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A bill to be entitled

An act relating to economic stimulus; amending s. 212.08, F.S.; revising sales price criteria for characterizing business property; requiring a percentage of the community contribution tax credit pool to be set aside for a certain time period for projects located in a rural enterprise zone; conforming provisions to the designated urban job tax credit revision; amending s. 212.097, F.S.; revising provisions providing for an urban job tax credit program to apply to designated urban job tax credit areas rather than high crime areas; revising and providing definitions, eligibility criteria, application procedures and requirements, and area characteristics and criteria; authorizing transfer of unused credits under the Rural Job Tax Credit Program; specifying use of transferred credits; prohibiting transfer of transferred credits; amending s. 212.098, F.S.; authorizing transfer of unused credits under the Rural Job Tax Credit Program; specifying use of transferred credits; prohibiting transfer of transferred credits; amending ss. 220.183 and 624.5105, F.S.; requiring a percentage of the community contribution tax credit pool to be set aside for a certain time period for projects located in a rural enterprise zone; amending s. 220.1895, F.S.; conforming provisions to amendments to urban job tax credit areas program provisions; removing a historical reference; amending s. 288.106, F.S.; extending an expiration date for the tax refund program for qualified target industry businesses; preserving the effect of certain tax refund agreements after the

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30 expiration date; amending s. 288.99, F.S.; conforming
 31 provisions to the designated urban job tax credit
 32 revision; providing an effective date.
 33

34 Be It Enacted by the Legislature of the State of Florida:
 35

36 Section 1. Paragraphs (h), (o), and (q) of subsection (5)
 37 of section 212.08, Florida Statutes, are amended to read:

38 212.08 Sales, rental, use, consumption, distribution, and
 39 storage tax; specified exemptions.--The sale at retail, the
 40 rental, the use, the consumption, the distribution, and the
 41 storage to be used or consumed in this state of the following
 42 are hereby specifically exempt from the tax imposed by this
 43 chapter.

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

45 (h) *Business property used in an enterprise zone.--*

46 1. Business property purchased for use by businesses
 47 located in an enterprise zone which is subsequently used in an
 48 enterprise zone shall be exempt from the tax imposed by this
 49 chapter. This exemption inures to the business only through a
 50 refund of previously paid taxes. A refund shall be authorized
 51 upon an affirmative showing by the taxpayer to the satisfaction
 52 of the department that the requirements of this paragraph have
 53 been met.

54 2. To receive a refund, the business must file under oath
 55 with the governing body or enterprise zone development agency
 56 having jurisdiction over the enterprise zone where the business
 57 is located, as applicable, an application which includes:

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- 58 a. The name and address of the business claiming the
 59 refund.
- 60 b. The identifying number assigned pursuant to s. 290.0065
 61 to the enterprise zone in which the business is located.
- 62 c. A specific description of the property for which a
 63 refund is sought, including its serial number or other permanent
 64 identification number.
- 65 d. The location of the property.
- 66 e. The sales invoice or other proof of purchase of the
 67 property, showing the amount of sales tax paid, the date of
 68 purchase, and the name and address of the sales tax dealer from
 69 whom the property was purchased.
- 70 f. Whether the business is a small business as defined by
 71 s. 288.703(1).
- 72 g. If applicable, the name and address of each permanent
 73 employee of the business, including, for each employee who is a
 74 resident of an enterprise zone, the identifying number assigned
 75 pursuant to s. 290.0065 to the enterprise zone in which the
 76 employee resides.
- 77 3. Within 10 working days after receipt of an application,
 78 the governing body or enterprise zone development agency shall
 79 review the application to determine if it contains all the
 80 information required pursuant to subparagraph 2. and meets the
 81 criteria set out in this paragraph. The governing body or agency
 82 shall certify all applications that contain the information
 83 required pursuant to subparagraph 2. and meet the criteria set
 84 out in this paragraph as eligible to receive a refund. If
 85 applicable, the governing body or agency shall also certify if
 86 20 percent of the employees of the business are residents of an

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87 enterprise zone, excluding temporary and part-time employees.
88 The certification shall be in writing, and a copy of the
89 certification shall be transmitted to the executive director of
90 the Department of Revenue. The business shall be responsible for
91 forwarding a certified application to the department within the
92 time specified in subparagraph 4.

93 4. An application for a refund pursuant to this paragraph
94 must be submitted to the department within 6 months after the
95 tax is due on the business property that is purchased.

96 5. The provisions of s. 212.095 do not apply to any refund
97 application made pursuant to this paragraph. The amount refunded
98 on purchases of business property under this paragraph shall be
99 the lesser of 97 percent of the sales tax paid on such business
100 property or \$5,000, or, if no less than 20 percent of the
101 employees of the business are residents of an enterprise zone,
102 excluding temporary and part-time employees, the amount refunded
103 on purchases of business property under this paragraph shall be
104 the lesser of 97 percent of the sales tax paid on such business
105 property or \$10,000. A refund approved pursuant to this
106 paragraph shall be made within 30 days of formal approval by the
107 department of the application for the refund. No refund shall be
108 granted under this paragraph unless the amount to be refunded
109 exceeds \$100 in sales tax paid on purchases made within a 60-day
110 time period.

