

1 220.02 and 220.13, F.S., to conform; providing
2 an effective date.

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

5
6 Section 1. Tax refund program for businesses offering
7 health benefit plans to employees.--

8 (1) DEFINITIONS.--As used in this section, the term:

9 (a) "Business" means an employing unit, as defined in
10 section 443.036, Florida Statutes, which is registered for
11 unemployment compensation purposes with the state agency
12 providing unemployment tax collection services under contract
13 with the Agency for Workforce Innovation through an
14 interagency agreement under section 443.1316, Florida
15 Statutes, or a subcategory or division of an employing unit
16 which is accepted by the state agency providing unemployment
17 tax collection services as a reporting unit.

18 (b) "Department" means the Department of Financial
19 Services.

20 (c) "Eligible business" means a business that employs
21 50 or fewer employees.

22 (d) "Eligible employee" means an employee who has
23 worked full time or part time for the eligible business for at
24 least 9 months of the 12-month period immediately preceding
25 the date the business submits an application for a tax refund
26 under subsection (3).

27 (e) "Fiscal year" means the fiscal year of the state.

28 (f) "Qualified business" means a business that has
29 been approved by the department to receive, subject to
30 appropriation by the Legislature, a tax refund under this
31 section as provided in subsection (3).

1 (g) "Taxable year" means taxable year as defined in
2 section 220.03, Florida Statutes.

3 (2) TAX REFUND; ELIGIBLE AMOUNTS.--

4 (a) An eligible business may apply each fiscal year
5 for a refund of eligible taxes certified by the department
6 which were paid by the business, which refund is equal to
7 \$1,000 for each eligible employee who is covered by a health
8 benefit plan of the business which provides coverage at least
9 equivalent to the minimum coverage of a standard health
10 benefit plan under section 627.6699, Florida Statutes.

11 (b) Notwithstanding paragraph (a), an eligible
12 business located in an enterprise zone, under chapter 290 or
13 section 370.28, Florida Statutes, or a rural area of critical
14 economic concern, under section 288.0656, Florida Statutes,
15 may apply each fiscal year for a refund of eligible taxes
16 certified by the department which were paid by the business,
17 which refund is equal to \$1,500 for each employee who is
18 covered by a health benefit plan of the employer which
19 provides coverage at least equivalent to the minimum coverage
20 of a standard health benefit plan under section 627.6699,
21 Florida Statutes.

22 (c) An eligible business may receive refunds for the
23 following taxes due and paid by that business in the fiscal
24 year immediately preceding the date the business submits an
25 application for a tax refund under subsection (3):

26 1. Corporate income taxes under chapter 220, Florida
27 Statutes.

28 2. Insurance premium tax under section 624.509,
29 Florida Statutes.

30 3. Taxes on sales, use, and other transactions under
31 chapter 212, Florida Statutes.

1 4. Intangible personal property taxes under chapter
2 199, Florida Statutes.

3 5. Emergency excise taxes under chapter 221, Florida
4 Statutes.

5 6. Excise taxes on documents under chapter 201,
6 Florida Statutes.

7 7. Ad valorem taxes paid, as defined in section
8 220.03, Florida Statutes.

9 (d) However, an eligible business may not receive a
10 refund under this section for any amount of credit, refund, or
11 exemption granted to that business for any of such taxes. If a
12 refund for such taxes is provided by the department, which
13 taxes are subsequently adjusted by the application of any
14 credit, refund, or exemption granted to the qualified business
15 other than as provided in this section, the qualified business
16 shall reimburse the department for the amount of that credit,
17 refund, or exemption. A qualified business shall notify and
18 tender payment to the department within 20 days after
19 receiving any credit, refund, or exemption other than one
20 provided in this section. Any payment received by the
21 department under this paragraph shall be deposited in the
22 General Revenue Fund.

23 (e) An eligible business that fraudulently claims a
24 refund under this section:

25 1. Is liable for repayment of the amount of the
26 refund, plus a mandatory penalty in the amount of 200 percent
27 of the tax refund, which shall be deposited into the General
28 Revenue Fund.

29 2. Commits a felony of the third degree, punishable as
30 provided in section 775.082, section 775.083, or section
31 775.084, Florida Statutes.

