

1 certain low-income housing projects; providing
2 requirements, criteria, and limitations;
3 extending an expiration date; providing an
4 effective date.

5
6 Be It Enacted by the Legislature of the State of Florida:

7
8 Section 1. Paragraph (q) of subsection (5) of section
9 212.08, Florida Statutes, is amended to read:

10 212.08 Sales, rental, use, consumption, distribution,
11 and storage tax; specified exemptions.--The sale at retail,
12 the rental, the use, the consumption, the distribution, and
13 the storage to be used or consumed in this state of the
14 following are hereby specifically exempt from the tax imposed
15 by this chapter.

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

17 (q) Community contribution tax credit for donations.--

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

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

25 b. The credit shall be granted as a refund against
26 state sales and use taxes reported on returns and remitted in
27 the 12 months preceding the date of application to the
28 department for the credit as required in sub-subparagraph 3.c.
29 If the annual credit is not fully used through such refund
30 because of insufficient tax payments during the applicable
31 12-month period, the unused amount may be included in an

1 application for a refund made pursuant to sub-subparagraph
2 3.c. in subsequent years against the total tax payments made
3 for such year. Carryover credits may be applied for a 3-year
4 period without regard to any time limitation that would
5 otherwise apply under s. 215.26;

6 c. ~~A No~~ person may not ~~shall~~ receive more than
7 \$200,000 in annual tax credits for all approved community
8 contributions made in any one year;

9 d. All proposals for the granting of the tax credit
10 ~~shall~~ require the prior approval of the Office of Tourism,
11 Trade, and Economic Development;

12 e. The total amount of tax credits which may be
13 granted for all programs approved under this paragraph, s.
14 220.183, and s. 624.5105 is \$15~~\$10~~ million annually; and

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

19 2. Eligibility requirements.--

20 a. A community contribution by a person must be in the
21 following form:

22 (I) Cash or other liquid assets;
23 (II) Real property;
24 (III) Goods or inventory; or
25 (IV) Other physical resources as identified by the
26 Office of Tourism, Trade, and Economic Development.

27 b. All community contributions must be reserved
28 exclusively for use in a project. As used in this
29 sub-subparagraph, the term "project" means any activity
30 undertaken by an eligible sponsor which is designed to
31 construct, improve, or substantially rehabilitate housing that

1 | is affordable to low-income or very-low-income households as
2 | defined in s. 420.9071(19) and (28); designed to provide
3 | commercial, industrial, or public resources and facilities; or
4 | designed to improve entrepreneurial and job-development
5 | opportunities for low-income persons. A project may be the
6 | investment necessary to increase access to high-speed
7 | broadband capability in rural communities with enterprise
8 | zones, including projects that result in improvements to
9 | communications assets that are owned by a business. A project
10 | may include the provision of museum educational programs and
11 | materials that are directly related to any project approved
12 | between January 1, 1996, and December 31, 1999, and located in
13 | an enterprise zone as referenced in s. 290.00675. This
14 | paragraph does not preclude projects that propose to construct
15 | or rehabilitate housing for low-income or very-low-income
16 | households on scattered sites. ~~The Office of Tourism, Trade,~~
17 | ~~and Economic Development may reserve up to 50 percent of the~~
18 | ~~available annual tax credits for housing for very low income~~
19 | ~~households pursuant to s. 420.9071(28) for the first 6 months~~
20 | ~~of the fiscal year.~~ With respect to housing, contributions may
21 | be used to pay the following eligible low-income and
22 | very-low-income housing-related activities:
23 | (I) Project development impact and management fees for
24 | low-income or very-low-income housing projects;
25 | (II) Down payment and closing costs for eligible
26 | persons, as defined in s. 420.9071(19) and (28);
27 | (III) Administrative costs, including housing
28 | counseling and marketing fees, not to exceed 10 percent of the
29 | community contribution, directly related to low-income or
30 | very-low-income projects; and
31 |

1 (IV) Removal of liens recorded against residential
2 property by municipal, county, or special district local
3 governments when satisfaction of the lien is a necessary
4 precedent to the transfer of the property to an eligible
5 person, as defined in s. 420.9071(19) and (28), for the
6 purpose of promoting home ownership. Contributions for lien
7 removal must be received from a nonrelated third party.

