

By Senator Saunders

37-1041A-04

1                                   A bill to be entitled  
2           An act relating to economic stimulus; amending  
3           s. 212.08, F.S.; revising sales-price criteria  
4           for characterizing business property;  
5           specifying the use of certain funds from the  
6           community contribution tax credit pool;  
7           amending s. 212.097, F.S.; revising provisions  
8           providing for an urban job tax credit program  
9           to apply to designated urban job tax credit  
10          areas rather than high crime areas; revising  
11          and providing definitions, eligibility  
12          criteria, application procedures and  
13          requirements, and area characteristics and  
14          criteria; authorizing the transfer of unused  
15          credits; specifying the use of transferred  
16          credits; amending s. 212.098, F.S.; allowing  
17          the transfer of unused credits taken under the  
18          Rural Job Tax Credit Program; amending s.  
19          220.183, F.S.; specifying the use of certain  
20          funds from the community contribution tax  
21          credit pool; amending s. 220.1895, F.S.;  
22          conforming provisions to changes made by the  
23          act; removing an obsolete reference; amending  
24          s. 288.1045, F.S.; extending, under certain  
25          conditions, the period applicable to an  
26          exemption under the qualified defense  
27          contractor tax refund program; amending s.  
28          288.106, F.S.; extending, under certain  
29          conditions, the period applicable to an  
30          exemption under the tax refund program for  
31          qualified target industry businesses; providing

1           for the continuation of certain tax-refund  
2           agreements beyond the expiration date  
3           prescribed in this act; providing an effective  
4           date.

5  
6 Be It Enacted by the Legislature of the State of Florida:

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8           Section 1. Paragraphs (h) and (q) of subsection (5) of  
9 section 212.08, Florida Statutes, are amended to read:

10           212.08 Sales, rental, use, consumption, distribution,  
11 and storage tax; specified exemptions.--The sale at retail,  
12 the rental, the use, the consumption, the distribution, and  
13 the storage to be used or consumed in this state of the  
14 following are hereby specifically exempt from the tax imposed  
15 by this chapter.

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

17           (h) Business property used in an enterprise zone.--

18           1. Business property purchased for use by businesses  
19 located in an enterprise zone which is subsequently used in an  
20 enterprise zone shall be exempt from the tax imposed by this  
21 chapter. This exemption inures to the business only through a  
22 refund of previously paid taxes. A refund shall be authorized  
23 upon an affirmative showing by the taxpayer to the  
24 satisfaction of the department that the requirements of this  
25 paragraph have been met.

26           2. To receive a refund, the business must file under  
27 oath with the governing body or enterprise zone development  
28 agency having jurisdiction over the enterprise zone where the  
29 business is located, as applicable, an application which  
30 includes:

31

- 1           a. The name and address of the business claiming the  
2 refund.
- 3           b. The identifying number assigned pursuant to s.  
4 290.0065 to the enterprise zone in which the business is  
5 located.
- 6           c. A specific description of the property for which a  
7 refund is sought, including its serial number or other  
8 permanent identification number.
- 9           d. The location of the property.
- 10          e. The sales invoice or other proof of purchase of the  
11 property, showing the amount of sales tax paid, the date of  
12 purchase, and the name and address of the sales tax dealer  
13 from whom the property was purchased.
- 14          f. Whether the business is a small business as defined  
15 by s. 288.703(1).
- 16          g. If applicable, the name and address of each  
17 permanent employee of the business, including, for each  
18 employee who is a resident of an enterprise zone, the  
19 identifying number assigned pursuant to s. 290.0065 to the  
20 enterprise zone in which the employee resides.
- 21          3. Within 10 working days after receipt of an  
22 application, the governing body or enterprise zone development  
23 agency shall review the application to determine if it  
24 contains all the information required pursuant to subparagraph  
25 2. and meets the criteria set out in this paragraph. The  
26 governing body or agency shall certify all applications that  
27 contain the information required pursuant to subparagraph 2.  
28 and meet the criteria set out in this paragraph as eligible to  
29 receive a refund. If applicable, the governing body or agency  
30 shall also certify if 20 percent of the employees of the  
31 business are residents of an enterprise zone, excluding

1 temporary and part-time employees. The certification shall be  
2 in writing, and a copy of the certification shall be  
3 transmitted to the executive director of the Department of  
4 Revenue. The business shall be responsible for forwarding a  
5 certified application to the department within the time  
6 specified in subparagraph 4.

7 4. An application for a refund pursuant to this  
8 paragraph must be submitted to the department within 6 months  
9 after the tax is due on the business property that is  
10 purchased.

