

Amendment No. (for drafter's use only)

CHAMBER ACTION

Senate

House

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1 Representative(s) McInvale offered the following:

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3 **Amendment to Amendment (092171) (with title amendment)**

4 Between line(s) 1149 and 1150 insert:

5 Section 4. Section 220.1875, Florida Statutes, is created
6 to read:

7 220.1875 Credits for contributions by public education
8 partners.--

9 (1) POPULAR NAME.--This section may be cited as the "Karen
10 Ardaman Act."

11 (2) PURPOSE.--The purpose of this section is to:

12 (a) Encourage private, voluntary contributions to public
13 schools to enhance educational opportunities for students.

14 (b) Encourage the formation of partnerships between
15 corporations and public schools.

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16 (c) Enable public school students to achieve a greater
17 level of excellence in their education through contributions by
18 public education partners.

19 (3) DEFINITIONS.--As used in this section, the term:

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

21 (b) "Eligible contribution" means a monetary contribution
22 from a taxpayer to a public school, subject to the restrictions
23 provided in this section. The taxpayer making the contribution
24 may designate a specific public school or a specific program in
25 a public school as the beneficiary of the contribution. The
26 taxpayer may not contribute more than \$5 million to any single
27 public school.

28 (4) AUTHORIZATION TO GRANT TAX CREDITS; LIMITATIONS ON
29 INDIVIDUAL AND TOTAL CREDITS.--

30 (a) There is allowed a credit of 100 percent of an
31 eligible contribution against any tax due for a taxable year
32 under this chapter. However, such a credit may not exceed 75
33 percent of the tax due under this chapter for the taxable year,
34 after the application of any other allowable credits by the
35 taxpayer. The credit granted by this section shall be reduced by
36 the difference between the amount of federal corporate income
37 tax taking into account the credit granted by this section and
38 the amount of federal corporate income tax without application
39 of the credit granted by this section.

40 (b) The total amount of tax credits and carryforward of
41 tax credits which may be granted each state fiscal year under
42 this section is \$88 million. However, at least 5 percent of the

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43 total statewide amount authorized for the tax credit shall be
44 reserved for taxpayers who meet the definition of a small
45 business provided in s. 288.703(1) at the time of application.

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

51 (5) REQUIREMENTS.--

52 (a) A public school that receives an eligible contribution
53 must spend 100 percent of the eligible contribution for the
54 purpose specified by the contributor. All interest accrued from
55 an eligible contribution must be used for the purpose specified
56 by the contributor.

57 (b) A public school that receives an eligible contribution
58 must maintain a separate account for the eligible contribution
59 and must annually provide to the district school board and the
60 Department of Education a financial accounting of the use of the
61 contribution. A public school shall budget wisely and use sound
62 financial practices in the use of an eligible contribution.

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

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

68 (6) ADMINISTRATION; RULES.--

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69 (a) If the credit granted pursuant to this section is not
70 fully used in any one year because of insufficient tax liability
71 on the part of the corporation, the unused amount may be carried
72 forward for a period not to exceed 3 years; however, any
73 taxpayer that seeks to carry forward an unused amount of tax
74 credit must submit an application for allocation of tax credits
75 or carryforward credits as required in paragraph (b) in the year
76 that the taxpayer intends to use the carryforward. A taxpayer
77 may not convey, assign, or transfer the credit authorized by
78 this section to another entity unless all of the assets of the
79 taxpayer are conveyed, assigned, or transferred in the same
80 transaction.

81 (b) The department shall adopt rules pursuant to ss.
82 120.536(1) and 120.54 for the administration of this section,
83 including rules establishing application forms and procedures
84 and rules governing the allocation of tax credits and
85 carryforward credits under this section.

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

89 (d) The department and the Department of Education shall
90 develop a cooperative agreement to assist in the administration
91 of this section.

92 Section 5. Subsection (8) of section 220.02, Florida
93 Statutes, is amended to read:

94 220.02 Legislative intent.--

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95 (8) It is the intent of the Legislature that credits
96 against either the corporate income tax or the franchise tax be
97 applied in the following order: those enumerated in s. 631.828,
98 those enumerated in s. 220.191, those enumerated in s. 220.181,
99 those enumerated in s. 220.183, those enumerated in s. 220.182,
100 those enumerated in s. 220.1895, those enumerated in s. 221.02,
101 those enumerated in s. 220.184, those enumerated in s. 220.186,
102 those enumerated in s. 220.1845, those enumerated in s. 220.19,
103 those enumerated in s. 220.185, ~~and~~ those enumerated in s.
104 220.187, and those enumerated in s. 220.1875.

105 Section 6. Paragraph (a) of subsection (1) of section
106 220.13, Florida Statutes, is amended to read:

107 220.13 "Adjusted federal income" defined.--

108 (1) The term "adjusted federal income" means an amount
109 equal to the taxpayer's taxable income as defined in subsection
110 (2), or such taxable income of more than one taxpayer as
111 provided in s. 220.131, for the taxable year, adjusted as
112 follows:

113 (a) *Additions*.--There shall be added to such taxable
114 income:

115 1. The amount of any tax upon or measured by income,
116 excluding taxes based on gross receipts or revenues, paid or
117 accrued as a liability to the District of Columbia or any state
118 of the United States which is deductible from gross income in
119 the computation of taxable income for the taxable year.

120 2. The amount of interest which is excluded from taxable
121 income under s. 103(a) of the Internal Revenue Code or any other

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122 federal law, less the associated expenses disallowed in the
123 computation of taxable income under s. 265 of the Internal
124 Revenue Code or any other law, excluding 60 percent of any
125 amounts included in alternative minimum taxable income, as
126 defined in s. 55(b)(2) of the Internal Revenue Code, if the
127 taxpayer pays tax under s. 220.11(3).

128 3. In the case of a regulated investment company or real
129 estate investment trust, an amount equal to the excess of the
130 net long-term capital gain for the taxable year over the amount
131 of the capital gain dividends attributable to the taxable year.

132 4. That portion of the wages or salaries paid or incurred
133 for the taxable year which is equal to the amount of the credit
134 allowable for the taxable year under s. 220.181. The provisions
135 of this subparagraph shall expire and be void on June 30, 2005.

136 5. That portion of the ad valorem school taxes paid or
137 incurred for the taxable year which is equal to the amount of
138 the credit allowable for the taxable year under s. 220.182. The
139 provisions of this subparagraph shall expire and be void on June
140 30, 2005.

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

145 7. That portion of assessments to fund a guaranty
146 association incurred for the taxable year which is equal to the
147 amount of the credit allowable for the taxable year.

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

153 9. The amount taken as a credit for the taxable year under
 154 s. 220.1895.

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

158 11. The amount taken as a credit for the taxable year
 159 under s. 220.187.

160 12. The amount taken as a credit for the taxable year
 161 under s. 220.1875.

162
 163 ===== T I T L E A M E N D M E N T =====

164 Remove line(s) 1234 and insert:
 165 creating s. 220.1875, F.S., relating to corporate income
 166 tax credit for public education partners; providing a
 167 popular name; providing purpose to encourage contributions
 168 by corporations to public schools or public school
 169 programs for which tax credit shall be given; providing
 170 definitions; providing authorization to grant tax credits
 171 and limitations on credits; providing public school
 172 requirements for expenditure and accounting of funds;
 173 requiring eligible contributions to be supplemental funds;
 174 providing for administration and rulemaking; requiring a

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(LATE FILED)

HOUSE AMENDMENT

Bill No. CS/CS/CS/SB 2

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175 cooperative agreement; amending ss. 220.02 and 220.13,
176 F.S., to conform; providing an effective date.

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