

By Representative Wallace

1 A bill to be entitled
2 An act relating to small business employment
3 incentives; providing for issuing tax credit
4 vouchers; requiring the Department of Revenue
5 to develop forms and procedures; limiting the
6 availability of the credit vouchers; providing
7 an effective date.

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

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11 Section 1. SMALL BUSINESS EMPLOYMENT INCENTIVE.--
12 (1) In order to encourage the creation of new jobs in
13 this state, any small business as defined in s. 288.703,
14 Florida Statutes, other than a franchise as defined in s.
15 817.416, Florida Statutes, shall be issued a tax credit
16 voucher of \$1,000 for use against any tax liability created
17 under chapter 212 or chapter 220, Florida Statutes, for any
18 new full-time position created by such small business after
19 July 1, 2002. The small business shall document that the new
20 position is continuously filled for at least 12 full
21 consecutive months by the same employee, all existing
22 positions are maintained, the salary for such position is at
23 least \$8 per hour, and the employee performs duties in
24 connection with the operations of the business on a regular
25 full-time basis for an average of at least 36 hours per week
26 each month throughout the year.

27 (2) Each small business, other than a franchise, may
28 qualify for only one such credit, which shall be applied for
29 consecutive periods against the taxes imposed under chapter
30 212, Florida Statutes, or against the taxes imposed under
31 chapter 220, Florida Statutes.

1 (3) An eligible business may begin applying the credit
2 against such taxes after the employee has continuously filled
3 the position for at least 12 consecutive months. An eligible
4 business may not use more than \$500 of the credit authorized
5 in the voucher in any single 12-month period. If an eligible
6 business has a credit larger than the amount owed the state on
7 the tax return for the time period for which the credit is
8 claimed, the amount of the credit for that time period shall
9 be limited to the amount owed the state on that tax return.

10 (4) Any small business, other than a franchise, may
11 apply for such credit by submitting an application to the
12 Department of Revenue, accompanied by an affidavit verifying
13 the creation and filling of such position and the position
14 salary as specified in this act. The department shall provide
15 forms and a procedure for applying for, processing, and
16 issuing such credit.

17 (5) Small businesses applying for the tax credit
18 voucher may elect to use the voucher against the sales and use
19 tax under chapter 212, Florida Statutes, or the corporate
20 income tax under chapter 220, Florida Statutes. Once the
21 election has been made, the business shall not apply the
22 credit voucher against any other tax imposed by law. The
23 voucher may be used against existing tax liabilities under
24 either chapter and, if not fully used in the first taxable
25 year, may be allowed as a credit carryover against tax
26 liabilities in future time periods, not to exceed 5 years or
27 until such amount is fully used, whichever occurs first.

28 (6) The employment incentive provided by this act
29 shall be available to small businesses until July 1, 2006, or
30 until 25,000 tax credit vouchers have been issued by the
31 Department of Revenue, whichever occurs first.

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

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HOUSE SUMMARY

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Provides for issuing to small businesses limited tax credit vouchers against sales and use tax and corporate income tax liabilities as an employment incentive. Limits the availability of the vouchers. See bill for details.

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