

Amendment No. \_\_\_\_ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
1		.	
2		.	
3		.	
4		.	

ORIGINAL STAMP BELOW

11 The Committee on General Government Appropriations offered the  
12 following:

14 **Amendment (with title amendment)**

15 Remove from the bill: Everything after the enacting clause  
16  
17 and insert in lieu thereof:

18 Section 1. Subsection (10) of section 220.02, Florida  
19 Statutes, is amended to read:

20 220.02 Legislative intent.--

21 (10) It is the intent of the Legislature that credits  
22 against either the corporate income tax or the franchise tax  
23 be applied in the following order: those enumerated in s.  
24 220.68, ~~those enumerated in s. 631.719(1), those enumerated in~~  
25 ~~s. 631.705,~~ those enumerated in s. 220.18, those enumerated in  
26 s. 631.828, those enumerated in s. 220.181, those enumerated  
27 in s. 220.183, those enumerated in s. 220.182, those  
28 enumerated in s. 220.1895, those enumerated in s. 221.02,  
29 those enumerated in s. 220.184, those enumerated in s.  
30 220.186, ~~and~~ those enumerated in s. 220.188, and those  
31 enumerated in s. 220.19.

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1           Section 2. Paragraph (cc) of subsection (1) of section  
2 220.03, Florida Statutes, is amended, and paragraph (gg) is  
3 added to said subsection, to read:

4           220.03 Definitions.--

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

9           (cc) "Child care facility startup costs" means  
10 expenditures for substantial renovation, equipment, including  
11 playground equipment and kitchen appliances and cooking  
12 equipment, and real property, including land and improvements,  
13 and for reduction of debt, made in connection with used to  
14 establish a child care facility as defined by s. 402.302(4),  
15 or any facility providing daily care to children who are  
16 mildly ill, which is located in this the state on the  
17 taxpayer's premises or within 5 miles of the employees'  
18 workplace and used exclusively by the employees of the  
19 taxpayer.

20           (gg) "Operation of a child care facility" means  
21 operation of a child care facility as defined by s. 402.302,  
22 or any facility providing daily care to children who are  
23 mildly ill, which is located in this state within 5 miles of  
24 at least one place of business of the taxpayer and which is  
25 used by the employees of the taxpayer.

26           Section 3. Section 220.12, Florida Statutes, is  
27 amended to read:

28           220.12 "Net income" defined.--For purposes of this  
29 code, a taxpayer's net income for a taxable year shall be its  
30 adjusted federal income, or that share of its adjusted federal  
31 income for such year which is apportioned to this state under

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1 s. 220.15, plus nonbusiness income allocated to this state  
2 pursuant to s. 220.16, ~~less child care facility startup costs~~  
3 ~~as defined by s. 220.03(1)(dd)~~, less the exemption allowed by  
4 s. 220.14.

5 Section 4. Section 220.19, Florida Statutes, is  
6 created to read:

7 220.19 Child care tax credits.--

8 (1) AUTHORIZATION TO GRANT TAX CREDITS; LIMITATIONS.--

9 (a)1. A credit of 50 percent of the startup costs of  
10 child care facilities operated by a corporation for its  
11 employees is allowed against any tax due for a taxable year  
12 under this chapter. A credit against such tax is also allowed  
13 for the operation of a child care facility by a corporation  
14 for its employees, which credit is in the amount of \$50 per  
15 month for each child enrolled in the facility.

16 2. A credit is allowed against any tax due for a  
17 taxable year under this chapter for any taxpayer that makes  
18 payments directly to a child care facility as defined by s.  
19 402.302 which is licensed in accordance with s. 402.305, or to  
20 any facility providing daily care to children who are mildly  
21 ill, which payments are made in the name of and for the  
22 benefit of an employee of the taxpayer in this state whose  
23 child attends the child care facility during the employee's  
24 working hours. The credit shall be an amount equal to 50  
25 percent of the amount of such child care payments.

26 (b) A corporation may not receive more than \$50,000 in  
27 annual tax credits for all approved child care costs that the  
28 corporation incurs in any one year.

29 (c) The total amount of tax credits which may be  
30 granted for all programs approved under this section and s.  
31 624.5107 is \$2 million annually.

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1           (d) An application for tax credit under this section  
2 must be approved by the executive director of the department.

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

12           (f) If a corporation receives a credit for child care  
13 facility startup costs, and the facility fails to operate for  
14 at least 5 years, a pro rata share of the credit must be  
15 repaid, in accordance with the formula:  $A = C \times (1 - (N/60))$ ,  
16 where:

17           1. "A" is the amount in dollars of the required  
18 repayment.

19           2. "C" is the total credits taken by the corporation  
20 for child care facility startup costs.

21           3. "N" is the number of months the facility was in  
22 operation.

23  
24 This repayment requirement is inapplicable if the corporation  
25 goes out of business or can demonstrate to the department that  
26 its employees no longer want to have a child care facility.

27           (g) A taxpayer that files a consolidated return in  
28 this state as a member of an affiliated group under s.  
29 220.131(1) may be allowed the credit on a consolidated return  
30 basis.

