

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

FINANCE AND TAX
Senator Hukill, Chair
Senator Abruzzo, Vice Chair

MEETING DATE: Monday, February 16, 2015**TIME:** 4:00 —6:00 p.m.**PLACE:** *James E. "Jim" King, Jr. Committee Room*, 401 Senate Office Building**MEMBERS:** Senator Hukill, Chair; Senator Abruzzo, Vice Chair; Senators Altman, Diaz de la Portilla, Flores, Margolis, Simpson, and Soto

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 118 Hays (Identical H 37)	Voluntary Contributions for Public Education Facilities; Authorizing a participating business that registers with the Department of Revenue to solicit and collect contributions from its customers for the construction and maintenance of public education facilities; providing registration requirements; requiring a participating business to file a return and remit contributions to the department within a specified timeframe; including voluntary contributions as a source of funding for the Public Education Capital Outlay and Debt Service Trust Fund, etc.	
		FT 02/16/2015 AED FP	
2	SB 260 Bradley (Similar H 489)	Value Adjustment Board Proceedings; Requiring the clerk of the value adjustment board to have available and distribute specified forms; authorizing the owner of multiple items of tangible personal property to file a joint petition with the value adjustment board under certain circumstances; requiring the property appraiser to include the property record card in an evidence list for a value adjustment board hearing under certain circumstances, etc.	
		CA 02/03/2015 Favorable FT 02/16/2015 FP	
3	SB 278 Diaz de la Portilla	Downtown Development Districts; Authorizing the governing body of a municipality that has created a downtown development district to levy an ad valorem tax on all real and personal property in the district to finance the district's operation; limiting the tax to a specified percentage; providing for limitation of the district's millage, etc.	
		CA 02/03/2015 Favorable FT 02/16/2015 AP	

Consideration of proposed bill:

COMMITTEE MEETING EXPANDED AGENDA

Finance and Tax

Monday, February 16, 2015, 4:00 —6:00 p.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
4	SPB 7014	Corporate Income Tax; Adopting the 2015 version of the Internal Revenue Code; incorporating a reference to a recent federal act into state law for the purpose of defining the term “adjusted federal income”; revising the treatment by this state of certain depreciation and expensing of assets that are allowed for federal income tax purposes, etc.	
5	Discussion of the Enterprise Zone Program		
Other Related Meeting Documents			

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: SB 118

INTRODUCER: Senators Hays and Gaetz

SUBJECT: Voluntary Contributions for Public Education Facilities

DATE: February 13, 2015

REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Babin	Diez-Arguelles	FT	Pre-meeting
2. _____	_____	AED	_____
3. _____	_____	FP	_____

I. Summary:

SB 118 sets up a process for businesses to solicit and collect voluntary contributions for the construction and maintenance of public education facilities. Participating businesses are required to remit the contributions to the Department of Revenue for deposit into the Public Education Capital Outlay and Debt Service Trust Fund.

The Revenue Estimating Conference has not estimated the fiscal impact of the bill.

II. Present Situation:

Currently, the state does not provide a mechanism for a business to collect and remit voluntary contributions for public education facilities.

III. Effect of Proposed Changes:

Section 1 creates s. 215.165, F.S., authorizing a business to solicit and collect voluntary contributions from its customers for the construction and maintenance of public education facilities. In order to participate, a business must register as a participating business with the Department of Revenue (DOR). To register, the business is required to provide certain identifying information, including the business name, physical and mailing addresses, telephone number, e-mail address, and federal employer identification number.

Once registered, participating businesses may solicit voluntary contributions by any means, including point of sale solicitation and through monthly invoices or billing statements.

A participating business that collects voluntary contributions must file a return and remit the contributions to the DOR by the 20th day of the following calendar month. If the 20th day is a Saturday, Sunday, or legal holiday, the return and contributions are due on the next business day.

Returns must include the business's identifying information, as well as the amount of voluntary contributions collected, the amount being remitted and any applicable adjustments. If no contributions are collected, no return is required. Returns may be filed and contributions may be paid by mail or electronically.

The DOR must deposit the contributions into the Public Education Capital Outlay and Debt Service Trust Fund.

The DOR must adopt rules establishing forms and procedures for remitting voluntary contributions. New forms may be created or the required information may be included on existing returns.

The bill provides that the voluntary contributions are not subject to audit by the DOR.

Section 2 amends s. 1013.65, F.S., to include voluntary contributions remitted under s. 216.165, F.S., as a source of revenue for the Public Education Capital Outlay and Debt Service Trust Fund.

Section 3 authorizes the DOR to adopt emergency rules to implement the act.

Section 4 provides an effective date of July 1, 2015.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The mandate restrictions do not apply because the bill does not require counties and municipalities to spend funds, reduce counties' or municipalities' ability to raise revenue or reduce the percentage of a state tax shared with counties and municipalities.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference has not reviewed the fiscal impact of the bill. Staff estimates that it will increase Public Education Capital Outlay and Debt Service Trust Fund receipts by an indeterminate amount.

B. Private Sector Impact:

Participation is voluntary. Businesses that participate will be required to file returns and remit collections to the DOR.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 215.165 of the Florida Statutes.

This bill substantially amends section 1013.65 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.



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LEGISLATIVE ACTION

Senate

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House

The Committee on Finance and Tax (Altman) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

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

215.165 Voluntary contributions for public education
facilities.—A business that registers with the Department of
Revenue as a participating business may solicit and collect
voluntary contributions from its customers for the construction



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11 and maintenance of public education facilities. Such
12 contributions may be solicited and collected through any means,
13 including point-of-sale transactions and monthly customer
14 invoices.

15 (1) To register as a participating business, the business
16 must provide the department with its name, physical address,
17 mailing address, telephone number, e-mail address, and federal
18 employer identification number. Upon receipt of this
19 information, the department shall issue to the participating
20 business a certificate indicating that the business is
21 registered with the department for the collection of voluntary
22 contributions and providing a taxpayer identification number to
23 be used by the business for returns under this section. The
24 department may issue this certificate electronically or by
25 United States mail.

