

By Senator Aronberg

27-568B-04

See HB 375

1 A bill to be entitled
2 An act relating to the community contribution
3 tax credit; amending s. 212.08, F.S.;
4 conforming provisions to requirements that a
5 percentage of certain community contributions
6 be distributed to rural counties for certain
7 purposes; amending ss. 220.183 and 624.5105,
8 F.S.; requiring that a specified percentage of
9 community contributions made by business firms
10 and insurers in order to obtain the tax credit
11 be distributed to rural counties; providing for
12 amounts unclaimed by rural counties by a
13 specified date to be released to other eligible
14 claimants; providing a definition; providing an
15 effective date.

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17 Be It Enacted by the Legislature of the State of Florida:

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19 Section 1. Paragraph (q) of subsection (5) of section
20 212.08, Florida Statutes, is amended to read:

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

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

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

29 1. Authorization.--Beginning July 1, 2001, persons who
30 are registered with the department under s. 212.18 to collect
31 or remit sales or use tax and who make donations to eligible

1 sponsors are eligible for tax credits against their state
2 sales and use tax liabilities as provided in this paragraph:
3 a. The credit shall be computed as 50 percent of the
4 person's approved annual community contribution;
5 b. The credit shall be granted as a refund against
6 state sales and use taxes reported on returns and remitted in
7 the 12 months preceding the date of application to the
8 department for the credit as required in sub-subparagraph 3.c.
9 If the annual credit is not fully used through such refund
10 because of insufficient tax payments during the applicable
11 12-month period, the unused amount may be included in an
12 application for a refund made pursuant to sub-subparagraph
13 3.c. in subsequent years against the total tax payments made
14 for such year. Carryover credits may be applied for a 3-year
15 period without regard to any time limitation that would
16 otherwise apply under s. 215.26;
17 c. No person shall receive more than \$200,000 in
18 annual tax credits for all approved community contributions
19 made in any one year;
20 d. All proposals for the granting of the tax credit
21 shall require the prior approval of the Office of Tourism,
22 Trade, and Economic Development;
23 e. The total amount of tax credits which may be
24 granted for all programs approved under this paragraph, s.
25 220.183, and s. 624.5105 is \$10 million annually; and
26 f. A person who is eligible to receive the credit
27 provided for in this paragraph, s. 220.183, or s. 624.5105 may
28 receive the credit only under the one section of the person's
29 choice.
30 2. Eligibility requirements.--
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1 a. A community contribution by a person must be in the
2 following form:
3 (I) Cash or other liquid assets;
4 (II) Real property;
5 (III) Goods or inventory; or
6 (IV) Other physical resources as identified by the
7 Office of Tourism, Trade, and Economic Development.
8 b. All community contributions must be reserved
9 exclusively for use in a project. As used in this
10 sub-subparagraph, the term "project" means any activity
11 undertaken by an eligible sponsor which is designed to
12 construct, improve, or substantially rehabilitate housing that
13 is affordable to low-income or very-low-income households as
14 defined in s. 420.9071(19) and (28); designed to provide
15 commercial, industrial, or public resources and facilities; or
16 designed to improve entrepreneurial and job-development
17 opportunities for low-income persons. A project may be the
18 investment necessary to increase access to high-speed
19 broadband capability in rural communities with enterprise
20 zones, including projects that result in improvements to
21 communications assets that are owned by a business. A project
22 may include the provision of museum educational programs and
23 materials that are directly related to any project approved
24 between January 1, 1996, and December 31, 1999, and located in
25 an enterprise zone as referenced in s. 290.00675. This
26 paragraph does not preclude projects that propose to construct
27 or rehabilitate housing for low-income or very-low-income
28 households on scattered sites. The Office of Tourism, Trade,
29 and Economic Development may reserve up to 50 percent of the
30 available annual tax credits for housing for very-low-income
31 households pursuant to s. 420.9071(28) for the first 6 months

1 of the fiscal year. With respect to housing, contributions may
2 be used to pay the following eligible low-income and
3 very-low-income housing-related activities:

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

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

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

12 (IV) Removal of liens recorded against residential
13 property by municipal, county, or special district local
14 governments when satisfaction of the lien is a necessary
15 precedent to the transfer of the property to an eligible
16 person, as defined in s. 420.9071(19) and (28), for the
17 purpose of promoting home ownership. Contributions for lien
18 removal must be received from a nonrelated third party.

