

571-181CXB-32

Bill No. CS/HB 289, 1st Eng.

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

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Representative(s) Andrews offered the following:

Amendment

On page 3, line 10, through page 6, line 16,
remove:

and insert: to the donor company for the preceding tax year which it has paid to the department. This statement shall also contain any additional information specified in the product development agreement and shall contain a copy of the product development agreement.

(c) "Donor company" means an entity subject to the tax imposed by chapter 220 which has developed or holds the patent for a product or technology that it does not wish to develop itself and which has entered into a product development agreement.

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

(e) "Receiving company" means a business operating in

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1 this state which has entered into a product development
2 agreement for the purpose of obtaining the right to produce
3 and market a product or technology from a donor company.

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

16 (4) Each receiving company shall submit an annual
17 statement of fees due to the Department of Revenue within 30
18 days after filing its corporate income tax return for this
19 state for the preceding tax year, in a format developed by the
20 department. The department shall be responsible for producing
21 an annual statement of donor credit for each donor company
22 using the information contained in the statements. The donor
23 credit for each donor company shall equal 94.5 percent of the
24 total of the amounts specified in the annual statements of
25 fees due from all receiving companies with which it has
26 entered into a product development agreement. In any year the
27 total amount of credits granted under all annual statements of
28 donor credit shall not exceed 94.5 percent of the amount due
29 to the state under all annual statements of fees due.

30 (5) The Department of Revenue shall send the annual
31 statement of donor credit to each donor company within 90 days

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1 after the receipt of the annual statement of fees due. These
2 statements shall contain the information specified by the
3 product development agreement. The department shall specify,
4 in a format developed by the department, the amount of credit
5 due to each donor company based upon the funds paid to the
6 department by the receiving company for the preceding tax
7 year, the identities of the receiving companies from which
8 those credits originated, and the type of credit the donor
9 company has elected to receive.

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

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

31 (8) A donor company shall be eligible to receive a

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

13 Section 3. Section 220.115, Florida Statutes, is
14 created to read:

15 220.115 Fees due from receiving companies pursuant to
16 s. 288.1172.--In addition to the tax imposed by this chapter,
17 any company which has entered into a product development
18 agreement pursuant to s. 288.1172 as a receiving company shall
19 remit to the state the funds listed as paid to the state on
20 the annual statement of fees due which the company has
21 submitted to the Department of Revenue. Even if no tax is due
22 under this chapter and a return would not normally be
23 required, a Florida corporate income tax return shall be filed
24 by the receiving company, and the funds to be listed on the
25 annual statement of fees due shall be remitted to the
26 department, subject to all filing requirements, fines, and
27 penalties specified for returns and taxes due under this
28 chapter. The department may adopt rules requiring the
29 information it considers necessary to

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