

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

310-2280-04

1 A bill to be entitled
2 An act relating to economic stimulus; amending
3 s. 163.2517, F.S.; adding institutions of
4 higher education to participants in the
5 collaborative planning process for urban infill
6 and redevelopment areas; amending s. 163.2526,
7 F.S.; specifying criteria for evaluating the
8 performance of local governments in the
9 implementation of urban infill and
10 redevelopment area planning grants and
11 implementation grants; directing the Office of
12 Tourism, Trade, and Economic Development to
13 develop methods and procedures to assist state
14 agencies and local governments in obtaining
15 state and local grants for revitalization
16 programs for distressed urban communities;
17 directing the Office of Program Policy Analysis
18 and Government Accountability to identify and
19 review current state economic development
20 programs created by statute relative to the
21 revitalization of the state's distressed
22 communities; requiring a report to the
23 Legislature; specifying components of the
24 report; amending s. 212.08, F.S.; revising
25 sales-price criteria for characterizing
26 business property purchased for use in an
27 enterprise zone; requiring that 15 percent of
28 community contribution tax credits be reserved
29 for a period each fiscal year for projects in
30 rural enterprise zones; amending s. 212.097,
31 F.S.; revising provisions providing for an

1 urban job tax credit program to apply to
2 designated urban job tax credit areas rather
3 than high crime areas; revising and providing
4 definitions, eligibility criteria, application
5 procedures and requirements, and area
6 characteristics and criteria; authorizing the
7 transfer of unused credits; specifying the use
8 of transferred credits; amending s. 212.098,
9 F.S.; allowing the transfer of unused credits
10 taken under the Rural Job Tax Credit Program;
11 amending s. 220.13, F.S.; providing that
12 amounts included in taxable income by reason of
13 membership or ownership in a limited liability
14 company engaged in a space flight business may
15 be subtracted from taxable income for purposes
16 of determining adjusted federal income;
17 amending s. 220.183, F.S.; requiring that 15
18 percent of community contribution tax credits
19 be reserved for a period each fiscal year for
20 projects in rural enterprise zones; amending s.
21 220.1895, F.S.; conforming provisions to
22 changes made by the act; removing an obsolete
23 reference; amending s. 288.1045, F.S.;
24 extending, under certain conditions, the period
25 applicable to an exemption under the qualified
26 defense contractor tax refund program; amending
27 s. 288.106, F.S.; extending, under certain
28 conditions, the period applicable to an
29 exemption under the tax refund program for
30 qualified target industry businesses; providing
31 for the continuation of certain tax-refund

1 agreements beyond the expiration date
2 prescribed in this act; amending s. 624.5105,
3 F.S.; specifying that the annual limitation on
4 community contribution tax credits applies to
5 sales and use taxes as well as to the corporate
6 income tax and insurance premium taxes;
7 requiring that 15 percent of community
8 contribution tax credits be reserved for a
9 period each fiscal year for projects in rural
10 enterprise zones; providing an appropriation to
11 fund the urban infill and redevelopment grant
12 assistance program; providing an effective
13 date.

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

16
17 Section 1. Paragraph (c) is added to subsection (2) of
18 section 163.2517, Florida Statutes, to read:

19 163.2517 Designation of urban infill and redevelopment
20 area.--

21 (2)

22 (c) If a community college, university, or other
23 institution of higher education is within the geographical
24 vicinity, local government grant applicants are encouraged to
25 involve such institutions in the visioning and collaborative
26 planning process and to enter into agreements that the
27 institution will contribute resources and expertise to the
28 redevelopment effort.

29 Section 2. Section 163.2526, Florida Statutes, is
30 amended to read:

31 163.2526 Review and evaluation.--

1 (1) Before the 2004 Regular Session of the
2 Legislature, the Office of Program Policy Analysis and
3 Government Accountability shall perform a review and
4 evaluation of ss. 163.2511-163.2526, including the financial
5 incentives listed in s. 163.2520. The report must evaluate the
6 effectiveness of the designation of urban infill and
7 redevelopment areas in stimulating urban infill and
8 redevelopment and strengthening the urban core. A report of
9 the findings and recommendations of the Office of Program
10 Policy Analysis and Government Accountability shall be
11 submitted to the President of the Senate and the Speaker of
12 the House of Representatives before the 2004 Regular Session
13 of the Legislature.

14 (2) Subsequent to June 1, 2004, local governments that
15 are awarded grants pursuant to s. 163.2523 shall make annual
16 reports to the Department of Community Affairs on performance
17 measures identified in the urban infill and redevelopment plan
18 pursuant to s. 163.2517(3)(n).

19 (a) Local governments that receive planning grants
20 shall report their progress in creating urban infill and
21 redevelopment plans. In creating a plan, a local government
22 must:

23 1. Use a collaborative and holistic community
24 participation process and prepare a plan that describes
25 redevelopment objects of the area;

26 2. Report information on stakeholder involvement in
27 creating plans;

28 3. Specify whether goals of the plan are consistent
29 with community input they received;

30 4. Specify whether plans were adopted by local
31 governments; and

1 5. Identify which local incentives were approved to
2 encourage private investment.

