

By the Fiscal Responsibility Council and Representative  
Johnson

1                                   A bill to be entitled  
2           An act relating to economic development;  
3           amending s. 288.106, F.S., relating to the tax  
4           refund program for qualified target industry  
5           businesses; revising requirements for  
6           application for certification as such business  
7           with respect to the number of new jobs at the  
8           business and projections by the Office of  
9           Tourism, Trade, and Economic Development of  
10          refunds based thereon; revising requirements  
11          relating to the tax refund agreement with  
12          respect to job creation and the time for filing  
13          of claims for refund; revising provisions  
14          relating to annual claims for refund; providing  
15          an application deadline; revising provisions  
16          relating to the order authorizing a tax refund;  
17          specifying that nothing in said section creates  
18          a presumption that a claim will be approved and  
19          paid; providing applicability to tax refund  
20          agreements and claims for refund executed prior  
21          to the effective date of the act; revising the  
22          agencies with which the office may verify  
23          information and to which the office may provide  
24          information; amending s. 288.980, F.S.;  
25          providing that grants by the office to support  
26          activities related to the retention of military  
27          installations potentially affected by closure  
28          or realignment must be from funds specifically  
29          appropriated therefor; providing an effective  
30          date.  
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1 Be It Enacted by the Legislature of the State of Florida:

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3 Section 1. Paragraphs (a) and (d) of subsection (3),  
4 paragraph (a) of subsection (4), and subsections (5) and (6)  
5 of section 288.106, Florida Statutes, are amended to read:

6 288.106 Tax refund program for qualified target  
7 industry businesses.--

8 (3) APPLICATION AND APPROVAL PROCESS.--

9 (a) To apply for certification as a qualified target  
10 industry business under this section, the business must file  
11 an application with the office before the business has made  
12 the decision to locate a new business in this state or before  
13 the business had made the decision to expand an existing  
14 business in this state. The application shall include, but is  
15 not limited to, the following information:

16 1. The applicant's federal employer identification  
17 number and the applicant's state sales tax registration  
18 number.

19 2. The permanent location of the applicant's facility  
20 in this state at which the project is or is to be located.

21 3. A description of the type of business activity or  
22 product covered by the project, including four-digit SIC codes  
23 for all activities included in the project.

24 4. The number of net new full-time equivalent Florida  
25 jobs at the qualified target industry business as of December  
26 31 of each year included in this state that are or will be  
27 ~~dedicated to~~ the project and the average wage of those jobs.  
28 If more than one type of business activity or product is  
29 included in the project, the number of jobs and average wage  
30 for those jobs must be separately stated for each type of  
31 business activity or product.

1           5. The total number of full-time equivalent employees  
2 employed by the applicant in this state.

3           6. The anticipated commencement date of the project.

4           7. A brief statement concerning the role that the tax  
5 refunds requested will play in the decision of the applicant  
6 to locate or expand in this state.

7           8. An estimate of the proportion of the sales  
8 resulting from the project that will be made outside this  
9 state.

10          9. A resolution adopted by the governing board of the  
11 county or municipality in which the project will be located,  
12 which resolution recommends that certain types of businesses  
13 be approved as a qualified target industry business and states  
14 that the commitments of local financial support necessary for  
15 the target industry business exist. In advance of the passage  
16 of such resolution, the office may also accept an official  
17 letter from an authorized local economic development agency  
18 that endorses the proposed target industry project and pledges  
19 that sources of local financial support for such project  
20 exist. For the purposes of making pledges of local financial  
21 support under this subsection, the authorized local economic  
22 development agency shall be officially designated by the  
23 passage of a one-time resolution by the local governing  
24 authority.

25          10. Any additional information requested by the  
26 office.

27           (d) The office shall forward its written findings and  
28 evaluation concerning each application meeting the  
29 requirements of paragraph (b) to the director within 45  
30 calendar days after receipt of a complete application. The  
31 office shall notify each target industry business when its

1 application is complete, and of the time when the 45-day  
2 period begins. In its written report to the director, the  
3 office shall specifically address each of the factors  
4 specified in paragraph (c) and shall make a specific  
5 assessment with respect to the minimum requirements  
6 established in paragraph (b). The office shall include in its  
7 report projections of the tax refunds the business would be  
8 eligible to receive ~~refund claim that will be sought by the~~  
9 ~~target industry business~~ in each fiscal year based on the  
10 creation and maintenance of the net new Florida jobs specified  
11 in subparagraph (a)4. as of December 31 of the preceding state  
12 fiscal year information submitted in the application.

