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CHAMBER ACTION

The Committee on Commerce recommends the following:

**Committee Substitute**

Remove the entire bill and insert:

A bill to be entitled

An act relating to community contribution tax credits;  
amending ss. 220.183, 212.08, and 624.5105, F.S.;  
increasing the annual limitation on the amount of such  
credits which may be granted against the corporate income  
tax, sales tax, and insurance premium taxes; prescribing  
effect of credits with respect to retaliatory taxes;  
providing an effective date.

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

Section 1. Paragraph (c) of subsection (1) of section  
220.183, Florida Statutes, is amended to read:

220.183 Community contribution tax credit.--

(1) AUTHORIZATION TO GRANT COMMUNITY CONTRIBUTION TAX  
CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS AND PROGRAM  
SPENDING.--



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27 (c) The total amount of tax credit which may be granted  
28 for all programs approved under this section, s. 212.08(5)(q),  
29 and s. 624.5105 is \$20 ~~\$10~~ million annually.

30 Section 2. Paragraph (q) of subsection (5) of section  
31 212.08, Florida Statutes, is amended to read:

32 212.08 Sales, rental, use, consumption, distribution, and  
33 storage tax; specified exemptions.--The sale at retail, the  
34 rental, the use, the consumption, the distribution, and the  
35 storage to be used or consumed in this state of the following  
36 are hereby specifically exempt from the tax imposed by this  
37 chapter.

38 (5) EXEMPTIONS; ACCOUNT OF USE.--

39 (q) *Community contribution tax credit for donations.*--

40 1. Authorization.--Beginning July 1, 2001, persons who are  
41 registered with the department under s. 212.18 to collect or  
42 remit sales or use tax and who make donations to eligible  
43 sponsors are eligible for tax credits against their state sales  
44 and use tax liabilities as provided in this paragraph:

45 a. The credit shall be computed as 50 percent of the  
46 person's approved annual community contribution;

47 b. The credit shall be granted as a refund against state  
48 sales and use taxes reported on returns and remitted in the 12  
49 months preceding the date of application to the department for  
50 the credit as required in sub-subparagraph 3.c. If the annual  
51 credit is not fully used through such refund because of  
52 insufficient tax payments during the applicable 12-month period,  
53 the unused amount may be included in an application for a refund  
54 made pursuant to sub-subparagraph 3.c. in subsequent years



55 | against the total tax payments made for such year. Carryover  
56 | credits may be applied for a 3-year period without regard to any  
57 | time limitation that would otherwise apply under s. 215.26;

58 |       c. No person shall receive more than \$200,000 in annual  
59 | tax credits for all approved community contributions made in any  
60 | one year;

61 |       d. All proposals for the granting of the tax credit shall  
62 | require the prior approval of the Office of Tourism, Trade, and  
63 | Economic Development;

64 |       e. The total amount of tax credits which may be granted  
65 | for all programs approved under this paragraph, s. 220.183, and  
66 | s. 624.5105 is \$20 ~~\$10~~ million annually; and

67 |       f. A person who is eligible to receive the credit provided  
68 | for in this paragraph, s. 220.183, or s. 624.5105 may receive  
69 | the credit only under the one section of the person's choice.

70 |       2. Eligibility requirements.--

71 |       a. A community contribution by a person must be in the  
72 | following form:

73 |           (I) Cash or other liquid assets;

74 |           (II) Real property;

75 |           (III) Goods or inventory; or

76 |           (IV) Other physical resources as identified by the Office  
77 | of Tourism, Trade, and Economic Development.

78 |       b. All community contributions must be reserved  
79 | exclusively for use in a project. As used in this sub-  
80 | subparagraph, the term "project" means any activity undertaken  
81 | by an eligible sponsor which is designed to construct, improve,  
82 | or substantially rehabilitate housing that is affordable to low-



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83 | income or very-low-income households as defined in s.  
84 | 420.9071(19) and (28); designed to provide commercial,  
85 | industrial, or public resources and facilities; or designed to  
86 | improve entrepreneurial and job-development opportunities for  
87 | low-income persons. A project may be the investment necessary to  
88 | increase access to high-speed broadband capability in rural  
89 | communities with enterprise zones, including projects that  
90 | result in improvements to communications assets that are owned  
91 | by a business. A project may include the provision of museum  
92 | educational programs and materials that are directly related to  
93 | any project approved between January 1, 1996, and December 31,  
94 | 1999, and located in an enterprise zone as referenced in s.  
95 | 290.00675. This paragraph does not preclude projects that  
96 | propose to construct or rehabilitate housing for low-income or  
97 | very-low-income households on scattered sites. The Office of  
98 | Tourism, Trade, and Economic Development may reserve up to 50  
99 | percent of the available annual tax credits for housing for  
100 | very-low-income households pursuant to s. 420.9071(28) for the  
101 | first 6 months of the fiscal year. With respect to housing,  
102 | contributions may be used to pay the following eligible low-  
103 | income and very-low-income housing-related activities:

104 |       (I) Project development impact and management fees for  
105 | low-income or very-low-income housing projects;

106 |       (II) Down payment and closing costs for eligible persons,  
107 | as defined in s. 420.9071(19) and (28);

108 |       (III) Administrative costs, including housing counseling  
109 | and marketing fees, not to exceed 10 percent of the community



