



HB 0419

2003
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CHAMBER ACTION

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The Committee on Local Government & Veterans' Affairs recommends the following:

Committee Substitute

Remove the entire bill and insert:

A bill to be entitled

An act relating to military service family relief; providing an act name; creating ss. 212.0961 and 220.188, F.S.; providing definitions; authorizing credits against the sales and use tax and the corporate income tax for salaries paid to military reservists on active duty; providing limitations; providing requirements; amending s. 220.02, F.S.; revising legislative intent to include the corporate income tax authorized in this act in a specified order of priority; amending s. 220.13, F.S.; revising the definition of adjusted federal income to include the corporate income tax credit authorized in this act; authorizing the Department of Revenue to adopt emergency rules; providing an appropriation; providing for retroactive effect; providing an effective date.

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



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29 Section 1. This act is the "First Sergeant Carey Baker
30 Military Relief Act."

31 Section 2. Section 212.0961, Florida Statutes, is created
32 to read:

33 212.0961 Credits for salaries paid to military reservists
34 while on active duty.--

35 (1) DEFINITIONS.--As used in this section:

36 (a) "Salary" means the cash compensation for personal
37 services or labor rendered for a specific period of time.
38 Benefits, including, but not limited to, life insurance, health
39 insurance, cafeteria plans, or pension contributions, are
40 excluded from the term "salary."

41 (b) "Full month" means either a calendar month or the time
42 period from any day of any month to the corresponding day of the
43 next succeeding month or, if there is no corresponding day in
44 the next succeeding month, the last day of the next succeeding
45 month.

46 (c) "Military reservist" includes any resident of this
47 state who is a member of the National Guard or reserve forces of
48 the United States military and has been called to federal active
49 duty.

50 (2) AUTHORIZATION TO GRANT TAX CREDITS; LIMITATIONS ON
51 INDIVIDUAL AND TOTAL CREDITS.--

52 (a) There is allowed a credit against the tax imposed
53 under this chapter for the salary paid to a military reservist
54 while the military reservist is on active duty. The credit for
55 each military reservist is limited to the salary paid to the
56 military reservist prior to being called to active duty less the



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57 amount of the military reservist's active duty base pay, special
 58 duty pay, and housing allowance. The determination of the salary
 59 paid to the military reservist prior to being called to active
 60 duty shall be based on the first full month of employment
 61 immediately prior to activation.

62 (b) Taxpayers may claim credit for each military reservist
 63 under this section or s. 220.1875 or both as long as the total
 64 credit claimed for each reservist does not exceed the amount
 65 determined in paragraph (a).

66 (c) If the credit granted pursuant to this section is not
 67 fully used in any one year, the unused amount may be carried
 68 forward for a period up to 5 years.

69 (3) ADMINISTRATION; RULES.--

70 (a) A taxpayer may not convey, assign, or transfer the
 71 credit authorized by this section to another entity unless all
 72 of the assets of the taxpayer are conveyed, assigned, or
 73 transferred to that entity in the same transaction.

74 (b) Taxpayers claiming this credit must substantiate, by
 75 means of adequate records, their eligibility for this credit and
 76 the amount of credit claimed.

77 (c) The provisions of this section, except for the
 78 carryover provision in subsection (2), shall expire December 31,
 79 2005.

80 Section 3. Subsection (8) of section 220.02, Florida
 81 Statutes, is amended to read:

82 220.02 Legislative intent.--

83 (8) It is the intent of the Legislature that credits
 84 against either the corporate income tax or the franchise tax be



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85 applied in the following order: those enumerated in s. 631.828,
 86 those enumerated in s. 220.191, those enumerated in s. 220.181,
 87 those enumerated in s. 220.183, those enumerated in s. 220.182,
 88 those enumerated in s. 220.1895, those enumerated in s. 221.02,
 89 those enumerated in s. 220.184, those enumerated in s. 220.186,
 90 those enumerated in s. 220.1845, those enumerated in s. 220.19,
 91 those enumerated in s. 220.185, ~~and~~ those enumerated in s.
 92 220.187, and those enumerated in s. 220.1875.

93 Section 4. Paragraph (a) of subsection (1) of section
 94 220.13, Florida Statutes, is amended to read:

95 220.13 "Adjusted federal income" defined.--

96 (1) The term "adjusted federal income" means an amount
 97 equal to the taxpayer's taxable income as defined in subsection
 98 (2), or such taxable income of more than one taxpayer as
 99 provided in s. 220.131, for the taxable year, adjusted as
 100 follows:

101 (a) *Additions*.--There shall be added to such taxable
 102 income:

103 1. The amount of any tax upon or measured by income,
 104 excluding taxes based on gross receipts or revenues, paid or
 105 accrued as a liability to the District of Columbia or any state
 106 of the United States which is deductible from gross income in
 107 the computation of taxable income for the taxable year.

