

By the Committee on Commerce, Economic Opportunities, and Consumer Services; and Senator Wise

310-2039-04

1                                   A bill to be entitled  
2           An act relating to community contribution tax  
3           credits; amending ss. 212.08, 220.183, and  
4           624.5105, F.S.; increasing the annual  
5           limitation on the amount of such credits which  
6           may be granted against sales and use tax, the  
7           corporate income tax, and insurance premium  
8           taxes; conforming the annual limitation for  
9           purposes of insurance premium taxes; specifying  
10          that the limitation on credits applies to sales  
11          and use tax as well as to the corporate income  
12          tax and insurance premium taxes; providing an  
13          effective date.

14  
15 Be It Enacted by the Legislature of the State of Florida:

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17           Section 1. Paragraph (q) of subsection (5) of section  
18 212.08, Florida Statutes, is amended to read:

19           212.08 Sales, rental, use, consumption, distribution,  
20 and storage tax; specified exemptions.--The sale at retail,  
21 the rental, the use, the consumption, the distribution, and  
22 the storage to be used or consumed in this state of the  
23 following are hereby specifically exempt from the tax imposed  
24 by this chapter.

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

26           (q) Community contribution tax credit for donations.--

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

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

3           b. The credit shall be granted as a refund against  
4 state sales and use taxes reported on returns and remitted in  
5 the 12 months preceding the date of application to the  
6 department for the credit as required in sub-subparagraph 3.c.  
7 If the annual credit is not fully used through such refund  
8 because of insufficient tax payments during the applicable  
9 12-month period, the unused amount may be included in an  
10 application for a refund made pursuant to sub-subparagraph  
11 3.c. in subsequent years against the total tax payments made  
12 for such year. Carryover credits may be applied for a 3-year  
13 period without regard to any time limitation that would  
14 otherwise apply under s. 215.26;

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

18           d. All proposals for the granting of the tax credit  
19 shall require the prior approval of the Office of Tourism,  
20 Trade, and Economic Development;

21           e. The total amount of tax credits which may be  
22 granted for all programs approved under this paragraph, s.  
23 220.183, and s. 624.5105 is \$20~~\$10~~ million annually; and

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

28           2. Eligibility requirements.--

29           a. A community contribution by a person must be in the  
30 following form:

31           (I) Cash or other liquid assets;

1           (II) Real property;  
2           (III) Goods or inventory; or  
3           (IV) Other physical resources as identified by the  
4 Office of Tourism, Trade, and Economic Development.

5           b. All community contributions must be reserved  
6 exclusively for use in a project. As used in this  
7 sub-subparagraph, the term "project" means any activity  
8 undertaken by an eligible sponsor which is designed to  
9 construct, improve, or substantially rehabilitate housing that  
10 is affordable to low-income or very-low-income households as  
11 defined in s. 420.9071(19) and (28); designed to provide  
12 commercial, industrial, or public resources and facilities; or  
13 designed to improve entrepreneurial and job-development  
14 opportunities for low-income persons. A project may be the  
15 investment necessary to increase access to high-speed  
16 broadband capability in rural communities with enterprise  
17 zones, including projects that result in improvements to  
18 communications assets that are owned by a business. A project  
19 may include the provision of museum educational programs and  
20 materials that are directly related to any project approved  
21 between January 1, 1996, and December 31, 1999, and located in  
22 an enterprise zone as referenced in s. 290.00675. This  
23 paragraph does not preclude projects that propose to construct  
24 or rehabilitate housing for low-income or very-low-income  
25 households on scattered sites. The Office of Tourism, Trade,  
26 and Economic Development may reserve up to 50 percent of the  
27 available annual tax credits for housing for very-low-income  
28 households pursuant to s. 420.9071(28) for the first 6 months  
29 of the fiscal year. With respect to housing, contributions may  
30 be used to pay the following eligible low-income and  
31 very-low-income housing-related activities:

1           (I) Project development impact and management fees for  
2 low-income or very-low-income housing projects;  
3           (II) Down payment and closing costs for eligible  
4 persons, as defined in s. 420.9071(19) and (28);  
5           (III) Administrative costs, including housing  
6 counseling and marketing fees, not to exceed 10 percent of the  
7 community contribution, directly related to low-income or  
8 very-low-income projects; and  
9           (IV) Removal of liens recorded against residential  
10 property by municipal, county, or special district local  
11 governments when satisfaction of the lien is a necessary  
12 precedent to the transfer of the property to an eligible  
13 person, as defined in s. 420.9071(19) and (28), for the  
14 purpose of promoting home ownership. Contributions for lien  
15 removal must be received from a nonrelated third party.  
16           c. The project must be undertaken by an "eligible  
17 sponsor," which includes:  
18           (I) A community action program;  
19           (II) A nonprofit community-based development  
20 organization whose mission is the provision of housing for  
21 low-income or very-low-income households or increasing  
22 entrepreneurial and job-development opportunities for  
23 low-income persons;  
24           (III) A neighborhood housing services corporation;  
25           (IV) A local housing authority created under chapter  
26 421;  
27           (V) A community redevelopment agency created under s.  
28 163.356;  
29           (VI) The Florida Industrial Development Corporation;  
30           (VII) A historic preservation district agency or  
31 organization;