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

10 (I) A community action program;

11 (II) A nonprofit community-based development
12 organization whose mission is the provision of housing for
13 low-income or very-low-income households or increasing
14 entrepreneurial and job-development opportunities for
15 low-income persons;

16 (III) A neighborhood housing services corporation;

17 (IV) A local housing authority created under chapter
18 421;

19 (V) A community redevelopment agency created under s.
20 163.356;

21 (VI) The Florida Industrial Development Corporation;

22 (VII) A historic preservation district agency or
23 organization;

24 (VIII) A regional workforce board;

25 (IX) A direct-support organization as provided in s.
26 1009.983;

27 (X) An enterprise zone development agency created
28 under s. 290.0056;

29 (XI) A community-based organization incorporated under
30 chapter 617 which is recognized as educational, charitable, or
31 scientific pursuant to s. 501(c)(3) of the Internal Revenue

1 Code and whose bylaws and articles of incorporation include
2 affordable housing, economic development, or community
3 development as the primary mission of the corporation;

4 (XII) Units of local government;

5 (XIII) Units of state government; or

6 (XIV) Any other agency that the Office of Tourism,
7 Trade, and Economic Development designates by rule.

8
9 In no event may a contributing person have a financial
10 interest in the eligible sponsor.

11 d. The project must be located in an area designated
12 an enterprise zone or a Front Porch Florida Community pursuant
13 to s. 20.18(6), unless the project increases access to
14 high-speed broadband capability for rural communities with
15 enterprise zones but is physically located outside the
16 designated rural zone boundaries. Any project designed to
17 construct or rehabilitate housing for low-income or
18 very-low-income households as defined in s. 420.0971(19) and
19 (28) is exempt from the area requirement of this
20 sub-subparagraph.

21 e.(I) The Office of Tourism, Trade, and Economic
22 Development shall reserve 80 percent of the available annual
23 tax credits for donations made to eligible sponsors for
24 projects that provide homeownership opportunities to
25 low-income or very-low-income households under s. 420.9071(19)
26 and (28) for the first 2 months of the fiscal year. If less
27 than 80 percent of the annual tax credits for donations made
28 to eligible sponsors for projects for low-income or
29 very-low-income households are approved within the first 2
30 months of the fiscal year, the office may approve the balance
31 of available credits for donations made to eligible sponsors

1 for projects other than those that provide homeownership
2 opportunities for low-income or very-low-income households.

3 (II) The office shall reserve 20 percent of the
4 available annual tax credits for donations made to eligible
5 sponsors for projects other than those that provide
6 homeownership opportunities for low-income or very-low-income
7 households as provided by s. 420.9071(19) and (28) for the
8 first 2 months of the fiscal year. If less than 20 percent of
9 the annual tax credits for donations made to eligible sponsors
10 for projects other than those that provide homeownership
11 opportunities for low-income or very-low-income households are
12 approved within the first 2 months of the fiscal year, the
13 office may approve the balance of available credits for
14 donations made to eligible sponsors for projects that provide
15 homeownership opportunities for low-income or very-low-income
16 households.

17 (III) If, during the first 10 business days of the
18 state fiscal year, tax credit applications are received for
19 more than 80 percent of available annual tax credits from
20 eligible sponsors for projects that provide homeownership
21 opportunities for low-income or very-low-income households,
22 the office shall grant the tax credits for such applications
23 as follows:

24 (A) If an eligible sponsor submits tax credit
25 applications that, in total, do not exceed \$200,000, the
26 credits shall be granted in full if the tax credit
27 applications are approved and subject to sub-sub-subparagraph
28 (I).

29 (B) If an eligible sponsor submits tax credit
30 applications that, in total, equal or exceed \$200,000, the
31 amount of tax credit granted under sub-sub-sub-subparagraph

1 (A) shall be subtracted from the amount of available tax
2 credits under sub-sub-subparagraph (I), and the remaining
3 credits shall be granted to each approved tax credit
4 application on a pro rata basis.

5 (C) If, after the first 2 months of the fiscal year,
6 additional credits become available under sub-sub-subparagraph
7 (II), the office shall grant the tax credits by first
8 increasing the credit of those who received a pro rata
9 reduction and, if there are remaining credits, granting
10 credits to those who applied on or after the 11th business day
11 of the state fiscal year on a first-come, first-served basis.

