

HB 0109

2004

1 A bill to be entitled
 2 An act relating to the community contribution tax credit;
 3 amending ss. 212.08, 220.03, 220.183, and 624.5105, F.S.;
 4 deleting provisions providing for a June 30, 2005,
 5 expiration date; providing an effective date.

6
 7 Be It Enacted by the Legislature of the State of Florida:

8
 9 Section 1. Paragraph (q) of subsection (5) of section
 10 212.08, Florida Statutes, is amended to read:

11 212.08 Sales, rental, use, consumption, distribution, and
 12 storage tax; specified exemptions.--The sale at retail, the
 13 rental, the use, the consumption, the distribution, and the
 14 storage to be used or consumed in this state of the following
 15 are hereby specifically exempt from the tax imposed by this
 16 chapter.

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

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

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

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

26 b. The credit shall be granted as a refund against state
 27 sales and use taxes reported on returns and remitted in the 12
 28 months preceding the date of application to the department for
 29 the credit as required in sub-subparagraph 3.c. If the annual
 30 credit is not fully used through such refund because of

HB 0109

2004

31 insufficient tax payments during the applicable 12-month period,
 32 the unused amount may be included in an application for a refund
 33 made pursuant to sub-subparagraph 3.c. in subsequent years
 34 against the total tax payments made for such year. Carryover
 35 credits may be applied for a 3-year period without regard to any
 36 time limitation that would otherwise apply under s. 215.26;

37 c. No person shall receive more than \$200,000 in annual
 38 tax credits for all approved community contributions made in any
 39 one year;

40 d. All proposals for the granting of the tax credit shall
 41 require the prior approval of the Office of Tourism, Trade, and
 42 Economic Development;

43 e. The total amount of tax credits which may be granted
 44 for all programs approved under this paragraph, s. 220.183, and
 45 s. 624.5105 is \$10 million annually; and

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

49 2. Eligibility requirements.--

50 a. A community contribution by a person must be in the
 51 following form:

52 (I) Cash or other liquid assets;

53 (II) Real property;

54 (III) Goods or inventory; or

55 (IV) Other physical resources as identified by the Office
 56 of Tourism, Trade, and Economic Development.

57 b. All community contributions must be reserved
 58 exclusively for use in a project. As used in this sub-
 59 subparagraph, the term "project" means any activity undertaken
 60 by an eligible sponsor which is designed to construct, improve,

HB 0109

2004

61 or substantially rehabilitate housing that is affordable to low-
 62 income or very-low-income households as defined in s.
 63 420.9071(19) and (28); designed to provide commercial,
 64 industrial, or public resources and facilities; or designed to
 65 improve entrepreneurial and job-development opportunities for
 66 low-income persons. A project may be the investment necessary to
 67 increase access to high-speed broadband capability in rural
 68 communities with enterprise zones, including projects that
 69 result in improvements to communications assets that are owned
 70 by a business. A project may include the provision of museum
 71 educational programs and materials that are directly related to
 72 any project approved between January 1, 1996, and December 31,
 73 1999, and located in an enterprise zone as referenced in s.
 74 290.00675. This paragraph does not preclude projects that
 75 propose to construct or rehabilitate housing for low-income or
 76 very-low-income households on scattered sites. The Office of
 77 Tourism, Trade, and Economic Development may reserve up to 50
 78 percent of the available annual tax credits for housing for
 79 very-low-income households pursuant to s. 420.9071(28) for the
 80 first 6 months of the fiscal year. With respect to housing,
 81 contributions may be used to pay the following eligible low-
 82 income and very-low-income housing-related activities:

- 83 (I) Project development impact and management fees for
- 84 low-income or very-low-income housing projects;
- 85 (II) Down payment and closing costs for eligible persons,
- 86 as defined in s. 420.9071(19) and (28);
- 87 (III) Administrative costs, including housing counseling
- 88 and marketing fees, not to exceed 10 percent of the community
- 89 contribution, directly related to low-income or very-low-income
- 90 projects; and

HB 0109

2004

91 (IV) Removal of liens recorded against residential
 92 property by municipal, county, or special district local
 93 governments when satisfaction of the lien is a necessary
 94 precedent to the transfer of the property to an eligible person,
 95 as defined in s. 420.9071(19) and (28), for the purpose of
 96 promoting home ownership. Contributions for lien removal must be
 97 received from a nonrelated third party.