3 (b) Local governments that receive implementation
4 grants shall report:

5 1. Progress in implementing activities specified in
6 their urban infill and redevelopment plans;

7 2. Changes in economic and demographic indicators over
8 time and how these changes compare to objectives specified in
9 their urban infill and redevelopment plans; and

10 3. Information on the types and dollar amounts of
11 financial incentives used to encourage private investment in
12 designated areas.

13 (c) Grant recipients shall establish appropriate
14 measures, such as inputs, outputs, and outcomes, and standards
15 for evaluating the impact of the grants on local conditions.
16 These measures and standards must be directly linked to goals
17 for redeveloping an area specified in each grant recipient's
18 urban infill and redevelopment plan pursuant to s. 163.2517.
19 Grant recipients shall also compile baseline data on
20 conditions existing prior to an area's designation which can
21 be used to assess changes in conditions over time. Depending
22 on the goals of a grant recipient's urban infill and
23 redevelopment plan, baseline data may need to be compiled on
24 property tax revenues, property tax values, net job creation,
25 and changes in characteristics of resident population to
26 include employment rates, high school graduation rates,
27 homeownership rates, and median income levels.

28 (3) The Department of Community Affairs shall provide
29 technical assistance to recipients of planning and
30 implementation grants. Such assistance must include assisting
31 grant recipients in creating appropriate measures, standards,

1 and uniform data collection procedures to ensure the
2 reliability and consistency of data that will be used to
3 evaluate performance. The department shall also adopt rules to
4 specify reporting requirements for grant recipients.

5 Section 3. The Office of Tourism, Trade, and Economic
6 Development of the Executive Office of the Governor shall
7 develop methods and procedures to assist state agencies and
8 local governments in obtaining state and federal grants for
9 revitalization programs for distressed urban communities; to
10 develop and maintain a current listing of available federal
11 grants; to assign appropriate staff as contacts for
12 information on each grant; and to provide technical assistance
13 necessary for local governments to submit completed grant
14 proposals. Such methods may include the expansion of the
15 existing rural resource directory database to include grants
16 available to urban areas and designation of one or more state
17 entities to provide such assistance as necessary.

18 Section 4. (1) The Office of Program Policy Analysis
19 and Government Accountability shall, with the assistance of
20 the Legislative Committee on Intergovernmental Relations and
21 other legislative committee and agency staff, as appropriate,
22 identify and review current state economic development
23 programs created by statute relative to the revitalization of
24 Florida's distressed communities and shall provide a report to
25 the Legislature by January 31, 2005. The project shall profile
26 the implementation of these programs, including the use of
27 incentives; review the programs' impact through site visits;
28 identify best practices contributing to the successful
29 implementation of the programs; and identify state practices
30 that facilitate or impede the programs' implementation by
31 local governments.

- 1 (2) Specifically, the report must:
2 (a) Identify and profile state economic development
3 programs, including the use of incentives, to be included in
4 the review;
5 (b) Through site visits, review how local governments
6 use the state programs alone or in combination to help spur
7 revitalization of distressed communities;
8 (c) Consider in its fieldwork municipal or county
9 jurisdictions with small (fewer than 30,000) populations,
10 medium (between 30,000 and 75,000) populations, and large
11 (more than 75,000) populations;
12 (d) Identify best practices contributing to the
13 successful implementation of these programs; and
14 (e) Identify state practices that facilitate or impede
15 the use of these programs.

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

18 212.08 Sales, rental, use, consumption, distribution,
19 and storage tax; specified exemptions.--The sale at retail,
20 the rental, the use, the consumption, the distribution, and
21 the storage to be used or consumed in this state of the
22 following are hereby specifically exempt from the tax imposed
23 by this chapter.

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

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

26 1. Business property purchased for use by businesses
27 located in an enterprise zone which is subsequently used in an
28 enterprise zone shall be exempt from the tax imposed by this
29 chapter. This exemption inures to the business only through a
30 refund of previously paid taxes. A refund shall be authorized
31 upon an affirmative showing by the taxpayer to the

1 satisfaction of the department that the requirements of this
2 paragraph have been met.

3 2. To receive a refund, the business must file under
4 oath with the governing body or enterprise zone development
5 agency having jurisdiction over the enterprise zone where the
6 business is located, as applicable, an application which
7 includes:

8 a. The name and address of the business claiming the
9 refund.

10 b. The identifying number assigned pursuant to s.
11 290.0065 to the enterprise zone in which the business is
12 located.

13 c. A specific description of the property for which a
14 refund is sought, including its serial number or other
15 permanent identification number.

16 d. The location of the property.

17 e. The sales invoice or other proof of purchase of the
18 property, showing the amount of sales tax paid, the date of
19 purchase, and the name and address of the sales tax dealer
20 from whom the property was purchased.

21 f. Whether the business is a small business as defined
22 by s. 288.703(1).

23 g. If applicable, the name and address of each
24 permanent employee of the business, including, for each
25 employee who is a resident of an enterprise zone, the
26 identifying number assigned pursuant to s. 290.0065 to the
27 enterprise zone in which the employee resides.

