

By Senators Bronson and Grant

18-273A-98

See HB

1                                   A bill to be entitled  
2           An act relating to capital investment tax  
3           credits; creating s. 220.191, F.S.; providing  
4           definitions; providing for a credit against the  
5           corporate income tax for certain capital costs;  
6           providing requirements; providing limitations;  
7           providing for certification of eligibility by  
8           the Office of Tourism, Trade, and Economic  
9           Development; providing duties of the Department  
10          of Revenue; authorizing the office to develop  
11          certification guidelines and application  
12          materials; providing an effective date.

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

16           Section 1. Section 220.191, Florida Statutes, is  
17 created to read:

18           220.191 Capital investment tax credit.--

19           (1) DEFINITIONS.--For purposes of this section:

20           (a) "Commencement of operations" means the beginning  
21 of active operations by a qualifying business of the principal  
22 function for which a qualifying project was constructed.

23           (b) "Cumulative capital investment" means the total  
24 capital investment in land, buildings, and equipment made in  
25 connection with a qualifying project during the period from  
26 the beginning of construction of the project to the  
27 commencement of operations.

28           (c) "Eligible capital costs" means all expenses  
29 incurred by a qualifying business in connection with the  
30 acquisition, construction, installation, and equipping of a  
31 qualifying project during the period from the beginning of

1 construction of the project to the commencement of operations,  
2 including, but not limited to:

3 1. The costs of acquiring, constructing, installing,  
4 equipping, and financing a qualifying project, including all  
5 obligations incurred for labor and obligations to contractors,  
6 subcontractors, builders, and materialmen.

7 2. The costs of acquiring land or rights to land and  
8 any cost incidental thereto, including recording fees.

9 3. The costs of architectural and engineering  
10 services, including test borings, surveys, estimates, plans  
11 and specifications, preliminary investigations, environmental  
12 mitigation, and supervision of construction, as well as the  
13 performance of all duties required by or consequent to the  
14 acquisition, construction, installation, and equipping of a  
15 qualifying project.

16 4. The costs associated with the installation of  
17 fixtures and equipment; surveys, including archeological and  
18 environmental surveys; site tests and inspections; subsurface  
19 site work and excavation; removal of structures, roadways, and  
20 other surface obstructions; filling, grading, paving, and  
21 provisions for drainage, storm water retention, and  
22 installation of utilities, including water, sewer, sewage  
23 treatment, gas, electricity, communications, and similar  
24 facilities; and offsite construction of utility extensions to  
25 the boundaries of the property.

26  
27 Eligible capital costs shall not include the cost of any  
28 property previously owned or leased by the qualifying  
29 business.

30 (d) "Jobs" means full-time equivalent positions, as  
31 such term is consistent with terms used by Department of Labor

1 and Employment Security and the United States Department of  
2 Labor for purposes of unemployment tax administration and  
3 employment estimation, resulting directly from a project in  
4 this state. Such term does not include temporary construction  
5 jobs involved in the construction of the project facility.

6 (e) "Office" means the Office of Tourism, Trade and  
7 Economic Development.

8 (f) "Qualifying business" means a business which  
9 establishes a qualifying project in this state and which is  
10 certified by the office to receive tax credits pursuant to  
11 this section.

12 (g) "Qualifying project" means a new or expanding  
13 facility in this state which creates at least 100 new jobs in  
14 this state and is in one of the high-impact sectors identified  
15 by Enterprise Florida, Inc., pursuant to s. 288.108(6),  
16 including, but not limited to, aviation, aerospace,  
17 automotive, and silicon technology industries.

18 (2) An annual credit against the tax imposed by this  
19 chapter shall be granted to any qualifying business in an  
20 amount equal to 5 percent of the eligible capital costs  
21 generated by a qualifying project, for a period not to exceed  
22 20 years beginning with the commencement of operations of the  
23 project. The tax credit shall be granted against only the  
24 corporate income tax liability generated by or arising out of  
25 the qualifying project and the sum of all tax credits provided  
26 pursuant to this section shall not exceed 100 percent of the  
27 eligible capital costs of the project. In no event may any  
28 credit granted under this section be carried forward or  
29 backward by any qualifying business with respect to a  
30 subsequent or prior year. The annual tax credit granted under  
31 this section shall not exceed the following percentages of the

1 annual corporate income tax liability generated by or arising  
2 out of a qualifying project:

3 (a) One hundred percent for a qualifying project which  
4 results in a cumulative capital investment of at least \$100  
5 million.

6 (b) Seventy-five percent for a qualifying project  
7 which results in a cumulative capital investment of at least  
8 \$50 million but less than \$100 million.

9 (c) Fifty percent for a qualifying project which  
10 results in a cumulative capital investment of at least \$25  
11 million but less than \$50 million.

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13 A qualifying project which results in a cumulative capital  
14 investment of less than \$25 million is not eligible for the  
15 capital investment tax credit.

16 (3) Prior to receiving tax credits pursuant to this  
17 section, a qualifying business must achieve and maintain the  
18 minimum employment goals beginning with the commencement of  
19 operations at a qualifying project and continuing each year  
20 thereafter during which tax credits are available pursuant to  
21 this section.

22 (4) The office, upon a recommendation by Enterprise  
23 Florida, Inc., shall first certify a business as eligible to  
24 receive tax credits pursuant to this section prior to the  
25 commencement of operations of a qualifying project and such  
26 certification shall be transmitted to the Department of  
27 Revenue. Upon receipt of the certification, the Department of  
28 Revenue shall enter into a written agreement with the  
29 qualifying business specifying, at a minimum, the method by  
30 which income generated by or arising out of the qualifying  
31 project will be determined.

1           (5) The office, in consultation with Enterprise  
2 Florida, Inc., is authorized to develop the necessary  
3 guidelines and application materials for the certification  
4 process described in subsection (4).

5           Section 2. This act shall take effect July 1 of the  
6 year in which enacted.

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9           HOUSE SUMMARY

10           Provides for a credit against the corporate income tax  
11           for capital investment costs relating to the constructing  
12           and operating projects to manufacture and assemble space  
13           launch vehicles for commercial or government payloads.  
14           Provides for a graduated amount of credit determined by  
15           the amount of cumulative capital investment. See bill for  
16           details.  
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