11 5. The provisions of s. 212.095 do not apply to any  
12 refund application made pursuant to this paragraph. The amount  
13 refunded on purchases of business property under this  
14 paragraph shall be the lesser of 97 percent of the sales tax  
15 paid on such business property or \$5,000, or, if no less than  
16 20 percent of the employees of the business are residents of  
17 an enterprise zone, excluding temporary and part-time  
18 employees, the amount refunded on purchases of business  
19 property under this paragraph shall be the lesser of 97  
20 percent of the sales tax paid on such business property or  
21 \$10,000. A refund approved pursuant to this paragraph shall be  
22 made within 30 days of formal approval by the department of  
23 the application for the refund. No refund shall be granted  
24 under this paragraph unless the amount to be refunded exceeds  
25 \$100 in sales tax paid on purchases made within a 60-day time  
26 period.

27 6. The department shall adopt rules governing the  
28 manner and form of refund applications and may establish  
29 guidelines as to the requisites for an affirmative showing of  
30 qualification for exemption under this paragraph.

31

1           7. If the department determines that the business  
2 property is used outside an enterprise zone within 3 years  
3 from the date of purchase, the amount of taxes refunded to the  
4 business purchasing such business property shall immediately  
5 be due and payable to the department by the business, together  
6 with the appropriate interest and penalty, computed from the  
7 date of purchase, in the manner provided by this chapter.  
8 Notwithstanding this subparagraph, business property used  
9 exclusively in:

- 10           a. Licensed commercial fishing vessels,
- 11           b. Fishing guide boats, or
- 12           c. Ecotourism guide boats

13  
14 that leave and return to a fixed location within an area  
15 designated under s. 370.28 are eligible for the exemption  
16 provided under this paragraph if all requirements of this  
17 paragraph are met. Such vessels and boats must be owned by a  
18 business that is eligible to receive the exemption provided  
19 under this paragraph. This exemption does not apply to the  
20 purchase of a vessel or boat.

21           8. The department shall deduct an amount equal to 10  
22 percent of each refund granted under the provisions of this  
23 paragraph from the amount transferred into the Local  
24 Government Half-cent Sales Tax Clearing Trust Fund pursuant to  
25 s. 212.20 for the county area in which the business property  
26 is located and shall transfer that amount to the General  
27 Revenue Fund.

28           9. For the purposes of this exemption, "business  
29 property" means new or used property defined as "recovery  
30 property" in s. 168(c) of the Internal Revenue Code of 1954,  
31 as amended, except:

1 a. Property classified as 3-year property under s.  
2 168(c)(2)(A) of the Internal Revenue Code of 1954, as amended;

3 b. Industrial machinery and equipment as defined in  
4 sub-subparagraph (b)6.a. and eligible for exemption under  
5 paragraph (b);

6 c. Building materials as defined in sub-subparagraph  
7 (g)8.a.; and

8 d. Business property having a sales price of under  
9 \$500~~\$5,000~~ per unit.

10 10. The provisions of this paragraph shall expire and  
11 be void on December 31, 2005.

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

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

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

20 b. The credit shall be granted as a refund against  
21 state sales and use taxes reported on returns and remitted in  
22 the 12 months preceding the date of application to the  
23 department for the credit as required in sub-subparagraph 3.c.  
24 If the annual credit is not fully used through such refund  
25 because of insufficient tax payments during the applicable  
26 12-month period, the unused amount may be included in an  
27 application for a refund made pursuant to sub-subparagraph  
28 3.c. in subsequent years against the total tax payments made  
29 for such year. Carryover credits may be applied for a 3-year  
30 period without regard to any time limitation that would  
31 otherwise apply under s. 215.26;

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

4           d. All proposals for the granting of the tax credit  
5 shall require the prior approval of the Office of Tourism,  
6 Trade, and Economic Development;

7           e. The total amount of tax credits which may be  
8 granted for all programs approved under this paragraph, s.  
9 220.183, and s. 624.5105 is \$10 million annually; and

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

14           2. Eligibility requirements.--

15           a. A community contribution by a person must be in the  
16 following form:

17           (I) Cash or other liquid assets;

18           (II) Real property;

19           (III) Goods or inventory; or

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

22           b. All community contributions must be reserved  
23 exclusively for use in a project. As used in this  
24 sub-subparagraph, the term "project" means any activity  
25 undertaken by an eligible sponsor which is designed to  
26 construct, improve, or substantially rehabilitate housing that  
27 is affordable to low-income or very-low-income households as  
28 defined in s. 420.9071(19) and (28); designed to provide  
29 commercial, industrial, or public resources and facilities; or  
30 designed to improve entrepreneurial and job-development  
31 opportunities for low-income persons. A project may be the