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

39 (3) (a) A participating business shall provide the following



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information on each return:

1. The information required under subsection (1).

2. The taxpayer identification number issued by the department.

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

4. The amount of voluntary contributions being remitted.

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

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

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

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

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

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

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



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

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

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

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

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

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

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

(3) This section expires July 1, 2018.

Section 4. This act shall take effect January 1, 2016.

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

And the title is amended as follows:

Delete everything before the enacting clause and insert:



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A bill to be entitled

An act relating to voluntary contributions for public education facilities; creating s. 215.165, F.S.; authorizing a participating business that registers with the Department of Revenue to solicit and collect contributions from its customers for the construction and maintenance of public education facilities; providing registration requirements; requiring the department to issue a certificate and taxpayer identification number to a participating business; requiring a participating business to file a return and remit contributions to the department within a specified timeframe; requiring the department to deposit contributions into the Public Education Capital Outlay and Debt Service Trust Fund; authorizing the department to adopt rules establishing forms and procedures; providing that voluntary contributions are not subject to audit by the department; amending s. 1013.65, F.S.; including voluntary contributions as a source of funding for the Public Education Capital Outlay and Debt Service Trust Fund; authorizing the executive director of the department to adopt emergency rules; providing that such rules are effective for a specified period; providing for expiration; providing an effective date.

By Senator Hays

11-00021A-15

2015118__

A bill to be entitled

An act relating to voluntary contributions for public education facilities; creating s. 215.165, F.S.; authorizing a participating business that registers with the Department of Revenue to solicit and collect contributions from its customers for the construction and maintenance of public education facilities; providing registration requirements; requiring a participating business to file a return and remit contributions to the department within a specified timeframe; requiring the department to deposit contributions into the Public Education Capital Outlay and Debt Service Trust Fund; requiring the department to adopt rules establishing forms and procedures; providing that voluntary contributions are not subject to audit by the department; amending s. 1013.65, F.S.; including voluntary contributions as a source of funding for the Public Education Capital Outlay and Debt Service Trust Fund; authorizing the executive director of the department to adopt emergency rules; providing that such rules are effective for a specified period; providing an effective date.

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

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

215.165 Voluntary contributions for public education facilities.—A business that registers with the Department of

Page 1 of 4

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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Revenue as a participating business may solicit and collect voluntary contributions from its customers for the construction and maintenance of public education facilities. Such contributions may be solicited and collected through any means, including point-of-sale transactions and monthly customer invoices.

(1) To register as a participating business, the business shall provide the department with its name, physical address, mailing address, telephone number, e-mail address, and federal employer identification number.

(2) By the 20th day of each month that immediately follows a month in which voluntary contributions were collected, a participating business shall file a return with, and remit contributions collected during the prior month to, the department. If the 20th day is a Saturday, Sunday, or legal holiday, the return and voluntary contributions are due on the next business day. A participating business may file a return that is initiated through an electronic data interchange and may remit voluntary contributions by electronic funds transfer.

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

(a) The information required under subsection (1).

(b) Its taxpayer identification number issued by the department.

(c) The amount of voluntary contributions collected and the amount of any adjustment to such contributions.

(d) The amount of voluntary contributions being remitted.

(4) The department shall deposit voluntary contributions remitted under this section into the Public Education Capital

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59 Outlay and Debt Service Trust Fund.

60 (4) The department shall adopt rules establishing forms and
 61 procedures for filing returns and remitting voluntary
 62 contributions, which may include the use of existing tax returns
 63 or separate returns.

64 (5) Voluntary contributions collected and remitted by
 65 participating businesses under this section are not subject to
 66 audit by the department.

67 Section 2. Paragraph (a) of subsection (2) of section
 68 1013.65, Florida Statutes, is amended to read:
 69 1013.65 Educational and ancillary plant construction funds;
 70 Public Education Capital Outlay and Debt Service Trust Fund;
 71 allocation of funds.—

72 (2) (a) The Public Education Capital Outlay and Debt Service
 73 Trust Fund shall be comprised of the following sources, which
 74 are hereby appropriated to the trust fund:

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

80 2. General revenue funds appropriated to the fund for
 81 educational capital outlay purposes.

82 3. All capital outlay funds previously appropriated and
 83 certified forward pursuant to s. 216.301.

84 4. Deposits from voluntary contributions collected pursuant
 85 to s. 215.165.

86 Section 3. Emergency rules.—

87 (1) The executive director of the Department of Revenue is

11-00021A-15

2015118__

88 authorized, and all conditions are deemed to be met, to adopt
 89 emergency rules pursuant to s. 120.54(4), Florida Statutes, for
 90 the purpose of implementing this act.

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

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

97 Section 4. This act shall take effect July 1, 2015.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Appropriations Subcommittee on General
Government, *Chair*
Governmental Oversight and Accountability,
Vice Chair
Appropriations
Environmental Preservation and Conservation
Ethics and Elections
Fiscal Policy

JOINT COMMITTEE:

Joint Select Committee on Collective Bargaining,
Alternating Chair

SENATOR ALAN HAYS

11th District

MEMORANDUM

To: Senator Dorothy L. Hukill, Chair
Finance and Tax Committee
CC: Jose Diez-Arguelles, Staff Director
Lynn Wells, Committee Administrative Assistant

From: Senator D. Alan Hays

Subject: Request to agenda SB 118 – Voluntary Contributions for Public Education Facilities

Date: December 16, 2014

I respectfully request that you agenda the above referenced bill at your earliest convenience. If you have any questions regarding this legislation, I welcome the opportunity to meet with you one-on-one to discuss it in further detail. Thank you so much for your consideration of this request.

Sincerely,

A handwritten signature in cursive script that reads "D. Alan Hays".

