

By Senators McKay and Latvala

312-937-98

1                                   A bill to be entitled  
 2           An act relating to contaminated site  
 3           rehabilitation tax credits; creating s.  
 4           199.1055, F.S.; providing for a contaminated  
 5           site rehabilitation tax credit against the  
 6           intangible personal property tax; authorizing  
 7           the Department of Revenue to adopt rules;  
 8           amending s. 220.02, F.S.; providing for an  
 9           additional cross-reference; creating s.  
 10          220.1845, F.S.; providing for a contaminated  
 11          site rehabilitation tax credit against the  
 12          corporate income tax; authorizing the  
 13          Department of Revenue to adopt rules; creating  
 14          s. 376.30714, F.S.; providing for a partial tax  
 15          credit for the rehabilitation of drycleaning  
 16          solvent contaminated sites and brownfield sites  
 17          contaminated with hazardous substances;  
 18          providing for the Department of Environmental  
 19          Protection to determine eligibility for such  
 20          partial credits; specifying what the  
 21          application must contain; providing for a  
 22          nonrefundable review fee; requiring the  
 23          taxpayer to submit to the Department of Revenue  
 24          the Department of Environmental Protection's  
 25          letter of approval and other specified  
 26          documents; providing an effective date.

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

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 30           Section 1.   Section 199.1055, Florida Statutes, is  
 31   created to read:

1           199.1055 Contaminated site rehabilitation tax  
2 credit.--  
3           (1) AUTHORIZATION FOR TAX CREDIT; LIMITATIONS.--  
4           (a) A credit in the amount of 25 percent of the costs  
5 of voluntary rehabilitation of drycleaning solvent  
6 contaminated sites eligible for state funding assistance under  
7 s. 376.3078(3) or a brownfield site in a brownfield area  
8 designated under s. 376.80 is allowed against any tax due for  
9 a taxable year under s. 199.032, less any credit allowed by s.  
10 220.68 for that year.  
11           (b) A taxpayer may not receive more than \$125,000 in  
12 tax credits for each site approved.  
13           (c) The total amount of the tax credits which may be  
14 granted under this section and s. 220.1845 is \$5 million  
15 annually.  
16           (d) If the credit granted under this section is not  
17 fully used in any one year because of insufficient tax  
18 liability on the part of the taxpayer, the unused amount may  
19 be carried forward for a period not to exceed 5 years.  
20           (e) A taxpayer that receives a credit under s.  
21 220.1845 is ineligible to receive credit under this section.  
22           (f) A taxpayer that receives state funding pursuant to  
23 s. 376.3078(3) for rehabilitation of a drycleaning solvent  
24 contaminated site is ineligible to receive credit under this  
25 section for costs incurred in conjunction with the  
26 rehabilitation of that site.  
27           (2) FILING REQUIREMENTS.--Any taxpayer that wishes to  
28 obtain credit under this section must submit with its return:  
29           (a) The application submitted to the Department of  
30 Environmental Protection under s. 376.30714.  
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1           (b) The letter of approval from the Department of  
2 Environmental Protection.

3           (d) Records of payment made as specified in s.  
4 376.30714(4).

5           (3) ADMINISTRATION.--The Department of Revenue may  
6 adopt rules necessary to administer this section.

7           Section 2. Subsection (10) of section 220.02, Florida  
8 Statutes, is amended to read:

9           220.02 Legislative intent.--

10           (10) It is the intent of the Legislature that credits  
11 against either the corporate income tax or the franchise tax  
12 be applied in the following order: those enumerated in s.  
13 220.68, those enumerated in s. 631.719(1), those enumerated in  
14 s. 631.705, those enumerated in s. 220.18, those enumerated in  
15 s. 631.828, those enumerated in s. 220.181, those enumerated  
16 in s. 220.183, those enumerated in s. 220.182, those  
17 enumerated in s. 220.1895, those enumerated in s. 221.02,  
18 those enumerated in s. 220.184, those enumerated in s.  
19 220.186, ~~and~~ those enumerated in s. 220.188, and those  
20 enumerated in s. 220.1845.

21           Section 3. Section 220.1845, Florida Statutes, is  
22 created to read:

23           220.1845 Contaminated site rehabilitation tax  
24 credit.--

25           (1) AUTHORIZATION FOR TAX CREDIT; LIMITATIONS.--

26           (a) A credit in the amount of 25 percent of the costs  
27 of voluntary rehabilitation of drycleaning solvent  
28 contaminated sites eligible for state funding assistance under  
29 s. 376.3078(3) or a brownfield site in a brownfield area  
30 designated under s. 376.80 is allowed against any tax due for  
31 a taxable year under this chapter.

1           (b) A corporation may not receive more than \$125,000  
2 in tax credits for each site approved.

3           (c) The total amount of the tax credits which may be  
4 granted under this section and s. 199.1055 is \$5 million  
5 annually.

