

By Senator Peaden

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A bill to be entitled
An act relating to defense contractors;
amending s. 288.1045, F.S.; redefining the term
"Department of Defense contract"; revising the
required minimum percentage of gross receipts
derived from Department of Defense contracts;
providing an effective date.

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

Section 1. Paragraph (e) of subsection (1) and
paragraph (e) of subsection (3) of section 288.1045, Florida
Statutes, are amended to read:

288.1045 Qualified defense contractor tax refund
program.--

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

(e) "Department of Defense contract" means a
competitively bid Department of Defense contract or
subcontract or a competitively bid federal agency contract or
subcontract issued on behalf of the Department of Defense for
manufacturing, assembling, fabricating, research, development,
or design with a duration of 2 or more years, but excluding
any contract to provide goods, improvements to real or
tangible property, or services directly to or for any
particular military base or installation in this state. The
term includes contracts for products for military use approved
by the Department of Defense or the Department of State.

(3) APPLICATION PROCESS; REQUIREMENTS; AGENCY
DETERMINATION.--

1 (e) To qualify for review by the office, the
2 application of an applicant must, at a minimum, establish the
3 following to the satisfaction of the office:

4 1. The jobs proposed to be provided under the
5 application, pursuant to subparagraph (b)6. or subparagraph
6 (c)6., must pay an estimated annual average wage equaling at
7 least 115 percent of the average wage in the area where the
8 project is to be located.

9 2. The consolidation of a Department of Defense
10 contract must result in a net increase of at least 25 percent
11 in the number of jobs at the applicant's facilities in this
12 state or the addition of at least 80 jobs at the applicant's
13 facilities in this state.

14 3. The conversion of defense production jobs to
15 nondefense production jobs must result in net increases in
16 nondefense employment at the applicant's facilities in this
17 state.

18 4. The Department of Defense contract cannot allow the
19 business to include the costs of relocation or retooling in
20 its base as allowable costs under a cost-plus, or similar,
21 contract.

22 5. A business unit of the applicant must have derived
23 not less than 60 ~~70~~ percent of its gross receipts in this
24 state from Department of Defense contracts over the
25 applicant's last fiscal year, and must have derived not less
26 than an average of 60 ~~80~~ percent of its gross receipts in this
27 state from Department of Defense contracts over the 5 years
28 preceding the date an application is submitted pursuant to
29 this section. This subparagraph does not apply to any
30 application for certification based on a contract for reuse of
31 a defense-related facility.