31           (h) A taxpayer that is eligible to receive credit

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1 under s. 624.5107 is ineligible to receive credit under this  
2 section.

3 (2) ELIGIBILITY REQUIREMENTS.--

4 (a) A child care facility with respect to which a  
5 corporation claims a child care tax credit must be a child  
6 care facility as defined by s. 402.302 and must be licensed in  
7 accordance with s. 402.305, or must be a facility providing  
8 daily care to children who are mildly ill.

9 (b) The services of a child care facility for which a  
10 corporation claims a child care tax credit under subparagraph  
11 (1)(a)1. must be available to all employees of the  
12 corporation, or must be allocated on a first-come,  
13 first-served basis, and must be used by employees of the  
14 taxpayer.

15 (c) Two or more corporations may join together to  
16 start and to operate a child care facility according to the  
17 provisions of this section. If two or more corporations choose  
18 to jointly operate a child care facility, or cause a  
19 not-for-profit corporation to operate the child care facility,  
20 the corporations must file a joint application or the  
21 not-for-profit corporation may file the application with the  
22 department, pursuant to subsection (3), setting forth their  
23 proposal. The participating corporations may proportion the  
24 annual child care costs credits in any manner they choose as  
25 appropriate, but no jointly operated corporate child care  
26 facility established under this section may receive more than  
27 \$50,000 in annual tax credits for all approved child care  
28 costs that the participating corporations incur in any one  
29 year.

30 (d) Child care payments for which a corporation claims  
31 a credit under subparagraph (1)(a)2. shall not exceed the

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1 amount charged by the child care facility to other children of  
2 like age and abilities of persons not employed by the  
3 corporation.

4 (3) APPLICATION REQUIREMENTS.--Any corporation that  
5 wishes to participate in this program must submit to the  
6 department an application for tax credit which sets forth the  
7 proposal for establishing a child care facility for the use of  
8 its employees or for payment of the cost of child care for its  
9 employees. This application must state the anticipated  
10 startup costs and the number of children to be enrolled, in  
11 the case of credit claimed under subparagraph (1)(a)1., or the  
12 number of children for whom child care costs will be paid, in  
13 the case of credit claimed under subparagraph (1)(a)2.

14 (4) ADMINISTRATION.--

15 (a) The Department of Revenue may adopt all rules  
16 pursuant to the Administrative Procedures Act to administer  
17 this section, including rules for the approval or disapproval  
18 of proposals submitted by corporations and rules to provide  
19 for cooperative arrangements between for-profit and  
20 not-for-profit corporations.

21 (b) The executive director's decision to approve or  
22 disapprove a proposal must be in writing, and, if the proposal  
23 is approved, the decision must state the maximum credit  
24 allowable to the corporation.

25 (c) All approvals for the granting of the tax credit  
26 require prior verification by the Department of Children and  
27 Family Services or local licensing agency that the corporation  
28 meets the licensure requirements as defined in s. 402.302 and  
29 is currently licensed in accordance with s. 402.305, or is a  
30 facility providing daily care to children who are mildly ill.

31 (d) Verification of the child care provider as an

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1 approved facility must be in writing, and must be attached to  
2 the credit application form submitted to the Department of  
3 Revenue.

4 (5) EXPIRATION.--This section expires on June 30,  
5 2008, except that paragraph (1)(e), which relates to carryover  
6 credits, and paragraph (1)(f), which relates to repaying tax  
7 credits in specified circumstances, do not expire on that  
8 date.

9 (6) MEANING OF CORPORATION.--As used in this section,  
10 the term "corporation" includes all general partnerships,  
11 limited partnerships, unincorporated businesses, and all other  
12 business entities which are owned or controlled by the parent  
13 corporation.

14 Section 5. Section 624.5107, Florida Statutes, is  
15 created to read:

16 624.5107 Child care tax credits; definitions;  
17 authorization; limitations; eligibility and application  
18 requirements; administration; expiration.--

19 (1) DEFINITIONS.--As used in this section:

20 (a) "Child care facility startup costs" means  
21 expenditures for substantial renovation, equipment, including  
22 playground equipment and kitchen appliances and cooking  
23 equipment, real property, including land and improvements, and  
24 for reduction of debt, made in connection with the  
25 establishment of a child care facility as defined by s.  
26 402.302, or any facility providing daily care to children who  
27 are mildly ill, which is located in this state on the  
28 insurer's premises and used by the employees of the insurer.

29 (b) "Operation of a child care facility" means  
30 operation of a child care facility as defined by s. 402.302,  
31 or any facility providing daily care to children who are

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1 mildly ill, which is located in this state within 5 miles of  
2 at least one place of business of the insurer and which is  
3 used by the employees of the insurer.

4 (c) "Department" means the Department of Revenue.

5 (d) "Executive director" means the executive director  
6 of the Department of Revenue.

7 (2) AUTHORIZATION TO GRANT TAX CREDITS; LIMITATIONS.--

8 (a)1. A credit of 50 percent of the startup costs of  
9 child care facilities operated by an insurer for its employees  
10 is allowed against any tax due for a taxable year under s.  
11 624.509 or s. 624.510. A credit against such tax is also  
12 allowed for the operation of a child care facility by an  
13 insurer for its employees, which credit is in the amount of  
14 \$50 per month for each child enrolled in the facility.