6           (d) If the credit granted under this section is not  
7 fully used in any one year because of insufficient tax  
8 liability on the part of the corporation, the unused amount  
9 may be carried forward for a period not to exceed 5 years. The  
10 carryover credit may be used in a subsequent year when the tax  
11 imposed by this chapter for that year exceeds the credit for  
12 which the corporation is eligible in that year under this  
13 section after applying the other credits and unused carryovers  
14 in the order provided by s. 220.02(10).

15           (e) A taxpayer that files a consolidated return in  
16 this state as a member of an affiliated group under s.  
17 220.131(1) may be allowed the credit on a consolidated return  
18 basis up to the amount of tax imposed upon and paid by the  
19 taxpayer that incurred the rehabilitation costs.

20           (f) A taxpayer that is eligible to receive credit  
21 under s. 199.1055 is ineligible to receive credit under this  
22 section.

23           (g) A taxpayer that receives state funding under s.  
24 376.3078(3) for rehabilitation of a drycleaning solvent  
25 contaminated site is ineligible to receive credit under this  
26 section for costs incurred in association with the  
27 rehabilitation of that site.

28           (2) FILING REQUIREMENTS.--Any corporation that wishes  
29 to obtain credit under this section must submit with its  
30 return:

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1           (a) The application submitted to the Department of  
2 Environmental Protection under s. 376.30714.

3           (b) The letter of approval from the Department of  
4 Environmental Protection.

5           (c) All contracts and contract negotiations for the  
6 rehabilitation.

7           (d) Records of payment made as specified in s.  
8 376.30714(4).

9           (3) ADMINISTRATION.--The department may adopt all  
10 rules necessary to administer this section.

11           Section 4. Section 376.30714, Florida Statutes, is  
12 created to read:

13           376.30714 Partial tax credits for rehabilitation of  
14 drycleaning solvent contaminated sites and brownfield sites  
15 contaminated with hazardous substances.--

16           (1) The Legislature finds that:

17           (a) To facilitate property transactions and economic  
18 growth and development, it is in the interest of the state to  
19 encourage the cleanup, at the earliest possible time, of  
20 drycleaning solvent contaminated sites and contaminated sites  
21 in a designated brownfield area.

22           (b) It is the intent of the Legislature to encourage  
23 the voluntary cleanup of brownfield sites by providing a  
24 partial tax credit for the restoration of such property in  
25 specified circumstances.

26           (2) An owner, operator, or real-property owner is  
27 eligible for a tax credit of 25 percent of the actual cost of  
28 cleanup activity up to a maximum credit of \$125,000 for each  
29 tax year.

30           (3) The department may approve a total of no more than  
31 \$5 million of partial tax credits for voluntary cleanup

1 activities per tax year. Approval of partial tax credits must  
2 be accomplished on a first-come, first-served basis based upon  
3 the date complete applications are received by the Division of  
4 Waste Management. Any eligible person conducting or proposing  
5 to conduct voluntary cleanup may apply for a tax credit. Such  
6 applications for tax credit must be submitted to the  
7 department on forms provided by the department. Upon approval  
8 of the application, the department must issue a written  
9 decision granting or denying eligibility for partial tax  
10 credit. An application must consist of:  
11 (a) Proof of eligibility under s. 376.3078(3).  
12 (b) A contamination assessment report.  
13 (c) A proposed course of action with estimated costs  
14 per tax year.  
15 (d) Payment of all deductibles pursuant to s.  
16 376.3078(3)(d).  
17 (e) A nonrefundable review fee of \$250 to cover the  
18 administrative costs associated with departmental review of  
19 the application.  
20 (4) To receive the partial tax credit under s.  
21 199.1055 or s. 220.1845, the taxpayer must submit to the  
22 Department of Revenue the department's letter of approval,  
23 copies of contracts and documentation of contract  
24 negotiations, and accounts, invoices, sales tickets, or other  
25 payment records from purchases, sales, leases, or other  
26 transactions involving approved and actual costs incurred for  
27 that tax year related to site rehabilitation.  
28 (5) An owner, operator, or real-property owner who  
29 receives a tax credit pursuant to s. 199.1055 or s. 220.1845  
30 for costs incurred in conjunction with the rehabilitation  
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1 activities is ineligible for state funding assistance under s.  
2 376.3078(3) for those costs.

3 Section 5. This act shall take effect July 1, 1998.

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SENATE SUMMARY

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Provides for tax credits for rehabilitating contaminated sites. Provides for a tax credit against the intangible personal property tax. Authorizes rulemaking. Provides for a tax credit against the corporate income tax. Authorizes rulemaking. Provides for a partial tax credit for the rehabilitation of sites contaminated by drycleaning solvent and of brownfield sites contaminated with hazardous substances. Provides for the Department of Environmental Protection to determine eligibility for such partial credits. Specifies the contents of applications for the tax credits. Provides for a nonrefundable review fee. Requires the taxpayer to submit specified documents to the Department of Revenue.