1 (f) A tax refund provided under this section may not
2 exceed the amount of the tax that is the basis for the refund
3 due and that was due and paid by the eligible business in the
4 fiscal year immediately preceding the date the business
5 submits an application for a tax refund under subsection (3).

6 (3) ANNUAL CLAIM FOR REFUND; APPROVAL.--

7 (a) To claim a tax refund under this section, an
8 eligible business may apply beginning August 1 to the
9 department for a refund to be paid from a specific
10 appropriation made by the Legislature for the payment of
11 refunds in that fiscal year.

12 (b) The claim for refund by the eligible business must
13 include:

14 1. A copy of all receipts pertaining to the payment of
15 taxes for which the refund is sought;

16 2. Documentation, in a form and manner prescribed by
17 the department, demonstrating that an employee who is the
18 basis for the refund is an eligible employee; and

19 3. Documentation, in a form and manner prescribed by
20 the department, demonstrating that the eligible employee is
21 covered by a health benefit plan of the employer as required
22 by this section.

23 (c) The department, with such assistance as is
24 necessary from the Department of Revenue or the Agency for
25 Workforce Innovation, shall review each claim for a refund in
26 the order received and specify by written order, within 60
27 days after receipt of the claim application, the approval or
28 disapproval of the tax refund claim and, if approved, the
29 amount of the tax refund that is authorized to be paid to the
30 qualified business for the annual tax refund. The Department
31

1 of Revenue shall verify the payment of taxes for which the
2 refund is sought.

3 (d) This section does not create a presumption that a
4 tax refund claim will be approved and paid to a qualified
5 business. Refunds under this section are subject to
6 appropriation by the Legislature, and refunds shall be paid on
7 a first-come, first-served basis. If sufficient funds are not
8 available for the payment of a refund claim, or a claim is
9 otherwise denied by the department and the denial is upheld on
10 appeal, the qualified business must forego the refund claim
11 submitted for payment in that fiscal year.

12 (e) Upon approval of the claim for a tax refund, the
13 Chief Financial Officer shall issue a warrant for the amount
14 specified in the written order. If the written order is
15 appealed, the Chief Financial Officer may not issue a warrant
16 for a refund to the qualified business until the conclusion of
17 all appeals of the order.

18 (f) The total amount of refunds approved and paid in a
19 fiscal year may not exceed the amount appropriated by the
20 Legislature for the payment of refunds for that fiscal year.

21 (4) ADMINISTRATION.--

22 (a) The department is authorized to verify information
23 provided in any claim submitted for tax refunds under this
24 section with regard to employment and wage levels or the
25 payment of the taxes to the appropriate agency or authority,
26 including the Department of Revenue, the Agency for Workforce
27 Innovation, or any local government or authority.

28 (b) To facilitate the process of monitoring and
29 auditing applications made under this section, the department
30 may provide a list of businesses to the Department of Revenue,
31 to the Agency for Workforce Innovation, or to any local

1 government or authority. The department may request the
2 assistance of those entities with respect to monitoring jobs,
3 health benefit plan coverage, and the payment of the taxes
4 listed in subsection (2).

5 (c) By January 1 of each year, the department shall
6 provide to the Legislature an estimate of the amount necessary
7 to satisfy claims for refunds based on the experience of the
8 department in administering the program.

9 (d) Funds specifically appropriated for the tax refund
10 program under this section may not be used for any purpose
11 other than the payment of tax refunds authorized by this
12 section.

13 (e) The department may adopt rules under sections
14 120.536(1) and 120.54, Florida Statutes, to administer this
15 section.

16 (5) EXPIRATION.--This section expires June 30, 2010.

17 Section 2. There is appropriated from the General
18 Revenue Fund \$ _____ million to the Department of Financial
19 Services for the payment of refunds during fiscal year
20 2004-2005 under the tax refund program for employee health
21 benefit plan coverage as created by this act.

22 Section 3. Section 220.1875, Florida Statutes, is
23 created to read:

24 220.1875 Credits for contributions by public education
25 partners.--

26 (1) PURPOSE.--The purpose of this section is to:

27 (a) Encourage private, voluntary contributions to
28 public schools to enhance educational opportunities for
29 students.