111 6. The department shall adopt rules governing the manner
112 and form of refund applications and may establish guidelines as
113 to the requisites for an affirmative showing of qualification
114 for exemption under this paragraph.

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115 7. If the department determines that the business property
 116 is used outside an enterprise zone within 3 years from the date
 117 of purchase, the amount of taxes refunded to the business
 118 purchasing such business property shall immediately be due and
 119 payable to the department by the business, together with the
 120 appropriate interest and penalty, computed from the date of
 121 purchase, in the manner provided by this chapter.

122 Notwithstanding this subparagraph, business property used
 123 exclusively in:

- 124 a. Licensed commercial fishing vessels,
- 125 b. Fishing guide boats, or
- 126 c. Ecotourism guide boats

127
 128 that leave and return to a fixed location within an area
 129 designated under s. 370.28 are eligible for the exemption
 130 provided under this paragraph if all requirements of this
 131 paragraph are met. Such vessels and boats must be owned by a
 132 business that is eligible to receive the exemption provided
 133 under this paragraph. This exemption does not apply to the
 134 purchase of a vessel or boat.

135 8. The department shall deduct an amount equal to 10
 136 percent of each refund granted under the provisions of this
 137 paragraph from the amount transferred into the Local Government
 138 Half-cent Sales Tax Clearing Trust Fund pursuant to s. 212.20
 139 for the county area in which the business property is located
 140 and shall transfer that amount to the General Revenue Fund.

141 9. For the purposes of this exemption, "business property"
 142 means new or used property defined as "recovery property" in s.
 143 168(c) of the Internal Revenue Code of 1954, as amended, except:

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144 a. Property classified as 3-year property under s.
 145 168(c)(2)(A) of the Internal Revenue Code of 1954, as amended.

146 b. Industrial machinery and equipment as defined in sub-
 147 subparagraph (b)6.a. and eligible for exemption under paragraph
 148 (b).

149 c. Building materials as defined in sub-subparagraph
 150 (g)8.a. ~~and~~

151 d. Business property having a sales price of under \$500
 152 ~~\$5,000~~ per unit.

153 10. The provisions of this paragraph shall expire and be
 154 void on December 31, 2005.

155 (o) *Building materials in redevelopment projects.*--

156 1. As used in this paragraph, the term:

157 a. "Building materials" means tangible personal property
 158 that becomes a component part of a housing project or a mixed-
 159 use project.

160 b. "Housing project" means the conversion of an existing
 161 manufacturing or industrial building to housing units in a
 162 designated ~~an~~ urban job tax credit ~~high-crime~~ area, enterprise
 163 zone, empowerment zone, Front Porch Community, designated
 164 brownfield area, or urban infill area and in which the developer
 165 agrees to set aside at least 20 percent of the housing units in
 166 the project for low-income and moderate-income persons or the
 167 construction in a designated brownfield area of affordable
 168 housing for persons described in s. 420.0004(9), (10), or (14),
 169 or in s. 159.603(7).

170 c. "Mixed-use project" means the conversion of an existing
 171 manufacturing or industrial building to mixed-use units that
 172 include artists' studios, art and entertainment services, or

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173 other compatible uses. A mixed-use project must be located in
 174 designated ~~an~~ urban job tax credit ~~high-crime~~ area, enterprise
 175 zone, empowerment zone, Front Porch Community, designated
 176 brownfield area, or urban infill area, and the developer must
 177 agree to set aside at least 20 percent of the square footage of
 178 the project for low-income and moderate-income housing.

179 d. "Substantially completed" has the same meaning as
 180 provided in s. 192.042(1).

181 2. Building materials used in the construction of a
 182 housing project or mixed-use project are exempt from the tax
 183 imposed by this chapter upon an affirmative showing to the
 184 satisfaction of the department that the requirements of this
 185 paragraph have been met. This exemption inures to the owner
 186 through a refund of previously paid taxes. To receive this
 187 refund, the owner must file an application under oath with the
 188 department which includes:

189 a. The name and address of the owner.

190 b. The address and assessment roll parcel number of the
 191 project for which a refund is sought.

192 c. A copy of the building permit issued for the project.

193 d. A certification by the local building code inspector
 194 that the project is substantially completed.

195 e. A sworn statement, under penalty of perjury, from the
 196 general contractor licensed in this state with whom the owner
 197 contracted to construct the project, which statement lists the
 198 building materials used in the construction of the project and
 199 the actual cost thereof, and the amount of sales tax paid on
 200 these materials. If a general contractor was not used, the owner
 201 shall provide this information in a sworn statement, under

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202 penalty of perjury. Copies of invoices evidencing payment of
 203 sales tax must be attached to the sworn statement.