12 (IV) If, during the first 10 business days of the
13 state fiscal year, tax credit applications are received for
14 more than 20 percent of available annual tax credits from
15 eligible sponsors for projects other than those that provide
16 homeownership opportunities for low-income or very-low-income
17 households, the office shall grant the tax credits to each
18 approved tax credit application on a pro rata basis. If, after
19 the first 2 months of the fiscal year, additional credits
20 become available under sub-sub-subparagraph (I), the office
21 shall grant the tax credits by first increasing the credit of
22 those who received a pro rata reduction and, if there are
23 remaining credits, granting credits to those who applied on or
24 after the 11th business day of the state fiscal year on a
25 first-come, first-served basis.

26 3. Application requirements.--

27 a. Any eligible sponsor seeking to participate in this
28 program must submit a proposal to the Office of Tourism,
29 Trade, and Economic Development which sets forth the name of
30 the sponsor, a description of the project, and the area in
31 which the project is located, together with such supporting

1 information as is prescribed by rule. The proposal must also
2 contain a resolution from the local governmental unit in which
3 the project is located certifying that the project is
4 consistent with local plans and regulations.

5 b. Any person seeking to participate in this program
6 must submit an application for tax credit to the Office of
7 Tourism, Trade, and Economic Development which sets forth the
8 name of the sponsor, a description of the project, and the
9 type, value, and purpose of the contribution. The sponsor
10 shall verify the terms of the application and indicate its
11 receipt of the contribution, which verification must be in
12 writing and accompany the application for tax credit. The
13 person must submit a separate tax credit application to the
14 office for each individual contribution that it makes to each
15 individual project.

16 c. Any person who has received notification from the
17 Office of Tourism, Trade, and Economic Development that a tax
18 credit has been approved must apply to the department to
19 receive the refund. Application must be made on the form
20 prescribed for claiming refunds of sales and use taxes and be
21 accompanied by a copy of the notification. A person may submit
22 only one application for refund to the department within any
23 12-month period.

24 4. Administration.--

25 a. The Office of Tourism, Trade, and Economic
26 Development may adopt rules pursuant to ss. 120.536(1) and
27 120.54 necessary to administer this paragraph, including rules
28 for the approval or disapproval of proposals by a person.

29 b. The decision of the Office of Tourism, Trade, and
30 Economic Development must be in writing, and, if approved, the
31 notification shall state the maximum credit allowable to the

1 person. Upon approval, the office shall transmit a copy of the
2 decision to the Department of Revenue.

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

8 d. The Office of Tourism, Trade, and Economic
9 Development shall, in consultation with the Department of
10 Community Affairs, the Florida Housing Finance Corporation,
11 and the statewide and regional housing and financial
12 intermediaries, market the availability of the community
13 contribution tax credit program to community-based
14 organizations.

15 5. Expiration.--This paragraph expires June 30, 2015
16 ~~2005~~; however, any accrued credit carryover that is unused on
17 that date may be used until the expiration of the 3-year
18 carryover period for such credit.

19 Section 2. Paragraph (t) of subsection (1) of section
20 220.03, Florida Statutes, is amended to read:

21 220.03 Definitions.--

22 (1) SPECIFIC TERMS.--When used in this code, and when
23 not otherwise distinctly expressed or manifestly incompatible
24 with the intent thereof, the following terms shall have the
25 following meanings:

26 (t) "Project" means any activity undertaken by an
27 eligible sponsor, as defined in s. 220.183(2)(c), which is
28 designed to construct, improve, or substantially rehabilitate
29 housing that is affordable to low-income or very-low-income
30 households as defined in s. 420.9071(19) and (28); designed to
31 provide commercial, industrial, or public resources and

1 facilities; or designed to improve entrepreneurial and
2 job-development opportunities for low-income persons. A
3 project may be the investment necessary to increase access to
4 high-speed broadband capability in rural communities with
5 enterprise zones, including projects that result in
6 improvements to communications assets that are owned by a
7 business. A project may include the provision of museum
8 educational programs and materials that are directly related
9 to any project approved between January 1, 1996, and December
10 31, 1999, and located in an enterprise zone as referenced in
11 s. 290.00675. This paragraph does not preclude projects that
12 propose to construct or rehabilitate low-income or
13 very-low-income housing on scattered sites. ~~The Office of~~
14 ~~Tourism, Trade, and Economic Development may reserve up to 50~~
15 ~~percent of the available annual tax credits under s. 220.181~~
16 ~~for housing for very low income households pursuant to s.~~
17 ~~420.9071(28) for the first 6 months of the fiscal year.~~ With
18 respect to housing, contributions may be used to pay the
19 following eligible project-related activities:

