

By Representative Farkas

1 A bill to be entitled
2 An act relating to community contribution tax
3 credits; creating s. 212.099, F.S.; providing
4 for a community contribution tax credit against
5 the tax on sales, use, and other transactions;
6 providing definitions; providing the amount of
7 the credit; providing limitations; providing
8 for carryover of the credit; providing that the
9 credit is an alternative to the community
10 contribution credit against the corporate
11 income tax; providing eligibility requirements;
12 providing application requirements for eligible
13 sponsors and participating taxpayers; requiring
14 approval by the Office of Tourism, Trade, and
15 Economic Development; providing duties of the
16 Department of Revenue; providing for rules;
17 amending ss. 220.03, 220.183, and 624.5105,
18 F.S.; revising the definition of "project" for
19 purposes of the community contribution tax
20 credits against the corporate income tax and
21 insurance premium taxes to include provision of
22 educational programs and materials by an
23 eligible sponsor; including the community
24 contribution credit against the sales tax
25 within the limitation on such credits; amending
26 ss. 14.2015 and 290.007, F.S., relating to
27 duties of the office and incentives available
28 in enterprise zones, to conform; providing an
29 effective date.
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31 Be It Enacted by the Legislature of the State of Florida:

1 Section 1. Paragraph (f) of subsection (2) of section
2 14.2015, Florida Statutes, is amended to read:

3 14.2015 Office of Tourism, Trade, and Economic
4 Development; creation; powers and duties.--

5 (2) The purpose of the Office of Tourism, Trade, and
6 Economic Development is to assist the Governor in working with
7 the Legislature, state agencies, business leaders, and
8 economic development professionals to formulate and implement
9 coherent and consistent policies and strategies designed to
10 provide economic opportunities for all Floridians. To
11 accomplish such purposes, the Office of Tourism, Trade, and
12 Economic Development shall:

13 (f)1. Administer the Florida Enterprise Zone Act under
14 ss. 290.001-290.016, the community contribution tax credit
15 program under ss. 212.099, 220.183, and 624.5105, the tax
16 refund program for qualified target industry businesses under
17 s. 288.106, the tax-refund program for qualified defense
18 contractors under s. 288.1045, contracts for transportation
19 projects under s. 288.063, the sports franchise facility
20 program under s. 288.1162, the professional golf hall of fame
21 facility program under s. 288.1168, the expedited permitting
22 process under s. 403.973, the Rural Community Development
23 Revolving Loan Fund under s. 288.065, the Regional Rural
24 Development Grants Program under s. 288.018, the Certified
25 Capital Company Act under s. 288.99, the Florida State Rural
26 Development Council, the Rural Economic Development
27 Initiative, and other programs that are specifically assigned
28 to the office by law, by the appropriations process, or by the
29 Governor. Notwithstanding any other provisions of law, the
30 office may expend interest earned from the investment of
31 program funds deposited in the Economic Development Trust

1 Fund, the Grants and Donations Trust Fund, the Brownfield
2 Property Ownership Clearance Assistance Revolving Loan Trust
3 Fund, and the Economic Development Transportation Trust Fund
4 to contract for the administration of the programs, or
5 portions of the programs, enumerated in this paragraph or
6 assigned to the office by law, by the appropriations process,
7 or by the Governor. Such expenditures shall be subject to
8 review under chapter 216.

9 2. The office may enter into contracts in connection
10 with the fulfillment of its duties concerning the Florida
11 First Business Bond Pool under chapter 159, tax incentives
12 under chapters 212 and 220, tax incentives under the Certified
13 Capital Company Act in chapter 288, foreign offices under
14 chapter 288, the Enterprise Zone program under chapter 290,
15 the Seaport Employment Training program under chapter 311, the
16 Florida Professional Sports Team License Plates under chapter
17 320, Spaceport Florida under chapter 331, Expedited Permitting
18 under chapter 403, and in carrying out other functions that
19 are specifically assigned to the office by law, by the
20 appropriations process, or by the Governor.

21 Section 2. Section 212.099, Florida Statutes, is
22 created to read:

23 212.099 Community contribution tax credit.--

24 (1) DEFINITIONS.--As used in this section:

25 (a) "Community contribution" means the grant by a
26 taxpayer of any of the following items:

27 1. Cash or other liquid assets.

28 2. Real property.

29 3. Goods or inventory.

30 4. Other physical resources as identified by the
31 department.