1 investment necessary to increase access to high-speed  
2 broadband capability in rural communities with enterprise  
3 zones, including projects that result in improvements to  
4 communications assets that are owned by a business. A project  
5 may include the provision of museum educational programs and  
6 materials that are directly related to any project approved  
7 between January 1, 1996, and December 31, 1999, and located in  
8 an enterprise zone as referenced in s. 290.00675. This  
9 paragraph does not preclude projects that propose to construct  
10 or rehabilitate housing for low-income or very-low-income  
11 households on scattered sites. The Office of Tourism, Trade,  
12 and Economic Development may reserve up to 50 percent of the  
13 available annual tax credits for housing for very-low-income  
14 households pursuant to s. 420.9071(28) for the first 6 months  
15 of the fiscal year. With respect to housing, contributions may  
16 be used to pay the following eligible low-income and  
17 very-low-income housing-related activities:

18 (I) Project development impact and management fees for  
19 low-income or very-low-income housing projects;

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

22 (III) Administrative costs, including housing  
23 counseling and marketing fees, not to exceed 10 percent of the  
24 community contribution, directly related to low-income or  
25 very-low-income projects; and

26 (IV) Removal of liens recorded against residential  
27 property by municipal, county, or special district local  
28 governments when satisfaction of the lien is a necessary  
29 precedent to the transfer of the property to an eligible  
30 person, as defined in s. 420.9071(19) and (28), for the  
31



1 purpose of promoting home ownership. Contributions for lien  
2 removal must be received from a nonrelated third party.

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

5 (I) A community action program;

6 (II) A nonprofit community-based development  
7 organization whose mission is the provision of housing for  
8 low-income or very-low-income households or increasing  
9 entrepreneurial and job-development opportunities for  
10 low-income persons;

11 (III) A neighborhood housing services corporation;

12 (IV) A local housing authority created under chapter  
13 421;

14 (V) A community redevelopment agency created under s.  
15 163.356;

16 (VI) The Florida Industrial Development Corporation;

17 (VII) A historic preservation district agency or  
18 organization;

19 (VIII) A regional workforce board;

20 (IX) A direct-support organization as provided in s.  
21 1009.983;

22 (X) An enterprise zone development agency created  
23 under s. 290.0056;

24 (XI) A community-based organization incorporated under  
25 chapter 617 which is recognized as educational, charitable, or  
26 scientific pursuant to s. 501(c)(3) of the Internal Revenue  
27 Code and whose bylaws and articles of incorporation include  
28 affordable housing, economic development, or community  
29 development as the primary mission of the corporation;

30 (XII) Units of local government;

31 (XIII) Units of state government; or

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

3  
4 In no event may a contributing person have a financial  
5 interest in the eligible sponsor.

6 d. The project must be located in an area designated  
7 an enterprise zone or a Front Porch Florida Community pursuant  
8 to s. 14.2015(9)(b), unless the project increases access to  
9 high-speed broadband capability for rural communities with  
10 enterprise zones but is physically located outside the  
11 designated rural zone boundaries. Any project designed to  
12 construct or rehabilitate housing for low-income or  
13 very-low-income households as defined in s. 420.0971(19) and  
14 (28) is exempt from the area requirement of this  
15 sub-subparagraph.

16 3. Application requirements.--

17 a. Any eligible sponsor seeking to participate in this  
18 program must submit a proposal to the Office of Tourism,  
19 Trade, and Economic Development which sets forth the name of  
20 the sponsor, a description of the project, and the area in  
21 which the project is located, together with such supporting  
22 information as is prescribed by rule. The proposal must also  
23 contain a resolution from the local governmental unit in which  
24 the project is located certifying that the project is  
25 consistent with local plans and regulations.

26 b. Any person seeking to participate in this program  
27 must submit an application for tax credit to the Office of  
28 Tourism, Trade, and Economic Development which sets forth the  
29 name of the sponsor, a description of the project, and the  
30 type, value, and purpose of the contribution. The sponsor  
31 shall verify the terms of the application and indicate its

1 receipt of the contribution, which verification must be in  
2 writing and accompany the application for tax credit. The  
3 person must submit a separate tax credit application to the  
4 office for each individual contribution that it makes to each  
5 individual project.

6 c. Any person who has received notification from the  
7 Office of Tourism, Trade, and Economic Development that a tax  
8 credit has been approved must apply to the department to  
9 receive the refund. Application must be made on the form  
10 prescribed for claiming refunds of sales and use taxes and be  
11 accompanied by a copy of the notification. A person may submit  
12 only one application for refund to the department within any  
13 12-month period.

14 4. Administration.--

15 a. The Office of Tourism, Trade, and Economic  
16 Development may adopt rules pursuant to ss. 120.536(1) and  
17 120.54 necessary to administer this paragraph, including rules  
18 for the approval or disapproval of proposals by a person.

19 b. The decision of the Office of Tourism, Trade, and  
20 Economic Development must be in writing, and, if approved, the  
21 notification shall state the maximum credit allowable to the  
22 person. Upon approval, the office shall transmit a copy of the  
23 decision to the Department of Revenue.

