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## **Finance and Tax Committee**

Thursday, March 12, 2015

3:30 p.m. – 5:00 p.m.

Morris Hall

**ACTION PACKET**

# COMMITTEE MEETING REPORT

## Finance & Tax Committee

3/12/2015 3:30:00PM

**Location:** Morris Hall (17 HOB)

### Summary:

#### Finance & Tax Committee

*Thursday March 12, 2015 03:30 pm*

HB 37	Favorable With Committee Substitute	Yeas: 15	Nays: 1
CS/HB 209	Favorable With Committee Substitute	Yeas: 15	Nays: 0
CS/HB 359	Favorable	Yeas: 15	Nays: 1

Committee meeting was reported out: Thursday, March 12, 2015 5:47:17PM

# COMMITTEE MEETING REPORT

## Finance & Tax Committee

3/12/2015 3:30:00PM

Location: Morris Hall (17 HOB)

### Attendance:

	<i>Present</i>	<i>Absent</i>	<i>Excused</i>
Matt Gaetz (Chair)	X		
Frank Artiles	X		
Lori Berman	X		
Randolph Bracy	X		
Robert Cortes	X		
Jay Fant	X		
Walter Hill	X		
George Moraitis, Jr.	X		
Jared Moskowitz			X
Scott Plakon	X		
Ray Rodrigues	X		
José Rodríguez	X		
Hazelle Rogers	X		
Richard Stark	X		
Jennifer Sullivan	X		
John Tobia	X		
Charles Van Zant	X		
Ritch Workman			X
<b>Totals:</b>	<b>16</b>	<b>0</b>	<b>2</b>

Committee meeting was reported out: Thursday, March 12, 2015 5:47:17PM

# COMMITTEE MEETING REPORT

## Finance & Tax Committee

3/12/2015 3:30:00PM

**Location:** Morris Hall (17 HOB)

**HB 37 : Voluntary Contributions for Public Education Facilities**

Favorable With Committee Substitute

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Frank Artiles	X				
Lori Berman	X				
Randolph Bracy	X				
Robert Cortes	X				
Jay Fant	X				
Walter Hill	X				
George Moraitis, Jr.	X				
Jared Moskowitz			X		
Scott Plakon	X				
Ray Rodrigues	X				
José Rodríguez	X				
Hazelle Rogers	X				
Richard Stark	X				
Jennifer Sullivan	X				
John Tobia		X			
Charles Van Zant	X				
Ritch Workman			X		
Matt Gaetz (Chair)	X				
<b>Total Yeas: 15</b>		<b>Total Nays: 1</b>			

**Appearances:**

Larry Williams (Lobbyist) - Proponent  
 Florida Consortium of Public Charter Schools  
 1225 S.E. 2nd Avenue  
 Ft. Lauderdale FL 33316  
 Phone: 904-557-8593

Brian Pitts - Information Only  
 Justice 2 Jesus  
 1119 Newton Avenue S.  
 St. Petersburg FL 33705  
 Phone: 727-897-9291

Richard Watson (Lobbyist) - Proponent  
 Association of Builders & Contractors  
 Counsel  
 P.O. Box 10038  
 Tallahassee FL 32302  
 Phone: 850-222-0000

Committee meeting was reported out: Thursday, March 12, 2015 5:47:17PM

# COMMITTEE MEETING REPORT

## Finance & Tax Committee

3/12/2015 3:30:00PM

**Location:** Morris Hall (17 HOB)

**HB 37 : Voluntary Contributions for Public Education Facilities (continued)**

**Appearances: (continued)**

Brittney Burch (Lobbyist) - Proponent  
Florida Chamber of Commerce  
Director of Education Policy  
136 S. Bronough Street  
Tallahassee FL 32301  
Phone: 850-521-1279

Committee meeting was reported out: Thursday, March 12, 2015 5:47:17PM

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 37 (2015)

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED                                    — (Y/N)  
ADOPTED AS AMENDED                   — (Y/N)  
ADOPTED W/O OBJECTION                ✓ (Y/N)  
FAILED TO ADOPT                        — (Y/N)  
WITHDRAWN                               — (Y/N)  
OTHER                                     —

1 Committee/Subcommittee hearing bill: Finance & Tax Committee  
2 Representative Raschein offered the following:

4 **Amendment (with title amendment)**

5 Remove everything after the enacting clause and insert:

6 Section 1. Section 215.165, Florida Statutes, is created  
7 to read:

8 215.165 Voluntary contributions for public education  
9 facilities.—A business that registers with the Department of  
10 Revenue as a participating business may solicit and collect  
11 voluntary contributions from its customers for the construction  
12 and maintenance of public education facilities. Such  
13 contributions may be solicited and collected through any means,  
14 including point-of-sale transactions and monthly customer  
15 invoices.