D. Alan Hays, DMD
State Senator, District 11

REPLY TO:

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- ☐ 320 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5011
- ☐ 1104 Main Street, The Villages, Florida 32159 (352) 360-6739 FAX: (352) 360-6748
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Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: SB 260

INTRODUCER: Senator Bradley

SUBJECT: Value Adjustment Board Proceedings

DATE: February 13, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	White	Yeatman	CA	Favorable
2.	Babin	Diez-Arguelles	FT	Pre-meeting
3.			FP	

I. Summary:

SB 260 allows taxpayers to file a single value adjustment board petition for multiple items of tangible personal property of a similar nature, requires that the clerk of the value adjustment board provide petition forms to petitioners, and deletes an obsolete statutory reference.

The Revenue Estimating Conference has not reviewed the impact of this bill.

II. Present Situation:

Value Adjustment Boards

Chapter 194, F.S., provides for administrative and judicial review of property tax assessments. Each county in Florida has a value adjustment board (VAB) composed of five members.¹ A property owner may petition the VAB to review the property appraiser's assessment of real or tangible personal property or the denial of an exemption or classification.²

Petition Process for VAB Hearing

A property owner initiates the VAB's review by filing a petition with the clerk³ of the VAB on an approved petition form.⁴ The property appraiser is required to make petition forms available to the public.⁵

¹ Section 194.015, F.S.

² See Section 194.011(3)(d), F.S.

³ The county clerk usually serves as the clerk of the value adjustment board. Section 194.015, F.S.

⁴ Section 194.011(3)(a), F.S.

⁵ *Id.*

The VAB may impose a petition filing fee of up to \$15.⁶ An owner of contiguous, undeveloped parcels of real property may consolidate all parcels into one joint petition if the property appraiser determines that the parcels are substantially similar in nature.⁷ In this case, the property owner is only subject to one filing fee.⁸

Property Record Cards

Property appraisers maintain records of assessment information for assessed properties. A property's record of information is referred to as the "property record card." On filing a petition to the VAB, a petitioner may elect to receive a copy of the property record card. Prior to 2013, the clerk of the VAB was required to provide a copy of the card when the petitioner made the election on the petition. Section 8 of Chapter 2013-109, L.O.F., shifted this responsibility from the clerk of the VAB to the property appraiser; however, the law did not amend s. 194.011(4)(b), F.S., to recognize this change.

III. Effect of Proposed Changes:

Section 1 amends s. 194.011, F.S., to allow a taxpayer to include multiple items of substantially similar tangible personal property, as determined by the property appraiser, on a single VAB petition and to pay a single petition filing fee. This section also requires the clerk of the VAB to make petition forms available to the public. Lastly, this section removes an obsolete reference to clerks of the VAB providing property record cards, which conforms s. 194.011(4)(b), F.S., to the change made by section 8 of Chapter 2013-109, L.O.F.

Sections 2, 3, 4, and 5 reenact subsections of 192.0105, 194.013, 194.032 and 196.011, F.S., for the purpose of incorporating the amendment made to s. 194.011, F.S.

Section 6 provides an effective date of July 1, 2015.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

While the bill reduces the authority that counties have to raise revenue, the bill appears to have an insignificant fiscal impact. As such, the bill is exempt from the provisions of Article VII, Section 18 of the State Constitution.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

⁶ Section 194.013(1), F.S. However, a filing fee is not permitted for petitions appealing the denial of homestead exemption or tax deferral.

⁷ Section 194.011(3)(f), F.S.

⁸ Section 194.013(1), F.S.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The REC has not reviewed the impact of this bill. In 2014, the REC determined SB 806, which is substantially the same as the bill, would have reduced revenues from VAB filing fees by \$100,000.⁹

B. Private Sector Impact:

By allowing the use of a single petition for multiple items of tangible personal property, the bill reduces the filing burdens for taxpayers who file tangible personal property petitions with VABs. The bill also may reduce VAB filing fees for taxpayers.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 194.011 of the Florida Statutes.

This bill reenacts the following sections of the Florida Statutes: ss. 192.0105, 194.013, 194.032, and 196.011.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

⁹ Revenue Estimating Conference, *Analysis of HB651/SB806* (Adopted Feb. 14, 2014).

By Senator Bradley

7-00360-15

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A bill to be entitled

An act relating to value adjustment board proceedings; amending s. 194.011, F.S.; requiring the clerk of the value adjustment board to have available and distribute specified forms; authorizing the owner of multiple items of tangible personal property to file a joint petition with the value adjustment board under certain circumstances; requiring the property appraiser to include the property record card in an evidence list for a value adjustment board hearing under certain circumstances; reenacting ss. 192.0105(2)(b), 194.013(1), 194.032(1)(a), and 196.011(6)(a) and (8), F.S., to incorporate the amendments made to s. 194.011, F.S., in references thereto; providing an effective date.

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

Section 1. Paragraphs (a) and (f) of subsection (3) and paragraph (b) of subsection (4) of section 194.011, Florida Statutes, are amended to read:

194.011 Assessment notice; objections to assessments.—

(3) A petition to the value adjustment board must be in substantially the form prescribed by the department. Notwithstanding s. 195.022, a county officer may not refuse to accept a form provided by the department for this purpose if the taxpayer chooses to use it. A petition to the value adjustment board shall describe the property by parcel number and shall be filed as follows:

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(a) The clerk of the value adjustment board and the property appraiser shall have available and shall distribute forms prescribed by the Department of Revenue on which the petition shall be made. Such petition shall be sworn to by the petitioner.

(f) An owner of contiguous, undeveloped parcels, or an owner of multiple items of tangible personal property, may file with the value adjustment board a single joint petition if the property appraiser determines such parcels or items of tangible personal property to be ~~are~~ substantially similar in nature.

