

By Representative Ball

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