

By the Committee on Commerce and Economic Opportunities; and  
Senator Peadar

310-2012-02

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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 or subcontracts for products or  
services for military use which contracts or subcontracts are  
approved by the United States Department of Defense, the  
United States Department of State, or the United States Coast  
Guard.

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

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

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

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

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

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

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

1 application for certification based on a contract for reuse of  
2 a defense-related facility.

3 6. The reuse of a defense-related facility must result  
4 in the creation of at least 100 jobs at such facility.

5 Section 2. This act shall take effect July 1, 2002.

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7 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
8 COMMITTEE SUBSTITUTE FOR  
9 Senate Bill 1912

10 The committee substitute substantively differs from SB 1912 by  
11 expanding the meaning of the term "Department of Defense  
12 contract" under the Qualified Defense Contractor Tax Refund  
13 Program to include:

14 1) Contracts for services for military use which contracts  
15 are approved by the United States Department of Defense, the  
16 United States Department of State, or the United States Coast  
17 Guard;

18 2) Contracts for products for military use which contracts  
19 are approved by the United States Coast Guard; and

20 3) Subcontracts for products or services for military use  
21 which subcontracts are approved by the United States  
22 Department of Defense, the United States Department of State,  
23 or the United States Coast Guard.

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