

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 (with title amendment)

On page 3, line 16,

insert:

Section 1. Section 288.1172, Florida Statutes, is created to read:

288.1172 Licensing of products or technologies by donor companies to receiving companies; credits and use thereof.--

(1) The purpose of this section is to promote economic growth by providing an incentive for corporations which have developed or patented products or technologies they do not wish to develop further to license those items to companies located in Florida for production and marketing.

(2) As used in this section:

(a) "Annual statement of donor credit" means the 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

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1 has entered into. This statement shall also include any
2 additional information specified in the product development
3 agreement.

4 (b) "Annual statement of fees due" means the statement
5 submitted by the receiving company to the Department of
6 Revenue each year, which lists the amount of fees and
7 royalties owed by it under the product development agreement
8 to the donor company for the preceding tax year which it has
9 paid to the department. This statement shall also contain any
10 additional information specified in the product development
11 agreement and shall contain a copy of the product development
12 agreement.

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

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

22 (e) "Receiving company" means a business operating in
23 this state which has entered into a product development
24 agreement for the purpose of obtaining the right to produce
25 and market a product or technology from a donor company.

26 (3) To qualify under this section, a product
27 development agreement shall specify that a minimum of 75
28 percent of the jobs created by the production of the new
29 product or technology shall be located in this state. In
30 addition, the agreement shall specify the amount of
31 compensation to be remitted by the receiving company for the

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1 license, and the type of credit the donor company has elected
2 to receive. The agreement shall further provide for submission
3 by the receiving company of an annual statement of fees due to
4 both the Office of Tourism, Trade, and Economic Development
5 and the Department of Revenue and shall specify the
6 information to be included in the statement.

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

21 (5) The Department of Revenue shall send the annual
22 statement of donor credit to each donor company within 90 days
23 after the receipt of the annual statement of fees due. These
24 statements shall contain the information specified by the
25 product development agreement. The department shall specify,
26 in a format developed by the department, the amount of credit
27 due to each donor company based upon the funds paid to the
28 department by the receiving company for the preceding tax
29 year, the identities of the receiving companies from which
30 those credits originated, and the type of credit the donor
31 company has elected to receive.

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1 (6) The donor company may elect to apply the amount
2 specified in the annual statement of donor credit as a
3 corporate income tax credit under s. 220.1825, as a payment to
4 a state university's division of sponsored research under
5 subsection (8), or as a purchase price refund under subsection
6 (9). In no case shall the combined benefits exceed the amount
7 specified in the annual statement of donor credit.

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

22 (8) A donor company shall be eligible to receive a
23 reimbursement for the purchase price paid on the purchase of
24 machinery and equipment which is installed in a Florida
25 manufacturing facility, or for the building materials used in
26 the construction or rehabilitation of a Florida manufacturing
27 facility. This reimbursement shall be limited to the amount
28 shown on the annual statement of donor credit which the donor
29 company has elected to apply as a purchase reimbursement.
30 Application for such reimbursement shall be made on a form
31 approved by the Department of Revenue and accompanied by any

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1 supporting documentation required by the department. The
2 Department of Revenue may promulgate rules to implement this
3 subsection.

4 Section 2. Section 220.115, Florida Statutes, is
5 created to read:

6 220.115 Fees due from receiving companies pursuant to
7 s. 288.1172.--In addition to the tax imposed by this chapter,
8 any company which has entered into a product development
9 agreement pursuant to s. 288.1172 as a receiving company shall
10 remit to the state the funds listed as paid to the state on
11 the annual statement of fees due which the company has
12 submitted to the Department of Revenue. Even if no tax is due
13 under this chapter and a return would not normally be
14 required, a Florida corporate income tax return shall be filed
15 by the receiving company, and the funds to be listed on the
16 annual statement of fees due shall be remitted to the
17 department, subject to all filing requirements, fines, and
18 penalties specified for returns and taxes due under this
19 chapter. The department may adopt rules requiring the
20 information it considers necessary to ensure that the funds
21 due under this section are properly reported and paid,
22 including, but not limited to, rules relating to the methods,
23 forms (including returns to be filed by the receiving
24 companies), deadlines, and penalties for providing the
25 information required under this section.

26 Section 3. Section 220.1825, Florida Statutes, is
27 created to read:

28 220.1825 Credit for donor companies pursuant to s.
29 288.1172.--A credit against the tax imposed by this chapter
30 shall be allowed to a donor company which has entered into a
31 product development agreement pursuant to s. 288.1172, and

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1 which has elected to apply its donor credit as a corporate
2 income tax credit. Such credit shall be limited to 94.5
3 percent of the amount stated in the annual statement of fees
4 due submitted to the Department of Revenue by the receiving
5 companies. If any credit granted under this section is not
6 fully used in the first year for which it becomes available,
7 the unused amount may be carried forward for a period not to
8 exceed 5 years. The Department of Revenue may adopt rules
9 relating to the method of reporting and claiming this credit.