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

29 d. The Office of Tourism, Trade, and Economic  
30 Development shall, in consultation with the Department of  
31 Community Affairs, the Florida Housing Finance Corporation,

1 and the statewide and regional housing and financial  
2 intermediaries, market the availability of the community  
3 contribution tax credit program to community-based  
4 organizations.

5 5. Use of proceeds.--Fifteen percent of the community  
6 contribution tax credit pool shall be set aside for the first  
7 6 months of the fiscal year for projects located in a rural  
8 enterprise zone as defined in s. 290.004.

9 6.5. Expiration.--This paragraph expires June 30,  
10 2005; however, any accrued credit carryover that is unused on  
11 that date may be used until the expiration of the 3-year  
12 carryover period for such credit.

13 Section 2. Section 212.097, Florida Statutes, is  
14 amended to read:

15 212.097 Designated Urban ~~High-Crime Area~~ Job Tax  
16 Credit Area Program.--

17 (1) As used in this section, the term:

18 (a) "Eligible business" means any sole proprietorship,  
19 firm, partnership, or corporation that is located in a  
20 designated urban job tax credit area ~~qualified county~~ and is  
21 predominantly engaged in, or is headquarters for a business  
22 predominantly engaged in, activities usually provided for  
23 consideration by firms classified within the following  
24 standard industrial classifications: SIC 01-SIC 09  
25 (agriculture, forestry, and fishing); SIC 20-SIC 39  
26 (manufacturing); SIC 52-SIC 57 and SIC 59 (retail); SIC 422  
27 (public warehousing and storage); SIC 70 (hotels and other  
28 lodging places); SIC 7391 (research and development); SIC 781  
29 (motion picture production and allied services); SIC 7992  
30 (public golf courses); ~~and~~ SIC 7996 (amusement parks); and a  
31 targeted industry eligible for the qualified target industry

1 business tax refund under s. 288.106. A call center or similar  
2 customer service operation that services a multistate market  
3 or international market is also an eligible business. In  
4 addition, the Office of Tourism, Trade, and Economic  
5 Development may, as part of its final budget request submitted  
6 pursuant to s. 216.023, recommend additions to or deletions  
7 from the list of standard industrial classifications used to  
8 determine an eligible business, and the Legislature may  
9 implement such recommendations. Excluded from eligible  
10 receipts are receipts from retail sales, except such receipts  
11 for SIC 52-SIC 57 and SIC 59 (retail) hotels and other lodging  
12 places classified in SIC 70, public golf courses in SIC 7992,  
13 and amusement parks in SIC 7996. For purposes of this  
14 paragraph, the term "predominantly" means that more than 50  
15 percent of the business's gross receipts from all sources is  
16 generated by those activities usually provided for  
17 consideration by firms in the specified standard industrial  
18 classification. The determination of whether the business is  
19 located in a designated urban job tax credit ~~qualified~~  
20 ~~high-crime area and the tier ranking of that area~~ must be  
21 based on the date of application for the credit under this  
22 section. Commonly owned and controlled entities are to be  
23 considered a single business entity.

24 (b) "Qualified employee" means any employee of an  
25 eligible business who performs duties in connection with the  
26 operations of the business on a regular, full-time basis for  
27 an average of at least 36 hours per week for at least 3 months  
28 within the designated urban job tax credit ~~qualified~~  
29 ~~high-crime~~ area in which the eligible business is located. An  
30 owner or partner of the eligible business is not a qualified  
31 employee. The term also includes an employee leased from an

1 employee leasing company licensed under chapter 468, if such  
2 employee has been continuously leased to the employer for an  
3 average of at least 36 hours per week for more than 6 months.

4 (c) "New business" means any eligible business first  
5 beginning operation on a site in a designated urban job tax  
6 credit ~~qualified high-crime~~ area and clearly separate from any  
7 other commercial or business operation of the business entity  
8 within a designated urban job tax credit ~~qualified high-crime~~  
9 area. A business entity that operated an eligible business  
10 within a designated urban job tax credit ~~qualified high-crime~~  
11 area within the 48 months before the period provided for  
12 application by subsection (2) is not considered a new  
13 business.

14 (d) "Existing business" means any eligible business  
15 that does not meet the criteria for a new business.

16 (e) "Designated urban job tax credit ~~qualified~~  
17 ~~high-crime~~ area" means an area selected by the Office of  
18 Tourism, Trade, and Economic Development in the following  
19 manner: every third year, the office shall rank ~~and tier~~ those  
20 areas nominated under subsection (7), ~~according to the~~ highest  
21 level of distress experienced in the categories enumerated  
22 under subsection (7). The Office of Tourism, Trade, and  
23 Economic Development shall designate the 30  
24 highest-distress-profile urban areas as eligible participants  
25 under the urban job tax credit program following prioritized  
26 criteria:

27 1. ~~Highest arrest rates within the geographic area for~~  
28 ~~violent crime and for such other crimes as drug sale, drug~~  
29 ~~possession, prostitution, vandalism, and civil disturbances;~~  
30

