

1 expiration of the act; providing an effective
2 date.

3
4 Be It Enacted by the Legislature of the State of Florida:

5
6 Section 1. Credits for contributions to nonprofit
7 cultural organizations.--

8 (1) PURPOSE.--The purpose of this section is to
9 encourage private, voluntary contributions to organizations
10 that promote cultural activities, by encouraging the talents
11 of creative individuals or by helping to provide an audience
12 for cultural activities.

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

14 (a) "Cultural" means the disciplines of dance, music,
15 theater, visual arts, literature, media arts,
16 interdisciplinary and multidisciplinary, and programs of
17 museums.

18 (b) "Department" means the Department of Revenue.

19 (c) "Division" means the Division of Cultural Affairs
20 of the Department of State.

21 (d) "Eligible contribution" means a monetary
22 contribution from a taxpayer, subject to the restrictions
23 provided in this section, to an eligible cultural
24 organization.

25 (e) "Eligible cultural organization" means a nonprofit
26 cultural organization that is exempt from federal income tax
27 under s. 501(c)(3) of the Internal Revenue Code and that is
28 engaged in cultural activities in this state. The term
29 includes educational institutions that are also presenters or
30 producers of cultural activities in this state.

31

1 (3) AUTHORIZATION TO GRANT CULTURAL ORGANIZATIONS TAX
2 CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS.--

3 (a) There is allowed a credit of 50 percent of the
4 amount of an eligible contribution, which contribution is in
5 the amount of \$60,000 or more, against any tax due for a
6 taxable year under chapter 220, Florida Statutes. However,
7 such a credit is inapplicable to a particular corporation
8 after the aggregate amount of the contributions to eligible
9 cultural organizations given by the corporation in any one
10 taxable year exceeds \$600,000.

11 (b) A taxpayer who files a Florida consolidated return
12 as a member of an affiliated group pursuant to section
13 220.131(1), Florida Statutes, may be allowed the credit on a
14 consolidated return basis; however, the total credit taken by
15 the affiliated group is subject to the limitation established
16 under paragraph (a).

17 (4) ADMINISTRATION; RULES.--

18 (a) If the credit granted under this section is not
19 fully used in any one year, the unused amount may not be
20 carried forward. A taxpayer may not convey, assign, or
21 transfer the credit authorized by this section to another
22 entity unless all of the assets of the taxpayer are conveyed,
23 assigned, or transferred in the same transaction.

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

28 (c) A taxpayer must submit a separate application for
29 the tax credit for each individual contribution that it makes
30 to an eligible cultural organization.

31

1 (d) The granting of tax credit by the division must be
2 in writing and state the maximum credit allowable to the
3 business firm. A copy of the granting of tax credit shall be
4 transmitted to the executive director of the Department of
5 Revenue, who shall apply such credit to the tax liability of
6 the business firm.

7 (e) The department shall adopt rules necessary to
8 administer this section, including rules establishing
9 application forms and procedures.

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

12 Section 2. Cultural contributions tax credit.--

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

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

20 (b) All proposals for the granting of the tax credit
21 shall require the prior approval of the Division of Cultural
22 Affairs of the Department of State.

23 (c) If the credit granted pursuant to this section is
24 not fully used in any one year, the unused amount may not be
25 carried forward. A taxpayer may not convey, assign, or
26 transfer the credit authorized by this section to another
27 entity unless all of the assets of the taxpayer are conveyed,
28 assigned, or transferred in the same transaction.

29 (2) APPLICATION REQUIREMENTS.--

30 (a) Any business wishing to participate in this
31 program must submit an application for the tax credit to the

1 Division of Cultural Affairs of the Department of State on
2 forms established by rule of the division. Applications shall
3 be accepted on a first come, first served basis beginning July
4 1, 2004.

5 (b) The business firm must submit a separate
6 application for tax credit for each individual contribution
7 that it makes to the Cultural Institutions Trust Fund.

8 (3) ADMINISTRATION.--

9 (a) The Division of Cultural Affairs of the Department
10 of State may adopt rules pursuant to sections 120.536(1) and
11 120.54, Florida Statutes, to administer this section.

12 (b) The granting of tax credit by the Division of
13 Cultural Affairs of the Department of State must be in writing
14 and state the maximum credit allowable to the business firm. A
15 copy of the granting of tax credit shall be transmitted to the
16 executive director of the Department of Revenue, who shall
17 apply such credit to the tax liability of the business firm.

18 (c) The Department of Revenue may adopt rules pursuant
19 to sections 120.536(1) and 120.54, Florida Statutes, to
20 administer this section.

21 Section 3. It is the intent of the Legislature that
22 credits against the corporate income tax granted under either
23 section 1 or section 2 of this act be applied subsequent to
24 those enumerated in section 220.187, Florida Statutes.

25 Section 4. In computing adjusted federal income under
26 section 220.13, Florida Statutes, there shall be added to such
27 taxable income the amount taken as a credit for the taxable
28 year under section 1 and section 2 of this act.

29 Section 5. The total amount of tax credit which may be
30 granted for all programs approved under section 1 and section
31 2 of this act is \$5 million annually.

1 Section 6. This act expires June 30, 2005.

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

3

4 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
5 COMMITTEE SUBSTITUTE FOR
6 CS/SB 406

6

7 The committee substitute limits the 50 percent corporate
8 income tax credit for an eligible contribution to a nonprofit
9 cultural organization or the Division of Cultural Affairs to a
10 one-year program. The total amount of credits that may be
11 granted under the committee substitute is \$5 million.

10 The committee substitute clarifies that an eligible cultural
11 organization must engage in cultural activities in Florida.

12 The committee substitute gives responsibility for granting tax
13 credits to the Division of Cultural Affairs, and the credits
14 are granted on a first come, first served basis.

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31