

**By** the Committee on Military Affairs, Space, and Domestic Security; and Senator Altman

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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  
7       of Revenue to share information relating to corporate  
8       income tax credits for spaceflight projects with the  
9       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  
12      tax may be taken to include credits for spaceflight  
13      projects; amending s. 220.13, F.S.; requiring that the  
14      amount taken as a credit for a spaceflight project be  
15      added to taxable income; prohibiting a deduction from  
16      taxable income for any net operating loss taken as a  
17      credit against corporate income taxes or transferred;  
18      amending s. 220.16, F.S.; requiring that the amount of  
19      payments received in exchange for transferring a net  
20      operating loss for spaceflight projects be allocated  
21      to the state; creating s. 220.194, F.S.; providing a  
22      short title; providing legislative purpose; defining  
23      terms; authorizing a certified spaceflight business to  
24      take or transfer corporate income tax credits related  
25      to spaceflight projects carried out in this state;  
26      specifying tax credit amounts and business eligibility  
27      criteria; providing limitations; requiring a business  
28      to demonstrate to the satisfaction of the office and  
29      the department its eligibility to claim a tax credit;

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30 requiring a business to submit an application to the  
31 office for approval to earn credits; specifying the  
32 required contents of the application; requiring the  
33 office to approve or deny an application within 60  
34 days after receipt; specifying the approval process;  
35 requiring a spaceflight business to submit an  
36 application for certification to the office;  
37 specifying the required contents of an application for  
38 certification; specifying the approval process;  
39 requiring the office to submit a copy of an approved  
40 certification to the department; providing procedures  
41 for transferring a tax credit to a taxpayer;  
42 authorizing the department to perform audits and  
43 investigations necessary to verify the accuracy of  
44 returns relating to the tax credit; specifying  
45 circumstances under which the office may revoke or  
46 modify a certification that grants eligibility for tax  
47 credits; requiring a certified spaceflight business to  
48 file an amended return and pay any required tax within  
49 60 days after receiving notice that previously  
50 approved tax credits have been revoked or modified;  
51 authorizing the department to assess additional taxes,  
52 interest, or penalties; authorizing the office and the  
53 department to adopt rules; requiring the office to  
54 submit an annual report to the Governor and  
55 Legislature regarding the Florida Space Business  
56 Incentives Act; repealing s. 288.1045(2)(c), F.S.,  
57 relating to a limitation on the maximum amount of tax  
58 refund a defense or space flight contractor may

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59 receive; amending s. 288.106, F.S.; deleting a  
60 provision that limits the maximum amount of tax  
61 refunds a qualified target industry may receive;  
62 providing for application; providing an effective  
63 date.

64  
65 Be It Enacted by the Legislature of the State of Florida:

66  
67 Section 1. Paragraph (f) of subsection (2) of section  
68 14.2015, Florida Statutes, is amended to read:

69 14.2015 Office of Tourism, Trade, and Economic Development;  
70 creation; powers and duties.—

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

79 (f) ~~1.~~ Administer the Florida Enterprise Zone Act under ss.  
80 290.001-290.016, the community contribution tax credit program  
81 under ss. 220.183 and 624.5105, the tax refund program for  
82 qualified target industry businesses under s. 288.106, the tax-  
83 refund program for qualified defense contractors and space  
84 flight business contractors under s. 288.1045, contracts for  
85 transportation projects under s. 288.063, the sports franchise  
86 facility programs under ss. 288.1162 and 288.11621, the  
87 professional golf hall of fame facility program under s.

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288.1168, the expedited permitting process under s. 403.973, the Rural Community Development Revolving Loan Fund under s. 288.065, the Regional Rural Development Grants Program under s. 288.018, the Certified Capital Company Act under s. 288.99, the Florida State Rural Development Council, the Rural Economic Development Initiative, the corporate income tax credits for spaceflight projects under s. 220.194, and other programs that are specifically assigned to the office by law, by the appropriations process, or by the Governor.

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

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

Section 2. Paragraph (cc) is added to subsection (8) of

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117 section 213.053, Florida Statutes, to read:

118 213.053 Confidentiality and information sharing.—

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

121 (cc) Information relating to tax credits taken under s.  
122 220.194 to the Office of Tourism, Trade, and Economic  
123 Development or to Space Florida.

124  
125 Disclosure of information under this subsection shall be  
126 pursuant to a written agreement between the executive director  
127 and the agency. Such agencies, governmental or nongovernmental,  
128 shall be bound by the same requirements of confidentiality as  
129 the Department of Revenue. Breach of confidentiality is a  
130 misdemeanor of the first degree, punishable as provided by s.  
131 775.082 or s. 775.083.