(4)

(b) No later than 7 days before the hearing, if the petitioner has provided the information required under paragraph (a), and if requested in writing by the petitioner, the property appraiser shall provide to the petitioner a list of evidence to be presented at the hearing, together with copies of all documentation to be considered by the value adjustment board and a summary of evidence to be presented by witnesses. The evidence list must contain the property appraiser's property record card ~~if provided by the clerk~~. Failure of the property appraiser to timely comply with the requirements of this paragraph shall result in a rescheduling of the hearing.

Section 2. For the purpose of incorporating the amendment made by this act to section 194.011, Florida Statutes, in a reference thereto, paragraph (b) of subsection (2) of section 192.0105, Florida Statutes, is reenacted to read:

192.0105 Taxpayer rights.—There is created a Florida Taxpayer's Bill of Rights for property taxes and assessments to guarantee that the rights, privacy, and property of the

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taxpayers of this state are adequately safeguarded and protected during tax levy, assessment, collection, and enforcement processes administered under the revenue laws of this state. The Taxpayer's Bill of Rights compiles, in one document, brief but comprehensive statements that summarize the rights and obligations of the property appraisers, tax collectors, clerks of the court, local governing boards, the Department of Revenue, and taxpayers. Additional rights afforded to payors of taxes and assessments imposed under the revenue laws of this state are provided in s. 213.015. The rights afforded taxpayers to assure that their privacy and property are safeguarded and protected during tax levy, assessment, and collection are available only insofar as they are implemented in other parts of the Florida Statutes or rules of the Department of Revenue. The rights so guaranteed to state taxpayers in the Florida Statutes and the departmental rules include:

(2) THE RIGHT TO DUE PROCESS.—

(b) The right to petition the value adjustment board over objections to assessments, denial of exemption, denial of agricultural classification, denial of historic classification, denial of high-water recharge classification, disapproval of tax deferral, and any penalties on deferred taxes imposed for incorrect information willfully filed. Payment of estimated taxes does not preclude the right of the taxpayer to challenge his or her assessment (see ss. 194.011(3), 196.011(6) and (9)(a), 196.151, 196.193(1)(c) and (5), 193.461(2), 193.503(7), 193.625(2), 197.2425, 197.301(2), and 197.2301(11)).

Section 3. For the purpose of incorporating the amendment made by this act to section 194.011, Florida Statutes, in a

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reference thereto, subsection (1) of section 194.013, Florida Statutes, is reenacted to read:

194.013 Filing fees for petitions; disposition; waiver.—

(1) If so required by resolution of the value adjustment board, a petition filed pursuant to s. 194.011 shall be accompanied by a filing fee to be paid to the clerk of the value adjustment board in an amount determined by the board not to exceed \$15 for each separate parcel of property, real or personal, covered by the petition and subject to appeal. However, no such filing fee may be required with respect to an appeal from the disapproval of homestead exemption under s. 196.151 or from the denial of tax deferral under s. 197.2425. Only a single filing fee shall be charged under this section as to any particular parcel of property despite the existence of multiple issues and hearings pertaining to such parcel. For joint petitions filed pursuant to s. 194.011(3)(e) or (f), a single filing fee shall be charged. Such fee shall be calculated as the cost of the special magistrate for the time involved in hearing the joint petition and shall not exceed \$5 per parcel. Said fee is to be proportionately paid by affected parcel owners.

Section 4. For the purpose of incorporating the amendment made by this act to section 194.011, Florida Statutes, in a reference thereto, paragraph (a) of subsection (1) of section 194.032, Florida Statutes, is reenacted to read:

194.032 Hearing purposes; timetable.—

(1)(a) The value adjustment board shall meet not earlier than 30 days and not later than 60 days after the mailing of the notice provided in s. 194.011(1); however, no board hearing

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shall be held before approval of all or any part of the assessment rolls by the Department of Revenue. The board shall meet for the following purposes:

1. Hearing petitions relating to assessments filed pursuant to s. 194.011(3).

2. Hearing complaints relating to homestead exemptions as provided for under s. 196.151.

3. Hearing appeals from exemptions denied, or disputes arising from exemptions granted, upon the filing of exemption applications under s. 196.011.

4. Hearing appeals concerning ad valorem tax deferrals and classifications.

Section 5. For the purpose of incorporating the amendment made by this act to section 194.011, Florida Statutes, in a reference thereto, paragraph (a) of subsection (6) and subsection (8) of section 196.011, Florida Statutes, are reenacted to read:

196.011 Annual application required for exemption.—

(6)(a) Once an original application for tax exemption has been granted, in each succeeding year on or before February 1, the property appraiser shall mail a renewal application to the applicant, and the property appraiser shall accept from each such applicant a renewal application on a form prescribed by the Department of Revenue. Such renewal application shall be accepted as evidence of exemption by the property appraiser unless he or she denies the application. Upon denial, the property appraiser shall serve, on or before July 1 of each year, a notice setting forth the grounds for denial on the applicant by first-class mail. Any applicant objecting to such

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denial may file a petition as provided for in s. 194.011(3).

(8) Any applicant who is qualified to receive any exemption under subsection (1) and who fails to file an application by March 1, must file an application for the exemption with the property appraiser on or before the 25th day following the mailing by the property appraiser of the notices required under s. 194.011(1). Upon receipt of sufficient evidence, as determined by the property appraiser, demonstrating the applicant was unable to apply for the exemption in a timely manner or otherwise demonstrating extenuating circumstances judged by the property appraiser to warrant granting the exemption, the property appraiser may grant the exemption. If the applicant fails to produce sufficient evidence demonstrating the applicant was unable to apply for the exemption in a timely manner or otherwise demonstrating extenuating circumstances as judged by the property appraiser, the applicant may file, pursuant to s. 194.011(3), a petition with the value adjustment board requesting that the exemption be granted. Such petition must be filed during the taxable year on or before the 25th day following the mailing of the notice by the property appraiser as provided in s. 194.011(1). Notwithstanding the provisions of s. 194.013, such person must pay a nonrefundable fee of \$15 upon filing the petition. Upon reviewing the petition, if the person is qualified to receive the exemption and demonstrates particular extenuating circumstances judged by the value adjustment board to warrant granting the exemption, the value adjustment board may grant the exemption for the current year.

