

By the Committee on Comprehensive Planning; and Senator  
Saunders

316-892A-04

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A bill to be entitled  
An act relating to the community contribution  
tax credit; amending ss. 212.08, 220.03,  
220.183, and 624.5105, F.S.; deleting  
provisions providing for the tax credit to  
expire on June 30, 2005; providing an effective  
date.

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

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

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

(5) EXEMPTIONS; ACCOUNT OF USE.--

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

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

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

b. The credit shall be granted as a refund against  
state sales and use taxes reported on returns and remitted in  
the 12 months preceding the date of application to the  
department for the credit as required in sub-subparagraph 3.c.

1 If the annual credit is not fully used through such refund  
2 because of insufficient tax payments during the applicable  
3 12-month period, the unused amount may be included in an  
4 application for a refund made pursuant to sub-subparagraph  
5 3.c. in subsequent years against the total tax payments made  
6 for such year. Carryover credits may be applied for a 3-year  
7 period without regard to any time limitation that would  
8 otherwise apply under s. 215.26;

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

12 d. All proposals for the granting of the tax credit  
13 shall require the prior approval of the Office of Tourism,  
14 Trade, and Economic Development;

15 e. The total amount of tax credits which may be  
16 granted for all programs approved under this paragraph, s.  
17 220.183, and s. 624.5105 is \$10 million annually; and

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

22 2. Eligibility requirements.--

23 a. A community contribution by a person must be in the  
24 following form:

25 (I) Cash or other liquid assets;

26 (II) Real property;

27 (III) Goods or inventory; or

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

30 b. All community contributions must be reserved  
31 exclusively for use in a project. As used in this

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

- 26 (I) Project development impact and management fees for
- 27 low-income or very-low-income housing projects;
- 28 (II) Down payment and closing costs for eligible
- 29 persons, as defined in s. 420.9071(19) and (28);
- 30 (III) Administrative costs, including housing
- 31 counseling and marketing fees, not to exceed 10 percent of the

1 community contribution, directly related to low-income or  
2 very-low-income projects; and  
3 (IV) Removal of liens recorded against residential  
4 property by municipal, county, or special district local  
5 governments when satisfaction of the lien is a necessary  
6 precedent to the transfer of the property to an eligible  
7 person, as defined in s. 420.9071(19) and (28), for the  
8 purpose of promoting home ownership. Contributions for lien  
9 removal must be received from a nonrelated third party.  
10 c. The project must be undertaken by an "eligible  
11 sponsor," which includes:  
12 (I) A community action program;  
13 (II) A nonprofit community-based development  
14 organization whose mission is the provision of housing for  
15 low-income or very-low-income households or increasing  
16 entrepreneurial and job-development opportunities for  
17 low-income persons;  
18 (III) A neighborhood housing services corporation;  
19 (IV) A local housing authority created under chapter  
20 421;  
21 (V) A community redevelopment agency created under s.  
22 163.356;  
23 (VI) The Florida Industrial Development Corporation;  
24 (VII) A historic preservation district agency or  
25 organization;  
26 (VIII) A regional workforce board;  
27 (IX) A direct-support organization as provided in s.  
28 1009.983;  
29 (X) An enterprise zone development agency created  
30 under s. 290.0056;  
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1 (XI) 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 (XII) Units of local government;

8 (XIII) Units of state government; or

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

11  
12 In no event may a contributing person have a financial  
13 interest in the eligible sponsor.

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

24 3. Application requirements.--

25 a. Any eligible sponsor seeking to participate in this  
26 program must submit a proposal to the Office of Tourism,  
27 Trade, and Economic Development which sets forth the name of  
28 the sponsor, a description of the project, and the area in  
29 which the project is located, together with such supporting  
30 information as is prescribed by rule. The proposal must also  
31 contain a resolution from the local governmental unit in which

1 the project is located certifying that the project is  
2 consistent with local plans and regulations.

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

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

22       4. Administration.--

23       a. The Office of Tourism, Trade, and Economic  
24 Development may adopt rules pursuant to ss. 120.536(1) and  
25 120.54 necessary to administer this paragraph, including rules  
26 for the approval or disapproval of proposals by a person.

27       b. The decision of the Office of Tourism, Trade, and  
28 Economic Development must be in writing, and, if approved, the  
29 notification shall state the maximum credit allowable to the  
30 person. Upon approval, the office shall transmit a copy of the  
31 decision to the Department of Revenue.

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

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

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

17           Section 2. Paragraph (d) of subsection (1) of section  
18 220.03, Florida Statutes, is amended to read:

19           220.03 Definitions.--

20           (1) SPECIFIC TERMS.--When used in this code, and when  
21 not otherwise distinctly expressed or manifestly incompatible  
22 with the intent thereof, the following terms shall have the  
23 following meanings:

24           (d) "Community contribution" means the grant by a  
25 business firm of any of the following items:

- 26           1. Cash or other liquid assets.
- 27           2. Real property.
- 28           3. Goods or inventory.
- 29           4. Other physical resources as identified by the  
30 department.

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1 ~~The provisions of this paragraph shall expire and be void on~~  
2 ~~June 30, 2005.~~

3 Section 3. Subsection (5) of section 220.183, Florida  
4 Statutes, is amended to read:

5 220.183 Community contribution tax credit.--

6 ~~(5) EXPIRATION.--The provisions of this section,~~  
7 ~~except paragraph (1)(e), shall expire and be void on June 30,~~  
8 ~~2005.~~

9 Section 4. Subsection (6) of section 624.5105, Florida  
10 Statutes, is amended to read:

11 624.5105 Community contribution tax credit;  
12 authorization; limitations; eligibility and application  
13 requirements; administration; definitions; expiration.--

14 ~~(6) EXPIRATION.--The provisions of this section,~~  
15 ~~except paragraph (1)(e), shall expire and be void on June 30,~~  
16 ~~2005.~~

17 Section 5. This act shall take effect upon becoming a  
18 law.

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20 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
21 COMMITTEE SUBSTITUTE FOR  
22 Senate Bill 330

23 This committee substitute differs from the bill as filed in  
24 that it uses an alternative style to "repeal the sunsets" in  
25 ss. 212.08(5) and 624.5105(6), F.S. It republishes these  
26 sections with the repeals 'stricken' in the text. In addition,  
27 it deletes the repeal of the definition of the term "community  
28 contribution" in s. 220.03(d), F.S.  
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