

1 A bill to be entitled
 2 An act relating to food deserts; creating s. 220.197,
 3 F.S.; defining terms; providing an income tax credit
 4 for certain businesses that sell nutrient-dense food
 5 items in areas designated as food deserts; providing
 6 for the amount of the credit; requiring an
 7 application; requiring the Department of Revenue and
 8 the Department of Agriculture and Consumer Services to
 9 review and make recommendations to the Legislature
 10 regarding the continuation of the credit; providing
 11 penalties for fraudulent claims for the credit;
 12 authorizing rulemaking; providing applicability;
 13 providing an effective date.

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

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 17 Section 1. Section 220.197, Florida Statutes, is created
 18 to read:

19 220.197 Tax credit for grocery businesses operating in
 20 food deserts.

21 (1) As used in this section, the term:

22 (a) "Food desert business" means a taxpayer that:

23 1. Is in the trade or business of selling products at
 24 wholesale or retail and has total gross sales of less than \$15
 25 million per year;

26 2. Purchases at least 15 percent of its inventory from in-

27 state companies;

28 3. Derives at least 20 percent of its gross receipts from
 29 the retail sale of nutrient-dense foods; and

30 4. Operates the business in a food desert zone after July
 31 1, 2014.

32 (b) "Food desert zone" means a census tract that has been
 33 identified by the Economic Research Service of the United States
 34 Department of Agriculture as meeting the following criteria:

35 1. The tract has a poverty rate of 20 percent or greater
 36 or has a median family income at or below 80 percent of the
 37 median family income for the state; and

38 2. The tract has at least 500 persons or at least 33
 39 percent of the population of the tract lives more than 1 mile in
 40 an urban area, or 10 miles in a rural area, from a supermarket.

41 (c) "Nutrient-dense food" means a food that has high
 42 levels of nutrients in relationship to the number of calories
 43 the food contains. The term includes fresh vegetables and
 44 fruits, whole grains, nuts, seeds, beans and legumes, and low-
 45 fat dairy products.

46 (d) "Supermarket" means a food store that has at least \$2
 47 million in annual sales and contains all the major food
 48 departments found in a large retail grocery store.

49 (2) Each food desert business is eligible for a tax credit
 50 of 20 percent of the annual gross sales of the business against
 51 its corporate annual income tax liability under this chapter,
 52 not to exceed the total state tax liability of the business

53 under s. 220.11.

54 (a) The credit provided shall be earned on the last day of
55 each taxable year and may be claimed against the income tax for
56 the taxable year that includes the day on which the credit is
57 earned.

58 (b) The credit earned under this section may not be sold
59 or transferred.

60 (c) If the credit earned under this section is not fully
61 taken in any single year because of insufficient tax liability
62 on the part of the business, the unused amount may be carried
63 forward for up to 2 years.

64 (3) In order to claim the tax credit under this section,
65 the taxpayer must first submit an application and receive
66 approval to claim the credit from the department.

67 (4) The tax credit allowed pursuant to this section shall
68 be reviewed by the department together with the Department of
69 Agriculture and Consumer Services after it has been in place for
70 3 taxable years. At such time, the departments shall make a
71 recommendation to the Legislature for the elimination or
72 continuance of the credit. Such recommendation shall be based on
73 the success of the credit in bringing and maintaining food
74 desert businesses in food desert zones.

75 (5) A taxpayer that fraudulently claims to be qualified
76 for the tax credits under this section commits a misdemeanor of
77 the second degree, punishable as provided in s. 775.082 or s.
78 775.083. The taxpayer is also administratively liable for

79 repayment of a tax credit fraudulently taken plus a mandatory
80 penalty of 100 percent of the tax credit plus interest at the
81 rate provided under this chapter.

82 (6) The department, in consultation with the Department of
83 Agriculture and Consumer Services, shall adopt rules as
84 necessary to administer this section. Such rules may identify
85 the areas of the state designated as food deserts, provide an
86 application process and forms for applying for the tax credit,
87 and require the retention of records and the submission of
88 specific documents by a taxpayer applying for and claiming the
89 tax credit.

90 (7) This section applies to taxable years beginning on or
91 after January 1, 2015.

92 Section 2. This act shall take effect July 1, 2014.