28 3. Within 10 working days after receipt of an
29 application, the governing body or enterprise zone development
30 agency shall review the application to determine if it
31 contains all the information required pursuant to subparagraph

1 2. and meets the criteria set out in this paragraph. The
2 governing body or agency shall certify all applications that
3 contain the information required pursuant to subparagraph 2.
4 and meet the criteria set out in this paragraph as eligible to
5 receive a refund. If applicable, the governing body or agency
6 shall also certify if 20 percent of the employees of the
7 business are residents of an enterprise zone, excluding
8 temporary and part-time employees. The certification shall be
9 in writing, and a copy of the certification shall be
10 transmitted to the executive director of the Department of
11 Revenue. The business shall be responsible for forwarding a
12 certified application to the department within the time
13 specified in subparagraph 4.

14 4. An application for a refund pursuant to this
15 paragraph must be submitted to the department within 6 months
16 after the tax is due on the business property that is
17 purchased.

18 5. The provisions of s. 212.095 do not apply to any
19 refund application made pursuant to this paragraph. The amount
20 refunded on purchases of business property under this
21 paragraph shall be the lesser of 97 percent of the sales tax
22 paid on such business property or \$5,000, or, if no less than
23 20 percent of the employees of the business are residents of
24 an enterprise zone, excluding temporary and part-time
25 employees, the amount refunded on purchases of business
26 property under this paragraph shall be the lesser of 97
27 percent of the sales tax paid on such business property or
28 \$10,000. A refund approved pursuant to this paragraph shall be
29 made within 30 days of formal approval by the department of
30 the application for the refund. No refund shall be granted
31 under this paragraph unless the amount to be refunded exceeds

1 \$100 in sales tax paid on purchases made within a 60-day time
2 period.

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

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

- 16 a. Licensed commercial fishing vessels,
17 b. Fishing guide boats, or
18 c. Ecotourism guide boats
19

20 that leave and return to a fixed location within an area
21 designated under s. 370.28 are eligible for the exemption
22 provided under this paragraph if all requirements of this
23 paragraph are met. Such vessels and boats must be owned by a
24 business that is eligible to receive the exemption provided
25 under this paragraph. This exemption does not apply to the
26 purchase of a vessel or boat.

27 8. The department shall deduct an amount equal to 10
28 percent of each refund granted under the provisions of this
29 paragraph from the amount transferred into the Local
30 Government Half-cent Sales Tax Clearing Trust Fund pursuant to
31 s. 212.20 for the county area in which the business property

1 is located and shall transfer that amount to the General
2 Revenue Fund.

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

7 a. Property classified as 3-year property under s.
8 168(c)(2)(A) of the Internal Revenue Code of 1954, as amended;

9 b. Industrial machinery and equipment as defined in
10 sub-subparagraph (b)6.a. and eligible for exemption under
11 paragraph (b);

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

14 d. Business property having a sales price of under
15 ~~\$500~~\$5,000 per unit.

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

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

19 1. Authorization.--Beginning July 1, 2001, persons who
20 are registered with the department under s. 212.18 to collect
21 or remit sales or use tax and who make donations to eligible
22 sponsors are eligible for tax credits against their state
23 sales 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
27 state sales and use taxes reported on returns and remitted in
28 the 12 months preceding the date of application to the
29 department for the credit as required in sub-subparagraph 3.c.
30 If the annual credit is not fully used through such refund
31 because of insufficient tax payments during the applicable

1 12-month period, the unused amount may be included in an
2 application for a refund made pursuant to sub-subparagraph
3 3.c. in subsequent years against the total tax payments made
4 for such year. Carryover credits may be applied for a 3-year
5 period without regard to any time limitation that would
6 otherwise apply under s. 215.26;

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

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. The total amount of tax credits which may be
14 granted for all programs approved under this paragraph, s.
15 220.183, and s. 624.5105 is \$10 million annually; and

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

20 2. Eligibility requirements.--

21 a. A community contribution by a person must be in the
22 following form:

23 (I) Cash or other liquid assets;

24 (II) Real property;

25 (III) Goods or inventory; or

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

28 b. All community contributions must be reserved
29 exclusively for use in a project. As used in this
30 sub-subparagraph, the term "project" means any activity
31 undertaken by an eligible sponsor which is designed to

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

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

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

28 (III) Administrative costs, including housing
29 counseling and marketing fees, not to exceed 10 percent of the
30 community contribution, directly related to low-income or
31 very-low-income projects; and

1 (IV) Removal of liens recorded against residential
2 property by municipal, county, or special district local
3 governments when satisfaction of the lien is a necessary
4 precedent to the transfer of the property to an eligible
5 person, as defined in s. 420.9071(19) and (28), for the
6 purpose of promoting home ownership. Contributions for lien
7 removal must be received from a nonrelated third party.