Section 6. This act shall take effect July 1, 2015.

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: SB 278

INTRODUCER: Senator Diaz de la Portilla

SUBJECT: Downtown Development Districts

DATE: February 13, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	White	Yeatman	CA	Favorable
2.	Babin	Diez-Arguelles	FT	Pre-meeting
3.			AP	

I. Summary:

SB 278 provides statutory authority for the 0.5 mill ad valorem taxing power granted to a Downtown Development Authority (DDA) by Chapter 65-1090, Laws of Florida. The bill allows the Miami DDA to continue levying ad valorem taxes, up to 0.5 mills, in addition to the municipality's regular ad valorem taxes and special assessments, not to exceed the 10 mills allowed under the State Constitution for municipal purposes.

The Revenue Estimating Conference has not estimated the fiscal impact of the bill.

II. Present Situation:

Downtown Development Authorities are special districts¹ whose function is "planning, coordinating, and assisting in the implementation, revitalization, and redevelopment of a specific downtown area of a city."² Fourteen DDAs are currently active in Florida, most of which were created by special act.³

Authorization of DDAs

The Florida Legislature first authorized DDAs in 1965 to remediate blighted business areas, halt further deterioration, and revitalize the central business districts of the larger cities where those conditions exist.⁴ Chapter 65-1090, L.O.F., authorized municipalities with a population in excess

¹ See generally chapter 189, F.S.

² Section 380.031(5), F.S.

³ The Special District Information Program within the Department of Economic Opportunity serves as the clearinghouse for special district information, and maintains a list of special districts categorized by function. Dep't of Economic Opportunity, Special District Accountability Program, *Official List of Special Districts Online*, available at: <https://dca.deo.myflorida.com/fhcd/sdip/OfficialListdeo/> (last visited Feb. 9, 2015).

⁴ Chapter 65-1090, at 692, Laws of Fla.

of 250,000 to establish a DDA with certain enumerated powers.⁵ The law provided that DDAs be governed by a five-member board appointed by the governing body of the municipality and chaired by the mayor of the municipality. The law authorized the governing body of the DDA to levy up to a 0.5 mill ad valorem tax on all real and personal property in the downtown district.⁶

In 1967, using the authority in Chapter 65-1090, L.O.F., the City of Miami created its DDA, and authorized it to levy an ad valorem tax.⁷ The City of Miami's DDA continues today.⁸

The Florida Constitution of 1968 granted cities and counties broad home rule authority, making general laws of local application, like Chapter 65-1090, L.O.F., obsolete. In 1971, the Legislature repealed many general laws of local application passed between 1921 and 1970.⁹ The Legislature declared that those repealed laws "shall become an ordinance of that municipality... subject to modification or repeal as are other ordinances."¹⁰

The City of Miami was the only city to create a DDA pursuant to Chapter 65-1090, L.O.F., prior to its repeal; however, between 1965 and the repeal of the general DDA authorization in 1971, four other DDAs were created by special act of the Legislature.¹¹ These DDAs were in Delray Beach,¹² Fort Lauderdale,¹³ Ocala,¹⁴ and West Palm Beach.¹⁵

The Code of the City of Miami continues to authorize up to a 0.5 mill ad valorem tax on all real and personal property in the downtown district.

The city commission is authorized to levy an additional ad valorem tax on all real and personal property in the downtown district as described in this article, not exceeding one-half mill on the dollar valuation of such property, for the purpose of financing the operation of the downtown development authority. This levy of one-half mill per dollar ad valorem tax shall be in addition to the regular ad valorem taxes and special assessments for improvements imposed by the city commission.¹⁶

In 1999, the Legislature enacted s. 166.0497, F.S., establishing procedures by which the Miami DDA could alter, amend or expand its boundaries.¹⁷

⁵ *Id.*

⁶ Chapter 65-1090, at 699, Laws of Fla.

⁷ Chapter 14, City of Miami, Florida, Code of Ordinances (1965).

⁸ Dep't of Economic Opportunity, Special District Accountability Program, *Official List of Special Districts Online*, available at: <https://dca.deo.myflorida.com/fhcd/sdip/OfficialListdeo/> (last visited Feb 9, 2015).

⁹ Chapter 71-29, Laws of Fla.

¹⁰ Chapter 71-29, at 116, Laws of Fla. Some litigation has questioned the legality of this type of transfer. *See generally Milan Investment Group, Inc., v. City of Miami, et al.*, No. 3D09-2955 (Fla. 3d DCA 2010).

¹¹ Dep't of Economic Opportunity, Special District Accountability Program, *Official List of Special Districts Online*, available at: <https://dca.deo.myflorida.com/fhcd/sdip/OfficialListdeo/> (last visited Feb 9, 2015).

¹² Chapter 71-604, Laws of Fla.

¹³ Chapter 65-1541, Laws of Fla.

¹⁴ Chapter 67-1782, Laws of Fla.

¹⁵ Chapter 67-2170, Laws of Fla.

¹⁶ Section 14-60, City of Miami, Florida, Code of Ordinances (2014).

¹⁷ Chapter 99-208, Laws of Fla.

Municipal Millage Rates

Municipal millages are composed of a general nonvoted millage, a municipal debt service millage, a general voted millage, and a dependent special district millage.¹⁸

For the purpose of fixing millage, the Florida Statutes treat the Miami DDA as a dependent special district.¹⁹ The millage rate levied by the Miami DDA for the fiscal year beginning October 1, 2014, and ending September 30, 2015, is 0.4780 mills.²⁰

III. Effect of Proposed Changes:

Section 1 amends s. 166.0497, F.S., to authorize the governing body of a municipality that created a DDA pursuant to Chapter 65-1090, L.O.F., to levy an ad valorem tax on all real and personal property in the district for financing the operation of the DDA.