204 3. An application for a refund under this paragraph must
 205 be submitted to the department within 6 months after the date
 206 the project is deemed to be substantially completed by the local
 207 building code inspector. Within 30 working days after receipt of
 208 the application, the department shall determine if it meets the
 209 requirements of this paragraph. A refund approved pursuant to
 210 this paragraph shall be made within 30 days after formal
 211 approval of the application by the department. The provisions of
 212 s. 212.095 do not apply to any refund application made under
 213 this paragraph.

214 4. The department shall establish by rule an application
 215 form and criteria for establishing eligibility for exemption
 216 under this paragraph.

217 5. The exemption shall apply to purchases of materials on
 218 or after July 1, 2000.

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

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

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

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

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231 credit is not fully used through such refund because of
 232 insufficient tax payments during the applicable 12-month period,
 233 the unused amount may be included in an application for a refund
 234 made pursuant to sub-subparagraph 3.c. in subsequent years
 235 against the total tax payments made for such year. Carryover
 236 credits may be applied for a 3-year period without regard to any
 237 time limitation that would otherwise apply under s. 215.26.~~†~~

238 c. No person shall receive more than \$200,000 in annual
 239 tax credits for all approved community contributions made in any
 240 one year.~~†~~

241 d. All proposals for the granting of the tax credit shall
 242 require the prior approval of the Office of Tourism, Trade, and
 243 Economic Development.~~†~~

244 e. The total amount of tax credits which may be granted
 245 for all programs approved under this paragraph, s. 220.183, and
 246 s. 624.5105 is \$10 million annually. Fifteen percent of the
 247 community contribution tax credit pool shall be set aside for
 248 the first 6 months of the fiscal year for projects located in a
 249 rural enterprise zone as defined in s. 290.004(8).~~† and~~

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

253 2. Eligibility requirements.--

254 a. A community contribution by a person must be in the
 255 following form:

- 256 (I) Cash or other liquid assets;
- 257 (II) Real property;
- 258 (III) Goods or inventory; or

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

261 b. All community contributions must be reserved
 262 exclusively for use in a project. As used in this sub-
 263 subparagraph, the term "project" means any activity undertaken
 264 by an eligible sponsor which is designed to construct, improve,
 265 or substantially rehabilitate housing that is affordable to low-
 266 income or very-low-income households as defined in s.
 267 420.9071(19) and (28); designed to provide commercial,
 268 industrial, or public resources and facilities; or designed to
 269 improve entrepreneurial and job-development opportunities for
 270 low-income persons. A project may be the investment necessary to
 271 increase access to high-speed broadband capability in rural
 272 communities with enterprise zones, including projects that
 273 result in improvements to communications assets that are owned
 274 by a business. A project may include the provision of museum
 275 educational programs and materials that are directly related to
 276 any project approved between January 1, 1996, and December 31,
 277 1999, and located in an enterprise zone as referenced in s.
 278 290.00675. This paragraph does not preclude projects that
 279 propose to construct or rehabilitate housing for low-income or
 280 very-low-income households on scattered sites. The Office of
 281 Tourism, Trade, and Economic Development may reserve up to 50
 282 percent of the available annual tax credits for housing for
 283 very-low-income households pursuant to s. 420.9071(28) for the
 284 first 6 months of the fiscal year. With respect to housing,
 285 contributions may be used to pay the following eligible low-
 286 income and very-low-income housing-related activities:

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287 (I) Project development impact and management fees for
 288 low-income or very-low-income housing projects;
 289 (II) Down payment and closing costs for eligible persons,
 290 as defined in s. 420.9071(19) and (28);
 291 (III) Administrative costs, including housing counseling
 292 and marketing fees, not to exceed 10 percent of the community
 293 contribution, directly related to low-income or very-low-income
 294 projects; and
 295 (IV) Removal of liens recorded against residential
 296 property by municipal, county, or special district local
 297 governments when satisfaction of the lien is a necessary
 298 precedent to the transfer of the property to an eligible person,
 299 as defined in s. 420.9071(19) and (28), for the purpose of
 300 promoting home ownership. Contributions for lien removal must be
 301 received from a nonrelated third party.
 302 c. The project must be undertaken by an "eligible
 303 sponsor," which includes:
 304 (I) A community action program;
 305 (II) A nonprofit community-based development organization
 306 whose mission is the provision of housing for low-income or
 307 very-low-income households or increasing entrepreneurial and
 308 job-development opportunities for low-income persons;
 309 (III) A neighborhood housing services corporation;
 310 (IV) A local housing authority created under chapter 421;
 311 (V) A community redevelopment agency created under s.
 312 163.356;
 313 (VI) The Florida Industrial Development Corporation;
 314 (VII) A historic preservation district agency or
 315 organization;

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- 316 (VIII) A regional workforce board;
- 317 (IX) A direct-support organization as provided in s.
- 318 1009.983;
- 319 (X) An enterprise zone development agency created under s.
- 320 290.0056;
- 321 (XI) A community-based organization incorporated under
- 322 chapter 617 which is recognized as educational, charitable, or
- 323 scientific pursuant to s. 501(c)(3) of the Internal Revenue Code
- 324 and whose bylaws and articles of incorporation include
- 325 affordable housing, economic development, or community
- 326 development as the primary mission of the corporation;
- 327 (XII) Units of local government;
- 328 (XIII) Units of state government; or
- 329 (XIV) Any other agency that the Office of Tourism, Trade,
- 330 and Economic Development designates by rule.

