

By Senator Sullivan

22-886-01

See HB 435

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, 624.5105, F.S.;  
18          revising the definition of the term "project"  
19          for 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, 290.007, F.S., relating to duties  
27          of the office and incentives available in  
28          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, the term:

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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LEGISLATIVE 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.