15 2. A credit is allowed against any tax due for a  
16 taxable year under s. 624.509 or s. 624.510 for any insurer  
17 that makes payments directly to a child care facility as  
18 defined by s. 402.302 which is licensed in accordance with s.  
19 402.305, or to any facility providing daily care to children  
20 who are mildly ill, which payments are made in the name of and  
21 for the benefit of an employee of the insurer in this state  
22 whose child attends the child care facility during the  
23 employee's working hours. The credit shall be an amount equal  
24 to 50 percent of the amount of such child care payments.

25 (b) An insurer may not receive more than \$50,000 in  
26 annual tax credits for all approved child care costs that the  
27 insurer incurs in any one year.

28 (c) The total amount of tax credits which may be  
29 granted for all programs approved under this section and s.  
30 220.19 is \$2 million annually.

31 (d) An application for tax credit under this section



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1 must be approved by the executive director.

2 (e) If the credit granted under this section is not  
3 fully used in any one year because of insufficient tax  
4 liability on the part of the insurer, the unused amount may be  
5 carried forward for a period not to exceed 5 years. The  
6 carryover credit may be used in a subsequent year when the tax  
7 imposed by s. 624.509 or s. 624.510 for that year exceeds the  
8 credit for which the insurer is eligible in that year under  
9 this section.

10 (f) If an insurer receives a credit for child care  
11 facility startup costs, and the facility fails to operate for  
12 at least 5 years, a pro rata share of the credit must be  
13 repaid, in accordance with the formula:  $A = C \times (1 - (N/60))$ ,  
14 where:

15 1. "A" is the amount in dollars of the required  
16 repayment.

17 2. "C" is the total credits taken by the insurer for  
18 child care facility startup costs.

19 3. "N" is the number of months the facility was in  
20 operation.

21  
22 This repayment requirement is inapplicable if the insurer goes  
23 out of business or can demonstrate to the department that its  
24 employees no longer want to have a child care facility.

25 (3) ELIGIBILITY REQUIREMENTS.--

26 (a) A child care facility with respect to which an  
27 insurer claims a child care tax credit must be a child care  
28 facility as defined by s. 402.302 and must be licensed in  
29 accordance with s. 402.305, or must be a facility providing  
30 daily care to children who are mildly ill.

31 (b) The services of a child care facility for which an

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1 insurer claims a child care tax credit under subparagraph  
2 (2)(a)1. must be available to all employees of the insurer or  
3 must be allocated on a first-come, first-served basis, and  
4 must be used by employees of the insurer.

5 (c) Child care payments for which an insurer claims a  
6 credit under subparagraph (2)(a)2. shall not exceed the amount  
7 charged by the child care facility to other children of like  
8 age and abilities of persons not employed by the insurer.

9 (4) APPLICATION REQUIREMENTS.--Any insurer that wishes  
10 to participate in this program must submit to the department  
11 an application for tax credit which sets forth the proposal  
12 for establishing a child care facility for the use of its  
13 employees or for payment of the cost of child care for its  
14 employees. This application must state the anticipated startup  
15 costs and the number of children to be enrolled, in the case  
16 of credit claimed under subparagraph (2)(a)1., or the number  
17 of children for whom child care costs will be paid, in the  
18 case of credit claimed under subparagraph (2)(a)2.

19 (5) ADMINISTRATION.--

20 (a) The Department of Revenue may adopt all rules  
21 pursuant to the Administrative Procedures Act to administer  
22 this section, including rules for the approval or disapproval  
23 of proposals submitted by insurers and rules to provide for  
24 cooperative arrangements between for-profit and not-for-profit  
25 entities.

26 (b) The executive director's decision to approve or  
27 disapprove a proposal must be in writing, and, if the proposal  
28 is approved, the decision must state the maximum credit  
29 allowable to the insurer.

30 (c) All approvals for the granting of the tax credit  
31 require prior verification by the Department of Children and

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1 Family Services or local licensing agency that the insurer  
2 meets the licensure requirements as defined in s. 402.302 and  
3 is currently licensed in accordance with s. 402.305, or is a  
4 facility providing daily care to children who are mildly ill.

5 (d) Verification of the child care provider as an  
6 approved facility must be in writing, and must be attached to  
7 the credit application form submitted to the Department of  
8 Revenue.

9 (6) EXPIRATION.--This section expires on June 30,  
10 2008, except that paragraph (2)(e), which relates to carryover  
11 credits, and paragraph (2)(f), which relates to repaying tax  
12 credits in specified circumstances, do not expire on that  
13 date.

14 Section 6. This act shall take effect December 31,  
15 1998.

16  
17  
18 ===== T I T L E A M E N D M E N T =====

19 And the title is amended as follows:

20 On page 1, lines 21 and 22 and page 2, line 2  
21 remove from the title of the bill: Children and Family  
22 Services

23  
24 and insert in lieu thereof:

25 Revenue  
26  
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29  
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31