10 Section 4. Subsection (8) of section 220.02, Florida
11 Statutes, is amended to read:

12 220.02 Legislative intent.--

13 (8) It is the intent of the Legislature that credits
14 against either the corporate income tax or the franchise tax
15 be applied in the following order: those enumerated in s.
16 631.828, those enumerated in s. 220.191, those enumerated in
17 s. 220.181, those enumerated in s. 220.183, those enumerated
18 in s. 220.182, those enumerated in s. 220.1895, those
19 enumerated in s. 221.02, those enumerated in s. 220.184, those
20 enumerated in s. 220.186, those enumerated in s. 220.1845,
21 those enumerated in s. 220.19, those enumerated in s. 220.185,
22 and those enumerated in s. 220.187, and those enumerated in s.
23 220.1825.

24 Section 5. Paragraph (d) of subsection (6) of section
25 212.20, Florida Statutes, is amended to read:

26 212.20 Funds collected, disposition; additional powers
27 of department; operational expense; refund of taxes
28 adjudicated unconstitutionally collected.--

29 (6) Distribution of all proceeds under this chapter
30 and s. 202.18(1)(b) and (2)(b) shall be as follows:

31 (d) The proceeds of all other taxes and fees imposed

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- 1 pursuant to this chapter or remitted pursuant to s.
2 202.18(1)(b) and (2)(b) shall be distributed as follows:
- 3 1. In any fiscal year, the greater of \$500 million,
4 minus an amount equal to 4.6 percent of the proceeds of the
5 taxes collected pursuant to chapter 201, or 5 percent of all
6 other taxes and fees imposed pursuant to this chapter or
7 remitted pursuant to s. 202.18(1)(b) and (2)(b) shall be
8 deposited in monthly installments into the General Revenue
9 Fund.
 - 10 2. Two-tenths of one percent shall be transferred to
11 the Solid Waste Management Trust Fund.
 - 12 3. After the distribution under subparagraphs 1. and
13 2., 9.653 percent of the amount remitted by a sales tax dealer
14 located within a participating county pursuant to s. 218.61
15 shall be transferred into the Local Government Half-cent Sales
16 Tax Clearing Trust Fund.
 - 17 4. After the distribution under subparagraphs 1., 2.,
18 and 3., 0.065 percent shall be transferred to the Local
19 Government Half-cent Sales Tax Clearing Trust Fund and
20 distributed pursuant to s. 218.65.
 - 21 5. For proceeds received after July 1, 2000, and after
22 the distributions under subparagraphs 1., 2., 3., and 4., 2.25
23 percent of the available proceeds pursuant to this paragraph
24 shall be transferred monthly to the Revenue Sharing Trust Fund
25 for Counties pursuant to s. 218.215.
 - 26 6. For proceeds received after July 1, 2000, and after
27 the distributions under subparagraphs 1., 2., 3., and 4.,
28 1.0715 percent of the available proceeds pursuant to this
29 paragraph shall be transferred monthly to the Revenue Sharing
30 Trust Fund for Municipalities pursuant to s. 218.215. If the
31 total revenue to be distributed pursuant to this subparagraph

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1 is at least as great as the amount due from the Revenue
2 Sharing Trust Fund for Municipalities and the Municipal
3 Financial Assistance Trust Fund in state fiscal year
4 1999-2000, no municipality shall receive less than the amount
5 due from the Revenue Sharing Trust Fund for Municipalities and
6 the Municipal Financial Assistance Trust Fund in state fiscal
7 year 1999-2000. If the total proceeds to be distributed are
8 less than the amount received in combination from the Revenue
9 Sharing Trust Fund for Municipalities and the Municipal
10 Financial Assistance Trust Fund in state fiscal year
11 1999-2000, each municipality shall receive an amount
12 proportionate to the amount it was due in state fiscal year
13 1999-2000.

