

571-181CXA-32

Bill No. CS/HB 289

Amendment No. ____ (for drafter's use only)

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

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Representative(s) Andrews offered the following:

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Amendment (with title amendment)

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On page 3, line 2, through page 8, line 13,
remove: all of said lines,

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and insert: statement produced by the Department of Revenue for each donor company listing the total amount of credit available to the donor company for all of the product development agreements it has entered into. This statement shall also include any additional information specified in the product development agreement.

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(b) "Annual statement of fees due" means the statement submitted by the receiving company to the Department of Revenue each year, which lists the amount of fees and royalties owed by it under the product development agreement to the donor company for the preceding calendar year. This statement shall also contain any additional information specified in the product development agreement.

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(c) "Donor company" means an entity subject to the tax imposed by chapter 220 which has developed or holds the patent

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1 for a product or technology that it does not wish to develop
2 itself and which has entered into a product development
3 agreement.

4 (d) "Product development agreement" means a contract
5 or series of contracts which provides the receiving company
6 with the right to produce and market a product or technology
7 which was developed or patented by the donor company.

8 (e) "Receiving company" means a business operating in
9 Florida which has entered into a product development agreement
10 for the purpose of obtaining the right to produce and market a
11 product or technology from a donor company.

12 (3) To qualify under this section, a product
13 development agreement shall specify that a minimum of 75
14 percent of the jobs created by the production of the new
15 product or technology shall be located in Florida. In
16 addition, the agreement shall specify the amount of
17 compensation to be remitted by the receiving company for the
18 license, and the type of credit the donor company has elected
19 to receive. The agreement shall further provide for submission
20 by the receiving company of an annual statement of fees due to
21 both the Office of Tourism, Trade, and Economic Development
22 and the Department of Revenue and shall specify the
23 information to be included in the statement.

24 (4) Each receiving company shall submit an annual
25 statement of fees due to the Department of Revenue by February
26 1 each year, in a format developed by the department. The
27 department shall be responsible for producing an annual
28 statement of donor credit for each donor company using the
29 information contained in the statements. The donor credit for
30 each donor company shall equal 94.5 percent of the total of
31 the amounts specified in the annual statements of fees due

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1 from all receiving companies with which it has entered into a
2 product development agreement. In any year the total amount of
3 credits granted under all annual statements of donor credit
4 shall not exceed 94.5 percent of the amount due to the state
5 under all annual statements of fees due.

6 (5) The Department of Revenue shall send the annual
7 statement of donor credit to each donor company by March 1
8 each year. These statements shall contain the information
9 specified by the product development agreement. The
10 department shall specify, in a format developed by the
11 department, the amount of credit due to each donor company,
12 the identities of the receiving companies from which those
13 credits originated, and the type of credit the donor company
14 has elected to receive.

15 (6) The donor company may elect to apply the amount
16 specified in the annual statement of donor credit as a
17 corporate income tax credit under s. 220.1825, as a payment to
18 a state university's division of sponsored research under
19 subsection (8), or as a purchase price refund under subsection
20 (9). In no case shall the combined benefits exceed the amount
21 specified in the annual statement of donor credit.

22 (7) A donor company which is providing funding for
23 sponsored research at a state university in this state may
24 elect to use its donor credit to fund such research. If the
25 donor company elects to apply its donor credit in this manner,
26 it shall submit this request to the Department of Revenue on a
27 form approved by the department. At a minimum, the form shall
28 specify the donor company, the research being sponsored, and
29 the state university at which the research is being conducted.
30 The Department of Revenue shall then request the Office of the
31 Comptroller to transfer to the appropriate university's

1 division of sponsored research the amount shown on the donor
2 company's annual statement of donor credit. The Office of the
3 Comptroller and the Department of Revenue may promulgate rules
4 to implement this subsection.

5 (8) A donor company shall be eligible to receive a
6 reimbursement for the purchase price paid on the purchase of
7 machinery and equipment which is installed in a Florida
8 manufacturing facility, or for the building materials used in
9 the construction or rehabilitation of a Florida manufacturing
10 facility. This reimbursement shall be limited to the amount
11 shown on the annual statement of donor credit which the donor
12 company has elected to apply as a purchase reimbursement.
13 Application for such reimbursement shall be made on a form
14 approved by the Department of Revenue and accompanied by any
15 supporting documentation required by the department. The
16 Department of Revenue may promulgate rules to implement this
17 subsection.

18 Section 3. Section 220.115, Florida Statutes, is
19 created to read:

20 220.115 Fees due from receiving companies pursuant to
21 s. 288.1172.--In addition to the tax imposed by this chapter,
22 any company which has entered into a product development
23 agreement pursuant to s. 288.1172 as a receiving company shall
24 remit to the state the funds listed as due on the annual
25 statement of fees due which the company has submitted to the
26 Department of Revenue. Even if no tax is due under this
27 chapter and a return would not normally be required, a Florida
28 corporate income tax return shall be filed by the receiving
29 company, and the funds listed on the annual statement of fees
30 due shall be remitted to the department, subject to all filing
31 requirements, fines, and penalties specified for returns and

1 taxes due under this chapter. The department may adopt rules
 2 requiring the information that it considers necessary to
 3 ensure that the funds due under this section are properly
 4 reported and paid, including, but not limited to, rules
 5 relating to the methods, forms (including returns to be filed
 6 by the receiving companies), deadlines, and penalties for
 7 providing the information required under this section.

8 Section 4. Section 220.1825, Florida Statutes, is
 9 created to read:

10 220.1825 Credit for donor companies pursuant to s.
 11 288.1172.--A credit against the tax imposed by this chapter
 12 shall be allowed to a donor company which has entered into a
 13 product development agreement pursuant to s. 288.1172, and
 14 which has elected to apply its donor credit as a corporate
 15 income tax credit. Such credit shall be limited to 94.5
 16 percent of the amount stated in the annual statement of fees
 17 due submitted to the Department of Revenue by the receiving
 18 companies. If any credit granted

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21 ===== T I T L E A M E N D M E N T =====

22 And the title is amended as follows:

23 On page 1, lines 8, 9, and 10,
 24 remove: all of said lines,

25
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and insert:

27 marketing; providing duties of such companies
 28 and the Department of Revenue;

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