331
 332 In no event may a contributing person have a financial interest
 333 in the eligible sponsor.

334 d. The project must be located in an area designated an
 335 enterprise zone or a Front Porch Florida Community pursuant to
 336 s. 14.2015(9)(b), unless the project increases access to high-
 337 speed broadband capability for rural communities with enterprise
 338 zones but is physically located outside the designated rural
 339 zone boundaries. Any project designed to construct or
 340 rehabilitate housing for low-income or very-low-income
 341 households as defined in s. 420.0971(19) and (28) is exempt from
 342 the area requirement of this sub-subparagraph.

343 3. Application requirements.--

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344 a. Any eligible sponsor seeking to participate in this
 345 program must submit a proposal to the Office of Tourism, Trade,
 346 and Economic Development which sets forth the name of the
 347 sponsor, a description of the project, and the area in which the
 348 project is located, together with such supporting information as
 349 is prescribed by rule. The proposal must also contain a
 350 resolution from the local governmental unit in which the project
 351 is located certifying that the project is consistent with local
 352 plans and regulations.

353 b. Any person seeking to participate in this program must
 354 submit an application for tax credit to the Office of Tourism,
 355 Trade, and Economic Development which sets forth the name of the
 356 sponsor, a description of the project, and the type, value, and
 357 purpose of the contribution. The sponsor shall verify the terms
 358 of the application and indicate its receipt of the contribution,
 359 which verification must be in writing and accompany the
 360 application for tax credit. The person must submit a separate
 361 tax credit application to the office for each individual
 362 contribution that it makes to each individual project.

363 c. Any person who has received notification from the
 364 Office of Tourism, Trade, and Economic Development that a tax
 365 credit has been approved must apply to the department to receive
 366 the refund. Application must be made on the form prescribed for
 367 claiming refunds of sales and use taxes and be accompanied by a
 368 copy of the notification. A person may submit only one
 369 application for refund to the department within any 12-month
 370 period.

371 4. Administration.--

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

376 b. The decision of the Office of Tourism, Trade, and
 377 Economic Development must be in writing, and, if approved, the
 378 notification shall state the maximum credit allowable to the
 379 person. Upon approval, the office shall transmit a copy of the
 380 decision to the Department of Revenue.

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

386 d. The Office of Tourism, Trade, and Economic Development
 387 shall, in consultation with the Department of Community Affairs,
 388 the Florida Housing Finance Corporation, and the statewide and
 389 regional housing and financial intermediaries, market the
 390 availability of the community contribution tax credit program to
 391 community-based organizations.

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

396 Section 2. Section 212.097, Florida Statutes, is amended
 397 to read:

398 212.097 Designated Urban ~~High-Crime Area~~ Job Tax Credit
 399 Area Program.--

400 (1) As used in this section, the term:

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401 (a) "Eligible business" means any sole proprietorship,
 402 firm, partnership, or corporation that is located in a
 403 designated urban job tax credit area ~~qualified county~~ and is
 404 predominantly engaged in, or is headquarters for a business
 405 predominantly engaged in, activities usually provided for
 406 consideration by firms classified within the following standard
 407 industrial classifications: SIC 01-SIC 09 (agriculture,
 408 forestry, and fishing); SIC 20-SIC 39 (manufacturing); SIC 52-
 409 SIC 57 and SIC 59 (retail); SIC 422 (public warehousing and
 410 storage); SIC 70 (hotels and other lodging places); SIC 7391
 411 (research and development); SIC 781 (motion picture production
 412 and allied services); SIC 7992 (public golf courses); ~~and~~ SIC
 413 7996 (amusement parks), and a targeted industry eligible for the
 414 qualified target industry business tax refund under s. 288.106.
 415 A call center or similar customer service operation that
 416 services a multistate market or international market is also an
 417 eligible business. In addition, the Office of Tourism, Trade,
 418 and Economic Development may, as part of its final budget
 419 request submitted pursuant to s. 216.023, recommend additions to
 420 or deletions from the list of standard industrial
 421 classifications used to determine an eligible business, and the
 422 Legislature may implement such recommendations. Excluded from
 423 eligible receipts are receipts from retail sales, except such
 424 receipts for SIC 52-SIC 57 and SIC 59 (retail) hotels and other
 425 lodging places classified in SIC 70, public golf courses in SIC
 426 7992, and amusement parks in SIC 7996. For purposes of this
 427 paragraph, the term "predominantly" means that more than 50
 428 percent of the business's gross receipts from all sources is
 429 generated by those activities usually provided for consideration

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430 by firms in the specified standard industrial classification.
431 The determination of whether the business is located in a
432 designated urban job tax credit ~~qualified high-crime~~ area and
433 ~~the tier ranking of that area~~ must be based on the date of
434 application for the credit under this section. Commonly owned
435 and controlled entities are to be considered a single business
436 entity.