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

10 (I) A community action program;

11 (II) A nonprofit community-based development
12 organization whose mission is the provision of housing for
13 low-income or very-low-income households or increasing
14 entrepreneurial and job-development opportunities for
15 low-income persons;

16 (III) A neighborhood housing services corporation;

17 (IV) A local housing authority created under chapter
18 421;

19 (V) A community redevelopment agency created under s.
20 163.356;

21 (VI) The Florida Industrial Development Corporation;

22 (VII) A historic preservation district agency or
23 organization;

24 (VIII) A regional workforce board;

25 (IX) A direct-support organization as provided in s.
26 1009.983;

27 (X) An enterprise zone development agency created
28 under s. 290.0056;

29 (XI) A community-based organization incorporated under
30 chapter 617 which is recognized as educational, charitable, or
31 scientific pursuant to s. 501(c)(3) of the Internal Revenue

1 Code and whose bylaws and articles of incorporation include
2 affordable housing, economic development, or community
3 development as the primary mission of the corporation;

4 (XII) Units of local government;

5 (XIII) Units of state government; or

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

8
9 In no event may a contributing person have a financial
10 interest in the eligible sponsor.

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

21 e. The Office of Tourism, Trade, and Economic
22 Development must reserve 15 percent of the total amount of tax
23 credits available under this paragraph and ss. 220.183 and
24 624.5105 for the first 6 months of each fiscal year for
25 businesses or individuals making contributions to projects
26 located in a rural enterprise zone as defined in s. 290.004.

27 3. Application requirements.--

28 a. Any eligible sponsor seeking to participate in this
29 program must submit a proposal to the Office of Tourism,
30 Trade, and Economic Development which sets forth the name of
31 the sponsor, a description of the project, and the area in

1 which the project is located, together with such supporting
2 information as is prescribed by rule. The proposal must also
3 contain a resolution from the local governmental unit in which
4 the project is located certifying that the project is
5 consistent with local plans and regulations.

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

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

25 4. Administration.--

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

30 b. The decision of the Office of Tourism, Trade, and
31 Economic Development must be in writing, and, if approved, the

1 notification shall state the maximum credit allowable to the
2 person. Upon approval, the office shall transmit a copy of the
3 decision to the Department of Revenue.

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

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

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

20 Section 6. Section 212.097, Florida Statutes, is
21 amended to read:

22 212.097 Designated Urban ~~High-Crime Area~~ Job Tax
23 Credit Area Program.--

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

25 (a) "Eligible business" means any sole proprietorship,
26 firm, partnership, or corporation that is located in a
27 designated urban job tax credit area ~~qualified county~~ and is
28 predominantly engaged in, or is headquarters for a business
29 predominantly engaged in, activities usually provided for
30 consideration by firms classified within the following
31 standard industrial classifications: SIC 01-SIC 09

1 (agriculture, forestry, and fishing); SIC 20-SIC 39
2 (manufacturing); SIC 52-SIC 57 and SIC 59 (retail); SIC 422
3 (public warehousing and storage); SIC 70 (hotels and other
4 lodging places); SIC 7391 (research and development); SIC 781
5 (motion picture production and allied services); SIC 7992
6 (public golf courses); ~~and~~ SIC 7996 (amusement parks); and a
7 targeted industry eligible for the qualified target industry
8 business tax refund under s. 288.106. A call center or similar
9 customer service operation that services a multistate market
10 or international market is also an eligible business. In
11 addition, the Office of Tourism, Trade, and Economic
12 Development may, as part of its final budget request submitted
13 pursuant to s. 216.023, recommend additions to or deletions
14 from the list of standard industrial classifications used to
15 determine an eligible business, and the Legislature may
16 implement such recommendations. Excluded from eligible
17 receipts are receipts from retail sales, except such receipts
18 for SIC 52-SIC 57 and SIC 59 (retail) hotels and other lodging
19 places classified in SIC 70, public golf courses in SIC 7992,
20 and amusement parks in SIC 7996. For purposes of this
21 paragraph, the term "predominantly" means that more than 50
22 percent of the business's gross receipts from all sources is
23 generated by those activities usually provided for
24 consideration by firms in the specified standard industrial
25 classification. The determination of whether the business is
26 located in a designated urban job tax credit ~~qualified~~
27 ~~high-crime area and the tier ranking of that area~~ must be
28 based on the date of application for the credit under this
29 section. Commonly owned and controlled entities are to be
30 considered a single business entity.
31

1 (b) "Qualified employee" means any employee of an
2 eligible business who performs duties in connection with the
3 operations of the business on a regular, full-time basis for
4 an average of at least 36 hours per week for at least 3 months
5 within the designated urban job tax credit ~~qualified~~
6 ~~high-crime~~ area in which the eligible business is located. An
7 owner or partner of the eligible business is not a qualified
8 employee. The term also includes an employee leased from an
9 employee leasing company licensed under chapter 468, if such
10 employee has been continuously leased to the employer for an
11 average of at least 36 hours per week for more than 6 months.

12 (c) "New business" means any eligible business first
13 beginning operation on a site in a designated urban job tax
14 credit ~~qualified high-crime~~ area and clearly separate from any
15 other commercial or business operation of the business entity
16 within a designated urban job tax credit ~~qualified high-crime~~
17 area. A business entity that operated an eligible business
18 within a designated urban job tax credit ~~qualified high-crime~~
19 area within the 48 months before the period provided for
20 application by subsection (2) is not considered a new
21 business.