31

1           ~~2. Highest reported crime volume and rate of specific~~  
2 ~~property crimes such as business and residential burglary,~~  
3 ~~motor vehicle theft, and vandalism;~~

4           ~~3. Highest percentage of reported index crimes that~~  
5 ~~are violent in nature;~~

6           ~~4. Highest overall index crime volume for the area;~~  
7 ~~and~~

8           ~~5. Highest overall index crime rate for the geographic~~  
9 ~~area.~~

10  
11 ~~Tier one areas are ranked 1 through 5 and represent the~~  
12 ~~highest crime areas according to this ranking. Tier two areas~~  
13 ~~are ranked 6 through 10 according to this ranking. Tier three~~  
14 ~~areas are ranked 11 through 15. Notwithstanding this~~  
15 ~~definition, "designated urban job tax credit qualified~~  
16 ~~high-crime area" also means an area that has been designated~~  
17 ~~as a federal Empowerment Zone pursuant to the Taxpayer Relief~~  
18 ~~Act of 1997 or the Community Tax Relief Act of 2000. Such a~~  
19 ~~designated area is ranked in tier three until the areas are~~  
20 ~~reevaluated by the Office of Tourism, Trade, and Economic~~  
21 ~~Development.~~

22           ~~(f) "Central business district" means an area~~  
23 ~~comprised of at least 80 percent commercial and government~~  
24 ~~buildings and properties; characterized by a high~~  
25 ~~concentration of retail businesses, service businesses,~~  
26 ~~offices, theaters, and hotels; and located in a Department of~~  
27 ~~Transportation Urban Service Area.~~

28           ~~(g) "Urban" means a densely populated nonrural area~~  
29 ~~located within an urban county which consists of a cluster of~~  
30 ~~one or more census blocks, each of which has a population~~

1 density of at least 400 people per square mile, or an area  
2 defined by the most recent United States Census as urban.

3 (2) A new eligible business may apply for a tax credit  
4 under this subsection once at any time during its first year  
5 of operation. A new eligible business in a designated urban  
6 job tax credit ~~tier-one qualified high-crime~~ area which has at  
7 least 10 qualified employees on the date of application shall  
8 receive a ~~\$1,500 tax credit for each such employee.~~ A new  
9 ~~eligible business in a tier-two qualified high-crime area~~  
10 ~~which has at least 20 qualified employees on the date of~~  
11 ~~application shall receive a \$1,000 tax credit for each such~~  
12 ~~employee. A new eligible business in a tier-three qualified~~  
13 ~~high-crime area which has at least 30 qualified employees on~~  
14 ~~the date of application shall receive a \$500 tax credit for~~  
15 ~~each such employee.~~

16 (3) An existing eligible business may apply for a tax  
17 credit under this subsection at any time it is entitled to  
18 such credit, except as restricted by this subsection. An  
19 existing eligible business in a designated urban job tax  
20 credit ~~tier-one qualified high-crime~~ area which on the date of  
21 application has at least 10 ~~5~~ more qualified employees than it  
22 had 1 year prior to its date of application shall receive a  
23 ~~\$1,500 tax credit for each such additional employee.~~ An  
24 ~~existing eligible business in a tier-two qualified high-crime~~  
25 ~~area which on the date of application has at least 10 more~~  
26 ~~qualified employees than it had 1 year prior to its date of~~  
27 ~~application shall receive a \$1,000 credit for each such~~  
28 ~~additional employee. An existing business in a tier-three~~  
29 ~~qualified high-crime area which on the date of application has~~  
30 ~~at least 15 more qualified employees than it had 1 year prior~~  
31 ~~to its date of application shall receive a \$500 tax credit for~~



1 ~~each such additional employee.~~ An existing eligible business  
2 may apply for the credit under this subsection no more than  
3 once in any 12-month period. Any existing eligible business  
4 that received a credit under subsection (2) may not apply for  
5 the credit under this subsection sooner than 12 months after  
6 the application date for the credit under subsection (2).

7 (4) For any new eligible business receiving a credit  
8 pursuant to subsection (2), an additional \$500 credit shall be  
9 provided for any qualified employee who is a welfare  
10 transition program participant. For any existing eligible  
11 business receiving a credit pursuant to subsection (3), an  
12 additional \$500 credit shall be provided for any qualified  
13 employee who is a welfare transition program participant. Such  
14 employee must be employed on the application date and have  
15 been employed less than 1 year. This credit shall be in  
16 addition to other credits pursuant to this section ~~regardless~~  
17 ~~of the tier-level of the high-crime area.~~ Appropriate  
18 documentation concerning the eligibility of an employee for  
19 this credit must be submitted as determined by the department.