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110 contribution, directly related to low-income or very-low-income  
 111 projects; and  
 112 (IV) Removal of liens recorded against residential  
 113 property by municipal, county, or special district local  
 114 governments when satisfaction of the lien is a necessary  
 115 precedent to the transfer of the property to an eligible person,  
 116 as defined in s. 420.9071(19) and (28), for the purpose of  
 117 promoting home ownership. Contributions for lien removal must be  
 118 received from a nonrelated third party.  
 119 c. The project must be undertaken by an "eligible  
 120 sponsor," which includes:  
 121 (I) A community action program;  
 122 (II) A nonprofit community-based development organization  
 123 whose mission is the provision of housing for low-income or  
 124 very-low-income households or increasing entrepreneurial and  
 125 job-development opportunities for low-income persons;  
 126 (III) A neighborhood housing services corporation;  
 127 (IV) A local housing authority created under chapter 421;  
 128 (V) A community redevelopment agency created under s.  
 129 163.356;  
 130 (VI) The Florida Industrial Development Corporation;  
 131 (VII) A historic preservation district agency or  
 132 organization;  
 133 (VIII) A regional workforce board;  
 134 (IX) A direct-support organization as provided in s.  
 135 1009.983;  
 136 (X) An enterprise zone development agency created under s.  
 137 290.0056;



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138 (XI) A community-based organization incorporated under  
139 chapter 617 which is recognized as educational, charitable, or  
140 scientific pursuant to s. 501(c)(3) of the Internal Revenue Code  
141 and whose bylaws and articles of incorporation include  
142 affordable housing, economic development, or community  
143 development as the primary mission of the corporation;

144 (XII) Units of local government;

145 (XIII) Units of state government; or

146 (XIV) Any other agency that the Office of Tourism, Trade,  
147 and Economic Development designates by rule.

148

149 In no event may a contributing person have a financial interest  
150 in the eligible sponsor.

151 d. The project must be located in an area designated an  
152 enterprise zone or a Front Porch Florida Community pursuant to  
153 s. 14.2015(9)(b), unless the project increases access to high-  
154 speed broadband capability for rural communities with enterprise  
155 zones but is physically located outside the designated rural  
156 zone boundaries. Any project designed to construct or  
157 rehabilitate housing for low-income or very-low-income  
158 households as defined in s. 420.0971(19) and (28) is exempt from  
159 the area requirement of this sub-subparagraph.

160 3. Application requirements.--

161 a. Any eligible sponsor seeking to participate in this  
162 program must submit a proposal to the Office of Tourism, Trade,  
163 and Economic Development which sets forth the name of the  
164 sponsor, a description of the project, and the area in which the  
165 project is located, together with such supporting information as



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166 is prescribed by rule. The proposal must also contain a  
167 resolution from the local governmental unit in which the project  
168 is located certifying that the project is consistent with local  
169 plans and regulations.

170 b. Any person seeking to participate in this program must  
171 submit an application for tax credit to the Office of Tourism,  
172 Trade, and Economic Development which sets forth the name of the  
173 sponsor, a description of the project, and the type, value, and  
174 purpose of the contribution. The sponsor shall verify the terms  
175 of the application and indicate its receipt of the contribution,  
176 which verification must be in writing and accompany the  
177 application for tax credit. The person must submit a separate  
178 tax credit application to the office for each individual  
179 contribution that it makes to each individual project.

180 c. Any person who has received notification from the  
181 Office of Tourism, Trade, and Economic Development that a tax  
182 credit has been approved must apply to the department to receive  
183 the refund. Application must be made on the form prescribed for  
184 claiming refunds of sales and use taxes and be accompanied by a  
185 copy of the notification. A person may submit only one  
186 application for refund to the department within any 12-month  
187 period.

188 4. Administration.--

189 a. The Office of Tourism, Trade, and Economic Development  
190 may adopt rules pursuant to ss. 120.536(1) and 120.54 necessary  
191 to administer this paragraph, including rules for the approval  
192 or disapproval of proposals by a person.



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193           b. The decision of the Office of Tourism, Trade, and  
194 Economic Development must be in writing, and, if approved, the  
195 notification shall state the maximum credit allowable to the  
196 person. Upon approval, the office shall transmit a copy of the  
197 decision to the Department of Revenue.

198           c. The Office of Tourism, Trade, and Economic Development  
199 shall periodically monitor all projects in a manner consistent  
200 with available resources to ensure that resources are used in  
201 accordance with this paragraph; however, each project must be  
202 reviewed at least once every 2 years.

203           d. The Office of Tourism, Trade, and Economic Development  
204 shall, in consultation with the Department of Community Affairs,  
205 the Florida Housing Finance Corporation, and the statewide and  
206 regional housing and financial intermediaries, market the  
207 availability of the community contribution tax credit program to  
208 community-based organizations.

209           5. Expiration.--This paragraph expires June 30, 2005;  
210 however, any accrued credit carryover that is unused on that  
211 date may be used until the expiration of the 3-year carryover  
212 period for such credit.

213           Section 3. Paragraph (c) of subsection (1) of section  
214 624.5105, Florida Statutes, is amended to read:

215           624.5105 Community contribution tax credit; authorization;  
216 limitations; eligibility and application requirements;  
217 administration; definitions; expiration.--

218           (1) AUTHORIZATION TO GRANT TAX CREDITS; LIMITATIONS.--

219           (c) The total amount of tax credit which may be granted  
220 for all programs approved under this section, s. 212.08(5)(q),





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221 | and s. 220.183 is \$20 ~~\$10~~ million annually. An insurer claiming  
222 | a credit against premium tax liability earned through an  
223 | investment under this subsection shall not be required to pay  
224 | any additional retaliatory tax levied pursuant to s. 624.5091 as  
225 | a result of claiming such credit.

226 |           Section 3. This act shall take effect July 1, 2003.