

By the Committee on Ways and Means; and Senators Hargrett and Lee

301-2238-98

1 A bill to be entitled
2 An act relating to economic development;
3 authorizing tax credits to a certain business;
4 amending s. 212.08, F.S.; exempting certain
5 property based in enterprise zones from the
6 sales tax under certain circumstances; amending
7 s. 370.28, F.S.; providing that a business
8 located in an enterprise zone in a community
9 impacted by net limitations is eligible for the
10 maximum sales tax exemption for building
11 materials used in the rehabilitation of real
12 property in an enterprise zone, for business
13 property used in an enterprise zone, and for
14 electrical energy used in an enterprise zone,
15 and the maximum enterprise zone property tax
16 credit against the corporate income tax, if a
17 specified percentage of its employees are
18 residents of the jurisdiction of the county,
19 rather than of the enterprise zone; requiring
20 businesses eligible to receive certain tax
21 credits to apply for such credits by a time
22 certain; amending s. 290.0055, F.S.; extending
23 the date by which certain counties may apply to
24 amend enterprise zone boundary lines; amending
25 s. 290.0065, F.S.; providing for amendment of
26 the boundaries of an enterprise zone designated
27 pursuant to s. 290.0065(5)(b), F.S., upon
28 application by the county to the Office of
29 Tourism, Trade, and Economic Development;
30 authorizing the Office of Tourism, Trade, and
31 Economic Development to amend the boundaries of

1 certain enterprise zones upon request from
2 certain counties; providing restrictions;
3 providing an appropriation to the Department of
4 Community Affairs; providing an appropriation
5 to the Office of Tourism, Trade, and Economic
6 Development for the Technological Research and
7 Development Authority; providing an effective
8 date.

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

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12 Section 1. (1) Notwithstanding the provisions of
13 chapters 212 and 220, Florida Statutes, a business that was
14 purchased in February 1992 within an existing enterprise zone
15 in Tampa is entitled to all the enterprise zone incentives
16 available at that time through the program's expiration in
17 1994. The business may claim any incentive to which it would
18 have been entitled had the program not expired.

19 (2) Notwithstanding the time limitations contained in
20 chapters 212 and 220, Florida Statutes, under the enterprise
21 zone program that expired in 1994, a business eligible to
22 receive tax credits under this section must submit an
23 application for the tax credits by December 1, 1998. All other
24 requirements of the enterprise zone program apply to such a
25 business.

26 Section 2. Paragraph (h) of subsection (5) of section
27 212.08, Florida Statutes, is amended to read:

28 212.08 Sales, rental, use, consumption, distribution,
29 and storage tax; specified exemptions.--The sale at retail,
30 the rental, the use, the consumption, the distribution, and
31 the storage to be used or consumed in this state of the

1 following are hereby specifically exempt from the tax imposed
2 by this chapter.

3 (5) EXEMPTIONS; ACCOUNT OF USE.--

4 (h) Business property used in an enterprise zone.--

5 1. Beginning July 1, 1995, business property purchased
6 for use by businesses located in an enterprise zone which is
7 subsequently used in an enterprise zone shall be exempt from
8 the tax imposed by this chapter. This exemption inures to the
9 business only through a refund of previously paid taxes. A
10 refund shall be authorized upon an affirmative showing by the
11 taxpayer to the satisfaction of the department that the
12 requirements of this paragraph have been met.

13 2. To receive a refund, the business must file under
14 oath with the governing body or enterprise zone development
15 agency having jurisdiction over the enterprise zone where the
16 business is located, as applicable, an application which
17 includes:

18 a. The name and address of the business claiming the
19 refund.

20 b. The identifying number assigned pursuant to s.
21 290.0065 to the enterprise zone in which the business is
22 located.

23 c. A specific description of the property for which a
24 refund is sought, including its serial number or other
25 permanent identification number.

26 d. The location of the property.

27 e. The sales invoice or other proof of purchase of the
28 property, showing the amount of sales tax paid, the date of
29 purchase, and the name and address of the sales tax dealer
30 from whom the property was purchased.

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1 f. Whether the business is a small business as defined
2 by s. 288.703(1).

3 g. If applicable, the name and address of each
4 permanent employee of the business, including, for each
5 employee who is a resident of an enterprise zone, the
6 identifying number assigned pursuant to s. 290.0065 to the
7 enterprise zone in which the employee resides.