16 (1) To register as a participating business, the business  
17 must provide the department with its name, physical address,

Amendment No. 1

18 mailing address, telephone number, e-mail address, and federal  
19 employer identification number. Upon receipt of this  
20 information, the department shall issue to the participating  
21 business a certificate indicating that the business is  
22 registered with the department for the collection of voluntary  
23 contributions and providing a taxpayer identification number to  
24 be used by the business for returns under this section. The  
25 department may issue this certificate electronically or by  
26 United States mail.

27 (2) By the 20th day of each month that immediately follows  
28 a month in which voluntary contributions were collected, a  
29 participating business shall file a return with, and remit the  
30 contributions collected during the prior month to, the  
31 department. If the 20th day is a Saturday, Sunday, or legal  
32 holiday, the return and voluntary contributions are due on the  
33 next business day. A participating business may file a return  
34 that is initiated by electronic means and may remit voluntary  
35 contributions by electronic funds transfer. A return is not  
36 required for a period in which voluntary contributions were not  
37 collected. A participating business may correct an error in a  
38 prior remittance by adjusting the amount remitted on a future  
39 return.

40 (3) (a) A participating business shall provide the  
41 following information on each return:

- 42 1. The information required under subsection (1).  
43 2. The taxpayer identification number issued by the

Amendment No. 1

44 department.

45 3. The amount of voluntary contributions collected and the  
46 amount of any adjustment to such contributions.

47 4. The amount of voluntary contributions being remitted.

48 (b) If the department receives a return from a business  
49 that has not registered as a participating business, the  
50 department shall deposit the voluntary contributions pursuant to  
51 subsection (4) and shall register the business as a  
52 participating business with the information included on the  
53 return.

54 (4) The department shall deposit voluntary contributions  
55 remitted under this section into the Public Education Capital  
56 Outlay and Debt Service Trust Fund.

57 (5) The department may adopt rules to establish forms and  
58 procedures for filing returns and remitting voluntary  
59 contributions, which may include the use of existing or new  
60 forms.

61 (6) Voluntary contributions collected and remitted by  
62 a participating business under this section are not subject to  
63 audit by the department.

64 Section 2. Paragraph (a) of subsection (2) of section  
65 1013.65, Florida Statutes, is amended to read:

66 1013.65 Educational and ancillary plant construction  
67 funds; Public Education Capital Outlay and Debt Service Trust  
68 Fund; allocation of funds.—

69 (2) (a) The Public Education Capital Outlay and Debt



## Amendment No. 1

70 Service Trust Fund shall be comprised of the following sources,  
71 which are hereby appropriated to the trust fund:

72 1. Proceeds, premiums, and accrued interest from the sale  
73 of public education bonds and that portion of the revenues  
74 accruing from the gross receipts tax as provided by s. 9(a)(2),  
75 Art. XII of the State Constitution, as amended, interest on  
76 investments, and federal interest subsidies.

77 2. General revenue funds appropriated to the fund for  
78 educational capital outlay purposes.

79 3. All capital outlay funds previously appropriated and  
80 certified forward pursuant to s. 216.301.

81 4. Deposits from voluntary contributions collected  
82 pursuant to s. 215.165.

83 Section 3. (1) The executive director of the Department  
84 of Revenue is authorized, and all conditions are deemed to be  
85 met, to adopt emergency rules pursuant to s. 120.54(4), Florida  
86 Statutes, for the purpose of implementing this act.

87 (2) Notwithstanding any other provision of law, emergency  
88 rules adopted pursuant to subsection (1) are effective for 6  
89 months after adoption and may be renewed during the pendency of  
90 procedures to adopt permanent rules addressing the subject of  
91 the emergency rules.

92 (3) This section expires July 1, 2018.

93 Section 4. For the 2015-2016 fiscal year, the sum of  
94 \$59,421 in recurring funds and \$136,065 in nonrecurring funds,  
95 from the General Revenue Fund are appropriated to the Department

Amendment No. 1

96 of Revenue for the purpose of implementing the provisions of  
97 this act.