13 (4) TAX REFUND AGREEMENT.--

14 (a) Each qualified target industry business must enter  
15 into a written agreement with the office which specifies, at a  
16 minimum:

17 1. The total number of full-time equivalent jobs in  
18 this state that will be dedicated to the project, the average  
19 wage of those jobs, the definitions that will apply for  
20 measuring the achievement of these terms during the pendency  
21 of the agreement, and a time schedule or plan for when such  
22 jobs will be in place and active in this state. ~~This~~  
23 ~~information must be the same as the information contained in~~  
24 ~~the application submitted by the business under subsection~~  
25 ~~(3).~~

26 2. The maximum amount of tax refunds which the  
27 qualified target industry business is eligible to receive on  
28 the project and the maximum amount of a tax refund that the  
29 qualified target industry business is eligible to receive in  
30 each fiscal year, based on the job creation and maintenance  
31 schedule specified in subparagraph 1.

1           3. That the office may review and verify the financial  
2 and personnel records of the qualified target industry  
3 business to ascertain whether that business is in compliance  
4 with this section.

5           4. The date by ~~after~~ which, in each fiscal year, the  
6 qualified target industry business may file a ~~an annual~~ claim  
7 under subsection (5) to be considered to receive a tax refund  
8 in the following fiscal year.

9           5. That local financial support will be annually  
10 available and will be paid to the account. The director may  
11 not enter into a written agreement with a qualified target  
12 industry business if the local financial support resolution is  
13 not passed by the local governing authority within 90 days  
14 after he or she has issued the letter of certification under  
15 subsection (3).

16  
17 Any tax refund agreement or amendment executed prior to the  
18 effective date of this act shall be subject to the terms and  
19 conditions specified in that agreement as dictated by the laws  
20 in force at the time of execution, except with respect to  
21 paragraphs (5)(e), (g), and (i).

22           (5) ANNUAL CLAIM FOR REFUND.--

23           (a) To be eligible to claim any scheduled tax refund,  
24 a qualified target industry business that has entered into a  
25 tax refund agreement with the office under subsection (4) must  
26 ~~may~~ apply by January 31 of ~~once~~ each fiscal year to the office  
27 for the a tax refund scheduled to be paid from the  
28 appropriation for the fiscal year which begins on July 1  
29 following the January 31 claims submission date. The office  
30 may, upon written request, grant a 30-day extension of the  
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1 ~~filing date. The application must be made on or after the date~~  
2 ~~specified in that agreement.~~

3 (b) The claim for refund by the qualified target  
4 industry business must include a copy of all receipts  
5 pertaining to the payment of taxes for which the refund is  
6 sought and data related to achievement of each performance  
7 item specified in the tax refund agreement. The amount  
8 requested as a tax refund may not exceed the amount specified  
9 for the relevant ~~that~~ fiscal year in that agreement.

10 (c) A tax refund may not be approved for a qualified  
11 target industry business unless the required local financial  
12 support has been paid into the account for that refund ~~in that~~  
13 ~~fiscal year~~. If the local financial support provided is less  
14 than 20 percent of the approved tax refund, the tax refund  
15 must be reduced. In no event may the tax refund exceed an  
16 amount that is equal to 5 times the amount of the local  
17 financial support received. Further, funding from local  
18 sources includes any tax abatement granted to that business  
19 under s. 196.1995 or the appraised market value of municipal  
20 or county land conveyed or provided at a discount to that  
21 business. The amount of any tax refund for such business  
22 approved under this section must be reduced by the amount of  
23 any such tax abatement granted or the value of the land  
24 granted; and the limitations in subsection (2) and paragraph  
25 (3)(f) must be reduced by the amount of any such tax abatement  
26 or the value of the land granted. A report listing all sources  
27 of the local financial support shall be provided to the office  
28 when such support is paid to the account.

