

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

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        amending s. 288.1045, F.S.; increasing the maximum amount  
54        of tax refund a defense or space flight contractor may  
55        receive; amending s. 288.106, F.S.; increasing the maximum  
56        amount of tax refund a qualified target industry business

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57           may receive; providing for application; providing an  
58           effective date.

59  
60 Be It Enacted by the Legislature of the State of Florida:

61  
62           Section 1. Paragraph (f) of subsection (2) of section  
63 14.2015, Florida Statutes, is amended to read:

64           14.2015 Office of Tourism, Trade, and Economic  
65 Development; creation; powers and duties.—

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

74           (f)~~1.~~ Administer the Florida Enterprise Zone Act under ss.  
75 290.001-290.016, the community contribution tax credit program  
76 under ss. 220.183 and 624.5105, the tax refund program for  
77 qualified target industry businesses under s. 288.106, the tax-  
78 refund program for qualified defense contractors and space  
79 flight business contractors under s. 288.1045, contracts for  
80 transportation projects under s. 288.063, the sports franchise  
81 facility programs under ss. 288.1162 and 288.11621, the  
82 professional golf hall of fame facility program under s.  
83 288.1168, the expedited permitting process under s. 403.973, the  
84 Rural Community Development Revolving Loan Fund under s.

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288.065, the Regional Rural Development Grants Program under s. 288.018, the Certified Capital Company Act under s. 288.99, the Florida State Rural Development Council, the Rural Economic Development Initiative, the corporate income tax credits for spaceflight projects under s. 220.194, and other programs that are specifically assigned to the office by law, by the appropriations process, or by the Governor.

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

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

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

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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 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.

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141 220.1899, ~~and~~ those enumerated in s. 220.1896, and those  
142 enumerated in s. 220.194.

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

145 220.13 "Adjusted federal income" defined.—

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

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

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

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

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

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169 of the capital gain dividends attributable to the taxable year.

170 4. That portion of the wages or salaries paid or incurred  
171 for the taxable year which is equal to ~~the amount of~~ the credit  
172 allowable for the taxable year under s. 220.181. This  
173 subparagraph expires ~~shall expire~~ on the date specified in s.  
174 290.016 for the expiration of the Florida Enterprise Zone Act.

175 5. That portion of the ad valorem school taxes paid or  
176 incurred for the taxable year which is equal to ~~the amount of~~  
177 the credit allowable for the taxable year under s. 220.182. This  
178 subparagraph expires ~~shall expire~~ on the date specified in s.  
179 290.016 for the expiration of the Florida Enterprise Zone Act.

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

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

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

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

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

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

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

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

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

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

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

(b) *Subtractions.*—

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

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

b. The net capital loss allowable for federal income tax



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purposes under s. 1212 of the Internal Revenue Code for the taxable year;7

c. The excess charitable contribution deduction allowable for federal income tax purposes under s. 170(d)(2) of the Internal Revenue Code for the taxable year;7 and

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

However, a net operating loss and a capital loss 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

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253 deducted on the taxpayer's return for the taxable year which are  
254 attributable, directly or indirectly, to such subtracted amount.  
255 Further, no amount may ~~shall~~ be subtracted with respect to  
256 dividends paid or deemed paid by a Domestic International Sales  
257 Corporation.

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

265 4. ~~There shall be subtracted from such taxable income~~ Any  
266 amount of nonbusiness income included therein shall be  
267 subtracted from such taxable income.

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

279 6. Notwithstanding any other provision of this code,  
280 except with respect to amounts subtracted pursuant to

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

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

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

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

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

220.194 Corporate income tax credits for spaceflight projects.—

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

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

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

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

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

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

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

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

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

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

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

340       (f) "Office" means the Office of Tourism, Trade, and  
341 Economic Development.

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

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

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

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

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

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

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

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

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

364       2. Providing a launch service, payload processing service,

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or reentry service; or

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

(m) "Taxpayer" has the same meaning as provided in s. 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, 2015:

1. A certified spaceflight business may take a nontransferable corporate income tax credit for up to 50 percent of the business's tax liability under this chapter for the taxable year in which the credit is taken. The maximum nontransferable tax credit amount that may be approved per taxpayer for a taxable year is \$1 million, and the total tax credits that may be approved pursuant to this subparagraph may not exceed \$5 million. No credit may be approved after October 1, 2017.

2. A certified spaceflight business may transfer, in whole or in part, its Florida net operating loss that would otherwise be available to be taken on a return filed under this chapter. The maximum transferable tax credit amount that may be approved per taxpayer for a taxable year is \$2.5 million; the total tax

393 credits that may be approved pursuant to this subparagraph may  
394 not exceed \$15 million. However, any outstanding credit that is  
395 carried forward by a transferee may not be used to calculate the  
396 annual limit. No credit may be approved after October 1, 2017.