The bill provides that the ad valorem tax that can be levied is limited to 0.5 mills.

Section 2 provides an effective date of July 1, 2015.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

The bill could implicate Article III, Section 10 of the State Constitution, which provides:

No special law shall be passed unless notice of intention to seek enactment thereof has been published in the manner provided by general law. Such notice shall not be necessary when the law, except the provision for referendum, is conditioned to become effective only upon approval by vote of the electors of the area affected.

¹⁸ Section 200.001(2), F.S.

¹⁹ Section 200.001(8)(e), F.S.

²⁰ Office of the Miami Dade Property Appraiser, 2014 Adopted Millage Rates, *available at* http://www.miamidade.gov/pa/millage_tables.asp (last visited Feb. 9, 2015).

The State Constitution defines a special law as a special or local law.²¹

As explained by case law:

A special law is one relating to, or designed to operate upon, particular persons or things, or one that purports to operate upon classified persons or things when classification is not permissible or the classification adopted is illegal; a local law is one relating to, or designed to operate only in, a specifically indicated part of the State, or one that purports to operate within classified territory when classification is not permissible or the classification is illegal.²²

Although the Florida Supreme Court has recognized that the Legislature has wide discretion in establishing statutory classification schemes, “[a] statute is invalid if ‘the descriptive technique is employed merely for identification rather than classification.’”²³ In determining whether the class of persons regulated by a statute is open so as to make the statute a general law as opposed to a special law that requires enactment in accordance with state constitutional provisions, the question “is not whether it is imaginable or theoretically possible that the law might be applied to others, but whether it is reasonable to expect that it will.”²⁴

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference has not reviewed the fiscal impact of the bill. The bill authorizes the City of Miami to continue to levy up to 0.5 mills on all real and personal property in the district for financing the operation of the Miami DDA.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

²¹ Fla. Const. art X, s. 12(g).

²² *Lawnwood Medical Center Inc. v. Seeger, M.D.*, 959 So. 2d 1222 (Fla. 1st DCA 2007) *affirmed by* 990 So.2d 503 (Fla. 2008).

²³ *Dep’t of Business Regulation v. Classic Mile, Inc.*, 541 So.2d 1155 (Fla. 1989); *Shelton v. Reeder*, 121 So2d 145 (Fla. 1960).

²⁴ *State, Dep’t of Bus. & Prof’l Regulation, Div. of Pari-Mutuel Wagering v. Gulfstream Park Racing Ass’n, Inc.*, 912 So. 2d 616 (Fla. Dist. Ct. App. 2005) *aff’d sub nom. Florida Dep’t of Bus. & Prof’l Regulation v. Gulfstream Park Racing Ass’n, Inc.*, 967 So. 2d 802 (Fla. 2007).

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 166.0497 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.



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LEGISLATIVE ACTION

Senate

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House

The Committee on Finance and Tax (Díaz de la Portilla)
recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 189.056, Florida Statutes, is created to
read:

189.056 Downtown Development District; Ad Valorem
Taxation.—

(1) It is the intent of the Legislature to encourage the
revitalization of downtown areas within large municipalities



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where the societal ills associated with urban blight are most prevalent. However, in recognition of the traditionally broad home rule power exercised by charter counties, the Legislature intends that this section apply only to certain counties.

(2) The governing body of a municipality with a population of more than 400,000, as determined by the Office of Economic and Demographic Research, and located within a county as defined in s. 125.011(1), may, by ordinance, levy an ad valorem tax on all real and personal property in a downtown development district of up to 0.5 mill on the taxable value of the property located therein for the purpose of financing the operation of the district. In no event may the district's millage exceed 0.5 mill. The district's millage is limited as provided in s. 200.001(8)(d) for dependent special districts.

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

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

And the title is amended as follows:

Delete everything before the enacting clause
and insert:

A bill to be entitled

An act relating to downtown development districts;
creating s. 189.056, F.S.; providing legislative
intent; authorizing the governing body of a
municipality with a certain population and located
within a certain county to levy an ad valorem tax on
all real and personal property in a downtown
development district to finance the operation of the
district; limiting the tax to a specified percentage;



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40 providing for limitation of the district's millage;
41 providing an effective date.

By Senator Diaz de la Portilla

40-00333-15

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A bill to be entitled

An act relating to downtown development districts; amending s. 166.0497, F.S.; authorizing the governing body of a municipality that has created a downtown development district to levy an ad valorem tax on all real and personal property in the district to finance the district's operation; limiting the tax to a specified percentage; providing for limitation of the district's millage; providing an effective date.

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

Section 1. Section 166.0497, Florida Statutes, is amended to read:

166.0497 Alteration, amendment, or expansion of established downtown development district; procedures; authorization to levy ad valorem tax.—

(1) Whenever the governing body of a municipality that has created a downtown development district pursuant to chapter 65-1090, Laws of Florida, determines that it is necessary to alter, amend, or expand the boundaries of the established district by the inclusion of additional territory or the exclusion of lands from the limits of the established district, in order to revitalize and preserve property values or to prevent deterioration in the original district or its surrounding areas, it shall, by resolution, declare its intention to do so.

(2) In the resolution of intent, the governing body shall set a date for a public hearing on adoption of an ordinance altering, amending, or expanding the district and describing the

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40-00333-15

2015278__

new proposed district. Upon the adoption of the resolution, the governing body shall cause a notice of the public hearing to be published in a newspaper of general circulation published in the municipality, which notice shall be published one time not less than 30 nor more than 60 days prior to the date of the hearing. The notice shall set forth the date, time, and place of the hearing and shall describe the new proposed boundaries of the district. Any citizen, taxpayer, or property owner shall have the right to be heard in opposition to the proposed amendment or expansion of the district. After the public hearing, if the governing body intends to proceed with the amendment or expansion of the district, it shall, in the manner authorized by law, adopt an ordinance defining the new district. The governing body shall not incorporate land into the district not included in the description contained in the resolution and the notice of public hearing, but it may eliminate any lands from that description when it adopts the ordinance containing the final determination of the boundaries.

