

CHAMBER ACTION

1 The Committee on Commerce recommends the following:

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3 **Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to the corporate income tax; providing a  
7 credit against the tax for contributions to nonprofit  
8 cultural organizations; providing legislative purpose;  
9 defining terms; providing limitations on individual  
10 credits; providing that the unused amount of a credit may  
11 not be carried forward; prohibiting conveying, assigning,  
12 or transferring the credit to another entity except as  
13 specified; providing for administration by the Department  
14 of Revenue and the Division of Cultural Affairs of the  
15 Department of State; requiring the department and the  
16 division to adopt rules; providing a tax credit for  
17 donations to the Cultural Institutions Trust Fund;  
18 providing that the unused amount of a credit may not be  
19 carried forward; prohibiting conveying, assigning, or  
20 transferring the credit to another entity, except as  
21 specified; providing application procedures; providing for  
22 rulemaking by the Department of Revenue and the Department  
23 of State; providing legislative intent with respect to the

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24 | order in which credits may be applied; providing for an  
 25 | addition to taxable income for purposes of computing  
 26 | adjusted federal income, to conform; specifying the  
 27 | maximum amount of annual tax credits which may be granted  
 28 | under the act; providing for future repeal of the act;  
 29 | providing an effective date.

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31 | Be It Enacted by the Legislature of the State of Florida:

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33 | Section 1. Credits for contributions to nonprofit cultural  
 34 | organizations.--

35 | (1) PURPOSE.--The purpose of this section is to encourage  
 36 | private, voluntary contributions to organizations that promote  
 37 | cultural activities by encouraging the talents of creative  
 38 | individuals or by helping to provide an audience for cultural  
 39 | activities.

40 | (2) DEFINITIONS.--As used in this section, the term:

41 | (a) "Cultural" means the disciplines of dance, music,  
 42 | theater, visual arts, literature, media arts, interdisciplinary  
 43 | and multidisciplinary, and programs of museums.

44 | (b) "Department" means the Department of Revenue.

45 | (c) "Division" means the Division of Cultural Affairs of  
 46 | the Department of State.

47 | (d) "Eligible contribution" means a monetary contribution  
 48 | from a taxpayer, subject to the restrictions provided in this  
 49 | section, to an eligible cultural organization.

50 | (e) "Eligible cultural organization" means a nonprofit  
 51 | cultural organization that is exempt from federal income tax

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52 | under s. 501(c)(3) of the Internal Revenue Code of 1986, as  
 53 | amended, and that is engaged in cultural activities in this  
 54 | state. The term includes educational institutions that are also  
 55 | presenters or producers of cultural activities in this state.

56 | (3) AUTHORIZATION TO GRANT CULTURAL ORGANIZATIONS TAX  
 57 | CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS.--

58 | (a) There is allowed a credit of 50 percent of the amount  
 59 | of an eligible contribution, which contribution is in the amount  
 60 | of \$60,000 or more, against any tax due for a taxable year under  
 61 | chapter 220, Florida Statutes. However, such a credit is  
 62 | inapplicable to a particular corporation after the aggregate  
 63 | amount of the contributions to eligible cultural organizations  
 64 | given by the corporation in any one taxable year exceeds  
 65 | \$600,000.

66 | (b) A taxpayer who files a Florida consolidated return as  
 67 | a member of an affiliated group pursuant to s. 220.131(1),  
 68 | Florida Statutes, may be allowed the credit on a consolidated  
 69 | return basis; however, the total credit taken by the affiliated  
 70 | group is subject to the limitation established under paragraph  
 71 | (a).

72 | (4) ADMINISTRATION; RULES.--

73 | (a) If the credit granted under this section is not fully  
 74 | used in any one year, the unused amount may not be carried  
 75 | forward. A taxpayer may not convey, assign, or transfer the  
 76 | credit authorized by this section to another entity unless all  
 77 | of the assets of the taxpayer are conveyed, assigned, or  
 78 | transferred in the same transaction.

79        (b) An application for a tax credit pursuant to this  
 80 section must be submitted to the division on forms established  
 81 by rule of the division. Applications shall be accepted on a  
 82 first-come, first-served basis beginning July 1, 2004.

83        (c) A taxpayer must submit a separate application for the  
 84 tax credit for each individual contribution that the taxpayer  
 85 makes to an eligible cultural organization.

86        (d) The granting of tax credit by the division must be in  
 87 writing and state the maximum credit allowable to the business  
 88 firm. A copy of the granting of tax credit shall be transmitted  
 89 to the executive director of the Department of Revenue, who  
 90 shall apply such credit to the tax liability of the business  
 91 firm.

92        (e) The department shall adopt rules necessary to  
 93 administer this section, including rules establishing  
 94 application forms and procedures.

95        (f) The division shall adopt rules necessary to determine  
 96 the eligibility of nonprofit cultural organizations.

97        Section 2. Cultural contributions tax credit.--

98        (1) AUTHORIZATION TO GRANT CULTURAL CONTRIBUTIONS TAX  
 99 CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS.--

100        (a) There shall be allowed a credit of 50 percent of  
 101 monetary contribution made to the Division of Cultural Affairs  
 102 of the Department of State for deposit into the Cultural  
 103 Institutions Trust Fund against any tax due for a taxable year  
 104 under chapter 220, Florida Statutes.

105        (b) All proposals for the granting of the tax credit shall  
 106 require the prior approval of the Division of Cultural Affairs  
 107 of the Department of State.

108        (c) If the credit granted pursuant to this section is not  
 109 fully used in any one year, the unused amount may not be carried  
 110 forward. A taxpayer may not convey, assign, or transfer the  
 111 credit authorized by this section to another entity unless all  
 112 of the assets of the taxpayer are conveyed, assigned, or  
 113 transferred in the same transaction.

114        (2) APPLICATION REQUIREMENTS.--

115        (a) Any business wishing to participate in this program  
 116 must submit an application for the tax credit to the Division of  
 117 Cultural Affairs of the Department of State on forms established  
 118 by rule of the division. Applications shall be accepted on a  
 119 first-come, first-served basis beginning July 1, 2004.

120        (b) The business firm must submit a separate application  
 121 for tax credit for each individual contribution that the firm  
 122 makes to the Cultural Institutions Trust Fund.

123        (3) ADMINISTRATION.--

124        (a) The Division of Cultural Affairs of the Department of  
 125 State may adopt rules pursuant to ss. 120.536(1) and 120.54,  
 126 Florida Statutes, to administer this section.

127        (b) The granting of tax credit by the Division of Cultural  
 128 Affairs of the Department of State must be in writing and state  
 129 the maximum credit allowable to the business firm. A copy of the  
 130 granting of tax credit shall be transmitted to the executive  
 131 director of the Department of Revenue, who shall apply such  
 132 credit to the tax liability of the business firm.

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133        (c) The Department of Revenue may adopt rules pursuant to  
 134 ss. 120.536(1) and 120.54, Florida Statutes, to administer this  
 135 section.

136        Section 3. It is the intent of the Legislature that  
 137 credits against the corporate income tax granted under section 1  
 138 or section 2 be applied subsequent to those enumerated in s.  
 139 220.187, Florida Statutes.

140        Section 4. In computing adjusted federal income under s.  
 141 220.13, Florida Statutes, there shall be added to such taxable  
 142 income the amount taken as a credit for the taxable year under  
 143 sections 1 and 2.

144        Section 5. The total amount of tax credit which may be  
 145 granted for all programs approved under sections 1 and 2 is \$5  
 146 million annually.

147        Section 6. This act is repealed June 30, 2005.

148        Section 7. This act shall take effect July 1, 2004.