29 (d) A prorated tax refund, less a 5-percent penalty,  
30 shall be approved for a qualified target industry business  
31 provided all other applicable requirements have been satisfied

1 and the business proves to the satisfaction of the director  
2 that it has achieved at least 80 percent of its projected  
3 employment.

4 (e) The director, with such assistance as may be  
5 required from the office, the Department of Revenue, or the  
6 Agency for Workforce Innovation ~~Department of Labor and~~  
7 ~~Employment Security~~, shall, by June 30 following the scheduled  
8 date for the tax refund claim submission, specify by written  
9 ~~final~~ order the approval or disapproval of the tax refund  
10 claim and, if approved, the amount of the tax refund that is  
11 authorized to be paid to for the qualified target industry  
12 business for the fiscal year within 30 days after the date  
13 that the claim for the annual tax refund is received by the  
14 office. The office may grant an extension of this date on the  
15 request of the qualified target industry business for the  
16 purpose of filing additional information in support of the  
17 claim.

18 (f) The total amount of tax refund claims approved by  
19 the director under this section in any fiscal year must not  
20 exceed the amount authorized under s. 288.095(3).

21 (g) Nothing in this section shall create a presumption  
22 that a scheduled tax refund claim will be approved and paid.

23 (h) ~~(g)~~ Upon approval of the tax refund under  
24 paragraphs (c), (d), and (e), the Comptroller shall issue a  
25 warrant for the amount specified in the ~~final~~ order. If the  
26 ~~final~~ order is appealed, the Comptroller may not issue a  
27 warrant for a refund to the qualified target industry business  
28 until the conclusion of all appeals of that order.

29 (i) Claims authorized in tax refund agreements or  
30 amendments executed prior to the effective date of this act  
31 shall be filed and evaluated under the terms and conditions

1 specified in those agreements or amendments and the laws in  
2 effect at the time of execution, unless amended after that  
3 date.  
4 (6) ADMINISTRATION.--  
5 (a) The office is authorized to verify information  
6 provided in any claim submitted for tax credits under this  
7 section with regard to employment and wage levels or the  
8 payment of the taxes to the appropriate agency or authority,  
9 including the Department of Revenue, the Agency for Workforce  
10 Innovation ~~Department of Labor and Employment Security~~, or any  
11 local government or authority.  
12 (b) To facilitate the process of monitoring and  
13 auditing applications made under this program, the office may  
14 provide a list of qualified target industry businesses to the  
15 Department of Revenue, to the Agency for Workforce Innovation  
16 ~~Department of Labor and Employment Security~~, or to any local  
17 government or authority. The office may request the assistance  
18 of those entities with respect to monitoring the payment of  
19 the taxes listed in subsection (2).  
20 Section 2. Paragraph (a) of subsection (2) of section  
21 288.980, Florida Statutes, is amended to read:  
22 288.980 Military base retention; legislative intent;  
23 grants program.--  
24 (2)(a) The Office of Tourism, Trade, and Economic  
25 Development is authorized to award grants from ~~any~~ funds  
26 specifically appropriated ~~available~~ to it to support  
27 activities related to the retention of military installations  
28 potentially affected by federal base closure or realignment.  
29 Section 3. This act shall take effect upon becoming a  
30 law.  
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HOUSE SUMMARY

Revises provisions relating to the tax refund program for qualified target industry businesses. Revises requirements for application for certification as such business with respect to the number of new jobs at the business and projections by the Office of Tourism, Trade, and Economic Development of refunds based thereon. Revises requirements relating to the tax refund agreement with respect to job creation and the time for filing of claims for refund. Revises provisions relating to annual claims for refund. Provides an application deadline. Revises provisions relating to the order authorizing a tax refund. Specifies that nothing in said provisions creates a presumption that a claim will be approved and paid. Provides applicability to tax refund agreements and claims for refund executed prior to the effective date of the act. Revises the agencies with which the office may verify information and to which the office may provide information.

Provides that grants by the office to support activities related to the retention of military installations potentially affected by closure or realignment must be from funds specifically appropriated therefor.