- 20 1. Project development, impact, and management fees
21 for low-income or very-low-income housing projects;
- 22 2. Down payment and closing costs for eligible
23 persons, as defined in s. 420.9071(19) and (28);
- 24 3. Administrative costs, including housing counseling
25 and marketing fees, not to exceed 10 percent of the community
26 contribution, directly related to low-income or
27 very-low-income projects; and
- 28 4. Removal of liens recorded against residential
29 property by municipal, county, or special-district local
30 governments when satisfaction of the lien is a necessary
31 precedent to the transfer of the property to an eligible

1 person, as defined in s. 420.9071(19) and (28), for the
2 purpose of promoting home ownership. Contributions for lien
3 removal must be received from a nonrelated third party.
4

5 The provisions of this paragraph shall expire and be void on
6 June 30, 2015 ~~2005~~.

7 Section 3. Paragraph (c) of subsection (1), paragraph
8 (b) of subsection (2), and subsection (5) of section 220.183,
9 Florida Statutes, are amended to read:

10 220.183 Community contribution tax credit.--

11 (1) AUTHORIZATION TO GRANT COMMUNITY CONTRIBUTION TAX
12 CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS AND PROGRAM
13 SPENDING.--

14 (c) The total amount of tax credit which may be
15 granted for all programs approved under this section, s.
16 212.08(5)(q), and s. 624.5105 is ~~\$15~~\$10 million annually.

17 (2) ELIGIBILITY REQUIREMENTS.--

18 (b)1. All community contributions must be reserved
19 exclusively for use in projects as defined in s. 220.03(1)(t).

20 2. The Office of Tourism, Trade, and Economic
21 Development ~~shall may~~ reserve 80 up to 50 percent of the
22 available annual tax credits for housing for donations made to
23 eligible sponsors for projects that provide homeownership
24 opportunities for low-income or very-low-income households
25 under pursuant to s. 420.9071(19) and (28) for the first 2 6
26 months of the fiscal year. If less than 80 percent of the
27 annual tax credits for donations made to eligible sponsors for
28 projects for low-income or very-low-income households are
29 approved within the first 2 months of the fiscal year, the
30 office may approve the balance of available credits for
31 donations made to eligible sponsors for projects other than

1 those that provide homeownership opportunities for low-income
2 or very-low-income households.

3 3. The office shall reserve 20 percent of the
4 available annual tax credits for donations made to eligible
5 sponsors for projects other than those that provide
6 homeownership opportunities for low-income or very-low-income
7 households under s. 420.9071(19) and (28) for the first 2
8 months of the fiscal year. If less than 20 percent of the
9 annual tax credits for donations made to eligible sponsors for
10 projects other than those that provide homeownership
11 opportunities for low-income or very-low-income households are
12 approved within the first 2 months of the fiscal year, the
13 office may approve the balance of available credits for
14 donations made to eligible sponsors for projects that provide
15 homeownership opportunities for low-income or very-low-income
16 households.

17 4. If, during the first 10 business days of the state
18 fiscal year, tax credit applications are received for more
19 than 80 percent of available annual tax credits from eligible
20 sponsors for projects that provide homeownership opportunities
21 for low-income or very-low-income households, the office shall
22 grant the tax credits to such applications as follows:

23 a. If an eligible sponsor submits tax credit
24 applications that, in total, do not exceed \$200,000, the
25 credits shall be granted in full if the tax credit
26 applications are approved and subject to subparagraph 2.

27 b. If an eligible sponsor submits tax credit
28 applications that, in total, equal or exceed \$200,000, the
29 amount of tax credits granted under sub-subparagraph a. shall
30 be subtracted from the amount of available tax credits under
31

1 subparagraph 2., and the remaining credits shall be granted to
2 each approved tax credit application on a pro rata basis.

3 c. If, after the first 2 months of the fiscal year,
4 additional credits become available under subparagraph 3., the
5 office shall grant the tax credits by first increasing the
6 credit of those who received a pro rata reduction and, if
7 there are remaining credits, granting credits to those who
8 applied on or after the 11th business day of the state fiscal
9 year on a first-come, first-served basis.