20 (5) To be eligible for a tax credit under subsection  
21 (3), the number of qualified employees employed 1 year prior  
22 to the application date must be no lower than the number of  
23 qualified employees on the application date on which a credit  
24 under this section was based for any previous application,  
25 including an application under subsection (2).

26 (6) Any county or municipality, or a county and one or  
27 more municipalities together, may apply to the Office of  
28 Tourism, Trade, and Economic Development for the designation  
29 of an area as a designated urban job tax credit ~~high-crime~~  
30 area after the adoption by the governing body or bodies of a  
31 resolution that:

1 (a) Finds that an urban ~~a high-crime~~ area exists in  
2 such county or municipality, or in both the county and one or  
3 more municipalities, which chronically exhibits extreme and  
4 unacceptable levels of poverty, unemployment, physical  
5 deterioration, and economic disinvestment;

6 (b) Determines that the rehabilitation, conservation,  
7 or redevelopment, or a combination thereof, of such an urban ~~a~~  
8 ~~high-crime~~ area is necessary in the interest of the health,  
9 safety, and welfare of the residents of such county or  
10 municipality, or such county and one or more municipalities;  
11 and

12 (c) Determines that the revitalization of such an  
13 ~~urban a high-crime~~ area can occur if the public sector or  
14 private sector can be induced to invest its own resources in  
15 productive enterprises that build or rebuild the economic  
16 viability of the area.

17 (7) The governing body of the entity nominating the  
18 area shall demonstrate ~~provide~~ to the Office of Tourism,  
19 Trade, and Economic Development that the area meets the  
20 following:

21 (a) Income characteristics:

22 1. Forty percent of area residents are earning wages  
23 on an annual basis that are equal to or less than the annual  
24 wage of a person who is earning minimum wage; or

25 2. More than 20 percent of residents or families live  
26 below the federal standard of poverty for individuals or a  
27 family of four. ~~The overall index crime rate for the~~  
28 ~~geographic area;~~

29 (b) Education characteristics:

30 1. Has a high school dropout rate higher than the  
31 county average; or

1           2. Has a high school graduation rate lower than the  
2 state average.~~The overall index crime volume for the area;~~

3           (c) Workforce and employment characteristics:

4           1. Has an unemployment rate at least 3 percentage  
5 points higher than the state's unemployment rate;

6           2. More than 50 percent of families subject to the  
7 welfare-to-work transition time limit are either within 6  
8 months of the time limit or are receiving cash assistance  
9 under a period of hardship extension to the time limit; or

10           3. Is identified as a labor surplus area using the  
11 criteria established by the United States Department of  
12 Labor's Employment and Training Administration.~~The percentage~~  
13 ~~of reported index crimes that are violent in nature;~~

14           (d) Crime characteristics:

15           1. Has an arrest rate higher than the state's average  
16 rate for such crimes as drug sale, drug possession,  
17 prostitution, vandalism, and civil disturbances, as recorded  
18 by total crime index of the Department of Law Enforcement; or

19           2. Ranks in the top 30 percent of zip codes with  
20 reported crimes that are violent in nature.~~The reported crime~~  
21 ~~volume and rate of specific property crimes such as business~~  
22 ~~and residential burglary, motor vehicle theft, and vandalism;~~  
23 ~~and~~

24           (e) Residential and commercial property related  
25 characteristics:

26           1. Fifty percent or more of area residents rent;

27           2.a. Property values are within the lower 50 percent  
28 of the county's assessed property values;

29           b. More than 5 percent of area homes, apartments, or  
30 buildings are abandoned, have been condemned within the  
31 previous 24 months, or have a greater number of violations of

1 the Florida Building Code than recorded in the remainder of  
2 the county or municipality; or

3 c. Tax or special assessment delinquencies exceed the  
4 fair value of the land.~~The arrest rates within the geographic~~  
5 ~~area for violent crime and for such other crimes as drug sale,~~  
6 ~~drug possession, prostitution, disorderly conduct, vandalism,~~  
7 ~~and other public-order offenses.~~

8 (8) A municipality, or a county and one or more  
9 municipalities together, may not nominate more than one urban  
10 ~~high-crime~~ area. However, any county as defined by s.  
11 125.011(1) may nominate no more than three urban high-crime  
12 areas.

13 (9)(a) An area nominated by a county or municipality,  
14 or a county and one or more municipalities together, for  
15 designation as an urban job tax credit ~~a high-crime~~ area shall  
16 be eligible only if it meets the following criteria:

17 1.(a) ~~The selected area does not exceed 20 square~~  
18 ~~miles and either~~ has a continuous boundary or consists of not  
19 more than three noncontiguous parcels.~~†~~

20 2.(b) The selected area does not exceed the following  
21 mileage limitation:

22 a.1. For areas ~~communities~~ having a total population  
23 of 150,000 persons or more, the selected area does not exceed  
24 20 square miles and is within 10 miles of the central business  
25 district of a city.