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

24 (e) "Designated urban job tax credit ~~Qualified~~
25 ~~high-crime~~ area" means an area selected by the Office of
26 Tourism, Trade, and Economic Development in the following
27 manner: every third year, the office shall rank ~~and tier~~ those
28 areas nominated under subsection (7), according to the highest
29 level of distress experienced in the categories enumerated
30 under subsection (7). The Office of Tourism, Trade, and
31 Economic Development shall designate the 30

1 highest-distress-profile urban areas as eligible participants
2 under the urban job tax credit program following prioritized
3 criteria:

4 1. ~~Highest arrest rates within the geographic area for~~
5 ~~violent crime and for such other crimes as drug sale, drug~~
6 ~~possession, prostitution, vandalism, and civil disturbances;~~

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

10 3. ~~Highest percentage of reported index crimes that~~
11 ~~are violent in nature;~~

12 4. ~~Highest overall index crime volume for the area;~~
13 ~~and~~

14 5. ~~Highest overall index crime rate for the geographic~~
15 ~~area.~~

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

28 (f) "Central business district" means an area
29 comprised of at least 80 percent commercial and government
30 buildings and properties; characterized by a high
31 concentration of retail businesses, service businesses,

1 offices, theaters, and hotels; and located in a Department of
2 Transportation Urban Service Area.

3 (g) "Urban" means a densely populated nonrural area
4 located within an urban county which consists of a cluster of
5 one or more census blocks, each of which has a population
6 density of at least 400 people per square mile, or an area
7 defined by the most recent United States Census as urban.

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

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

1 ~~application shall receive a~~ \$1,000 credit for each such
2 additional employee. ~~An existing business in a tier-three~~
3 ~~qualified high-crime area which on the date of application has~~
4 ~~at least 15 more qualified employees than it had 1 year prior~~
5 ~~to its date of application shall receive a \$500 tax credit for~~
6 ~~each such additional employee.~~An existing eligible business
7 may apply for the credit under this subsection no more than
8 once in any 12-month period. Any existing eligible business
9 that received a credit under subsection (2) may not apply for
10 the credit under this subsection sooner than 12 months after
11 the application date for the credit under subsection (2).

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

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

31

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

7 (a) Finds that an urban ~~a high-crime~~ area exists in
8 such county or municipality, or in both the county and one or
9 more municipalities, which chronically exhibits extreme and
10 unacceptable levels of poverty, unemployment, physical
11 deterioration, and economic disinvestment;

12 (b) Determines that the rehabilitation, conservation,
13 or redevelopment, or a combination thereof, of such an urban ~~a~~
14 ~~high-crime~~ area is necessary in the interest of the health,
15 safety, and welfare of the residents of such county or
16 municipality, or such county and one or more municipalities;
17 and

18 (c) Determines that the revitalization of such an
19 urban ~~a high-crime~~ area can occur if the public sector or
20 private sector can be induced to invest its own resources in
21 productive enterprises that build or rebuild the economic
22 viability of the area.

23 (7) The governing body of the entity nominating the
24 area shall demonstrate ~~provide~~ to the Office of Tourism,
25 Trade, and Economic Development that the area meets the
26 following:

27 (a) Income characteristics:

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

31

1 2. More than 20 percent of residents or families live
2 below the federal standard of poverty for individuals or a
3 family of four.~~The overall index crime rate for the~~
4 ~~geographic area.~~

5 (b) Education characteristics:

6 1. Has a high school dropout rate higher than the
7 county average; or

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

10 (c) Workforce and employment characteristics:

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

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

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

21 (d) Crime characteristics:

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

26 2. Ranks in the top 30 percent of zip codes with
27 reported crimes that are violent in nature.~~The reported crime~~
28 ~~volume and rate of specific property crimes such as business~~
29 ~~and residential burglary, motor vehicle theft, and vandalism.~~
30 and

31

1 (e) Residential and commercial property related
2 characteristics:

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

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

6 b. More than 5 percent of area homes, apartments, or
7 buildings are abandoned, have been condemned within the
8 previous 24 months, or have a greater number of violations of
9 the Florida Building Code than recorded in the remainder of
10 the county or municipality; or

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

16 (8) A municipality, or a county and one or more
17 municipalities together, may not nominate more than one urban
18 ~~high-crime~~ area. However, any county as defined by s.
19 125.011(1) may nominate no more than three urban ~~high-crime~~
20 areas.

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

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

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

30 a.† For areas ~~communities~~ having a total population
31 of 150,000 persons or more, the selected area does not exceed

1 20 square miles and is within 10 miles of the central business
2 district of a city.

3 b.2. For areas ~~communities~~ having a total population
4 of 50,000 persons or more, but fewer than 150,000 persons, the
5 selected area does not exceed 10 square miles and is within
6 7.5 miles of the central business district of a city.