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

21 (I) A community action program;

22 (II) A nonprofit community-based development
23 organization whose mission is the provision of housing for
24 low-income or very-low-income households or increasing
25 entrepreneurial and job-development opportunities for
26 low-income persons;

27 (III) A neighborhood housing services corporation;

28 (IV) A local housing authority created under chapter
29 421;

30 (V) A community redevelopment agency created under s.
31 163.356;

1 (VI) The Florida Industrial Development Corporation;

2 (VII) A historic preservation district agency or
3 organization;

4 (VIII) A regional workforce board;

5 (IX) A direct-support organization as provided in s.
6 1009.983;

7 (X) An enterprise zone development agency created
8 under s. 290.0056;

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

15 (XII) Units of local government;

16 (XIII) Units of state government; or

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

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20 In no event may a contributing person have a financial
21 interest in the eligible sponsor.

22 d. The project must be located in an area designated
23 an enterprise zone or a Front Porch Florida Community pursuant
24 to s. 14.2015(9)(b), unless the project increases access to
25 high-speed broadband capability for rural communities with
26 enterprise zones but is physically located outside the
27 designated rural zone boundaries. Any project designed to
28 construct or rehabilitate housing for low-income or
29 very-low-income households as defined in s. 420.0971(19) and
30 (28) is exempt from the area requirement of this
31 sub-subparagraph.

1 e. At least 25 percent of the funds available for
2 projects approved under this paragraph and ss. 220.183 and
3 624.5105 for each fiscal year shall be reserved for use in
4 rural counties unless the aggregate amount that rural counties
5 request under such provisions before March 2 of each fiscal
6 year is less than 25 percent of the available amount. As used
7 in this sub-subparagraph, the term "rural county" means a
8 county that has a population of 75,000 or fewer or a county
9 that has a population of 100,000 or fewer and is contiguous to
10 a county that has a population of 75,000 or fewer, as
11 determined by the most recent official estimate under s.
12 186.901.

13 3. Application requirements.--

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

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

1 office for each individual contribution that it makes to each
2 individual project.

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

11 4. Administration.--

12 a. The Office of Tourism, Trade, and Economic
13 Development may adopt rules pursuant to ss. 120.536(1) and
14 120.54 necessary to administer this paragraph, including rules
15 for the approval or disapproval of proposals by a person.

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

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

26 d. The Office of Tourism, Trade, and Economic
27 Development shall, in consultation with the Department of
28 Community Affairs, the Florida Housing Finance Corporation,
29 and the statewide and regional housing and financial
30 intermediaries, market the availability of the community
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1 contribution tax credit program to community-based
2 organizations.

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

7 Section 2. Paragraph (e) is added to subsection (2) of
8 section 220.183, Florida Statutes, to read:

9 220.183 Community contribution tax credit.--

10 (2) ELIGIBILITY REQUIREMENTS.--

11 (e) Twenty-five percent of the funds available under
12 this section shall be reserved for use in rural counties
13 through March 1 of each fiscal year. On March 2, if the
14 aggregate amount of funds that rural counties request is less
15 than the amount reserved, the balance of reserved funds that
16 has not been requested by rural counties shall be made
17 available for use with all eligible participants in the
18 program. As used in this paragraph, the term "rural county"
19 means a county that has a population of 75,000 or fewer or a
20 county that has a population of 100,000 or fewer and is
21 contiguous to a county that has a population of 75,000 or
22 fewer, as determined by the most recent official estimate
23 under s. 186.901.

24 Section 3. Paragraph (e) is added to subsection (2) of
25 section 624.5105, Florida Statutes, to read:

26 624.5105 Community contribution tax credit;
27 authorization; limitations; eligibility and application
28 requirements; administration; definitions; expiration.--

29 (2) ELIGIBILITY REQUIREMENTS.--

30 (e) Twenty-five percent of the funds available under
31 this section shall be reserved for use in rural counties

1 through March 1 of each fiscal year. On March 2, if the
2 aggregate amount of funds that rural counties request is less
3 than the amount reserved, the balance of reserved funds that
4 has not been requested by rural counties shall be made
5 available for use with all eligible participants in the
6 program. As used in this paragraph, the term "rural county"
7 means a county that has a population of 75,000 or fewer or a
8 county that has a population of 100,000 or fewer and is
9 contiguous to a county that has a population of 75,000 or
10 fewer, as determined by the most recent official estimate
11 under s. 186.901.

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