(3) The governing body may levy an ad valorem tax on all real and personal property in the district of up to 0.5 mill on the taxable value of the property for the purpose of financing the operation of the district. The district's millage is limited as provided under s. 200.001(8)(d).

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

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The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Finance and Tax

BILL: SPB 7014

INTRODUCER: For consideration by the Finance and Tax Committee

SUBJECT: Corporate Income Tax

DATE: January 30, 2015 REVISED: 02/13/15 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Babin</u>	<u>Diez-Arguelles</u>	<u></u>	<u>Pre-meeting</u>

I. Summary:

SPB 7014 updates Florida's corporate Income Tax Code by adopting the Internal Revenue Code as in effect on January 1, 2015.

The Tax Increase Prevention Act of 2014 grants extraordinary deductions for capital asset expensing and depreciation. Similar to past treatment, the bill requires Florida taxpayers to spread the benefit of these deductions over a seven year period.

The bill authorizes the Department of Revenue to adopt emergency rules to implement the bill.

The Revenue Estimating Conference has estimated that the bill will have an indeterminate impact on revenues deposited in the General Revenue Fund.

II. Present Situation:

Florida imposes a 5.5 percent tax on the taxable income of corporations and financial institutions doing business in Florida. The determination of taxable income for Florida tax purposes begins with the taxable income determined for federal income tax purposes. This means that a corporation paying taxes in Florida receives the same treatment in Florida as is allowed in determining its federal taxable income.

Florida maintains its relationship with the federal Internal Revenue Code by each year adopting the federal Internal Revenue Code as it exists on January 1 of the year. By doing this, Florida adopts any changes that were made in the previous year to the determination of federal taxable income.

III. Effect of Proposed Changes:

General Update

The bill updates the Florida Corporate Income Tax Code to reflect changes in the federal Internal Revenue Code enacted by Congress. The bill takes effect upon becoming a law and operates retroactively to January 1, 2015.

Additions Due to Bonus Depreciation and Increased Expensing

President Obama signed into law the Tax Increase Prevention Act of 2014¹ on December 19, 2014. The act contained several significant amendments to the Internal Revenue Code, two of which affect Florida's corporate tax receipts.

The Internal Revenue Code allows a taxpayer to deduct the cost of capital assets by deducting a portion of the cost over the useful life of the property (depreciation).² Additionally, the Internal Revenue Code allows a taxpayer to treat a certain amount of the cost of capital assets as a business expense that can be taken entirely in the year of purchase (expensing).³ Until recently, the amount that could be expensed was limited to \$25,000.

Similar to other federal legislation during the past several years,⁴ the Tax Increase Prevention Act of 2014 grants an additional depreciation deduction (bonus depreciation) and increases the expensing limitation. The Tax Prevention Act of 2014 grants a first-year bonus depreciation amount of 50 percent of the cost of the property placed in service during 2014 and increases the expensing limitation to \$500,000 for taxable years beginning in 2014.

The Revenue Estimating Conference has estimated that the adoption of the Internal Revenue Code, including the bonus depreciation and increased expensing limitation provisions, would result in a reduction of \$180 million in corporate tax receipts in Fiscal Year 2015-2016 and increased tax receipts in subsequent years.

In order to mitigate the Fiscal Year 2015-2016 fiscal impact of the increased federal deductions on Florida, the bill requires taxpayers to spread the effect of these increased deductions over seven taxable years. The bill accomplishes this by requiring taxpayers to "add-back" the bonus depreciation deduction and the amount of the increased expensing deduction above \$128,000. The taxpayer is then permitted to subtract from income one-seventh (1/7) of these deductions for the current taxable year and the following six

¹ Pub. Law No. 113-295, H.R. 5771, 113th Cong. (December 19, 2014).

² See generally ss. 167 and 168, Internal Revenue Code

³ See generally s. 179, Internal Revenue Code

⁴ The Economic Stimulus Act of 2008, the American Recovery and Reinvestment Act of 2009, the Small Business Jobs Act of 2010, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, and the American Taxpayer Relief Act of 2012.

taxable years. This mechanism was used to address the impacts of similar federal legislation in 2009, 2011, and 2013.⁵

The bill grants the Department of Revenue emergency rulemaking authority to implement the provisions of the bill.

The bill is effective upon becoming law and operates retroactively to January 1, 2015.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference has estimated that the bill will have an indeterminate impact on revenues deposited in the General Revenue Fund.

B. Private Sector Impact:

By adopting recent changes to the Internal Revenue Code, Florida provides ease of administration for Florida corporate taxpayers.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

⁵ Chapters 2009-132, 2011-229 and 2013-40, Laws of Fla.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: ss. 220.03 and 220.13.

The bill reenacts the following sections of the Florida Statutes: ss. 220.15, 220.191, 220.192, 220.63, 220.64, and 1009.97.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.



848556

LEGISLATIVE ACTION

Senate

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House

The Committee on Finance and Tax (Hukill) recommended the following:

Senate Amendment (with title amendment)

Delete lines 118 - 127

and insert:

Section 4. For the purpose of incorporating the amendment made by this act to section 220.03, Florida Statutes, in a reference thereto, paragraph (1) of subsection (3) of section 1009.97, Florida Statutes, is reenacted to read:

1009.97 General provisions.—

(3) DEFINITIONS.—As used in ss. 1009.97-1009.984, the term:



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(1) "Internal Revenue Code" means the Internal Revenue Code of 1986, as defined in s. 220.03(1), and regulations adopted pursuant thereto.

