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

13  
 14 Be It Enacted by the Legislature of the State of Florida:

15  
 16           Section 1. Paragraph (q) of subsection (5) of section  
 17           212.08, Florida Statutes, is amended to read:

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

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

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

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

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29 sponsors are eligible for tax credits against their state sales  
 30 and use tax liabilities as provided in this paragraph:

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

33 b. The credit shall be granted as a refund against state  
 34 sales and use taxes reported on returns and remitted in the 12  
 35 months preceding the date of application to the department for  
 36 the credit as required in sub-subparagraph 3.c. If the annual  
 37 credit is not fully used through such refund because of  
 38 insufficient tax payments during the applicable 12-month period,  
 39 the unused amount may be included in an application for a refund  
 40 made pursuant to sub-subparagraph 3.c. in subsequent years  
 41 against the total tax payments made for such year. Carryover  
 42 credits may be applied for a 3-year period without regard to any  
 43 time limitation that would otherwise apply under s. 215.26;

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

47 d. All proposals for the granting of the tax credit shall  
 48 require the prior approval of the Office of Tourism, Trade, and  
 49 Economic Development;

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

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

56 2. Eligibility requirements.--

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57 a. A community contribution by a person must be in the  
58 following form:

59 (I) Cash or other liquid assets;

60 (II) Real property;

61 (III) Goods or inventory; or

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

64 b. All community contributions must be reserved  
65 exclusively for use in a project. As used in this sub-  
66 subparagraph, the term "project" means any activity undertaken  
67 by an eligible sponsor which is designed to construct, improve,  
68 or substantially rehabilitate housing that is affordable to low-  
69 income or very-low-income households as defined in s.

70 420.9071(19) and (28); designed to provide commercial,  
71 industrial, or public resources and facilities; or designed to  
72 improve entrepreneurial and job-development opportunities for  
73 low-income persons. A project may be the investment necessary to  
74 increase access to high-speed broadband capability in rural  
75 communities with enterprise zones, including projects that  
76 result in improvements to communications assets that are owned  
77 by a business. A project may include the provision of museum  
78 educational programs and materials that are directly related to  
79 any project approved between January 1, 1996, and December 31,  
80 1999, and located in an enterprise zone as referenced in s.

81 290.00675. This paragraph does not preclude projects that  
82 propose to construct or rehabilitate housing for low-income or  
83 very-low-income households on scattered sites. The Office of  
84 Tourism, Trade, and Economic Development may reserve up to 50  
85 percent of the available annual tax credits for housing for

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86 very-low-income households pursuant to s. 420.9071(28) for the  
 87 first 6 months of the fiscal year. With respect to housing,  
 88 contributions may be used to pay the following eligible low-  
 89 income and very-low-income housing-related activities:

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

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

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

98 (IV) Removal of liens recorded against residential  
 99 property by municipal, county, or special district local  
 100 governments when satisfaction of the lien is a necessary  
 101 precedent to the transfer of the property to an eligible person,  
 102 as defined in s. 420.9071(19) and (28), for the purpose of  
 103 promoting home ownership. Contributions for lien removal must be  
 104 received from a nonrelated third party.

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

107 (I) A community action program;

108 (II) A nonprofit community-based development organization  
 109 whose mission is the provision of housing for low-income or  
 110 very-low-income households or increasing entrepreneurial and  
 111 job-development opportunities for low-income persons;

112 (III) A neighborhood housing services corporation;

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

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- 114 (V) A community redevelopment agency created under s.
- 115 163.356;
- 116 (VI) The Florida Industrial Development Corporation;
- 117 (VII) A historic preservation district agency or
- 118 organization;
- 119 (VIII) A regional workforce board;
- 120 (IX) A direct-support organization as provided in s.
- 121 1009.983;
- 122 (X) An enterprise zone development agency created under s.
- 123 290.0056;
- 124 (XI) A community-based organization incorporated under
- 125 chapter 617 which is recognized as educational, charitable, or
- 126 scientific pursuant to s. 501(c)(3) of the Internal Revenue Code
- 127 and whose bylaws and articles of incorporation include
- 128 affordable housing, economic development, or community
- 129 development as the primary mission of the corporation;
- 130 (XII) Units of local government;
- 131 (XIII) Units of state government; or
- 132 (XIV) Any other agency that the Office of Tourism, Trade,
- 133 and Economic Development designates by rule.

134  
 135 In no event may a contributing person have a financial interest  
 136 in the eligible sponsor.