98 c. The project must be undertaken by an "eligible
 99 sponsor," which includes:

100 (I) A community action program;

101 (II) A nonprofit community-based development organization
 102 whose mission is the provision of housing for low-income or
 103 very-low-income households or increasing entrepreneurial and
 104 job-development opportunities for low-income persons;

105 (III) A neighborhood housing services corporation;

106 (IV) A local housing authority created under chapter 421;

107 (V) A community redevelopment agency created under s.
 108 163.356;

109 (VI) The Florida Industrial Development Corporation;

110 (VII) A historic preservation district agency or
 111 organization;

112 (VIII) A regional workforce board;

113 (IX) A direct-support organization as provided in s.
 114 1009.983;

115 (X) An enterprise zone development agency created under s.
 116 290.0056;

117 (XI) A community-based organization incorporated under
 118 chapter 617 which is recognized as educational, charitable, or
 119 scientific pursuant to s. 501(c)(3) of the Internal Revenue Code
 120 and whose bylaws and articles of incorporation include

HB 0109

2004

121 affordable housing, economic development, or community
 122 development as the primary mission of the corporation;

123 (XII) Units of local government;

124 (XIII) Units of state government; or

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

127

128 In no event may a contributing person have a financial interest
 129 in the eligible sponsor.

130 d. The project must be located in an area designated an
 131 enterprise zone or a Front Porch Florida Community pursuant to
 132 s. 14.2015(9)(b), unless the project increases access to high-
 133 speed broadband capability for rural communities with enterprise
 134 zones but is physically located outside the designated rural
 135 zone boundaries. Any project designed to construct or
 136 rehabilitate housing for low-income or very-low-income
 137 households as defined in s. 420.0971(19) and (28) is exempt from
 138 the area requirement of this sub-subparagraph.

139 3. Application requirements.--

140 a. Any eligible sponsor seeking to participate in this
 141 program must submit a proposal to the Office of Tourism, Trade,
 142 and Economic Development which sets forth the name of the
 143 sponsor, a description of the project, and the area in which the
 144 project is located, together with such supporting information as
 145 is prescribed by rule. The proposal must also contain a
 146 resolution from the local governmental unit in which the project
 147 is located certifying that the project is consistent with local
 148 plans and regulations.

149 b. Any person seeking to participate in this program must
 150 submit an application for tax credit to the Office of Tourism,

HB 0109

2004

151 Trade, and Economic Development which sets forth the name of the
 152 sponsor, a description of the project, and the type, value, and
 153 purpose of the contribution. The sponsor shall verify the terms
 154 of the application and indicate its receipt of the contribution,
 155 which verification must be in writing and accompany the
 156 application for tax credit. The person must submit a separate
 157 tax credit application to the office for each individual
 158 contribution that it makes to each individual project.

159 c. Any person who has received notification from the
 160 Office of Tourism, Trade, and Economic Development that a tax
 161 credit has been approved must apply to the department to receive
 162 the refund. Application must be made on the form prescribed for
 163 claiming refunds of sales and use taxes and be accompanied by a
 164 copy of the notification. A person may submit only one
 165 application for refund to the department within any 12-month
 166 period.

167 4. Administration.--

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

172 b. The decision of the Office of Tourism, Trade, and
 173 Economic Development must be in writing, and, if approved, the
 174 notification shall state the maximum credit allowable to the
 175 person. Upon approval, the office shall transmit a copy of the
 176 decision to the Department of Revenue.

177 c. The Office of Tourism, Trade, and Economic Development
 178 shall periodically monitor all projects in a manner consistent
 179 with available resources to ensure that resources are used in

HB 0109

2004

180 accordance with this paragraph; however, each project must be
 181 reviewed at least once every 2 years.

182 d. The Office of Tourism, Trade, and Economic Development
 183 shall, in consultation with the Department of Community Affairs,
 184 the Florida Housing Finance Corporation, and the statewide and
 185 regional housing and financial intermediaries, market the
 186 availability of the community contribution tax credit program to
 187 community-based organizations.

188 ~~5. Expiration. This paragraph expires June 30, 2005;~~
 189 ~~however, any accrued credit carryover that is unused on that~~
 190 ~~date may be used until the expiration of the 3-year carryover~~
 191 ~~period for such credit.~~

192 Section 2. Paragraph (d) of subsection (1) of section
 193 220.03, Florida Statutes, is amended to read:

194 220.03 Definitions.--

195 (1) SPECIFIC TERMS.--When used in this code, and when not
 196 otherwise distinctly expressed or manifestly incompatible with
 197 the intent thereof, the following terms shall have the following
 198 meanings:

199 (d) "Community contribution" means the grant by a business
 200 firm of any of the following items:

- 201 1. Cash or other liquid assets.
- 202 2. Real property.
- 203 3. Goods or inventory.
- 204 4. Other physical resources as identified by the
 205 department.

206
 207 ~~The provisions of this paragraph shall expire and be void on~~
 208 ~~June 30, 2005.~~

HB 0109

2004

209 Section 3. Subsection (5) of section 220.183, Florida
 210 Statutes, is amended to read:

211 220.183 Community contribution tax credit.--

212 ~~(5) EXPIRATION.--The provisions of this section, except~~
 213 ~~paragraph (1)(e), shall expire and be void on June 30, 2005.~~

214 Section 4. Subsection (6) of section 624.5105, Florida
 215 Statutes, is amended to read:

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

219 ~~(6) EXPIRATION.--The provisions of this section, except~~
 220 ~~paragraph (1)(e), shall expire and be void on June 30, 2005.~~

221 Section 5. This act shall take effect upon becoming a law.