437 (b) "Qualified employee" means any employee of an eligible
438 business who performs duties in connection with the operations
439 of the business on a regular, full-time basis for an average of
440 at least 36 hours per week for at least 3 months within the
441 designated urban job tax credit ~~qualified high-crime~~ area in
442 which the eligible business is located. An owner or partner of
443 the eligible business is not a qualified employee. The term also
444 includes an employee leased from an employee leasing company
445 licensed under chapter 468, if such employee has been
446 continuously leased to the employer for an average of at least
447 36 hours per week for more than 6 months.

448 (c) "New business" means any eligible business first
449 beginning operation on a site in a designated urban job tax
450 credit ~~qualified high-crime~~ area and clearly separate from any
451 other commercial or business operation of the business entity
452 within a designated urban job tax credit ~~qualified high-crime~~
453 area. A business entity that operated an eligible business
454 within a designated urban job tax credit ~~qualified high-crime~~
455 area within the 48 months before the period provided for
456 application by subsection (2) is not considered a new business.

457 (d) "Existing business" means any eligible business that
458 does not meet the criteria for a new business.

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459 (e) "Designated urban job tax credit ~~Qualified high-crime~~
 460 area" means an area selected by the Office of Tourism, Trade,
 461 and Economic Development in the following manner: every third
 462 year, the office shall rank and tier those areas nominated under
 463 subsection (7), according to the highest level of distress
 464 experienced in the categories enumerated under subsection (7).
 465 The Office of Tourism, Trade, and Economic Development shall
 466 designate the 30 highest-distress-profile urban areas as
 467 eligible participants under the urban job tax credit program
 468 following prioritized criteria:

- 469 1. ~~Highest arrest rates within the geographic area for~~
 470 ~~violent crime and for such other crimes as drug sale, drug~~
 471 ~~possession, prostitution, vandalism, and civil disturbances;~~
- 472 2. ~~Highest reported crime volume and rate of specific~~
 473 ~~property crimes such as business and residential burglary, motor~~
 474 ~~vehicle theft, and vandalism;~~
- 475 3. ~~Highest percentage of reported index crimes that are~~
 476 ~~violent in nature;~~
- 477 4. ~~Highest overall index crime volume for the area; and~~
- 478 5. ~~Highest overall index crime rate for the geographic~~
 479 ~~area.~~

480

481 ~~Tier one areas are ranked 1 through 5 and represent the highest~~
 482 ~~crime areas according to this ranking. Tier two areas are ranked~~
 483 ~~6 through 10 according to this ranking. Tier three areas are~~
 484 ~~ranked 11 through 15. Notwithstanding this definition,~~
 485 "designated urban job tax credit ~~qualified high-crime~~ area" also
 486 means an area that has been designated as a federal Empowerment
 487 Zone pursuant to the Taxpayer Relief Act of 1997 or the

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488 Community Tax Relief Act of 2000. ~~Such a designated area is~~
 489 ~~ranked in tier three until the areas are reevaluated by the~~
 490 ~~Office of Tourism, Trade, and Economic Development.~~

491 (f) "Central business district" means an area comprised of
 492 at least 80 percent commercial and government buildings and
 493 properties; characterized by a high concentration of retail
 494 businesses, service businesses, offices, theaters, and hotels;
 495 and located in a Department of Transportation urban service
 496 area.

497 (g) "Urban" means a densely populated nonrural area
 498 located within an urban county which consists of a cluster of
 499 one or more census blocks, each of which has a population
 500 density of at least 400 people per square mile, or an area
 501 defined by the most recent United States Census as urban.

502 (2) A new eligible business may apply for a tax credit
 503 under this subsection once at any time during its first year of
 504 operation. A new eligible business in a designated urban job tax
 505 credit tier one qualified high crime area which has at least 10
 506 qualified employees on the date of application shall receive a
 507 ~~\$1,500 tax credit for each such employee. A new eligible~~
 508 ~~business in a tier two qualified high crime area which has at~~
 509 ~~least 20 qualified employees on the date of application shall~~
 510 ~~receive a \$1,000 tax credit for each such employee. A new~~
 511 ~~eligible business in a tier three qualified high crime area~~
 512 ~~which has at least 30 qualified employees on the date of~~
 513 ~~application shall receive a \$500 tax credit for each such~~
 514 ~~employee.~~

515 (3) An existing eligible business may apply for a tax
 516 credit under this subsection at any time it is entitled to such
 credit, except as restricted by this subsection. An existing