8 3. Within 10 working days after receipt of an
9 application, the governing body or enterprise zone development
10 agency shall review the application to determine if it
11 contains all the information required pursuant to subparagraph
12 2. and meets the criteria set out in this paragraph. The
13 governing body or agency shall certify all applications that
14 contain the information required pursuant to subparagraph 2.
15 and meet the criteria set out in this paragraph as eligible to
16 receive a refund. If applicable, the governing body or agency
17 shall also certify if 20 percent of the employees of the
18 business are residents of an enterprise zone, excluding
19 temporary and part-time employees. The certification shall be
20 in writing, and a copy of the certification shall be
21 transmitted to the executive director of the Department of
22 Revenue. The business shall be responsible for forwarding a
23 certified application to the department within the time
24 specified in subparagraph 4.

25 4. An application for a refund pursuant to this
26 paragraph must be submitted to the department within 6 months
27 after the business property is purchased.

28 5. The provisions of s. 212.095 do not apply to any
29 refund application made pursuant to this paragraph. The amount
30 refunded on purchases of business property under this
31 paragraph shall be the lesser of 97 percent of the sales tax

1 paid on such business property or \$5,000, or, if no less than
2 20 percent of the employees of the business are residents of
3 an enterprise zone, excluding temporary and part-time
4 employees, the amount refunded on purchases of business
5 property under this paragraph shall be the lesser of 97
6 percent of the sales tax paid on such business property or
7 \$10,000. A refund approved pursuant to this paragraph shall be
8 made within 30 days of formal approval by the department of
9 the application for the refund. No refund shall be granted
10 under this paragraph unless the amount to be refunded exceeds
11 \$100 in sales tax paid on purchases made within a 60-day time
12 period.

13 6. The department shall adopt rules governing the
14 manner and form of refund applications and may establish
15 guidelines as to the requisites for an affirmative showing of
16 qualification for exemption under this paragraph.

17 7. If the department determines that the business
18 property is used outside an enterprise zone within 3 years
19 from the date of purchase, the amount of taxes refunded to the
20 business purchasing such business property shall immediately
21 be due and payable to the department by the business, together
22 with the appropriate interest and penalty, computed from the
23 date of purchase, in the manner provided by this chapter.

24 Notwithstanding this subparagraph, business property used
25 exclusively in:

- 26 a. Licensed commercial fishing vessels,
- 27 b. Fishing guide boats, or
- 28 c. Ecotourism guide boats

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30 that leave and return to a fixed location within an area
31 designated under s. 370.28 are eligible for the exemption

1 provided under this paragraph if all requirements of this
2 paragraph are met. Such vessels and boats must be owned by a
3 business that is eligible to receive the exemption provided
4 under this paragraph. This exemption does not apply to the
5 purchase of a vessel or boat.

6 8. The department shall deduct an amount equal to 10
7 percent of each refund granted under the provisions of this
8 paragraph from the amount transferred into the Local
9 Government Half-cent Sales Tax Clearing Trust Fund pursuant to
10 s. 212.20 for the county area in which the business property
11 is located and shall transfer that amount to the General
12 Revenue Fund.

13 9. For the purposes of this exemption, "business
14 property" means new or used property defined as "recovery
15 property" in s. 168(c) of the Internal Revenue Code of 1954,
16 as amended, except:

17 a. Property classified as 3-year property under s.
18 168(c)(2)(A) of the Internal Revenue Code of 1954, as amended;

19 b. Industrial machinery and equipment as defined in
20 sub-subparagraph (b)6.a. and eligible for exemption under
21 paragraph (b); and

22 c. Building materials as defined in sub-subparagraph
23 (g)8.a.

24 10. The provisions of this paragraph shall expire and
25 be void on December 31, 2005.

26 Section 3. Subsection (4) of section 370.28, Florida
27 Statutes, is amended, and subsection (5) is added to that
28 section to read:

29 370.28 Enterprise zone designation; communities
30 adversely impacted by net limitations.--

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1 (4) Notwithstanding the enterprise zone residency
2 requirements set out in ss. 212.096(1)(c) and 220.03(1)(q),
3 businesses located in enterprise zones designated pursuant to
4 this section may receive the credit provided under s. 212.096
5 or s. 220.181 for hiring any person within the jurisdiction of
6 the county within which nominating community of such
7 enterprise zone is located. All other provisions of ss.
8 212.096, 220.03(1)(q), and 220.181 apply to such businesses.
9 Notwithstanding the requirement specified in ss.
10 212.08(5)(g)5. and (h)5. and (15)(a) and 220.182(1)(b) that no
11 less than 20 percent of a business's employees, excluding
12 temporary and part-time employees, must be residents of an
13 enterprise zone for the business to qualify for the maximum
14 exemption or credit provided in ss. 212.08(5)(g) and (h) and
15 (15) and 220.182, a business that is located in an enterprise
16 zone designated pursuant to this section shall be qualified
17 for those maximum exemptions or credits if no less than 20
18 percent of such employees of the business are residents of the
19 jurisdiction of the county within which the enterprise zone is
20 located. All other provisions of ss. 212.08(5)(g) and (h) and
21 (15) and 220.182 apply to such business.