7 c.3. For areas ~~communities~~ having a total population
8 of 20,000 persons or more, but fewer than 50,000 persons, the
9 selected area does not exceed 5 square miles and is within 5
10 miles of the central business district of a city.

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

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

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

24 (b) Within 30 working days after receipt of an
25 application for credit, the Office of Tourism, Trade, and
26 Economic Development shall review the application to determine
27 whether it contains all the information required by this
28 subsection and meets the criteria set out in this section.
29 Subject to the provisions of paragraph (c), the Office of
30 Tourism, Trade, and Economic Development shall approve all
31 applications that contain the information required by this

1 subsection and meet the criteria set out in this section as
2 eligible to receive a credit.

3 (c) The maximum credit amount that may be approved
4 during any calendar year is \$5 million, ~~of which \$1 million~~
5 ~~shall be exclusively reserved for tier-one areas~~. The
6 Department of Revenue, in conjunction with the Office of
7 Tourism, Trade, and Economic Development, shall notify the
8 governing bodies in areas designated under this section ~~as~~
9 ~~urban high-crime areas~~ when the \$5 million maximum amount has
10 been reached. Applications must be considered for approval in
11 the order in which they are received without regard to whether
12 the credit is for a new or existing business. This limitation
13 applies to the value of the credit as contained in approved
14 applications. Approved credits may be taken in the time and
15 manner allowed pursuant to this section.

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

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

25 (13) It is the responsibility of each business to
26 affirmatively demonstrate to the satisfaction of the
27 Department of Revenue that it meets the requirements of this
28 section.

29 (14) Any person who fraudulently claims this credit is
30 liable for repayment of the credit plus a mandatory penalty of
31 100 percent of the credit and is guilty of a misdemeanor of

1 the second degree, punishable as provided in s. 775.082 or s.
2 775.083.

3 (15) A corporation may take the credit under this
4 section against its corporate income tax liability, as
5 provided in s. 220.1895. However, a corporation that applies
6 its job tax credit against the tax imposed by chapter 220 may
7 not receive the credit provided for in this section. A credit
8 may be taken against only one tax.

9 (16) An eligible business may transfer any unused
10 credit in whole or in units of no less than 25 percent of the
11 remaining credit. The entity that acquires the credit may use
12 it in the same manner and with the same limitation as
13 described in this section. Such transferred credits may not be
14 transferred again, although they may succeed to a surviving or
15 acquiring entity subject to the conditions and limitations
16 described in this section.

17 ~~(17)~~(16) The department shall adopt rules governing
18 the manner and form of applications for credit or transfers of
19 credit and may establish guidelines concerning the requisites
20 for an affirmative showing of qualification for the credit
21 under this section.

22 Section 7. Present subsection (12) of section 212.098,
23 Florida Statutes, is redesignated as subsection (13), and a
24 new subsection (12) is added to that section, to read:

25 212.098 Rural Job Tax Credit Program.--

26 (12) An eligible business may transfer any unused
27 credit in whole or in units of not less than 25 percent of the
28 remaining credit. The entity that acquires the credit may use
29 it in the same manner and with the same limitation as
30 described in this section. Such transferred credit may not be
31 transferred again, although the credit may succeed to a

1 surviving or acquiring entity subject to the conditions and
2 limitations described in this section.

3 Section 8. Paragraph (b) of subsection (1) of section
4 220.13, Florida Statutes, is amended to read:

5 220.13 "Adjusted federal income" defined.--

6 (1) The term "adjusted federal income" means an amount
7 equal to the taxpayer's taxable income as defined in
8 subsection (2), or such taxable income of more than one
9 taxpayer as provided in s. 220.131, for the taxable year,
10 adjusted as follows:

11 (b) Subtractions.--

12 1. There shall be subtracted from such taxable income:

13 a. The net operating loss deduction allowable for
14 federal income tax purposes under s. 172 of the Internal
15 Revenue Code for the taxable year;~~7~~

16 b. The net capital loss allowable for federal income
17 tax purposes under s. 1212 of the Internal Revenue Code for
18 the taxable year;~~7~~

19 c. The excess charitable contribution deduction
20 allowable for federal income tax purposes under s. 170(d)(2)
21 of the Internal Revenue Code for the taxable year;~~7~~ ~~and~~

22 d. The excess contributions deductions allowable for
23 federal income tax purposes under s. 404 of the Internal
24 Revenue Code for the taxable year; ~~and~~ ~~7~~

25 e. All amounts included in taxable income by reason of
26 membership or ownership of an interest in a limited liability
27 company that:

28 (I) Came into existence before January 1, 2004;

29 (II) Is classified as a partnership for federal income
30 tax purposes;

31

1 (III) Has at least 3,500 full-time employees in this
2 state throughout the taxable year; and

3 (IV) Is, in this state, engaged primarily in a space
4 flight business as defined in s. 212.031(1)(a)13.

5
6 However, a net operating loss and a capital loss shall never
7 be carried back as a deduction to a prior taxable year, but
8 all deductions attributable to such losses shall be deemed net
9 operating loss carryovers and capital loss carryovers,
10 respectively, and treated in the same manner, to the same
11 extent, and for the same time periods as are prescribed for
12 such carryovers in ss. 172 and 1212, respectively, of the
13 Internal Revenue Code.