30 (b) Encourage the formation of partnerships between
31 corporations and public schools.

1 (c) Enable public school students to achieve a greater
2 level of excellence in their education through contributions
3 by public education partners.

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

5 (a) "Department" means the Department of Revenue.

6 (b) "Eligible contribution" means a monetary
7 contribution from a taxpayer to a public school, subject to
8 the restrictions provided in this section. The taxpayer making
9 the contribution may designate a specific public school or a
10 specific program in a public school as the beneficiary of the
11 contribution. The taxpayer may not contribute more than \$5
12 million to any single public school.

13 (3) AUTHORIZATION TO GRANT TAX CREDITS; LIMITATIONS ON
14 INDIVIDUAL AND TOTAL CREDITS.--

15 (a) There is allowed a credit of 100 percent of an
16 eligible contribution against any tax due for a taxable year
17 under this chapter. However, such a credit may not exceed 75
18 percent of the tax due under this chapter for the taxable
19 year, after the application of any other allowable credits by
20 the taxpayer. The credit granted by this section shall be
21 reduced by the difference between the amount of federal
22 corporate income tax taking into account the credit granted by
23 this section and the amount of federal corporate income tax
24 without application of the credit granted by this section.

25 (b) The total amount of tax credits and carryforward
26 of tax credits which may be granted each state fiscal year
27 under this section is \$88 million. However, at least 5 percent
28 of the total statewide amount authorized for the tax credit
29 shall be reserved for taxpayers who meet the definition of a
30 small business provided in s. 288.703(1) at the time of
31 application.

1 (c) A taxpayer who files a Florida consolidated return
2 as a member of an affiliated group pursuant to s. 220.131(1)
3 may be allowed the credit on a consolidated return basis;
4 however, the total credit taken by the affiliated group is
5 subject to the limitation established under paragraph (a).

6 (4) REQUIREMENTS.--

7 (a) A public school that receives an eligible
8 contribution must spend 100 percent of the eligible
9 contribution for the purpose specified by the contributor. All
10 interest accrued from an eligible contribution must be used
11 for the purpose specified by the contributor.

12 (b) A public school that receives an eligible
13 contribution must maintain a separate account for the eligible
14 contribution and must annually provide to the district school
15 board and the Department of Education a financial accounting
16 of the use of the contribution. A public school shall budget
17 wisely and use sound financial practices in the use of an
18 eligible contribution.

19 (c) Payment of an eligible contribution shall be made
20 to a public school through the district school board.

21 (d) An eligible contribution shall not replace, but
22 shall be supplemental to, funds provided by the state to
23 public school districts pursuant to chapter 1011.

24 (5) ADMINISTRATION; RULES.--

25 (a) If the credit granted pursuant to this section is
26 not fully used in any one year because of insufficient tax
27 liability on the part of the corporation, the unused amount
28 may be carried forward for a period not to exceed 3 years;
29 however, any taxpayer that seeks to carry forward an unused
30 amount of tax credit must submit an application for allocation
31 of tax credits or carryforward credits as required in

1 paragraph (b) in the year that the taxpayer intends to use the
2 carryforward. A taxpayer may not convey, assign, or transfer
3 the credit authorized by this section to another entity unless
4 all of the assets of the taxpayer are conveyed, assigned, or
5 transferred in the same transaction.

6 (b) The department shall adopt rules pursuant to ss.
7 120.536(1) and 120.54 for the administration of this section,
8 including rules establishing application forms and procedures
9 and rules governing the allocation of tax credits and
10 carryforward credits under this section.

11 (c) The State Board of Education shall adopt rules
12 pursuant to ss. 120.536(1) and 120.54 for the distribution and
13 use of contributions.

14 (d) The department and the Department of Education
15 shall develop a cooperative agreement to assist in the
16 administration of this section.

17 Section 4. Subsection (8) of section 220.02, Florida
18 Statutes, is amended to read:

19 220.02 Legislative intent.--

20 (8) It is the intent of the Legislature that credits
21 against either the corporate income tax or the franchise tax
22 be applied in the following order: those enumerated in s.
23 631.828, those enumerated in s. 220.191, those enumerated in
24 s. 220.181, those enumerated in s. 220.183, those enumerated
25 in s. 220.182, those enumerated in s. 220.1895, those
26 enumerated in s. 221.02, those enumerated in s. 220.184, those
27 enumerated in s. 220.186, those enumerated in s. 220.1845,
28 those enumerated in s. 220.19, those enumerated in s. 220.185,
29 ~~and~~ those enumerated in s. 220.187, and those enumerated in s.
30 220.1875.

