

CHAMBER ACTION

1 The Committee on Commerce recommends the following:

2  
3 **Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to corporate income tax credits; amending  
7 s. 220.02, F.S.; revising legislative intent; revising the  
8 order of taking certain credits against the corporate  
9 income tax or the franchise tax to include the corporate  
10 income tax credit for certain small businesses providing  
11 employee health care insurance; amending s. 220.13, F.S.;  
12 revising additions to adjusted federal income to include  
13 the corporate income tax credit for certain small  
14 businesses providing employee health care insurance;  
15 creating s. 220.192, F.S.; providing a credit against the  
16 corporate income tax for certain small businesses for  
17 providing employee health care insurance; providing  
18 requirements, limitations, and eligibility criteria for  
19 the credit; authorizing the Department of Revenue to adopt  
20 rules; providing an effective date.

21  
22 Be It Enacted by the Legislature of the State of Florida:

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24 Section 1. Subsection (8) of section 220.02, Florida  
25 Statutes, is amended to read:

26 220.02 Legislative intent.--

27 (8) It is the intent of the Legislature that credits  
28 against either the corporate income tax or the franchise tax be  
29 applied in the following order: those enumerated in s. 631.828,  
30 those enumerated in s. 220.191, those enumerated in s. 220.181,  
31 those enumerated in s. 220.183, those enumerated in s. 220.182,  
32 those enumerated in s. 220.1895, those enumerated in s. 221.02,  
33 those enumerated in s. 220.184, those enumerated in s. 220.186,  
34 those enumerated in s. 220.1845, those enumerated in s. 220.19,  
35 those enumerated in s. 220.185, ~~and~~ those enumerated in s.  
36 220.187, and those enumerated in s. 220.192.

37 Section 2. Paragraph (a) of subsection (1) of section  
38 220.13, Florida Statutes, is amended to read:

39 220.13 "Adjusted federal income" defined.--

40 (1) The term "adjusted federal income" means an amount  
41 equal to the taxpayer's taxable income as defined in subsection  
42 (2), or such taxable income of more than one taxpayer as  
43 provided in s. 220.131, for the taxable year, adjusted as  
44 follows:

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

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

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52           2. The amount of interest which is excluded from taxable  
53 income under s. 103(a) of the Internal Revenue Code or any other  
54 federal law, less the associated expenses disallowed in the  
55 computation of taxable income under s. 265 of the Internal  
56 Revenue Code or any other law, excluding 60 percent of any  
57 amounts included in alternative minimum taxable income, as  
58 defined in s. 55(b)(2) of the Internal Revenue Code, if the  
59 taxpayer pays tax under s. 220.11(3).

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

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

68           5. That portion of the ad valorem school taxes paid or  
69 incurred for the taxable year which is equal to the amount of  
70 the credit allowable for the taxable year under s. 220.182. The  
71 provisions of this subparagraph shall expire and be void on June  
72 30, 2005.

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

77           7. That portion of assessments to fund a guaranty  
78 association incurred for the taxable year which is equal to the  
79 amount of the credit allowable for the taxable year.

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

85           9. The amount taken as a credit for the taxable year under  
86 s. 220.1895.

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

90           11. The amount taken as a credit for the taxable year  
91 under s. 220.187.

92           12. The amount taken as a credit for the taxable year  
93 under s. 220.192.

94           Section 3. Section 220.192, Florida Statutes, is created  
95 to read:

96           220.192 Credits for small businesses providing health care  
97 insurance for their employees.--

98           (1)(a) Retroactive to January 1, 2004, and applying on a  
99 prorated basis to tax years ending on or after January 1, 2004,  
100 there shall be allowed a credit against the tax imposed by this  
101 chapter to any small business as defined by s. 288.703(1) that  
102 provides health care insurance for its employees consisting of  
103 the coverages provided in chapter 627.

104           (b) The credit shall be computed as the amount paid in  
105 premiums by the business claiming the credit to provide health  
106 care insurance for employees of the business, not to exceed  
107 \$1,000 per tax year.

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108        (2)(a) If the credit is not fully used in any one year,  
109        the unused amount may be carried forward for a period not to  
110        exceed 5 years. The carryover credit may be used in a subsequent  
111        year when the tax imposed by this chapter for such year exceeds  
112        the credit for such year after applying the other credits and  
113        unused credit carryovers in the order provided in s. 220.02(8).

114        (b) Small businesses shall provide documentation of  
115        eligibility to claim the tax credit pursuant to this section to  
116        the department in a form and manner prescribed by rules of the  
117        department.

118        (c) The department shall adopt rules necessary to  
119        administer this section, including rules establishing  
120        application forms and procedures.

121        Section 4. This act shall take effect upon becoming a law.