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

And the title is amended as follows:

Delete lines 12 - 16

and insert:

F.S., relating to prepaid college board programs, to incorporate the amendment made to s. 220.03, F.S., in a reference thereto; providing for

FOR CONSIDERATION By the Committee on Finance and Tax

593-01055-15

20157014pb

A bill to be entitled

An act relating to the corporate income tax; amending s. 220.03, F.S.; adopting the 2015 version of the Internal Revenue Code; amending s. 220.13, F.S.; incorporating a reference to a recent federal act into state law for the purpose of defining the term "adjusted federal income"; revising the treatment by this state of certain depreciation and expensing of assets that are allowed for federal income tax purposes; authorizing the Department of Revenue to adopt emergency rules; reenacting s. 1009.97(3)(1), F.S., to incorporate the amendment made to s. 220.03, F.S., in a reference thereto; reenacting ss. 220.15(1), 220.191(1)(d), 220.192(2), 220.63(3), and 220.64, F.S., to incorporate the amendments made to s. 220.13, F.S., in references thereto; providing for retroactive application; providing an effective date.

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

Section 1. Paragraph (n) of subsection (1) and paragraph (c) of subsection (2) of section 220.03, Florida Statutes, are amended to read:

220.03 Definitions.—

(1) SPECIFIC TERMS.—When used in this code, and when not otherwise distinctly expressed or manifestly incompatible with the intent thereof, the following terms shall have the following meanings:

(n) "Internal Revenue Code" means the United States

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Internal Revenue Code of 1986, as amended and in effect on January 1, ~~2015~~ ~~2014~~, except as provided in subsection (3).

(2) DEFINITIONAL RULES.—When used in this code and neither otherwise distinctly expressed nor manifestly incompatible with the intent thereof:

(c) Any term used in this code has the same meaning as when used in a comparable context in the Internal Revenue Code and other statutes of the United States relating to federal income taxes, as such code and statutes are in effect on January 1, 2015 ~~2014~~. However, if subsection (3) is implemented, the meaning of a term shall be taken at the time the term is applied under this code.

Section 2. Paragraph (e) of subsection (1) of section 220.13, Florida Statutes, is amended to read:

220.13 "Adjusted federal income" defined.—

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

(e) *Adjustments related to federal acts.*—Taxpayers shall be required to make the adjustments prescribed in this paragraph for Florida tax purposes with respect to certain tax benefits received pursuant to the Economic Stimulus Act of 2008, the American Recovery and Reinvestment Act of 2009, the Small Business Jobs Act of 2010, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, ~~and~~ the American Taxpayer Relief Act of 2012, and the Tax Increase Prevention Act of 2014.

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1. There shall be added to such taxable income an amount equal to 100 percent of any amount deducted for federal income tax purposes as bonus depreciation for the taxable year pursuant to ss. 167 and 168(k) of the Internal Revenue Code of 1986, as amended by s. 103 of Pub. L. No. 110-185, s. 1201 of Pub. L. No. 111-5, s. 2022 of Pub. L. No. 111-240, s. 401 of Pub. L. No. 111-312, ~~and~~ s. 331 of Pub. L. No. 112-240, and s. 125 of Pub. L. No. 113-295, for property placed in service after December 31, 2007, and before January 1, 2015 ~~2014~~. For the taxable year and for each of the 6 subsequent taxable years, there shall be subtracted from such taxable income an amount equal to one-seventh of the amount by which taxable income was increased pursuant to this subparagraph, notwithstanding any sale or other disposition of the property that is the subject of the adjustments and regardless of whether such property remains in service in the hands of the taxpayer.

2. There shall be added to such taxable income an amount equal to 100 percent of any amount in excess of \$128,000 deducted for federal income tax purposes for the taxable year pursuant to s. 179 of the Internal Revenue Code of 1986, as amended by s. 102 of Pub. L. No. 110-185, s. 1202 of Pub. L. No. 111-5, s. 2021 of Pub. L. No. 111-240, s. 402 of Pub. L. No. 111-312, ~~and~~ s. 315 of Pub. L. No. 112-240, and s. 127 of Pub. L. No. 113-295, for taxable years beginning after December 31, 2007, and before January 1, 2015 ~~2014~~. For the taxable year and for each of the 6 subsequent taxable years, there shall be subtracted from such taxable income one-seventh of the amount by which taxable income was increased pursuant to this subparagraph, notwithstanding any sale or other disposition of

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the property that is the subject of the adjustments and regardless of whether such property remains in service in the hands of the taxpayer.

3. There shall be added to such taxable income an amount equal to the amount of deferred income not included in such taxable income pursuant to s. 108(i)(1) of the Internal Revenue Code of 1986, as amended by s. 1231 of Pub. L. No. 111-5. There shall be subtracted from such taxable income an amount equal to the amount of deferred income included in such taxable income pursuant to s. 108(i)(1) of the Internal Revenue Code of 1986, as amended by s. 1231 of Pub. L. No. 111-5.

4. Subtractions available under this paragraph may be transferred to the surviving or acquiring entity following a merger or acquisition and used in the same manner and with the same limitations as specified by this paragraph.

5. The additions and subtractions specified in this paragraph are intended to adjust taxable income for Florida tax purposes, and, notwithstanding any other provision of this code, such additions and subtractions shall be permitted to change a taxpayer's net operating loss for Florida tax purposes.

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

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

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117 (3) This section expires January 1, 2018.
118 Section 4. Paragraph (1) of subsection (3) of s. 1009.97,
119 Florida Statutes, is reenacted for the purpose of incorporating
120 the amendment made by this act to s. 220.03, Florida Statutes,
121 in a reference thereto.
122 Section 5. Subsection (1) of s. 220.15, paragraph (d) of
123 subsection (1) of s. 220.191, subsection (2) of s. 220.192,
124 subsection (3) of s. 220.63, and s. 220.64, Florida Statutes,
125 are reenacted for the purpose of incorporating the amendments
126 made by this act to s. 220.13, Florida Statutes, in references
127 thereto.
128 Section 6. This act shall take effect upon becoming a law
129 and shall operate retroactively to January 1, 2015.