14 7. Of the remaining proceeds:

15 a. Beginning July 1, 2000, and in each fiscal year
16 thereafter, the sum of \$29,915,500 shall be divided into as
17 many equal parts as there are counties in the state, and one
18 part shall be distributed to each county. The distribution
19 among the several counties shall begin each fiscal year on or
20 before January 5th and shall continue monthly for a total of 4
21 months. If a local or special law required that any moneys
22 accruing to a county in fiscal year 1999-2000 under the
23 then-existing provisions of s. 550.135 be paid directly to the
24 district school board, special district, or a municipal
25 government, such payment shall continue until such time that
26 the local or special law is amended or repealed. The state
27 covenants with holders of bonds or other instruments of
28 indebtedness issued by local governments, special districts,
29 or district school boards prior to July 1, 2000, that it is
30 not the intent of this subparagraph to adversely affect the
31 rights of those holders or relieve local governments, special

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1 districts, or district school boards of the duty to meet their
2 obligations as a result of previous pledges or assignments or
3 trusts entered into which obligated funds received from the
4 distribution to county governments under then-existing s.
5 550.135. This distribution specifically is in lieu of funds
6 distributed under s. 550.135 prior to July 1, 2000.

7 b. The department shall distribute \$166,667 monthly
8 pursuant to s. 288.1162 to each applicant that has been
9 certified as a "facility for a new professional sports
10 franchise" or a "facility for a retained professional sports
11 franchise" pursuant to s. 288.1162. Up to \$41,667 shall be
12 distributed monthly by the department to each applicant that
13 has been certified as a "facility for a retained spring
14 training franchise" pursuant to s. 288.1162; however, not more
15 than \$208,335 may be distributed monthly in the aggregate to
16 all certified facilities for a retained spring training
17 franchise. Distributions shall begin 60 days following such
18 certification and shall continue for not more than 30 years.
19 Nothing contained in this paragraph shall be construed to
20 allow an applicant certified pursuant to s. 288.1162 to
21 receive more in distributions than actually expended by the
22 applicant for the public purposes provided for in s.
23 288.1162(6). However, a certified applicant is entitled to
24 receive distributions up to the maximum amount allowable and
25 undistributed under this section for additional renovations
26 and improvements to the facility for the franchise without
27 additional certification.

28 c. Beginning 30 days after notice by the Office of
29 Tourism, Trade, and Economic Development to the Department of
30 Revenue that an applicant has been certified as the
31 professional golf hall of fame pursuant to s. 288.1168 and is

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1 open to the public, \$166,667 shall be distributed monthly, for
2 up to 300 months, to the applicant.

3 d. Beginning 30 days after notice by the Office of
4 Tourism, Trade, and Economic Development to the Department of
5 Revenue that the applicant has been certified as the
6 International Game Fish Association World Center facility
7 pursuant to s. 288.1169, and the facility is open to the
8 public, \$83,333 shall be distributed monthly, for up to 168
9 months, to the applicant. This distribution is subject to
10 reduction pursuant to s. 288.1169. A lump sum payment of
11 \$999,996 shall be made, after certification and before July 1,
12 2000.

13 e. Within 90 days after issuance of the annual
14 statement of donor credit by the Office of Tourism, Trade, and
15 Economic Development to the Department of Revenue certifying
16 the amount to be paid to each corporation that is due a
17 purchase price refund or payment for sponsored research
18 pursuant to s. 288.1172, the department shall distribute such
19 amount to each corporation using proceeds as provided in this
20 subparagraph.

21 8. All other proceeds shall remain with the General
22 Revenue Fund.

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

26 And the title is amended as follows:

27 On page 1, line 2, after the semicolon

28

29 insert:

30 creating s. 288.1172, F.S.; providing

31 definitions; providing for licensing of certain

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1 products or technologies by donor companies to
2 receiving companies for production and
3 marketing; providing duties of such companies
4 and the Department of Revenue; providing
5 requirements for product development
6 agreements; providing that donor companies may
7 be granted a credit which may be used to fund
8 sponsored research at a state university, as
9 reimbursement for the purchase of machinery,
10 equipment, or building supplies used in a
11 Florida manufacturing facility, or as a
12 corporate income tax credit; requiring the
13 office to certify certain amounts to the
14 department; requiring the department to make
15 certain distributions; authorizing donor
16 companies to elect to change the type of
17 credit, payment, or reimbursement under certain
18 circumstances; providing requirements for such
19 election; creating s. 220.115, F.S.; requiring
20 receiving companies to file a corporate tax
21 return and remit to the state certain fees in
22 addition to any corporate income tax due;
23 relieving receiving companies of payments to
24 donor companies under certain circumstances;
25 providing remedies against a donor company when
26 a receiving company fails to remit funds;
27 providing for application of administrative and
28 penalty provisions of ch. 220, F.S.; creating
29 s. 220.1825, F.S.; providing for a credit
30 against the corporate income tax for donor
31 companies that so elect; providing for

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1 carryover of the credit; providing for rules;
2 amending s. 220.02, F.S.; providing order of
3 credits against the corporate income tax;
4 amending s. 212.20, F.S.; requiring the
5 Department of Revenue to make certain
6 distributions within a time certain under
7 certain circumstances;
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