26 b.2. For areas ~~communities~~ having a total population  
27 of 50,000 persons or more, but fewer than 150,000 persons, the  
28 selected area does not exceed 10 square miles and is within  
29 7.5 miles of the central business district of a city.

30 c.3. For areas ~~communities~~ having a total population  
31 of 20,000 persons or more, but fewer than 50,000 persons, the

1 selected area does not exceed 5 square miles and is within 5  
2 miles of the central business district of a city.

3 d.4. For areas ~~communities~~ having a total population  
4 of fewer than 20,000 persons, the selected area does not  
5 exceed 3 square miles and is within 3 miles of the central  
6 business district of a city.

7 (b) A designated urban job tax credit area may not  
8 include any portion of a central business district, unless the  
9 poverty rate for each census geographic block group in the  
10 district is not less than 30 percent.

11 (10)(a) In order to claim this credit, an eligible  
12 business must file under oath with the Office of Tourism,  
13 Trade, and Economic Development a statement that includes the  
14 name and address of the eligible business and any other  
15 information that is required to process the application.

16 (b) Within 30 working days after receipt of an  
17 application for credit, the Office of Tourism, Trade, and  
18 Economic Development shall review the application to determine  
19 whether it contains all the information required by this  
20 subsection and meets the criteria set out in this section.  
21 Subject to the provisions of paragraph (c), the Office of  
22 Tourism, Trade, and Economic Development shall approve all  
23 applications that contain the information required by this  
24 subsection and meet the criteria set out in this section as  
25 eligible to receive a credit.

26 (c) The maximum credit amount that may be approved  
27 during any calendar year is \$5 million, ~~of which \$1 million~~  
28 ~~shall be exclusively reserved for tier-one areas.~~ The  
29 Department of Revenue, in conjunction with the Office of  
30 Tourism, Trade, and Economic Development, shall notify the  
31 governing bodies in areas designated under this section ~~as~~

1 ~~urban high crime areas~~ when the \$5 million maximum amount has  
2 been reached. Applications must be considered for approval in  
3 the order in which they are received without regard to whether  
4 the credit is for a new or existing business. This limitation  
5 applies to the value of the credit as contained in approved  
6 applications. Approved credits may be taken in the time and  
7 manner allowed pursuant to this section.

8 (11) If the application is insufficient to support the  
9 credit authorized in this section, the Office of Tourism,  
10 Trade, and Economic Development shall deny the credit and  
11 notify the business of that fact. The business may reapply for  
12 this credit within 3 months after such notification.

13 (12) If the credit under this section is greater than  
14 can be taken on a single tax return, excess amounts may be  
15 taken as credits on any tax return submitted within 12 months  
16 after the approval of the application by the department.

17 (13) It is the responsibility of each business to  
18 affirmatively demonstrate to the satisfaction of the  
19 Department of Revenue that it meets the requirements of this  
20 section.

21 (14) Any person who fraudulently claims this credit is  
22 liable for repayment of the credit plus a mandatory penalty of  
23 100 percent of the credit and is guilty of a misdemeanor of  
24 the second degree, punishable as provided in s. 775.082 or s.  
25 775.083.

26 (15) A corporation may take the credit under this  
27 section against its corporate income tax liability, as  
28 provided in s. 220.1895. However, a corporation that applies  
29 its job tax credit against the tax imposed by chapter 220 may  
30 not receive the credit provided for in this section. A credit  
31 may be taken against only one tax.

1           (16) An eligible business may transfer any unused  
2 credit in whole or in units of no less than 25 percent of the  
3 remaining credit. The entity that acquires the credit may use  
4 it in the same manner and with the same limitation as  
5 described in this section. Such transferred credits may not be  
6 transferred again, although they may succeed to a surviving or  
7 acquiring entity subject to the conditions and limitations  
8 described in this section.

9           ~~(17)~~~~(16)~~ The department shall adopt rules governing  
10 the manner and form of applications for credit or transfers of  
11 credit and may establish guidelines concerning the requisites  
12 for an affirmative showing of qualification for the credit  
13 under this section.

14           Section 3. Present subsection (12) of section 212.098,  
15 Florida Statutes, is redesignated as subsection (13), and a  
16 new subsection (12) is added to that section, to read:

17           212.098 Rural Job Tax Credit Program.--

18           (12) An eligible business may transfer any unused  
19 credit in whole or in units of not less than 25 percent of the  
20 remaining credit. The entity that acquires the credit may use  
21 it in the same manner and with the same limitation as  
22 described in this section. Such transferred credit may not be  
23 transferred again, although the credit may succeed to a  
24 surviving or acquiring entity subject to the conditions and  
25 limitations described in this section.

26           Section 4. Subsection (1) of section 220.183, Florida  
27 Statutes, is amended to read:

28           220.183 Community contribution tax credit.--

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

1 (a) There shall be allowed a credit of 50 percent of a  
2 community contribution against any tax due for a taxable year  
3 under this chapter.