137 d. The project must be located in an area designated an  
 138 enterprise zone or a Front Porch Florida Community pursuant to  
 139 s. 14.2015(9)(b), unless the project increases access to high-  
 140 speed broadband capability for rural communities with enterprise  
 141 zones but is physically located outside the designated rural  
 142 zone boundaries. Any project designed to construct or

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143 rehabilitate housing for low-income or very-low-income  
 144 households as defined in s. 420.0971(19) and (28) is exempt from  
 145 the area requirement of this sub-subparagraph.

146 e. At least 25 percent of the funds available for projects  
 147 approved under this paragraph and ss. 220.183 and 624.5105 for  
 148 each fiscal year shall be reserved for use in rural counties  
 149 unless the aggregate amount that rural counties request under  
 150 such provisions before March 2 of each fiscal year is less than  
 151 25 percent of the available amount. As used in this sub-  
 152 subparagraph, the term "rural county" means a county that has a  
 153 population of 75,000 or fewer or a county that has a population  
 154 of 100,000 or fewer and is contiguous to a county that has a  
 155 population of 75,000 or fewer, as determined by the most recent  
 156 official estimate under s. 186.901.

157 3. Application requirements.--

158 a. Any eligible sponsor seeking to participate in this  
 159 program must submit a proposal to the Office of Tourism, Trade,  
 160 and Economic Development which sets forth the name of the  
 161 sponsor, a description of the project, and the area in which the  
 162 project is located, together with such supporting information as  
 163 is prescribed by rule. The proposal must also contain a  
 164 resolution from the local governmental unit in which the project  
 165 is located certifying that the project is consistent with local  
 166 plans and regulations.

167 b. Any person seeking to participate in this program must  
 168 submit an application for tax credit to the Office of Tourism,  
 169 Trade, and Economic Development which sets forth the name of the  
 170 sponsor, a description of the project, and the type, value, and  
 171 purpose of the contribution. The sponsor shall verify the terms

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172 of the application and indicate its receipt of the contribution,  
 173 which verification must be in writing and accompany the  
 174 application for tax credit. The person must submit a separate  
 175 tax credit application to the office for each individual  
 176 contribution that it makes to each individual project.

177 c. Any person who has received notification from the  
 178 Office of Tourism, Trade, and Economic Development that a tax  
 179 credit has been approved must apply to the department to receive  
 180 the refund. Application must be made on the form prescribed for  
 181 claiming refunds of sales and use taxes and be accompanied by a  
 182 copy of the notification. A person may submit only one  
 183 application for refund to the department within any 12-month  
 184 period.

185 4. Administration.--

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

190 b. The decision of the Office of Tourism, Trade, and  
 191 Economic Development must be in writing, and, if approved, the  
 192 notification shall state the maximum credit allowable to the  
 193 person. Upon approval, the office shall transmit a copy of the  
 194 decision to the Department of Revenue.

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

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200 d. The Office of Tourism, Trade, and Economic Development  
 201 shall, in consultation with the Department of Community Affairs,  
 202 the Florida Housing Finance Corporation, and the statewide and  
 203 regional housing and financial intermediaries, market the  
 204 availability of the community contribution tax credit program to  
 205 community-based organizations.

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

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

212 220.183 Community contribution tax credit.--

213 (2) ELIGIBILITY REQUIREMENTS.--

214 (e) Twenty-five percent of the funds available under this  
 215 section shall be reserved for use in rural counties through  
 216 March 1 of each fiscal year. On March 2, if the aggregate amount  
 217 of funds that rural counties request is less than the amount  
 218 reserved, the balance of reserved funds that has not been  
 219 requested by rural counties shall be made available for use with  
 220 all eligible participants in the program. As used in this  
 221 paragraph, the term "rural county" means a county that has a  
 222 population of 75,000 or fewer or a county that has a population  
 223 of 100,000 or fewer and is contiguous to a county that has a  
 224 population of 75,000 or fewer, as determined by the most recent  
 225 official estimate under s. 186.901.

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



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228 624.5105 Community contribution tax credit; authorization;  
229 limitations; eligibility and application requirements;  
230 administration; definitions; expiration.--

231 (2) ELIGIBILITY REQUIREMENTS.--

232 (e) Twenty-five percent of the funds available under this  
233 section shall be reserved for use in rural counties through  
234 March 1 of each fiscal year. On March 2, if the aggregate amount  
235 of funds that rural counties request is less than the amount  
236 reserved, the balance of reserved funds that has not been  
237 requested by rural counties shall be made available for use with  
238 all eligible participants in the program. As used in this  
239 paragraph, the term "rural county" means a county that has a  
240 population of 75,000 or fewer or a county that has a population  
241 of 100,000 or fewer and is contiguous to a county that has a  
242 population of 75,000 or fewer, as determined by the most recent  
243 official estimate under s. 186.901.

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