

By Representative Saunders

1 A bill to be entitled
2 An act relating to contaminated site voluntary
3 cleanup rehabilitation tax credits; creating s.
4 199.1055, F.S.; providing for a credit against
5 the annual intangible personal property tax for
6 a portion of the costs of voluntary cleanup
7 rehabilitation of specified contaminated sites;
8 providing limitations; providing for carryover
9 of the credit; requiring filing of certain
10 information with the Department of Revenue;
11 creating s. 220.1845, F.S.; providing for a
12 credit against the corporate income tax for a
13 portion of the costs of voluntary cleanup
14 rehabilitation of specified contaminated sites;
15 providing limitations; providing for carryover
16 of the credit; requiring filing of certain
17 information with the Department of Revenue;
18 providing for rules; amending s. 220.02, F.S.;
19 providing order of credits against the
20 corporate income tax; creating s. 376.30714,
21 F.S.; providing legislative findings; providing
22 procedures and requirements for approval of
23 such tax credits by the Department of
24 Environmental Protection; providing application
25 requirements; providing for a fee; providing
26 for ineligibility for certain state funding
27 assistance with respect to costs for which such
28 credit is received; providing an effective
29 date.
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31 Be It Enacted by the Legislature of the State of Florida:

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

3 199.1055 Contaminated site voluntary cleanup
4 rehabilitation tax credit.--

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

6 (a) A credit in the amount of 25 percent of the costs
7 of voluntary cleanup rehabilitation of a drycleaning solvent
8 contaminated site eligible for state funding assistance under
9 s. 376.3078(3), or an ineligible site at which a real property
10 owner undertakes voluntary cleanup rehabilitation, or a
11 brownfield site in a brownfield area designated under s.
12 376.80, is allowed against any tax due for a taxable year
13 under s. 199.032, less any credit allowed by s. 220.68 for
14 that year.

15 (b) A taxpayer may not receive more than \$125,000 per
16 year in tax credits for each site.

17 (c) The total amount of the tax credits which may be
18 granted under this section and s. 220.1845 is \$5 million
19 annually.

20 (d) If the credit granted under this section is not
21 fully used in any one year because of insufficient tax
22 liability on the part of the taxpayer, the unused amount may
23 be carried forward for a period not to exceed 5 years.

24 (e) A taxpayer that receives a credit under s.
25 220.1845 is ineligible to receive credit under this section.

26 (f) A taxpayer may only receive a tax credit for costs
27 it expends for voluntary cleanup rehabilitation, but may not
28 claim a tax credit for any costs expended by the state on site
29 rehabilitation. Where the state undertakes site rehabilitation
30 activities that are duplicative or redundant to the voluntary
31 cleanup rehabilitation of the taxpayer, the taxpayer is not

1 precluded from claiming a tax credit for the voluntary cleanup
2 rehabilitation costs that the taxpayer expends.

3 (2) FILING REQUIREMENTS.--Any taxpayer that wishes to
4 obtain credit under this section must submit with its return:

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

7 (b) The letter of approval from the Department of
8 Environmental Protection.

9 (c) Records of payment made as specified in s.
10 376.30714(4).

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

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

15 220.02 Legislative intent.--

16 (10) It is the intent of the Legislature that credits
17 against either the corporate income tax or the franchise tax
18 be applied in the following order: those enumerated in s.
19 220.68, those enumerated in s. 631.719(1), those enumerated in
20 s. 631.705, those enumerated in s. 220.18, those enumerated in
21 s. 631.828, those enumerated in s. 220.181, those enumerated
22 in s. 220.183, those enumerated in s. 220.182, those
23 enumerated in s. 220.1895, those enumerated in s. 221.02,
24 those enumerated in s. 220.184, those enumerated in s.
25 220.186, ~~and~~ those enumerated in s. 220.188, and those
26 enumerated in s. 220.1845.

27 Section 3. Section 220.1845, Florida Statutes, is
28 created to read:

29 220.1845 Contaminated site voluntary cleanup
30 rehabilitation tax credit.--

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

1 (a) A credit in the amount of 25 percent of the costs
2 of voluntary cleanup rehabilitation of a drycleaning solvent
3 contaminated site eligible for state funding assistance under
4 s. 376.3078(3), or an ineligible site at which a real property
5 owner undertakes voluntary cleanup rehabilitation, or a
6 brownfield site in a brownfield area designated under s.
7 376.80, is allowed against any tax due for a taxable year
8 under this chapter.

9 (b) A corporation may not receive more than \$125,000
10 per year in tax credits for each site.