108 2. The amount of interest which is excluded from taxable
 109 income under s. 103(a) of the Internal Revenue Code or any other
 110 federal law, less the associated expenses disallowed in the
 111 computation of taxable income under s. 265 of the Internal
 112 Revenue Code or any other law, excluding 60 percent of any



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113 amounts included in alternative minimum taxable income, as
114 defined in s. 55(b)(2) of the Internal Revenue Code, if the
115 taxpayer pays tax under s. 220.11(3).

116 3. In the case of a regulated investment company or real
117 estate investment trust, an amount equal to the excess of the
118 net long-term capital gain for the taxable year over the amount
119 of the capital gain dividends attributable to the taxable year.

120 4. That portion of the wages or salaries paid or incurred
121 for the taxable year which is equal to the amount of the credit
122 allowable for the taxable year under s. 220.181. The provisions
123 of this subparagraph shall expire and be void on June 30, 2005.

124 5. That portion of the ad valorem school taxes paid or
125 incurred for the taxable year which is equal to the amount of
126 the credit allowable for the taxable year under s. 220.182. The
127 provisions of this subparagraph shall expire and be void on June
128 30, 2005.

129 6. The amount of emergency excise tax paid or accrued as a
130 liability to this state under chapter 221 which tax is
131 deductible from gross income in the computation of taxable
132 income for the taxable year.

133 7. That portion of assessments to fund a guaranty
134 association incurred for the taxable year which is equal to the
135 amount of the credit allowable for the taxable year.

136 8. In the case of a nonprofit corporation which holds a
137 pari-mutuel permit and which is exempt from federal income tax
138 as a farmers' cooperative, an amount equal to the excess of the
139 gross income attributable to the pari-mutuel operations over the
140 attributable expenses for the taxable year.



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141 9. The amount taken as a credit for the taxable year under
142 s. 220.1895.

143 10. Up to nine percent of the eligible basis of any
144 designated project which is equal to the credit allowable for
145 the taxable year under s. 220.185.

146 11. The amount taken as a credit for the taxable year
147 under s. 220.187.

148 12. The amount taken as a credit for the taxable year under
149 s. 220.1875.

150 Section 5. Section 220.1875, Florida Statutes, is created
151 to read:

152 220.1875 Credits for salaries paid to military reservists
153 while on active duty.--

154 (1) DEFINITIONS.--As used in this section:

155 (a) "Salary" means the cash compensation for personal
156 services or labor rendered for a specific period of time.
157 Benefits, including, but not limited to, life insurance, health
158 insurance, cafeteria plans, or pension contributions, are
159 excluded from the term "salary."

160 (b) "Full month" means either a calendar month or the time
161 period from any day of any month to the corresponding day of the
162 next succeeding month or, if there is no corresponding day in
163 the next succeeding month, the last day of the next succeeding
164 month.

165 (c) "Military reservist" includes any resident of this
166 state who is a member of the National Guard or reserve forces of
167 the United States military and has been called to federal active
168 duty.



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169 (2) AUTHORIZATION TO GRANT TAX CREDITS; LIMITATIONS ON
170 INDIVIDUAL AND TOTAL CREDITS.--

171 (a) There is allowed a credit against the tax imposed
172 under this chapter for the salary paid to a military reservist
173 while the military reservist is on active duty. The credit for
174 each military reservist is limited to the salary paid to the
175 military reservist prior to being called to active duty less the
176 amount of the military reservist's active duty base pay, special
177 duty pay, and housing allowance. The determination of the salary
178 paid to the military reservist prior to being called to active
179 duty shall be based on the first full month of employment
180 immediately prior to activation.

181 (b) Taxpayers may claim credit for each military reservist
182 under this section or s. 212.0961 or both as long as the total
183 credit claimed for each reservist does not exceed the amount
184 determined in paragraph (a).

185 (c) If the credit granted pursuant to this section is not
186 fully used in any one year, the unused amount may be carried
187 forward for a period up to 5 years.

188 (3) ADMINISTRATION; RULES.--

189 (a) A taxpayer may not convey, assign, or transfer the
190 credit authorized by this section to another entity unless all
191 of the assets of the taxpayer are conveyed, assigned, or
192 transferred to that entity in the same transaction.

193 (b) Taxpayers claiming this credit must substantiate, by
194 means of adequate records, their eligibility for this credit and
195 the amount of credit claimed.



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196 (c) The provisions of this section, except for the
197 carryover provision in subsection (2), shall expire December 31,
198 2005.

199 Section 6. Notwithstanding the provisions of chapter 120,
200 Florida Statutes, the Department of Revenue may adopt emergency
201 rules to carry out this act, which rules shall remain in effect
202 for six months after the date of adoption.

203 Section 7. The sum of \$200,000 is appropriated from the
204 General Revenue Fund to the Department of Revenue for the
205 purpose of administering this act.

206 Section 8. This act shall take effect upon becoming a law
207 and shall operate retroactively to January 1, 2003.