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

134 220.02 Legislative intent.—

135 (8) It is the intent of the Legislature that credits  
136 against ~~either~~ the corporate income tax or the franchise tax be  
137 applied in the following order: those enumerated in s. 631.828,  
138 those enumerated in s. 220.191, those enumerated in s. 220.181,  
139 those enumerated in s. 220.183, those enumerated in s. 220.182,  
140 those enumerated in s. 220.1895, those enumerated in s. 221.02,  
141 those enumerated in s. 220.184, those enumerated in s. 220.186,  
142 those enumerated in s. 220.1845, those enumerated in s. 220.19,  
143 those enumerated in s. 220.185, those enumerated in s. 220.1875,  
144 those enumerated in s. 220.192, those enumerated in s. 220.193,  
145 those enumerated in s. 288.9916, those enumerated in s.

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146 220.1899, ~~and~~ those enumerated in s. 220.1896, and those  
147 enumerated in s. 220.194.

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

150 220.13 "Adjusted federal income" defined.—

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

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

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

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

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

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175       4. That portion of the wages or salaries paid or incurred  
176 for the taxable year which is equal to ~~the amount of~~ the credit  
177 allowable for the taxable year under s. 220.181. 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       5. That portion of the ad valorem school taxes paid or  
181 incurred for the taxable year which is equal to ~~the amount of~~  
182 the credit allowable for the taxable year under s. 220.182. This  
183 subparagraph expires ~~shall expire~~ on the date specified in s.  
184 290.016 for the expiration of the Florida Enterprise Zone Act.

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

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

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

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

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

202       11. The amount taken as a credit for the taxable year under  
203 s. 220.1875. The addition in this subparagraph is intended to

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

c. The excess charitable contribution deduction allowable



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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 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

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262 Corporation.

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

270 4. ~~There shall be subtracted from such taxable income~~ Any  
271 amount of nonbusiness income included therein shall be  
272 subtracted from such taxable income.

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

284 6. Notwithstanding any other provision of this code, except  
285 with respect to amounts subtracted pursuant to subparagraphs 1.  
286 and 3., any increment of any apportionment factor which is  
287 directly related to an increment of gross receipts or income  
288 which is deducted, subtracted, or otherwise excluded in  
289 determining adjusted federal income shall be excluded from both  
290 the numerator and denominator of such apportionment factor.

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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.

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

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

(d) "New employee" means a state resident who begins or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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378       (4) TAX CREDITS.—

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

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

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

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

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

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

405       (III) Not be 50 percent or more owned or controlled,  
406 directly or indirectly, by another corporation that has

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demonstrated positive net income in any of the 3 previous taxable years of ongoing operations; and

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

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

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

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

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

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

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

2. The office has 60 days after the receipt of a completed application within which to issue a notice of intent to deny or approve an application for credits. If a business does not receive approval for a tax credit due to the exhaustion of the annual total tax credit authorizations, the business may reapply



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the following year and shall have priority over other applicants notwithstanding the first-come, first-served policy. The office shall determine the eligibility of an applicant and approve the credits that the applicant may later be certified to take. The office must ensure that the corporate income tax credits approved each fiscal year for all applicants does not exceed the limits provided in this section.

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

1. The application must include:

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

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

(I) The taxpayer is a spaceflight business.

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

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

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

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

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taxable years; and

d. The total amount and types of credits sought.

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

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

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

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

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

(6) TRANSFERABILITY OF CREDIT.—

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

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in the property generating the credit or any interest in the entity owning such property. The transferee may apply the credits against the tax with the same effect as if the transferee had incurred the eligible costs.

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

(7) AUDIT AUTHORITY; RECAPTURE OF CREDITS.—

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

(b) Grounds for forfeiture of previously claimed tax credits approved under this section exist if the department determines, as a result of an audit or examination, or from

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552 information received from the office, that a certified  
553 spaceflight business, or in the case of transferred tax credits,  
554 a taxpayer received tax credits for which the certified  
555 spaceflight business or taxpayer was not entitled. The  
556 spaceflight business or transferee must file an amended return  
557 reflecting the disallowed credits and paying any tax due as a  
558 result of the amendment.

559 (c) If an amendment to, recomputation of, or  
560 redetermination of a certified spaceflight business's Florida  
561 corporate income tax return changes an item entered into the  
562 computation of a claimed credit, the taxpayer must notify the  
563 department by filing an amended return. The amount of any credit  
564 award not supported by the amended return shall be deemed a  
565 deficiency that must be remitted with the amended return and is  
566 subject to s. 220.23. The spaceflight business is also liable  
567 for a penalty equal to the credit claimed or transferred,  
568 reduced in proportion to the amount of the net operating loss  
569 certified for transfer which is disallowed over the amount of  
570 the net operating loss certified for the credit. The certified  
571 business and its successors must maintain all records necessary  
572 to support the reported net operating loss.

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

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581 the department of any change in its claimed tax credit.

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

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

592 (8) RULES.—

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

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

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

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

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

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transfer.

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

Section 7. Paragraph (c) of subsection (2) of section 288.1045, Florida Statutes, is repealed.

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

288.106 Tax refund program for qualified target industry businesses.—

(3) TAX REFUND; ELIGIBLE AMOUNTS.—

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

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