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517 eligible business in a designated urban job tax credit ~~tier one~~
 518 ~~qualified high-crime~~ area which on the date of application has
 519 at least 5 more qualified employees than it had 1 year prior to
 520 its date of application shall receive a ~~\$1,500 tax credit for~~
 521 ~~each such additional employee. An existing eligible business in~~
 522 ~~a tier two qualified high-crime area which on the date of~~
 523 ~~application has at least 10 more qualified employees than it had~~
 524 ~~1 year prior to its date of application shall receive a \$1,000~~
 525 ~~credit for each such additional employee. An existing business~~
 526 ~~in a tier three qualified high-crime area which on the date of~~
 527 ~~application has at least 15 more qualified employees than it had~~
 528 ~~1 year prior to its date of application shall receive a \$500 tax~~
 529 ~~credit for each such additional employee. An existing eligible~~
 530 business may apply for the credit under this subsection no more
 531 than once in any 12-month period. Any existing eligible business
 532 that received a credit under subsection (2) may not apply for
 533 the credit under this subsection sooner than 12 months after the
 534 application date for the credit under subsection (2).

535 (4) For any new eligible business receiving a credit
 536 pursuant to subsection (2), an additional \$500 credit shall be
 537 provided for any qualified employee who is a welfare transition
 538 program participant. For any existing eligible business
 539 receiving a credit pursuant to subsection (3), an additional
 540 \$500 credit shall be provided for any qualified employee who is
 541 a welfare transition program participant. Such employee must be
 542 employed on the application date and have been employed less
 543 than 1 year. This credit shall be in addition to other credits
 544 pursuant to this section ~~regardless of the tier level of the~~
 545 ~~high-crime~~ area. Appropriate documentation concerning the

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546 eligibility of an employee for this credit must be submitted as
 547 determined by the department.

548 (5) To be eligible for a tax credit under subsection (3),
 549 the number of qualified employees employed 1 year prior to the
 550 application date must be no lower than the number of qualified
 551 employees on the application date on which a credit under this
 552 section was based for any previous application, including an
 553 application under subsection (2).

554 (6) Any county or municipality, or a county and one or
 555 more municipalities together, may apply to the Office of
 556 Tourism, Trade, and Economic Development for the designation of
 557 an area as a designated urban job tax credit ~~high-crime~~ area
 558 after the adoption by the governing body or bodies of a
 559 resolution that:

560 (a) Finds that an urban ~~a high-crime~~ area exists in such
 561 county or municipality, or in both the county and one or more
 562 municipalities, which chronically exhibits extreme and
 563 unacceptable levels of poverty, unemployment, physical
 564 deterioration, and economic disinvestment;

565 (b) Determines that the rehabilitation, conservation, or
 566 redevelopment, or a combination thereof, of such an urban a
 567 ~~high-crime~~ area is necessary in the interest of the health,
 568 safety, and welfare of the residents of such county or
 569 municipality, or such county and one or more municipalities; and

570 (c) Determines that the revitalization of such an urban a
 571 ~~high-crime~~ area can occur if the public sector or private sector
 572 can be induced to invest its own resources in productive
 573 enterprises that build or rebuild the economic viability of the
 574 area.

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575 (7) The governing body of the entity nominating the area
576 shall ~~demonstrate provide~~ to the Office of Tourism, Trade, and
577 Economic Development ~~that~~ the area meets the following:

578 (a) Income characteristics:

579 1. Forty percent of area residents are earning wages on an
580 annual basis that are equal to or less than the annual wage of a
581 person who is earning minimum wage; or

582 2. More than 20 percent of residents or families live
583 below the federal standard of poverty for individuals or a
584 family of four. ~~The overall index crime rate for the geographic~~
585 area;

586 (b) Education characteristics:

587 1. Has a high school dropout rate higher than the county
588 average; or

589 2. Has a high school graduation rate lower than the state
590 average. ~~The overall index crime volume for the area;~~

591 (c) Workforce and employment characteristics:

592 1. Has an unemployment rate at least 3 percentage points
593 higher than the state's unemployment rate;

594 2. More than 50 percent of families subject to the
595 welfare-to-work transition time limit are either within 6 months
596 of the time limit or are receiving cash assistance under a
597 period of hardship extension to the time limit; or

598 3. Is identified as a labor surplus area using the
599 criteria established by the United States Department of Labor's
600 Employment and Training Administration. ~~The percentage of~~
601 reported index crimes that are violent in nature;

602 (d) Crime characteristics:

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603 1. Has an arrest rate higher than the state's average rate
 604 for such crimes as drug sale, drug possession, prostitution,
 605 vandalism, and civil disturbances, as recorded by total crime
 606 index of the Department of Law Enforcement; or

607 2. Ranks in the top 30 percent of zip codes with reported
 608 crimes that are violent in nature. ~~The reported crime volume and~~
 609 ~~rate of specific property crimes such as business and~~
 610 ~~residential burglary, motor vehicle theft, and vandalism; and~~

611 (e) Residential and commercial property related
 612 characteristics:

613 1. Fifty percent or more of area residents rent;

614 2.a. Property values are within the lower 50 percent of
 615 the county's assessed property values; or

616 b. More than 5 percent of area homes, apartments, or
 617 buildings are abandoned, have been condemned within the previous
 618 24 months, or have a greater number of violations of the Florida
 619 Building Code than recorded in the remainder of the county or
 620 municipality; or

621 c. Tax or special assessment delinquencies exceed the fair
 622 value of the land ~~The arrest rates within the geographic area~~
 623 ~~for violent crime and for such other crimes as drug sale, drug~~
 624 ~~possession, prostitution, disorderly conduct, vandalism, and~~
 625 ~~other public order offenses.~~

626 (8) A municipality, or a county and one or more
 627 municipalities together, may not nominate more than one urban
 628 ~~high-crime~~ area. However, any county as defined by s. 125.011(1)
 629 may nominate no more than three urban ~~high-crime~~ areas.