- 1 **(b) "Eligible sponsor" means:**
2 1. A community action program;
3 2. A community development corporation;
4 3. A neighborhood housing services corporation;
5 4. A local housing authority, created pursuant to
6 chapter 421;
7 5. A community redevelopment agency, created pursuant
8 to s. 163.356;
9 6. The Florida Industrial Development Corporation;
10 7. An historic preservation district agency or
11 organization;
12 8. A private industry council;
13 9. A direct-support organization as provided in s.
14 240.551;
15 10. An enterprise zone development agency created
16 pursuant to s. 290.0057; or
17 11. Such other agency as the Office of Tourism, Trade,
18 and Economic Development may, from time to time, designate by
19 rule.
20 **(c) "Project" means:**
21 1. Any activity undertaken by an eligible sponsor
22 which is designed to construct, improve, or substantially
23 rehabilitate housing or commercial, industrial, or public
24 resources and facilities or to improve entrepreneurial and
25 job-development opportunities for low-income persons.
26 2. The provision of educational programs and materials
27 by an eligible sponsor.
28 (2) AUTHORIZATION TO GRANT COMMUNITY CONTRIBUTION TAX
29 CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS AND PROGRAM
30 SPENDING.--
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- 1 (a) There shall be allowed a credit of 50 percent of a
2 community contribution against the tax remitted under this
3 chapter.
- 4 (b) No taxpayer shall receive more than \$50,000 in tax
5 credits for all approved community contributions made in any
6 one year.
- 7 (c) The total amount of tax credit which may be
8 granted for all programs approved under this section, s.
9 220.183, and s. 624.5105 is \$10 million annually.
- 10 (d) All proposals for the granting of the tax credit
11 shall require the prior approval of the Office of Tourism,
12 Trade, and Economic Development.
- 13 (e) If the credit under this section is greater than
14 can be taken on a single tax return, excess amounts may be
15 taken as credits on any tax return submitted within 12 months
16 after the approval of the taxpayer's application by the Office
17 of Tourism, Trade, and Economic Development.
- 18 (f) A taxpayer who is eligible to receive the credit
19 provided for in s. 624.5105 is not eligible to receive the
20 credit provided by this section. A taxpayer who is receiving
21 the credit under s. 220.183 is not eligible to receive the
22 credit provided by this section.
- 23 (3) ELIGIBILITY REQUIREMENTS.--
- 24 (a) All community contributions must be reserved
25 exclusively for use in projects as defined by this section. A
26 project must be undertaken by an eligible sponsor. In no event
27 shall the taxpayer making the contribution have a financial
28 interest in the eligible sponsor.
- 29 (b) The project must be located in an area designated
30 as an enterprise zone pursuant to s. 290.0065. However, any
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1 project designed to construct or rehabilitate low-income
2 housing is exempt from the area requirement of this paragraph.
3 (4) APPLICATION REQUIREMENTS.--
4 (a) Any eligible sponsor wishing to participate in
5 this program must submit a proposal to the Office of Tourism,
6 Trade, and Economic Development which sets forth the sponsor,
7 the project, the area in which the project is located, and
8 such supporting information as may be prescribed by rule. The
9 proposal shall also contain a resolution from the county or
10 municipality in which it is located certifying that the
11 project is consistent with local plans and regulations.
12 (b) Any taxpayer wishing to participate in this
13 program must submit an application for tax credit to the
14 Office of Tourism, Trade, and Economic Development, which
15 application sets forth the sponsor; the project; and the type,
16 value, and purpose of the contribution. The sponsor shall
17 verify the terms of the application and indicate its
18 willingness to receive the contribution, which verification
19 shall be in writing and shall accompany the application for
20 tax credit.
21 (c) The taxpayer must submit a separate application
22 for tax credit for each individual contribution which it
23 proposes to contribute to each individual project.
24 (5) ADMINISTRATION.--
25 (a) The Office of Tourism, Trade, and Economic
26 Development has authority to adopt rules pursuant to ss.
27 120.536(1) and 120.54 to implement the provisions of this
28 section, including rules for the approval or disapproval of
29 proposals by taxpayers.
30 (b) The decision of the Office of Tourism, Trade, and
31 Economic Development shall be in writing, and, if approved,

1 the proposal shall state the maximum credit allowable to the
2 taxpayer. A copy of the decision shall be transmitted to the
3 executive director of the Department of Revenue, who shall
4 apply such credit to the tax liability of the taxpayer.