22 (5) Notwithstanding the time limitations contained in
23 chapters 212 and 220, a business eligible to receive tax
24 credits under this section from January 1, 1997, to June 1,
25 1998, must submit an application for the tax credits by
26 December 1, 1998. All other requirements of the enterprise
27 zone program apply to such a business.

28 Section 4. Subsection (7) of section 290.0055, Florida
29 Statutes, is amended to read:

30 290.0055 Local nominating procedure.--
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1 (7) Before June 30, ~~1999~~ 1998, the governing body of
2 any county operating under home rule charter adopted pursuant
3 to s. 10, s. 11, or s. 24, Art. VIII of the Constitution of
4 1885, as preserved by s. 6(e), Art. VIII of the Constitution
5 of 1968, with a population of at least 2 million persons, may
6 apply to the Office of Tourism, Trade, and Economic
7 Development to amend the boundary lines of an enterprise zone
8 within the county for the purpose of increasing by no more
9 than 80 acres the noncontiguous area of the enterprise zone
10 located closest to the path where the center of the August 24,
11 1992, storm known as Hurricane Andrew crossed land. The Office
12 of Tourism, Trade, and Economic Development shall approve an
13 application made pursuant to this subsection if it is
14 consistent with the categories, criteria, and limitations
15 imposed by this section upon the establishment of such
16 enterprise zone.

17 Section 5. Subsection (11) is added to section
18 290.0065, Florida Statutes, to read:

19 290.0065 State designation of enterprise zones.--

20 (11) Before December 31, 1998, the governing body of a
21 county in which an enterprise zone designated pursuant to
22 paragraph (5)(b) is located may apply to the Office of
23 Tourism, Trade, and Economic Development to amend the
24 boundaries of the enterprise zone for the purpose of replacing
25 areas not suitable for development. The Office of Tourism,
26 Trade, and Economic Development shall approve the application
27 if it does not increase the overall size of the enterprise
28 zone. However, upon the request of the governing body of a
29 home rule charter county, or any county the government of
30 which has been consolidated with the government of one or more
31 municipalities in accordance with s. 9, Art. VIII of the

1 Constitution of 1885, as preserved by s. 6(e), Art. VIII of
2 the State Constitution as revised in 1968 and subsequently
3 amended, the Office of Tourism, Trade, and Economic
4 Development may amend the boundaries of an area designated as
5 an enterprise zone upon the receipt of a resolution adopted by
6 such governing body describing the amended boundaries, so long
7 as the added area does not increase the overall size of the
8 expanded zone more than its original size or 20 square miles,
9 whichever is larger, and is consistent with the categories,
10 criteria, and limitations imposed by s. 290.0055.

11 Section 6. The amount of \$100,000 is appropriated from
12 the General Revenue Fund to the Department of Community
13 Affairs to support the capital campaign of the Enterprise
14 Center of W.I.N., West Palm, Inc. This is a nonrecurring
15 appropriation for fiscal year 1998-1999.

16 Section 7. There is appropriated from the General
17 Revenue Fund to the Office of Tourism, Trade, and Economic
18 Development the sum of \$1.2 million for fiscal year 1998-1999
19 to be administered by Enterprise Florida and used for
20 grants-in-aid to the Technological Research and Development
21 Authority.

22 Section 8. This act shall take effect July 1, 1998.
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1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 SB 300

4 This committee substitute makes several additions to SB 300.
5 It:

- 6 1. extends the period in which Dade County can apply to the
7 Office of Tourism, Trade, and Economic Development to
8 amend the boundary lines of part of its enterprise zone;
- 9 2. provides that enterprise zones in home rule charter
10 counties and Jackson and Duval Counties may apply to the
11 Office of Tourism, Trade, and Economic Development to
12 amend and in certain cases expand their enterprise zones;
- 13 3. provides that a business in a net-ban enterprise zone is
14 eligible for the maximum amount of certain tax credits
15 and exemptions if at least 20 percent of its employees
16 are residents of the county in which the net-ban
17 enterprise zone is located, and provides that business
18 property used in certain vessels or boats owned by a
19 qualified business in a net-ban enterprise zone may be
20 eligible for a sales tax exemption;
- 21 4. appropriates \$100,000 from the General Revenue Fund to
22 the Department of Community Affairs to support an
23 Enterprise Center in fiscal year 1998-99; and
- 24 5. appropriates \$1.2 million from the General Revenue Fund
25 to the Office of Tourism, Trade, and Economic Development
26 for grants-in-aid to the Technological Research and
27 Development Authority for fiscal year 1998-99.