630 (9)(a) An area nominated by a county or municipality, or a
 631 county and one or more municipalities together, for designation

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632 as a designated urban job tax credit ~~high-crime~~ area shall be
 633 eligible only if it meets the following criteria:

634 1.(a) The selected area ~~does not exceed 20 square miles~~
 635 ~~and either~~ has a continuous boundary or consists of not more
 636 than three noncontiguous parcels.†

637 2.(b) The selected area does not exceed the following
 638 mileage limitation:

639 a.1. For areas ~~communities~~ having a total population of
 640 150,000 persons or more, the selected area does not exceed 20
 641 square miles and is within 10 miles of the central business
 642 district of a city.

643 b.2. For areas ~~communities~~ having a total population of
 644 50,000 persons or more, but fewer than 150,000 persons, the
 645 selected area does not exceed 10 square miles and is within 7.5
 646 miles of the central business district of a city.

647 c.3. For areas ~~communities~~ having a total population of
 648 20,000 persons or more, but fewer than 50,000 persons, the
 649 selected area does not exceed 5 square miles and is within 5
 650 miles of the central business district of a city.

651 d.4. For areas ~~communities~~ having a total population of
 652 fewer than 20,000 persons, the selected area does not exceed 3
 653 square miles and is within 3 miles of the central business
 654 district of a city.

655 (b) A designated urban job tax credit area may not include
 656 any portion of a central business district, unless the poverty
 657 rate for each census geographic block group in the district is
 658 not less than 30 percent.

659 (10)(a) In order to claim this credit, an eligible
 660 business must file under oath with the Office of Tourism, Trade,

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661 and Economic Development a statement that includes the name and
 662 address of the eligible business and any other information that
 663 is required to process the application.

664 (b) Within 30 working days after receipt of an application
 665 for credit, the Office of Tourism, Trade, and Economic
 666 Development shall review the application to determine whether it
 667 contains all the information required by this subsection and
 668 meets the criteria set out in this section. Subject to the
 669 provisions of paragraph (c), the Office of Tourism, Trade, and
 670 Economic Development shall approve all applications that contain
 671 the information required by this subsection and meet the
 672 criteria set out in this section as eligible to receive a
 673 credit.

674 (c) The maximum credit amount that may be approved during
 675 any calendar year is \$5 million, ~~of which \$1 million shall be~~
 676 ~~exclusively reserved for tier one areas~~. The Department of
 677 Revenue, in conjunction with the Office of Tourism, Trade, and
 678 Economic Development, shall notify the governing bodies in areas
 679 designated under this section ~~as urban high crime areas~~ when the
 680 \$5 million maximum amount has been reached. Applications must be
 681 considered for approval in the order in which they are received
 682 without regard to whether the credit is for a new or existing
 683 business. This limitation applies to the value of the credit as
 684 contained in approved applications. Approved credits may be
 685 taken in the time and manner allowed pursuant to this section.

686 (11) If the application is insufficient to support the
 687 credit authorized in this section, the Office of Tourism, Trade,
 688 and Economic Development shall deny the credit and notify the

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689 business of that fact. The business may reapply for this credit
690 within 3 months after such notification.

691 (12) If the credit under this section is greater than can
692 be taken on a single tax return, excess amounts may be taken as
693 credits on any tax return submitted within 12 months after the
694 approval of the application by the department.

695 (13) It is the responsibility of each business to
696 affirmatively demonstrate to the satisfaction of the Department
697 of Revenue that it meets the requirements of this section.

698 (14) Any person who fraudulently claims this credit is
699 liable for repayment of the credit plus a mandatory penalty of
700 100 percent of the credit and is guilty of a misdemeanor of the
701 second degree, punishable as provided in s. 775.082 or s.
702 775.083.

703 (15) A corporation may take the credit under this section
704 against its corporate income tax liability, as provided in s.
705 220.1895. However, a corporation that applies its job tax credit
706 against the tax imposed by chapter 220 may not receive the
707 credit provided for in this section. A credit may be taken
708 against only one tax.

709 (16) An eligible business may transfer any unused credit
710 in whole or in units of no less than 25 percent of the remaining
711 credit. The entity acquiring such credit may use it in the same
712 manner and with the same limitation as described in this
713 section. Such transferred credits may not be transferred again
714 although they may succeed to a surviving or acquiring entity
715 subject to the same conditions and limitations described in this
716 section.