14 2. There shall be subtracted from such taxable income
15 any amount to the extent included therein the following:

16 a. Dividends treated as received from sources without
17 the United States, as determined under s. 862 of the Internal
18 Revenue Code.

19 b. All amounts included in taxable income under s. 78
20 or s. 951 of the Internal Revenue Code.

21
22 However, as to any amount subtracted under this subparagraph,
23 there shall be added to such taxable income all expenses
24 deducted on the taxpayer's return for the taxable year which
25 are attributable, directly or indirectly, to such subtracted
26 amount. Further, no amount shall be subtracted with respect to
27 dividends paid or deemed paid by a Domestic International
28 Sales Corporation.

29 3. In computing "adjusted federal income" for taxable
30 years beginning after December 31, 1976, there shall be
31 allowed as a deduction the amount of wages and salaries paid

1 or incurred within this state for the taxable year for which
2 no deduction is allowed pursuant to s. 280C(a) of the Internal
3 Revenue Code (relating to credit for employment of certain new
4 employees).

5 4. There shall be subtracted from such taxable income
6 any amount of nonbusiness income included therein.

7 5. There shall be subtracted any amount of taxes of
8 foreign countries allowable as credits for taxable years
9 beginning on or after September 1, 1985, under s. 901 of the
10 Internal Revenue Code to any corporation which derived less
11 than 20 percent of its gross income or loss for its taxable
12 year ended in 1984 from sources within the United States, as
13 described in s. 861(a)(2)(A) of the Internal Revenue Code, not
14 including credits allowed under ss. 902 and 960 of the
15 Internal Revenue Code, withholding taxes on dividends within
16 the meaning of sub-subparagraph 2.a., and withholding taxes on
17 royalties, interest, technical service fees, and capital
18 gains.

19 6. Notwithstanding any other provision of this code,
20 except with respect to amounts subtracted pursuant to
21 subparagraphs 1. and 3., any increment of any apportionment
22 factor which is directly related to an increment of gross
23 receipts or income which is deducted, subtracted, or otherwise
24 excluded in determining adjusted federal income shall be
25 excluded from both the numerator and denominator of such
26 apportionment factor. Further, all valuations made for
27 apportionment factor purposes shall be made on a basis
28 consistent with the taxpayer's method of accounting for
29 federal income tax purposes.

30 Section 9. Subsection (2) of section 220.183, Florida
31 Statutes, is amended to read:

1 220.183 Community contribution tax credit.--
2 (2) ELIGIBILITY REQUIREMENTS.--
3 (a) All community contributions by a business firm
4 shall be in the form specified in s. 220.03(1)(d).
5 (b) All community contributions must be reserved
6 exclusively for use in projects as defined in s. 220.03(1)(t).
7 The Office of Tourism, Trade, and Economic Development may
8 reserve up to 50 percent of the available annual tax credits
9 for housing for very-low-income households pursuant to s.
10 420.9071(28) for the first 6 months of the fiscal year.
11 (c) The project must be undertaken by an "eligible
12 sponsor," defined here as:
13 1. A community action program;
14 2. A nonprofit community-based development
15 organization whose mission is the provision of housing for
16 low-income or very-low-income households or increasing
17 entrepreneurial and job-development opportunities for
18 low-income persons;
19 3. A neighborhood housing services corporation;
20 4. A local housing authority, created pursuant to
21 chapter 421;
22 5. A community redevelopment agency, created pursuant
23 to s. 163.356;
24 6. The Florida Industrial Development Corporation;
25 7. An historic preservation district agency or
26 organization;
27 8. A regional workforce board;
28 9. A direct-support organization as provided in s.
29 1009.983;
30 10. An enterprise zone development agency created
31 pursuant to s. 290.0056;

1 11. A community-based organization incorporated under
2 chapter 617 which is recognized as educational, charitable, or
3 scientific pursuant to s. 501(c)(3) of the Internal Revenue
4 Code and whose bylaws and articles of incorporation include
5 affordable housing, economic development, or community
6 development as the primary mission of the corporation;

7 12. Units of local government;

8 13. Units of state government; or

9 14. Such other agency as the Office of Tourism, Trade,
10 and Economic Development may, from time to time, designate by
11 rule.

12
13 In no event shall a contributing business firm have a
14 financial interest in the eligible sponsor.

15 (d) The project shall be located in an area designated
16 as an enterprise zone or a Front Porch Florida Community
17 pursuant to s. 14.2015(9)(b). Any project designed to
18 construct or rehabilitate housing for low-income or
19 very-low-income households as defined in s. 420.9071(19) and
20 (28) is exempt from the area requirement of this paragraph.
21 This section does not preclude projects that propose to
22 construct or rehabilitate housing for low-income or
23 very-low-income households on scattered sites. Any project
24 designed to provide increased access to high-speed broadband
25 capabilities which includes coverage of a rural enterprise
26 zone may locate the project's infrastructure in any area of a
27 rural county.

