn credits. The application must be
435 filed by the date established by the office. In addition to any
436 information that the office may require, the applicant must
437 provide a complete description of the activity in this state
438 which demonstrates to the office the applicant's likelihood to
439 be certified to take or transfer a credit. The applicant must
440 also provide a description of the total amount and type of
441 credits for which approval is sought. The office may consult
442 with Space Florida regarding the qualifications of an applicant.
443 The applicant shall provide an affidavit certifying that all
444 information contained in the application is true and correct.

445 1. Approval of the credits shall be provided on a first-
446 come, first-served basis, based on the date the completed
447 applications are received by the office. A taxpayer may not
448 submit more than one completed application per state fiscal

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449 year. The office may not accept an incomplete placeholder
450 application, and the submission of such an application will not
451 secure a place in the first-come, first-served application line.

452 2. The office has 60 days after the receipt of a completed
453 application within which to issue a notice of intent to deny or
454 approve an application for credits. If a business does not
455 receive approval for a tax credit due to the exhaustion of the
456 annual total tax credit authorizations, the business may reapply
457 the following year and shall have priority over other applicants
458 notwithstanding the first-come, first-served policy. The office
459 shall determine the eligibility of an applicant and approve the
460 credits that the applicant may later be certified to take. The
461 office must ensure that the corporate income tax credits
462 approved each fiscal year for all applicants does not exceed the
463 limits provided in this section.

464 (b) In order to take, and thereafter, if applicable, to
465 transfer an approved credit, a spaceflight business must submit
466 an application for certification to the office along with a
467 nonrefundable \$250 fee.

468 1. The application must include:

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

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

472 (I) The taxpayer is a spaceflight business.

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

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

477 (I) Created 35 new jobs in this state directly associated
478 with spaceflight projects during its immediately preceding 3
479 taxable years. The business shall be deemed to have created new
480 jobs if the number of jobs on the application for certification
481 is greater than the total number of full-time jobs located in
482 this state as stated on an application for approval to earn
483 credits;

484 (II) Invested a total of at least \$15 million in this
485 state on a spaceflight project during its immediately preceding
486 3 taxable years; and

487 d. The total amount and types of credits sought.

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

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

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

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

501 2. Within 60 days after receipt of the application for
502 certification, the office shall evaluate the application and
503 recommend the business for certification or denial. The
504 executive director of the office must approve or deny the

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505 application within 30 days after receiving the recommendation.
506 If approved, the office must provide a letter of certification
507 to the applicant consistent with any restrictions imposed. If
508 the office denies any part of the requested credit, the office
509 must inform the applicant of the grounds for the denial. A copy
510 of the certification shall be submitted to the department within
511 10 days after the executive director's approval.

512 (6) TRANSFERABILITY OF CREDIT.—

513 (a) A certified spaceflight business allowed to transfer an
514 approved credit, in whole or in part, to a taxpayer by written
515 agreement may do so without transferring any ownership interest
516 in the property generating the credit or any interest in the
517 entity owning such property. The transferee may apply the
518 credits against the tax with the same effect as if the
519 transferee had incurred the eligible costs.

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

532 (7) AUDIT AUTHORITY; RECAPTURE OF CREDITS.—

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

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

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

561 reduced in proportion to the amount of the net operating loss
562 certified for transfer over the amount of the disallowed
563 certified net operating loss. The certified business and its
564 successors must maintain all records necessary to support the
565 reported net operating loss.

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

575 (e) The certified spaceflight business must file with the
576 department an amended return or other report required by the
577 department by rule and pay any required tax and interest within
578 60 days after the certified business receives notification from
579 the office that previously approved tax credits have been
580 revoked or modified. If the revocation or modification order is
581 contested, the spaceflight business must file the amended return
582 or other report within 60 days after a final order is issued.

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

585 (8) RULES.—

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

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

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

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

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

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

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

610 Section 7. This act shall take effect upon becoming a law,
611 except that the tax credits authorized by this act may not be
612 applied to returns filed for any tax period before October 1,
613 2015.