

1                   A bill to be entitled  
2           An act relating to corporate income tax;  
3           creating s. 220.187, F.S.; providing purpose;  
4           providing definitions; providing a credit  
5           against said tax for contributions to a  
6           nonprofit scholarship funding organization;  
7           providing limitations; providing for use of  
8           such contributions by such organizations for  
9           scholarships for certain children and providing  
10          requirements and limitations with respect  
11          thereto; providing for annual funding through  
12          the General Appropriations Act; providing for  
13          allocation; providing duties of the Department  
14          of Revenue and Department of Education;  
15          providing for rules; amending s. 220.02, F.S.;  
16          providing order of credits against the tax;  
17          amending s. 220.13, F.S.; providing for the  
18          inclusion of amounts taken as credit under s.  
19          220.187, F.S., in determining a taxpayer's  
20          adjusted federal income; providing an effective  
21          date.

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

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25           Section 1. Section 220.187, Florida Statutes, is  
26 created to read:

27           220.187 Credits for contributions to nonprofit  
28 scholarship funding organizations.--

29           (1) PURPOSE.--The purpose of this section is to:

30           (a) Provide a tax credit for certain contributions to  
31 a nonprofit scholarship funding organization.

1           (b) Expand educational opportunities for children of  
2 families that have limited financial resources.

3           (c) Enable children in this state to achieve a greater  
4 level of excellence in their education.

5           (2) DEFINITIONS.--As used in this section:

6           (a) "Eligible contribution" means a monetary  
7 contribution from a corporation, subject to the restrictions  
8 provided in this section, to an eligible nonprofit scholarship  
9 funding organization, if the taxpayer making the contribution  
10 does not designate a specific child as the beneficiary of the  
11 contribution.

12           (b) "Eligible nonpublic school" means a nonpublic  
13 school located in Florida that offers a general education to  
14 K-12 students and complies with the antidiscrimination  
15 provisions of 42 U.S.C. s. 2000d.

16           (c) "Eligible nonprofit scholarship funding  
17 organization" means a charitable organization that is exempt  
18 from federal income tax pursuant to s. 501(c)(3) of the  
19 Internal Revenue Code and that complies with the provisions of  
20 subsection (4).

21           (3) AMOUNT OF CREDIT.--A corporate taxpayer shall be  
22 allowed a credit equal to 100 percent of all eligible  
23 contributions made during a taxable year against any tax due  
24 for that taxable year under this chapter. However, such a  
25 credit shall not exceed 75 percent of the tax due under this  
26 chapter for the taxable year after the application of any  
27 other allowable credits by the taxpayer.

28           (4) ELIGIBLE NONPROFIT SCHOLARSHIP FUNDING  
29 ORGANIZATION OBLIGATIONS.--

30           (a) An eligible nonprofit scholarship funding  
31 organization shall provide scholarships from eligible

1 contributions to children from families that meet the income  
2 eligibility guidelines for free and reduced price lunch meals  
3 pursuant to the National School Lunch Act for:

4 1. Any expenses, including, but not limited to,  
5 tuition, textbook, and transportation expenses, at an eligible  
6 nonpublic school;

7 2. Instructional expenses for participation in a home  
8 education program as defined in s. 232.0201; or

9 3. Transportation expenses to a Florida public school  
10 that is located outside of the district in which the student  
11 resides.

12 (b) The amount of a scholarship provided to any child  
13 for any single school year by all eligible nonprofit  
14 scholarship funding organizations from eligible contributions  
15 shall not exceed the following annual limits:

16 1. \$4,000 for a scholarship awarded to a student  
17 enrolled in an eligible nonpublic school.

18 2. \$1,000 for a scholarship awarded to a student  
19 enrolled in a home education program as defined in s.  
20 232.0201.

21 3. \$500 for a scholarship awarded to a student  
22 enrolled in a Florida public school that is located outside of  
23 the district in which the student resides.

24 (c) An eligible nonprofit scholarship funding  
25 organization shall allocate over a 5-year period 100 percent  
26 of the annual eligible contributions received for scholarships  
27 awarded pursuant to this subsection. At least 20 percent of  
28 the eligible contributions received by the organization must  
29 be disbursed each year. No portion of eligible contributions  
30 may be used for administrative expenses.

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1           (5) FUNDING.--The total statewide amount authorized  
2 for the tax credit provided by this section shall be annually  
3 established in the General Appropriations Act and shall be  
4 allocated to corporations on a first-come, first-served basis.  
5 However, five percent of the total statewide amount authorized  
6 for the tax credit shall be reserved for taxpayers who meet  
7 the definition of a small business as defined in s.288.703(1),  
8 F.S., at the time of application. If on any day the amount of  
9 tax credits applied for and qualified for approval exceeds the  
10 funding provided pursuant to this subsection that remains  
11 available to be allocated, the Department of Revenue shall  
12 prorate the credits among all corporations applying during  
13 that day, as evidenced by the postmark or other identification  
14 of the application date, which are qualified for approval, and  
15 inform each corporation of the approved amount.

