

# THE FLORIDA LEGISLATURE



May 5, 2011

The Honorable Mike Haridopolos  
President of the Senate

The Honorable Dean Cannon  
Speaker, House of Representatives

Dear Mr. President and Mr. Speaker:

Your Conference Committee on the disagreeing votes of the two houses on HB 7203, 1st Eng., same being:

An act relating to economic development.

having met, and after full and free conference, do recommend to their respective houses as follows:

1. That the Senate recede from its Amendment 1.
2. That the Senate and House of Representatives adopt the Conference Committee Amendment attached hereto, and by reference made a part of this report.

**Managers on the part of the Senate**

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*JD Alexander, Chair*

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*Joe Negron, Vice Chair*

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*Thad Altman*

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*Lizbeth Benacquisto*

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*Michael S. "Mike" Bennett*

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*Ellyn Setnor Bogdanoff*

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*Oscar Braynon II*

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*Larcenia J. Bullard*

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*Charles S. "Charlie" Dean, Sr.*

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*Nancy C. Detert*

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*Miguel Diaz de la Portilla*

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*Paula Dockery*

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*Greg Evers*

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*Mike Fasano*

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*Anitere Flores*

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*Don Gaetz, At Large*

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*Rene Garcia*

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*Andy Gardiner, At Large*

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*Alan Hays*

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*Anthony C. "Tony" Hill, Sr.*

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*Dennis L. Jones, D.C.*

---

*Arthenia L. Joyner*

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*Jack Latvala*

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*Evelyn J. Lynn*

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*Gwen Margolis*

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*Bill Montford*

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*Jim Norman*

---

*Steve Oelrich*

---

*Nan H. Rich, At Large*

---

*Garrett Richter*

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*Jeremy Ring*

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*Maria Lorts Sachs*

---

*David Simmons*

---

*Gary Siplin, At Large*

---

*Christopher L. "Chris" Smith*

---

*Eleanor Sobel*

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*Ronda Storms*

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*John Thrasher, At Large*

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*Stephen R. Wise*

**Managers on the part of the House of Representatives**

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*Denise Grimsley, Committee Chair*

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*Stephen L. Precourt, Chair*

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*Gary Aubuchon, At Large*

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*Mack Bernard*

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*Charles S. "Chuck" Chestnut IV, At Large*

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*Chris Dorworth*

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*Doug Holder*

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*Dorothy L. Hukill, At Large*

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*Paige Kreegel, At Large*

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*John Legg, At Large*

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*Carlos Lopez-Cantera, At Large*

---

*Seth McKeel, At Large*

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*William L. "Bill" Proctor, At Large*

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*Lake Ray*

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*Darryl Ervin Rouson, At Large*

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*Franklin Sands, At Large*

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*Ron Saunders, At Large*

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*Robert C. "Rob" Schenck, At Large*

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*William D. Snyder, At Large*

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*Will W. Weatherford, At Large*

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The Conference Committee Amendment for HB 7203, 1st Eng., relating to economic development, provides for the following:

**Emergency Excise Tax** -- The bill repeals the corporate income emergency excise tax, but allows taxpayers with unused credits related to the tax to take such credits against corporate income tax.

**Entertainment Industry Financial Incentive Program** - Increases funding from \$38 million to \$42 million per year for fiscal years 2012-13, 2013-14, 2014-15. The bill creates incentives for using regions of the state that have been underutilized by the film industry. The bill limits total combined credits for a project to 30% of expenses. The bill removes television from the general production queue when more than 25% of credits over the history of the program have been granted to television series. Additional credits are created for employing film/entertainment/digital media students and recent graduates. Additional credits are created for using certain types of production facilities. Reporting requirements are expanded to include full time equivalent jobs.

**Enterprise Zone Provisions** -- Provides local governments the ability to apply to OTTED to have certain rural enterprise zones expanded by up to 3 square miles. It provides authority to Martin County and Lake County to apply for designation of an Enterprise Zone of up to 10 square miles and to the City of Palm Bay to apply for designation of an Enterprise Zone of up to 5 square miles.

**Single Sales Factor Apportionment** -- Allows corporations to use a single sales factor apportionment formula to calculate their corporate income tax liability if they invest a total of \$250 million in qualifying capital expenditures within Florida.

**Spaceflight** -- Allows a certified spaceflight business to apply for a credit equal to 50% of the business's corporate income tax liability in a given year or for a transferable corporate income tax credit based upon a business's net operating loss incurred over a three-year period. The total amount of credits that may be approved under the bill is \$10 million.

**Research and Development Credits** -- Provides an annual corporate tax credit for qualifying research and development expenses in Florida, equal to 10% of the current year's expenses that exceed the average expenses over the past four years. The amount of credits available to be awarded under the bill is \$9 million.

**Sales Tax Holiday** -- Creates a 3 day sales tax holiday on clothing and shoes valued at \$75 or less and school supplies valued at \$15 or less, starting August 12, 2011. A non-recurring General Revenue appropriation of \$218,905 is provided to the Department of Revenue for purposes of administering the tax holiday.

**Special Impact Estimating Conferences** -- Provides for the creation of special impact estimating conferences, which will require the appointment of 4 principals each time a special impact session is requested by the President of the Senate or the Speaker of the House of Representatives.

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**Amusement Machines** – The bill reduces the tax rate from 4 percent to 1 percent on coin-operated amusement machines located in licensed cardroom facilities. In order to qualify for the reduced rate, a local community must pass an ordinance to authorize, license, regulate, and tax the machines in the cardroom facility.

**Brownfield Rehabilitation Tax Credits** – The bill increases from \$2 million to \$5 million the corporate income tax credits that are annually available to partially compensate taxpayers that voluntarily clean up drycleaning-solvent-contaminated or brownfield sites.

**Florida Defense Support Task Force** – The bill creates the Florida Defense Support Task Force. The task force's mission is to prepare the state to compete in any federal base realignment and closure action, to support the state's position in militarily-related research and development, and to improve the state's military-friendly environment.

**Appropriations** – The bill contains four appropriations of nonrecurring General Revenue to the Office of Tourism, Trade and Economic Development for the following purposes: \$5 million for the Florida Defense Support Task Force, \$15 million for the Innovation Incentive Fund program, \$42 million for the Quick Action Closing Fund program, and \$10 million for the Institute for the Commercialization of Public Research.