1 Section 5. Paragraph (a) of subsection (1) of section
2 220.13, Florida Statutes, is amended to read:

3 220.13 "Adjusted federal income" defined.--

4 (1) The term "adjusted federal income" means an amount
5 equal to the taxpayer's taxable income as defined in
6 subsection (2), or such taxable income of more than one
7 taxpayer as provided in s. 220.131, for the taxable year,
8 adjusted as follows:

9 (a) Additions.--There shall be added to such taxable
10 income:

11 1. The amount of any tax upon or measured by income,
12 excluding taxes based on gross receipts or revenues, paid or
13 accrued as a liability to the District of Columbia or any
14 state of the United States which is deductible from gross
15 income in the computation of taxable income for the taxable
16 year.

17 2. The amount of interest which is excluded from
18 taxable income under s. 103(a) of the Internal Revenue Code or
19 any other federal law, less the associated expenses disallowed
20 in the computation of taxable income under s. 265 of the
21 Internal Revenue Code or any other law, excluding 60 percent
22 of any amounts included in alternative minimum taxable income,
23 as defined in s. 55(b)(2) of the Internal Revenue Code, if the
24 taxpayer pays tax under s. 220.11(3).

25 3. In the case of a regulated investment company or
26 real estate investment trust, an amount equal to the excess of
27 the net long-term capital gain for the taxable year over the
28 amount of the capital gain dividends attributable to the
29 taxable year.

30 4. That portion of the wages or salaries paid or
31 incurred for the taxable year which is equal to the amount of

1 the credit allowable for the taxable year under s. 220.181.
2 The provisions of this subparagraph shall expire and be void
3 on June 30, 2005.

4 5. That portion of the ad valorem school taxes paid or
5 incurred for the taxable year which is equal to the amount of
6 the credit allowable for the taxable year under s. 220.182.
7 The provisions of this subparagraph shall expire and be void
8 on June 30, 2005.

9 6. The amount of emergency excise tax paid or accrued
10 as a liability to this state under chapter 221 which tax is
11 deductible from gross income in the computation of taxable
12 income for the taxable year.

13 7. That portion of assessments to fund a guaranty
14 association incurred for the taxable year which is equal to
15 the amount of the credit allowable for the taxable year.

16 8. In the case of a nonprofit corporation which holds
17 a pari-mutuel permit and which is exempt from federal income
18 tax as a farmers' cooperative, an amount equal to the excess
19 of the gross income attributable to the pari-mutuel operations
20 over the attributable expenses for the taxable year.

21 9. The amount taken as a credit for the taxable year
22 under s. 220.1895.

23 10. Up to nine percent of the eligible basis of any
24 designated project which is equal to the credit allowable for
25 the taxable year under s. 220.185.

26 11. The amount taken as a credit for the taxable year
27 under s. 220.187.

28 12. The amount taken as a credit for the taxable year
29 under s. 220.1875.

30 Section 6. This act shall take effect July 1, 2004.
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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
COMMITTEE SUBSTITUTE FOR
Senate Bill 598

The committee substitute replaces the provisions of the bill with provisions:

- Authorizing a tax refund program under which a business that employs 50 or fewer employees may apply, subject to legislative appropriation, for a tax refund of \$1,000 for each employee who is covered by a health benefit plan of the business, which plan meets the minimum coverage of a standard health benefit plan under the Employee Health Care Access Act. The tax refund amount is equal to \$1,500 if the business is located in an enterprise zone or a rural area of critical economic concern.
- Authorizing a corporate income tax credit program under which a business may receive a tax credit equal to 100 percent of the value of an eligible contribution made to a public school or to a specific program within a public school. The total amount of credits that may be awarded under the program annually is \$88 million, and 5 percent of this annual cap must be reserved for certain small businesses as defined under s. 288.703, F.S.