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717 ~~(17)~~(16) The department shall adopt rules governing the
 718 manner and form of applications for credit or transfers of
 719 credit and may establish guidelines concerning the requisites
 720 for an affirmative showing of qualification for the credit under
 721 this section.

722 Section 3. Subsection (12) of section 212.098, Florida
 723 Statutes, is renumbered as subsection (13) and a new subsection
 724 (12) is added to said section to read:

725 212.098 Rural Job Tax Credit Program.--

726 (12) An eligible business may transfer any unused credit
 727 in whole or in units of not less than 25 percent of the
 728 remaining credit. The entity acquiring such credit may use it in
 729 the same manner and with the same limitation as described in
 730 this section. Such transferred credits may not be transferred
 731 again although they may succeed to a surviving or acquiring
 732 entity subject to the same conditions and limitations described
 733 in this section.

734 Section 4. Paragraph (c) of subsection (1) of section
 735 220.183, Florida Statutes, is amended to read:

736 220.183 Community contribution tax credit.--

737 (1) AUTHORIZATION TO GRANT COMMUNITY CONTRIBUTION TAX
 738 CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS AND PROGRAM
 739 SPENDING.--

740 (c) The total amount of tax credit which may be granted
 741 for all programs approved under this section, s. 212.08(5)(q),
 742 and s. 624.5105 is \$10 million annually. Fifteen percent of the
 743 community contribution tax credit pool shall be set aside for
 744 the first 6 months of the fiscal year for projects located in a
 745 rural enterprise zone as defined in s. 290.004(8).

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746 Section 5. Section 220.1895, Florida Statutes, is amended
 747 to read:

748 220.1895 Rural Job Tax Credit and Designated Urban ~~High-~~
 749 ~~Crime Area~~ Job Tax Credit Area.--There shall be allowed a credit
 750 against the tax imposed by this chapter amounts approved by the
 751 Office of Tourism, Trade, and Economic Development pursuant to
 752 the Rural Job Tax Credit Program in s. 212.098 and the
 753 Designated Urban ~~High-Crime Area~~ Job Tax Credit Area Program in
 754 s. 212.097. A corporation that uses its credit against the tax
 755 imposed by this chapter may not take the credit against the tax
 756 imposed by chapter 212. If any credit granted under this section
 757 is not fully used in the first year for which it becomes
 758 available, the unused amount may be carried forward for a period
 759 not to exceed 5 years. The carryover may be used in a subsequent
 760 year when the tax imposed by this chapter for such year exceeds
 761 the credit for such year under this section after applying the
 762 other credits and unused credit carryovers in the order provided
 763 in s. 220.02(8). ~~The Office of Tourism, Trade, and Economic~~
 764 ~~Development shall conduct a review of the Urban High-Crime Area~~
 765 ~~Job Tax Credit and the Rural Job Tax Credit Program and submit~~
 766 ~~its report to the Governor, the President of the Senate, and the~~
 767 ~~Speaker of the House of Representatives by February 1, 2000.~~

768 Section 6. Subsection (7) of section 288.106, Florida
 769 Statutes, is amended to read:

770 288.106 Tax refund program for qualified target industry
 771 businesses.--

772 (7) EXPIRATION.--This section expires June 30, 2009 ~~2004~~.
 773 However, a tax refund agreement in effect on that date shall

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774 continue in effect in accordance with the terms of the
 775 agreement.

776 Section 7. Subsection (2) of section 288.99, Florida
 777 Statutes, is amended to read:

778 288.99 Certified Capital Company Act.--

779 (2) PURPOSE.--The primary purpose of this act is to
 780 stimulate a substantial increase in venture capital investments
 781 in this state by providing an incentive for insurance companies
 782 to invest in certified capital companies in this state which, in
 783 turn, will make investments in new businesses or in expanding
 784 businesses, including minority-owned or minority-operated
 785 businesses and businesses located in a designated Front Porch
 786 community, enterprise zone, designated urban job tax credit
 787 ~~high-crime~~ area, rural job tax credit county, or nationally
 788 recognized historic district. The increase in investment capital
 789 flowing into new or expanding businesses is intended to
 790 contribute to employment growth, create jobs which exceed the
 791 average wage for the county in which the jobs are created, and
 792 expand or diversify the economic base of this state.

793 Section 8. Paragraph (c) of subsection (1) of section
 794 624.5105, Florida Statutes, is amended to read:

795 624.5105 Community contribution tax credit; authorization;
 796 limitations; eligibility and application requirements;
 797 administration; definitions; expiration.--

798 (1) AUTHORIZATION TO GRANT TAX CREDITS; LIMITATIONS.--

799 (c) The total amount of tax credit which may be granted
 800 for all programs approved under this section and s. 220.183 is
 801 \$10 million annually. Fifteen percent of the community
 802 contribution tax credit pool shall be set aside for the first 6

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803 months of the fiscal year for projects located in a rural
804 enterprise zone as defined in s. 290.004(8).

805 Section 9. This act shall take effect upon becoming a law.