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

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

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

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

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

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

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

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

419 (III) One hundred percent of the net operating loss that  
420 could otherwise be claimed on a return filed under this chapter

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during its third full year of operations in this state.

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

(c) Unless transferred pursuant to this section, credits may be granted only against the corporate income tax liability generated by or arising out of a spaceflight project in this state, as documented in the certified spaceflight business's annual audit prepared by a certified public accountant licensed to do business in this state and as verified by the office.

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

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

(5) APPLICATION AND CERTIFICATION.—

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



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

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

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

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

474 1. The application must include:

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

476 b. Documentation demonstrating to the satisfaction of the

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477 office that:

478 (I) The taxpayer is a spaceflight business.

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

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

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

490 (II) Invested a total of at least \$15 million in this  
491 state on a spaceflight project during its immediately preceding  
492 3 taxable years; and

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

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

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

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

504 h. Any other information necessary to demonstrate that the

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505 applicant meets the job creation, investment, and other  
506 requirements of this section.

507 2. Within 60 days after receipt of the application for  
508 certification, the office shall evaluate the application and  
509 recommend the business for certification or denial. The  
510 executive director of the office must approve or deny the  
511 application within 30 days after receiving the recommendation.  
512 If approved, the office must provide a letter of certification  
513 to the applicant consistent with any restrictions imposed. If  
514 the office denies any part of the requested credit, the office  
515 must inform the applicant of the grounds for the denial. A copy  
516 of the certification shall be submitted to the department within  
517 10 days after the executive director's approval.

518 (6) TRANSFERABILITY OF CREDIT.—

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

526 (b) In order to perfect the transfer, the transferor shall  
527 provide the department with a written transfer statement that  
528 has been approved by the office notifying the department of the  
529 transferor's intent to transfer the tax credits to the  
530 transferee; the date that the transfer is effective; the  
531 transferee's name, address, and federal taxpayer identification  
532 number; the tax period; and the amount of tax credits to be

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533 transferred. Upon receipt of the approved transfer statement,  
534 the department shall provide the transferee and the office with  
535 a certificate reflecting the tax credit amounts transferred. A  
536 copy of the certificate must be attached to each tax return for  
537 which the transferee seeks to apply the credits.

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

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

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

558 (c) If an amendment to, recomputation of, or  
559 redetermination of a certified spaceflight business's Florida  
560 corporate income tax return changes an item entered into the

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561 computation of a claimed credit, the taxpayer must notify the  
562 department by filing an amended return. The amount of any credit  
563 award not supported by the amended return shall be deemed a  
564 deficiency that must be remitted with the amended return and is  
565 subject to s. 220.23. The spaceflight business is also liable  
566 for a penalty equal to the credit claimed or transferred,  
567 reduced in proportion to the amount of the net operating loss  
568 certified for transfer which is disallowed over the amount of  
569 the net operating loss certified for the credit. The certified  
570 business and its successors must maintain all records necessary  
571 to support the reported net operating loss.

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

581 (e) The certified spaceflight business must file with the  
582 department an amended return or other report required by the  
583 department by rule and pay any required tax and interest within  
584 60 days after the certified business receives notification from  
585 the office that previously approved tax credits have been  
586 revoked or modified. If the revocation or modification order is  
587 contested, the spaceflight business must file the amended return  
588 or other report within 60 days after a final order is issued.

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

591        (8) RULES.—

592        (a) The office, in consultation with Space Florida, shall  
593 adopt rules to administer this section, including rules relating  
594 to application forms for credit approval and certification, and  
595 the application and certification procedures, guidelines, and  
596 requirements necessary to administer this section.

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

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

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

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

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

616        Section 7. Paragraph (c) of subsection (2) of section

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617 288.1045, Florida Statutes, is amended to read:

618 288.1045 Qualified defense contractor and space flight  
619 business tax refund program.—

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

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

624 Section 8. Paragraph (c) of subsection (3) of section  
625 288.106, Florida Statutes, is amended to read:

626 288.106 Tax refund program for qualified target industry  
627 businesses.—

628 (3) TAX REFUND; ELIGIBLE AMOUNTS.—

629 (c) A qualified target industry business may not receive  
630 refund payments of more than 25 percent of the total tax refunds  
631 specified in the tax refund agreement under subparagraph  
632 (5)(a)1. in any fiscal year. Further, a qualified target  
633 industry business may not receive more than \$1.5 million in  
634 refunds under this section in any single fiscal year, or more  
635 than \$2.5 million in any single fiscal year if the project is  
636 located in an enterprise zone. A qualified target industry  
637 business may not receive more than \$7 ~~\$5~~ million in refund  
638 payments under this section in all fiscal years, or more than  
639 \$7.5 million if the project is located in an enterprise zone.

640 Section 9. This act shall take effect upon becoming a law,  
641 except that the tax credits authorized by this act may not be  
642 applied to returns filed for any tax period before October 1,  
643 2015.