16           (6) ADMINISTRATION; RULES.--

17           (a) If the credit granted pursuant to this section is  
18 not fully used in any one year, the unused amount may not be  
19 carried forward. A taxpayer may not convey, assign, or  
20 transfer the credit authorized by this section to another  
21 entity unless all of the assets of the taxpayer are conveyed,  
22 assigned, or transferred in the same transaction.

23           (b) An application for a tax credit pursuant to this  
24 section shall be submitted to the Department of Revenue on  
25 forms established by rule of the Department of Revenue.

26           (c) The Department of Revenue and the Department of  
27 Education shall develop a cooperative agreement to assist in  
28 the administration of this section. The Department of  
29 Education shall be responsible for annually submitting to the  
30 Department of Revenue a list of eligible nonprofit scholarship

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1 funding organizations that meet the requirements of paragraph  
2 (2)(c).

3 (d) The Department of Revenue shall adopt rules  
4 necessary to administer this section, including rules  
5 establishing application forms and procedures.

6 (e) The Department of Education shall adopt rules  
7 necessary to confirm compliance of nonprofit scholarship  
8 funding organizations.

9 Section 2. Subsection (8) of section 220.02, Florida  
10 Statutes, is amended to read:

11 220.02 Legislative intent.--

12 (8) It is the intent of the Legislature that credits  
13 against either the corporate income tax or the franchise tax  
14 be applied in the following order: those enumerated in s.  
15 631.828, those enumerated in s. 220.191, those enumerated in  
16 s. 220.181, those enumerated in s. 220.183, those enumerated  
17 in s. 220.182, those enumerated in s. 220.1895, those  
18 enumerated in s. 221.02, those enumerated in s. 220.184, those  
19 enumerated in s. 220.186, those enumerated in s. 220.1845,  
20 those enumerated in s. 220.19, ~~and~~ those enumerated in s.  
21 220.185, and those enumerated in s. 220.187.

22 Section 3. Paragraph (a) of subsection (1) of section  
23 220.13, Florida Statutes, is amended to read:

24 220.13 "Adjusted federal income" defined.--

25 (1) The term "adjusted federal income" means an amount  
26 equal to the taxpayer's taxable income as defined in  
27 subsection (2), or such taxable income of more than one  
28 taxpayer as provided in s. 220.131, for the taxable year,  
29 adjusted as follows:

30 (a) Additions.--There shall be added to such taxable  
31 income:

1           1. The amount of any tax upon or measured by income,  
2 excluding taxes based on gross receipts or revenues, paid or  
3 accrued as a liability to the District of Columbia or any  
4 state of the United States which is deductible from gross  
5 income in the computation of taxable income for the taxable  
6 year.

7           2. The amount of interest which is excluded from  
8 taxable income under s. 103(a) of the Internal Revenue Code or  
9 any other federal law, less the associated expenses disallowed  
10 in the computation of taxable income under s. 265 of the  
11 Internal Revenue Code or any other law, excluding 60 percent  
12 of any amounts included in alternative minimum taxable income,  
13 as defined in s. 55(b)(2) of the Internal Revenue Code, if the  
14 taxpayer pays tax under s. 220.11(3).

15           3. In the case of a regulated investment company or  
16 real estate investment trust, an amount equal to the excess of  
17 the net long-term capital gain for the taxable year over the  
18 amount of the capital gain dividends attributable to the  
19 taxable year.

20           4. That portion of the wages or salaries paid or  
21 incurred for the taxable year which is equal to the amount of  
22 the credit allowable for the taxable year under s. 220.181.  
23 The provisions of this subparagraph shall expire and be void  
24 on June 30, 2005.

25           5. That portion of the ad valorem school taxes paid or  
26 incurred for the taxable year which is equal to the amount of  
27 the credit allowable for the taxable year under s. 220.182.  
28 The provisions of this subparagraph shall expire and be void  
29 on June 30, 2005.

30           6. The amount of emergency excise tax paid or accrued  
31 as a liability to this state under chapter 221 which tax is

1 deductible from gross income in the computation of taxable  
2 income for the taxable year.

3           7. That portion of assessments to fund a guaranty  
4 association incurred for the taxable year which is equal to  
5 the amount of the credit allowable for the taxable year.

6           8. In the case of a nonprofit corporation which holds  
7 a pari-mutuel permit and which is exempt from federal income  
8 tax as a farmers' cooperative, an amount equal to the excess  
9 of the gross income attributable to the pari-mutuel operations  
10 over the attributable expenses for the taxable year.

11           9. The amount taken as a credit for the taxable year  
12 under s. 220.1895.

13           10. Up to nine percent of the eligible basis of any  
14 designated project which is equal to the credit allowable for  
15 the taxable year under s. 220.185.

16           11. The amount taken as a credit for the taxable year  
17 under s. 220.187.

18           Section 4. This act shall take effect January 1, 2002.  
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