98 Section 5. This act shall take effect January 1, 2016.

99

100

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101

T I T L E A M E N D M E N T

102

Remove everything before the enacting clause and insert:

103

A bill to be entitled

104

An act relating to voluntary contributions for public education

105

facilities; creating s. 215.165, F.S.; authorizing a

106

participating business that registers with the Department of

107

Revenue to solicit and collect contributions from its customers

108

for the construction and maintenance of public education

109

facilities; providing registration requirements; requiring the

110

department to issue a certificate and taxpayer identification

111

number to a participating business; requiring a participating

112

business to file a return and remit contributions to the

113

department within a specified timeframe; requiring the

114

department to deposit contributions into the Public Education

115

Capital Outlay and Debt Service Trust Fund; authorizing the

116

department to adopt rules establishing forms and procedures;

117

providing that voluntary contributions are not subject to audit

118

by the department; amending s. 1013.65, F.S.; including

119

voluntary contributions as a source of funding for the Public

120

Education Capital Outlay and Debt Service Trust Fund;

121

authorizing the executive director of the department to adopt

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 37 (2015)

Amendment No. 1

122 emergency rules; providing that such rules are effective for a  
123 specified period; providing for expiration; providing an  
124 appropriation; providing an effective date.

# COMMITTEE MEETING REPORT

## Finance & Tax Committee

3/12/2015 3:30:00PM

**Location:** Morris Hall (17 HOB)

**CS/HB 209 : Emergency Fire Rescue Services and Facilities Surtax**

Favorable With Committee Substitute

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Frank Artiles	X				
Lori Berman	X				
Randolph Bracy	X				
Robert Cortes	X				
Jay Fant	X				
Walter Hill	X				
George Moraitis, Jr.	X				
Jared Moskowitz			X		
Scott Plakon	X				
Ray Rodrigues	X				
José Rodriguez	X				
Hazelle Rogers	X				
Richard Stark	X				
Jennifer Sullivan	X				
John Tobia			X		
Charles Van Zant	X				
Ritch Workman			X		
Matt Gaetz (Chair)	X				
<b>Total Yeas: 15</b>		<b>Total Nays: 0</b>			

### Appearances:

Amber Hughes (Lobbyist) - Information Only

Florida League of Cities  
Legislative Advocate  
P.O. Box 1757  
Tallahassee FL  
Phone: 850-701-3621

Davin Suggs (Lobbyist) - Proponent

Florida Association of Counties  
Fiscal Policy Director  
Phone: 850-320-2635

Sebastian Aleksander (Lobbyist) - Proponent

Miami Dade Firefighter Association  
101 East College Avenue #503  
Tallahassee FL  
Phone: 850-330-1355

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# COMMITTEE MEETING REPORT

## Finance & Tax Committee

3/12/2015 3:30:00PM

**Location:** Morris Hall (17 HOB)

**CS/HB 209 : Emergency Fire Rescue Services and Facilities Surtax (continued)**

**Appearances: (continued)**

Lori Killinger (Lobbyist) - Proponent

Palm Beach Firefighters

Attorney/Lobbyist

315 S. Calhoun Street #830

Tallahassee FL 32308

Phone: 850-222-5702

Committee meeting was reported out: Thursday, March 12, 2015 5:47:17PM

# COMMITTEE MEETING REPORT

## Finance & Tax Committee

3/12/2015 3:30:00PM

**Location:** Morris Hall (17 HOB)

**CS/HB 359 : Miami-Dade County Lake Belt Area**

Favorable

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Frank Artiles	X				
Lori Berman	X				
Randolph Bracy	X				
Robert Cortes	X				
Jay Fant	X				
Walter Hill	X				
George Moraitis, Jr.	X				
Jared Moskowitz			X		
Scott Plakon	X				
Ray Rodrigues	X				
José Rodríguez		X			
Hazelle Rogers	X				
Richard Stark	X				
Jennifer Sullivan	X				
John Tobia	X				
Charles Van Zant	X				
Ritch Workman			X		
Matt Gaetz (Chair)	X				
<b>Total Yeas: 15</b>		<b>Total Nays: 1</b>			

**Appearances:**

Brian Pitts - Information Only  
 Justice 2 Jesus  
 Trustee  
 1119 Newton Avenue S.  
 St. Petersburg FL  
 Phone: 727-897-9291

Jess McCarty (Lobbyist) - Opponent  
 Miami Dade County  
 Assistant County Attorney  
 111 NW 1st Street #2810  
 Miami FL 33128  
 Phone: 305-979-7110

Ernie Barnett (Lobbyist) - Information Only  
 Miami Dade Lime Rock Products Assn.  
 Director  
 4524 Gun Club Road #201  
 West Palm Beach FL 33407  
 Phone: 850-284-6178

Committee meeting was reported out: Thursday, March 12, 2015 5:47:17PM

# COMMITTEE MEETING REPORT

## Finance & Tax Committee

3/12/2015 3:30:00PM

**Location:** Morris Hall (17 HOB)

### **Presentation/Workshop/Other Business Appearances:**

Research and Development Tax Credit

Danielle Scoggins (Lobbyist) - Information Only

Department of Revenue

Director

Research and Development Tax Credit

David Hart (Lobbyist) - Information Only

Florida Chamber of Commerce

Executive Vice President

136 S. Bronough Street

Tallahassee FL 32301

Phone: 850-521-1288

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 209 (2015)

