

By Senator Casas

39-583-00

See HB

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A bill to be entitled
An act relating to corporate income tax;
creating s. 220.193, F.S.; authorizing a credit
against said tax for a portion of the expenses
incurred by an eligible buyer in connection
with the use of qualified pooled and reusable
pallets and container systems; providing
limitations; providing definitions and
conditions; providing an effective date.

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

Section 1. Section 220.193, Florida Statutes, is
created to read:

220.193 Pooled and reusable pallet and container
system tax credits.--

(1)(a) A credit of 10 percent of the expenses related
to the use of qualified pooled and reusable pallets and
container systems incurred by an eligible buyer in any taxable
year is allowed against the tax imposed by this chapter.

(b) The maximum credit allowable under this section
for any taxpayer in any taxable year shall not exceed
\$500,000.

(c) The credit under this section for any taxable year
shall not exceed the tax otherwise payable by a taxpayer
pursuant to this chapter for such year.

(d) For purposes of this section, all component
members of an affiliated group of corporations filing a
consolidated return shall be treated as a single taxpayer.

(2) For the purposes of this section:

1 (a) "Qualified pooled and reusable pallets and
2 container systems" means all wooden or plastic pallets and
3 plastic containers that are leased or sold to an eligible
4 buyer, which are reused, refurbished, and maintained for
5 continuous use in a closed or open loop pool of like
6 equipment, and which are placed in service before January 1,
7 2008. Pallet exchange, pallet banks, single-use pallets, and
8 other pallets and containers purchased for one-way trip usage
9 are not qualified under this definition.

10 (b) "Eligible buyer" means the following persons in
11 the human food or related businesses in Florida: growers, live
12 animal ranchers, agricultural products packers and shippers,
13 meat and produce products retailers, and third-party equipment
14 pooling companies.

15 (c) "Equipment pooling company" means a company
16 located in Florida whose primary business is the daily rental
17 of qualified pooled and reusable pallets and container systems
18 to other eligible buyers, and who retains title to the
19 qualified pooled and reusable pallet and container system
20 assets throughout the life of these assets.

21 (d) "Expenses" means the following costs incurred
22 after July 1, 2000, associated with implementation or
23 expansion of a qualified pooled and reusable pallet and
24 container system:

25 1. Building, facility, or equipment conversion or
26 purchase costs if the building, facility, or equipment is at
27 least 75 percent dedicated to the use of a qualified pooled
28 and reusable pallet and container system, is located in
29 Florida, and is not retail equipment or motorized equipment.

30 2. Costs incurred to purchase or convert retail
31 equipment at a qualified location if the retail equipment is

1 at least 75 percent dedicated to the use of a qualified pooled
2 and reusable pallet and container system and is located in
3 Florida. A "qualified location" means premises where the
4 taxpayer was engaged in retail sale activities on or before
5 July 1, 2000.

6 3. Motorized equipment purchase costs if the motorized
7 equipment is 75 percent dedicated to the qualified pooled and
8 reusable pallet and container system and is located in
9 Florida.

10 (3) For purposes of paragraph (2)(d):

11 (a) Equipment constituting a qualified pooled and
12 reusable pallet and container system shall be treated as at
13 least 75 percent dedicated to the use of a qualified pooled
14 and reusable pallet and container system.

15 (b) Motorized equipment shall be treated as located in
16 Florida if the motorized equipment is physically located in
17 Florida at least 90 percent of the time, and other portable
18 equipment shall be treated as located in Florida if the
19 equipment is based in Florida.

20 (c) Costs of acquiring or converting aircraft,
21 "over-the-road" transport vehicles, and waterborne vessels
22 shall not qualify as expenses eligible for the credit allowed
23 by this section.

24 (d) "Retail equipment" means store racks, displays,
25 and other equipment primarily used to facilitate retail sales.

26 Section 2. This act shall take effect July 1, 2000.
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HOUSE SUMMARY

Provides a credit against the corporate income tax equal to 10 percent of the expenses related to the use of qualified pooled and reusable pallets and container systems incurred by eligible buyers. "Eligible buyers" include growers, ranchers, agricultural products packers and shippers, meat and produce retailers, and companies who rent such pallets and containers to such persons. Provides limitations and conditions.