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

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

23 (e) A taxpayer that files a consolidated return in
24 this state as a member of an affiliated group under s.
25 220.131(1) may be allowed the credit on a consolidated return
26 basis up to the amount of tax imposed upon and paid by the
27 taxpayer that incurred the rehabilitation costs.

28 (f) A taxpayer that receives credit under s. 199.1055
29 is ineligible to receive credit under this section.

30 (g) A taxpayer may only receive a tax credit for costs
31 it expends for voluntary cleanup rehabilitation, but may not

1 claim a tax credit for any costs expended by the state on site
2 rehabilitation. Where the state undertakes site rehabilitation
3 activities that are duplicative or redundant to the voluntary
4 cleanup rehabilitation of the taxpayer, the taxpayer is not
5 precluded from claiming a tax credit for the voluntary cleanup
6 rehabilitation costs that the taxpayer expends.

7 (2) FILING REQUIREMENTS.--Any corporation that wishes
8 to obtain credit under this section must submit with its
9 return:

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

12 (b) The letter of approval from the Department of
13 Environmental Protection.

14 (c) All contracts and contract negotiations for the
15 rehabilitation.

16 (d) Records of payment made as specified in s.
17 376.30714(4).

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

20 Section 4. Section 376.30714, Florida Statutes, is
21 created to read:

22 376.30714 Partial tax credits for voluntary cleanup
23 rehabilitation of drycleaning solvent contaminated sites and
24 brownfield sites contaminated with hazardous substances.--

25 (1) The Legislature finds that:

26 (a) To facilitate property transactions and economic
27 growth and development, it is in the interest of the state to
28 encourage the voluntary cleanup, at the earliest possible
29 time, of drycleaning solvent contaminated sites of and
30 contaminated sites in a designated brownfield area.

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1 (b) It is the intent of the Legislature to encourage
2 such voluntary cleanup by providing a partial tax credit for
3 the voluntary cleanup rehabilitation of such property in
4 specified circumstances.

5 (2) An owner, operator, or real property owner is
6 eligible for a tax credit as provided in this section of 25
7 percent of the actual cost of voluntary cleanup rehabilitation
8 activity up to a maximum credit of \$125,000 per site for each
9 tax year.

10 (3) The department may approve a total of no more than
11 \$5 million of partial tax credits for voluntary cleanup
12 rehabilitation activities per tax year. Approval of partial
13 tax credits must be accomplished on a first-come, first-served
14 basis based upon the date complete applications for the tax
15 credit are received by the Division of Waste Management. Any
16 person, taxpayer, or corporate entity conducting or proposing
17 to conduct voluntary cleanup rehabilitation may submit an
18 application for a tax credit. An application for tax credit
19 must be submitted to the department on forms provided by the
20 department; however, until such forms are published by the
21 department, a person, taxpayer, or corporate entity may apply
22 for tax credits by submitting the information required by this
23 subsection. Upon approval of the application, the department
24 must issue a written decision granting or denying eligibility
25 for partial tax credit. An application must consist of:

26 (a) Proof of eligibility under s. 376.3078(3), or, if
27 the facility is ineligible, proof that the real property owner
28 undertook voluntary cleanup rehabilitation.

29 (b) A contamination assessment report.

30 (c) A proposed course of action with estimated costs
31 per tax year.

- 1 (d) Payment of all deductibles pursuant to s.
2 376.3078(3)(d).
- 3 (e) A nonrefundable review fee of \$250 to cover the
4 administrative costs associated with departmental review of
5 the application.
- 6 (4) To receive the partial tax credit under s.
7 199.1055 or s. 220.1845, the taxpayer must submit to the
8 Department of Revenue the department's letter of approval,
9 copies of contracts and documentation of contract
10 negotiations, and accounts, invoices, sales tickets, or other
11 payment records from purchases, sales, leases, or other
12 transactions involving approved and actual costs incurred for
13 that tax year related to site rehabilitation.
- 14 (5) An owner, operator, or real property owner who
15 receives a tax credit pursuant to s. 199.1055 or s. 220.1845
16 for costs incurred in conjunction with the rehabilitation
17 activities is ineligible for state funding assistance under s.
18 376.3078(3) for those costs.

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

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23 HOUSE SUMMARY

24 Provides for a credit against the annual intangible
25 personal property tax or the corporate income tax for a
26 portion of the costs of voluntary cleanup rehabilitation
27 of specified contaminated sites. Provides limitations.
28 Provides for carryover of the credits. Requires filing of
29 certain information with the Department of Revenue.
30 Provides procedures and requirements for approval of such
31 tax credits by the Department of Environmental
 Protection. Provides application requirements. Provides
 for a fee. Provides for ineligibility for certain state
 funding assistance with respect to costs for which such
 credit is received.