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	—	(Y/N)
ADOPTED AS AMENDED	—	(Y/N)
ADOPTED W/O OBJECTION	✓	(Y/N)
FAILED TO ADOPT	—	(Y/N)
WITHDRAWN	—	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Finance & Tax Committee  
2 Representative Artiles offered the following:

3  
4 **Amendment**

5 Remove line 112 and insert:

6 in accordance with this provision. If a local government entity  
7 receiving a share of the surtax is unable to further reduce ad  
8 valorem taxes because the millage rate is zero, the funds shall  
9 be applied to reduce any non-ad valorem assessments levied for  
10 the purposes described in this section. If no ad valorem or non-  
11 ad valorem reduction is possible, the surplus surtax collections  
12 shall be returned to the county, and the county shall reduce the  
13 county millage rates to offset the surplus surtax proceeds.



COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 209 (2015)

Amendment No. 2

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	—	(Y/N)
ADOPTED AS AMENDED	—	(Y/N)
ADOPTED W/O OBJECTION	✓	(Y/N)
FAILED TO ADOPT	—	(Y/N)
WITHDRAWN	—	(Y/N)
OTHER	—	

1 Committee/Subcommittee hearing bill: Finance & Tax Committee  
2 Representative Artiles offered the following:

3  
4 **Amendment**

5 Remove lines 52-57 and insert:

6 collected, shall be distributed by the county based on each  
7 entity's average annual expenditures of ad valorem taxes and  
8 non-ad valorem assessments for fire control and emergency fire  
9 rescue services in the 5 fiscal years preceding the year that  
10 the surtax takes effect in proportion to the average annual  
11 total of the expenditures for all entities receiving such  
12 proceeds in the 5 fiscal years preceding the year that the  
13 surtax takes effect. The county shall revise these distribution  
14 proportions to reflect any change in service area among entities  
15 receiving surtax distributions.

A bill to be entitled

An act relating to the research and development tax credit; amending s. 220.196, F.S.; deleting an obsolete reference; limiting recipients of the credit to specified qualified target industry businesses; increasing the total amount of tax credits which may be granted to business enterprises during any calendar year; revising the deadline for the filing of an application for the tax credit; changing the period for which credits are awarded from calendar year to taxable year; revising the allocation of the tax credit to applicants; providing an effective date.

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

Section 1. Subsection (2) of section 220.196, Florida Statutes, is amended to read:

220.196 Research and development tax credit.—

(2) TAX CREDIT.—

(a) As provided in this section ~~Subject to the limitations contained in paragraph (e),~~ a business enterprise is eligible for a credit against the tax imposed by this chapter if it:

1. The business enterprise Has qualified research expenses in this state in the taxable year exceeding the base amount;

2. and, for the same taxable year, Claims and is allowed a research credit for such qualified research expenses under 26

27 U.S.C. s. 41 for the same taxable year as subparagraph 1.; and  
 28 3. Is a qualified target industry business as defined in s.  
 29 288.106(2)(n). Only qualified target industry businesses in the  
 30 manufacturing, life sciences, infotech, aviation and aerospace,  
 31 homeland security and defense, cloud information technology,  
 32 marine sciences, materials science, and nanotechnology  
 33 industries may qualify for credit pursuant to this section.

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

41 (c)-(b) The credit taken in any taxable year may not exceed  
 42 50 percent of the business enterprise's remaining net income tax  
 43 liability under this chapter after all other credits have been  
 44 applied under s. 220.02(8).

45 (d)-(e) Any unused credit authorized under this section may  
 46 be carried forward and claimed by the taxpayer for up to 5  
 47 years.

48 ~~(e)-(d) The combined total amount of tax credits which may~~  
 49 ~~be granted to all business enterprises under this section during~~  
 50 ~~any calendar year is \$9 million. Applications may be filed with~~  
 51 ~~the department on or after March 20 and before March 27 for~~  
 52 ~~qualified research expenses incurred within the preceding~~

Draft Language

2015

53 taxable calendar year. If the total, and credits applied for by  
54 all applicants exceed the maximum amount allowed pursuant to  
55 this paragraph, the credits shall be allocated on a pro rata  
56 basis. For every application period beginning on March 20, the  
57 combined total amount of tax credits which may be granted to all  
58 business enterprises pursuant to this section is \$9 million,  
59 except that in application periods beginning in 2016, 2017 and  
60 2018 the combined total may not exceed \$18 million granted in  
61 ~~the order in which completed applications are received.~~

62 Section 2. This act shall take effect July 1, 2015.