4 (b) No business firm shall receive more than \$200,000  
5 in annual tax credits for all approved community contributions  
6 made in any one year.

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. 624.5105 is \$10 million annually.

10 (d) All proposals for the granting of the tax credit  
11 shall require the prior approval of the Office of Tourism,  
12 Trade, and Economic Development.

13 (e) If the credit granted pursuant to this section is  
14 not fully used in any one year because of insufficient tax  
15 liability on the part of the business firm, the unused amount  
16 may be carried forward for a period not to exceed 5 years. The  
17 carryover credit may be used in a subsequent year when the tax  
18 imposed by this chapter for such year exceeds the credit for  
19 such year under this section after applying the other credits  
20 and unused credit carryovers in the order provided in s.  
21 220.02(8).

22 (f) A taxpayer who files a Florida consolidated return  
23 as a member of an affiliated group pursuant to s. 220.131(1)  
24 may be allowed the credit on a consolidated return basis.

25 (g) A taxpayer who is eligible to receive the credit  
26 provided for in s. 624.5105 is not eligible to receive the  
27 credit provided by this section.

28 (h) Fifteen percent of the community contribution tax  
29 credit pool shall be set aside for the first 6 months of the  
30 fiscal year for projects located in a rural enterprise zone as  
31 defined in s. 290.004.



1 Section 5. Section 220.1895, Florida Statutes, is  
2 amended to read:

3 220.1895 Rural Job Tax Credit and Designated Urban  
4 ~~High-Crime Area~~ Job Tax Credit Area.--There shall be allowed a  
5 credit against the tax imposed by this chapter amounts  
6 approved by the Office of Tourism, Trade, and Economic  
7 Development pursuant to the Rural Job Tax Credit Program in s.  
8 212.098 and the Designated Urban ~~High-Crime Area~~ Job Tax  
9 Credit Area Program in s. 212.097. A corporation that uses its  
10 credit against the tax imposed by this chapter may not take  
11 the credit against the tax imposed by chapter 212. If any  
12 credit granted under this section is not fully used in the  
13 first year for which it becomes available, the unused amount  
14 may be carried forward for a period not to exceed 5 years. The  
15 carryover may be used in a subsequent year when the tax  
16 imposed by this chapter for such year exceeds the credit for  
17 such year under this section after applying the other credits  
18 and unused credit carryovers in the order provided in s.  
19 220.02(8). ~~The Office of Tourism, Trade, and Economic~~  
20 ~~Development shall conduct a review of the Urban High-Crime~~  
21 ~~Area Job Tax Credit and the Rural Job Tax Credit Program and~~  
22 ~~submit its report to the Governor, the President of the~~  
23 ~~Senate, and the Speaker of the House of Representatives by~~  
24 ~~February 1, 2000.~~

25 Section 6. Subsection (7) of section 288.1045, Florida  
26 Statutes, is amended to read:

27 288.1045 Qualified defense contractor tax refund  
28 program.--

29 (7) EXPIRATION.--An applicant may not be certified as  
30 qualified under this section after June 30, 2009 ~~2004~~.

31

1 However, a tax-refund agreement that is in effect on that date  
2 shall continue in effect in accordance with its terms.

3 Section 7. Subsection (7) of section 288.106, Florida  
4 Statutes, is amended to read:

5 288.106 Tax refund program for qualified target  
6 industry businesses.--

7 (7) EXPIRATION.--This section expires June 30, 2009  
8 2004. However, a tax-refund agreement that is in effect on  
9 that date shall continue in effect in accordance with its  
10 terms.

11 Section 8. This act shall take effect July 1, 2004.

12 \*\*\*\*\*

13 \*\*\*\*\*  
14 SENATE SUMMARY

15 Revises various provisions governing economic stimulus.  
16 Revises sales-price criteria for characterizing business  
17 property for the purpose of receiving an exemption from  
18 the tax on sales, use, and other transactions. Specifies  
19 the use of certain funds from the community contribution  
20 tax credit pool. Revises provisions providing for an  
21 urban job tax credit program to apply to designated urban  
22 job tax credit areas rather than high-crime areas. With  
23 respect to urban job tax credit areas, revises and  
24 provides definitions, eligibility criteria, application  
25 procedures and requirements, and area characteristics and  
26 criteria. Authorizes the transfer of unused credits.  
27 Specifies the use of transferred credits. Allows the  
28 transfer of unused credits taken under the Rural Job Tax  
29 Credit Program. Extends the period applicable to an  
30 exemption under the qualified defense contractor tax  
31 refund program. Extends the period applicable to an  
exemption under the tax refund program for qualified  
target industry businesses. Provides for the continuation  
of certain tax-refund agreements beyond the expiration  
date prescribed in this act.