- 1 (VIII) A regional workforce board;
- 2 (IX) A direct-support organization as provided in s.  
3 1009.983;
- 4 (X) An enterprise zone development agency created  
5 under s. 290.0056;
- 6 (XI) A community-based organization incorporated under  
7 chapter 617 which is recognized as educational, charitable, or  
8 scientific pursuant to s. 501(c)(3) of the Internal Revenue  
9 Code and whose bylaws and articles of incorporation include  
10 affordable housing, economic development, or community  
11 development as the primary mission of the corporation;
- 12 (XII) Units of local government;
- 13 (XIII) Units of state government; or
- 14 (XIV) Any other agency that the Office of Tourism,  
15 Trade, and Economic Development designates by rule.  
16
- 17 In no event may a contributing person have a financial  
18 interest in the eligible sponsor.
- 19 d. The project must be located in an area designated  
20 an enterprise zone or a Front Porch Florida Community pursuant  
21 to s. 14.2015(9)(b), unless the project increases access to  
22 high-speed broadband capability for rural communities with  
23 enterprise zones but is physically located outside the  
24 designated rural zone boundaries. Any project designed to  
25 construct or rehabilitate housing for low-income or  
26 very-low-income households as defined in s. 420.0971(19) and  
27 (28) is exempt from the area requirement of this  
28 sub-subparagraph.
- 29 3. Application requirements.--
- 30 a. Any eligible sponsor seeking to participate in this  
31 program must submit a proposal to the Office of Tourism,

1 Trade, and Economic Development which sets forth the name of  
2 the sponsor, a description of the project, and the area in  
3 which the project is located, together with such supporting  
4 information as is prescribed by rule. The proposal must also  
5 contain a resolution from the local governmental unit in which  
6 the project is located certifying that the project is  
7 consistent with local plans and regulations.

8           b. Any person seeking to participate in this program  
9 must submit an application for tax credit to the Office of  
10 Tourism, Trade, and Economic Development which sets forth the  
11 name of the sponsor, a description of the project, and the  
12 type, value, and purpose of the contribution. The sponsor  
13 shall verify the terms of the application and indicate its  
14 receipt of the contribution, which verification must be in  
15 writing and accompany the application for tax credit. The  
16 person must submit a separate tax credit application to the  
17 office for each individual contribution that it makes to each  
18 individual project.

19           c. Any person who has received notification from the  
20 Office of Tourism, Trade, and Economic Development that a tax  
21 credit has been approved must apply to the department to  
22 receive the refund. Application must be made on the form  
23 prescribed for claiming refunds of sales and use taxes and be  
24 accompanied by a copy of the notification. A person may submit  
25 only one application for refund to the department within any  
26 12-month period.

27           4. Administration.--

28           a. The Office of Tourism, Trade, and Economic  
29 Development may adopt rules pursuant to ss. 120.536(1) and  
30 120.54 necessary to administer this paragraph, including rules  
31 for the approval or disapproval of proposals by a person.

1           b. The decision of the Office of Tourism, Trade, and  
2 Economic Development must be in writing, and, if approved, the  
3 notification shall state the maximum credit allowable to the  
4 person. Upon approval, the office shall transmit a copy of the  
5 decision to the Department of Revenue.

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

11           d. The Office of Tourism, Trade, and Economic  
12 Development shall, in consultation with the Department of  
13 Community Affairs, the Florida Housing Finance Corporation,  
14 and the statewide and regional housing and financial  
15 intermediaries, market the availability of the community  
16 contribution tax credit program to community-based  
17 organizations.

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

22           Section 2. Paragraph (c) of subsection (1) of section  
23 220.183, Florida Statutes, is amended to read:

24           220.183 Community contribution tax credit.--

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

28           (c) The total amount of tax credit which may be  
29 granted for all programs approved under this section, s.  
30 212.08(5)(q), and s. 624.5105 is \$20~~\$10~~ million annually.

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1           Section 3. Paragraph (c) of subsection (1) of section  
2 624.5105, Florida Statutes, is amended to read:

3           624.5105 Community contribution tax credit;  
4 authorization; limitations; eligibility and application  
5 requirements; administration; definitions; expiration.--

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

7           (c) The total amount of tax credit which may be  
8 granted for all programs approved under this section, s.  
9 212.08(5)(q), and s. 220.183 is \$20~~\$10~~ million annually.

10          Section 4. This act shall take effect July 1, 2004.

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12                   STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
13                                   COMMITTEE SUBSTITUTE FOR  
14                                   Senate Bill 1210

15 The committee substitute makes conforming changes to s.  
16 212.08(5)(q), F.S., to increase the tax credits available  
17 under the community contribution tax credit program to \$20  
18 million in annual credits. The committee substitute also  
19 corrects a defect in existing law by adding a cross-reference  
20 to s. 212.08(5)(q), F.S., in s. 624.5105(1)(c), F.S.