28 (e) The Office of Tourism, Trade, and Economic
29 Development must reserve 15 percent of the total amount of tax
30 credits available under this section and ss. 212.08(5)(q) and
31 624.5105 for the first 6 months of each fiscal year for

1 businesses or individuals making contributions to projects
2 located in a rural enterprise zone as defined in s. 290.004.

3 Section 10. Section 220.1895, Florida Statutes, is
4 amended to read:

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

27 Section 11. Subsection (7) of section 288.1045,
28 Florida Statutes, is amended to read:

29 288.1045 Qualified defense contractor tax refund
30 program.--

31

1 (7) EXPIRATION.--An applicant may not be certified as
2 qualified under this section after June 30, 2009 ~~2004~~.
3 However, a tax-refund agreement that is in effect on that date
4 shall continue in effect in accordance with its terms.

5 Section 12. Subsection (7) of section 288.106, Florida
6 Statutes, is amended to read:

7 288.106 Tax refund program for qualified target
8 industry businesses.--

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

13 Section 13. Subsections (1) and (2) of section
14 624.5105, Florida Statutes, are amended to read:

15 624.5105 Community contribution tax credit;
16 authorization; limitations; eligibility and application
17 requirements; administration; definitions; expiration.--

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

19 (a) There shall be allowed a credit of 50 percent of a
20 community contribution against any tax due for a calendar year
21 under s. 624.509 or s. 624.510.

22 (b) No insurer shall receive more than \$200,000 in
23 annual tax credits for all approved community contributions
24 made in any one year.

25 (c) The total amount of tax credit which may be
26 granted for all programs approved under this section and ss.
27 212.08(5)(g) and s. 220.183 is \$10 million annually.

28 (d) Each proposal for the granting of such tax credit
29 requires the prior approval of the director.

30 (e) If the credit granted pursuant to this section is
31 not fully used in any one year because of insufficient tax

1 liability on the part of the insurer, the unused amount may be
2 carried forward for a period not to exceed 5 years. The
3 carryover credit may be used in a subsequent year when the tax
4 imposed by s. 624.509 or s. 624.510 for such year exceeds the
5 credit under this section for such year.

6 (2) ELIGIBILITY REQUIREMENTS.--

7 (a) Each community contribution by an insurer must be
8 in a form specified in subsection (5).

9 (b) Each community contribution must be reserved
10 exclusively for use in a project as defined in s.
11 220.03(1)(t).

12 (c) The project must be undertaken by an "eligible
13 sponsor," as defined in s. 220.183(2)(c). In no event shall a
14 contributing insurer have a financial interest in the eligible
15 sponsor.

16 (d) The project shall be located in an area designated
17 as an enterprise zone or a Front Porch Community pursuant to
18 s. 14.2015(9)(b). Any project designed to construct or
19 rehabilitate housing for low-income or very-low-income
20 households as defined in s. 420.9071(19) and (28) is exempt
21 from the area requirement of this paragraph.

22 (e) The Office of Tourism, Trade, and Economic
23 Development must reserve 15 percent of the total amount of tax
24 credits available under this section and ss. 212.08(5)(q) and
25 220.183 for the first 6 months of each fiscal year for
26 businesses or individuals making contributions to projects
27 located in a rural enterprise zone as defined in s. 290.004.

28 Section 14. The sum of \$2.5 million is appropriated
29 from the General Revenue Fund to the Department of Community
30 Affairs for the 2004-2005 fiscal year for the purpose of

31

1 funding the urban infill and redevelopment grant assistance
2 program established under section 163.2511, Florida Statutes.

3 Section 15. This act shall take effect July 1, 2004.

4
5 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
6 COMMITTEE SUBSTITUTE FOR
7 Senate Bill 1708

8 The committee substitute differs from the underlying bill by:

- 9 -- Requiring communities receiving grants under the Urban
10 Infill and Redevelopment Assistance Grant Program to
11 report to the state on activities and outcomes related to
12 development and implementation of their infill and
13 redevelopment plans;
- 14 -- Appropriating \$2.5 million from the General Revenue Fund
15 for the 2004-2005 fiscal year for the Urban Infill and
16 Redevelopment Assistance Grant Program;
- 17 -- Directing the Office of Tourism, Trade, and Economic
18 Development to develop procedures to assist state
19 agencies and local governments with the identification
20 and pursuit of state and federal grants to help
21 revitalize distressed areas;
- 22 -- Directing the Office of Program Policy Analysis and
23 Government Accountability to identify and review the
24 state's economic development programs related to
25 community revitalization;
- 26 -- Excluding from the calculation of adjusted federal
27 income, for purposes of determining corporate tax
28 liability, all amounts included in taxable income by
29 reason of membership or ownership of an interest in a
30 limited liability company with certain characteristics,
31 including being engaged primarily in space flight
business in this state; and
- Revising provisions requiring the reservation of 15
percent of the credits available under the Community
Contribution Tax Credit Program for the first six months
of each fiscal year for donations to projects in rural
enterprise zones, in order to clarify that the
reservation applies to the total cap on credits for sales
and use tax, corporate income tax, and insurance premium
taxes.