5 (c) The Office of Tourism, Trade, and Economic
6 Development shall periodically monitor all projects in a
7 manner consistent with available resources to ensure that
8 resources are utilized in accordance with this section;
9 however, each project shall be reviewed no less often than
10 once every 2 years.

11 (d) The Department of Revenue has authority to adopt
12 rules pursuant to ss. 120.536(1) and 120.54 to implement the
13 provisions of this section.

14 (6) EXPIRATION.--The provisions of this section,
15 except paragraph (2)(e), shall expire and be void on June 30,
16 2005.

17 Section 3. Paragraph (t) of subsection (1) of section
18 220.03, Florida Statutes, is amended to read:

19 220.03 Definitions.--

20 (1) SPECIFIC TERMS.--When used in this code, and when
21 not otherwise distinctly expressed or manifestly incompatible
22 with the intent thereof, the following terms shall have the
23 following meanings:

24 (t) "Project" means:

25 1. Any activity undertaken by an eligible sponsor, as
26 defined in s. 220.183(2)(c), which is designed to construct,
27 improve, or substantially rehabilitate housing or commercial,
28 industrial, or public resources and facilities or to improve
29 entrepreneurial and job-development opportunities for
30 low-income persons.

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1 2. The provision of educational programs and materials
2 by an eligible sponsor.
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4 The provisions of this paragraph shall expire and be void on
5 June 30, 2005.
6 Section 4. Paragraphs (b), (c), and (g) of subsection
7 (1) of section 220.183, Florida Statutes, are amended to read:
8 220.183 Community contribution tax credit.--
9 (1) AUTHORIZATION TO GRANT COMMUNITY CONTRIBUTION TAX
10 CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS AND PROGRAM
11 SPENDING.--
12 (b) No business firm shall receive more than \$200,000
13 in annual tax credits against the tax imposed by this chapter
14 for all approved community contributions made in any one year.
15 (c) The total amount of tax credit which may be
16 granted for all programs approved under this section, s.
17 212.099, and s. 624.5105 is \$10 million annually.
18 (g) A taxpayer who is eligible to receive the credit
19 provided for in s. 624.5105 is not eligible to receive the
20 credit provided by this section. A taxpayer who is receiving
21 the credit under s. 212.099 is not eligible to receive the
22 credit provided by this section.
23 Section 5. Subsection (3) of section 290.007, Florida
24 Statutes, is amended to read:
25 290.007 State incentives available in enterprise
26 zones.--The following incentives are provided by the state to
27 encourage the revitalization of enterprise zones:
28 (3) The community contribution tax credits provided in
29 ss. 212.099, 220.183, and 624.5105.
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1 Section 6. Paragraph (c) of subsection (1) and
2 paragraph (e) of subsection (5) of section 624.5105, Florida
3 Statutes, are amended to read:

4 624.5105 Community contribution tax credit;
5 authorization; limitations; eligibility and application
6 requirements; administration; definitions; expiration.--

7 (1) AUTHORIZATION TO GRANT TAX CREDITS; LIMITATIONS.--

8 (c) The total amount of tax credit which may be
9 granted for all programs approved under this section, s.
10 212.099, and s. 220.183 is \$10 million annually.

11 (5) DEFINITIONS.--For the purpose of this section:

12 (e) "Project" means:

13 1. Any activity undertaken by an eligible sponsor, as
14 defined in subsection (2), which is designed to construct,
15 improve, or substantially rehabilitate housing or commercial,
16 industrial, or public resources and facilities or to improve
17 entrepreneurial and job-development opportunities for
18 low-income persons.

19 2. The provision of educational programs and materials
20 by an eligible sponsor.

21 Section 7. This act shall take effect July 1, 2001.
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HOUSE SUMMARY

Provides for a community contribution credit against the sales tax which may be taken as an alternative to the existing community contribution credit against the corporate income tax. Provides for eligibility for and administration of the sales tax credit in the same manner as the corporate tax credit. The taxpayer is allowed credit for 50 percent of a contribution made to an eligible sponsor who will use the contribution for specified projects; the annual limit per taxpayer for the sales tax credit is \$50,000 (the corporate credit limit is \$200,000). Applications for the credit must be approved by the Office of Tourism, Trade, and Economic Development. The credit expires in 2005, as do the other community contribution tax credits.

Revises the definition of "project" for purposes of the community contribution credits against the sales and corporate income taxes and insurance premium taxes to include provision of educational programs and materials by an eligible sponsor.