10 5. If, during the first 10 business days of the state
11 fiscal year, tax credit applications are received for more
12 than 20 percent of available annual tax credits from eligible
13 sponsors for projects other than those that provide
14 homeownership opportunities for low-income or very-low-income
15 households, the office shall grant the tax credits to each
16 approved tax credit application on a pro rata basis. If, after
17 the first 2 months of the fiscal year, additional credits
18 become available under subparagraph 2., the office shall grant
19 the tax credits by first increasing the credit of those who
20 received a pro rata reduction and, if there are remaining
21 credits, granting credits to those who applied on or after the
22 11th business day of the state fiscal year on a first-come,
23 first-served basis.

24 (5) EXPIRATION.--The provisions of this section,
25 except paragraph (1)(e), shall expire and be void on June 30,
26 2015 2005.

27 Section 4. Paragraph (c) of subsection (1) and
28 subsection (6) of section 624.5105, Florida Statutes, are
29 amended, paragraph (f) is added to subsection (1), and
30 paragraph (e) is added to subsection (2) of that section, to
31 read:

1 624.5105 Community contribution tax credit;
2 authorization; limitations; eligibility and application
3 requirements; administration; definitions; expiration.--

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

5 (c) The total amount of tax credit which may be
6 granted for all programs approved under this section and ss.
7 212.08(5)(g) and ~~s.~~ 220.183 is \$15\$10 million annually.

8 (f) An insurer that claims a credit against
9 premium-tax liability earned by making a community
10 contribution under this section need not pay any additional
11 retaliatory tax levied under s. 624.5091 as a result of
12 claiming such a credit, and s. 624.5091 does not limit such a
13 credit in any manner.

14 (2) ELIGIBILITY REQUIREMENTS.--

15 (e)1. The Office of Tourism, Trade, and Economic
16 Development shall reserve 80 percent of the available annual
17 tax credits for donations made to eligible sponsors for
18 projects that provide homeownership opportunities for
19 low-income or very-low-income households under s. 420.9071(19)
20 and (28) for the first 2 months of the fiscal year. If less
21 than 80 percent of the annual tax credits for donations made
22 to eligible sponsors for projects that provide homeownership
23 opportunities for low-income or very-low-income households are
24 approved within the first 2 months of the fiscal year, the
25 office may approve the balance of available credits for
26 donations made to eligible sponsors for projects other than
27 those that provide homeownership opportunities for low-income
28 or very-low-income households.

29 2. The office shall reserve 20 percent of the
30 available annual tax credits for donations made to eligible
31 sponsors for projects other than those that provide

1 homeownership opportunities for low-income or very-low-income
2 households under s. 420.9071(19) and (28) for the first 2
3 months of the fiscal year. If less than 20 percent of the
4 annual tax credits for donations made to eligible sponsors for
5 projects other than those that provide homeownership
6 opportunities for low-income or very-low-income households are
7 approved within the first 2 months of the fiscal year, the
8 office may approve the balance of available credits for
9 donations made to eligible sponsors for projects that provide
10 homeownership opportunities for low-income or very-low-income
11 households.

12 3. If, during the first 10 business days of the state
13 fiscal year, tax credit applications are received for more
14 than 80 percent of available annual tax credits from eligible
15 sponsors for projects that provide homeownership opportunities
16 for low-income or very-low-income households, the office shall
17 grant the tax credits to such applications as follows:

18 a. If an eligible sponsor submits tax credit
19 applications that, in total, do not exceed \$200,000, the
20 credits shall be granted in full if the tax credit
21 applications are approved and subject to subparagraph 1.

22 b. If an eligible sponsor submits tax credit
23 applications that, in total, equal or exceed \$200,000, the
24 amount of tax credits granted pursuant to sub-subparagraph a.
25 shall be subtracted from the amount of available tax credits
26 under subparagraph 1., and the remaining credits shall be
27 granted to each approved tax credit application on a pro rata
28 basis.

29 c. If, after the first 2 months of the fiscal year,
30 additional credits become available under subparagraph 2., the
31 office shall grant the tax credits by first increasing the

1 credit of those who received a pro rata reduction and, if
2 there are remaining credits, granting credits to those who
3 applied on or after the 11th business day of the state fiscal
4 year on a first-come, first-served basis.

5 4. If, during the first 10 business days of the state
6 fiscal year, tax credit applications are received for more
7 than 20 percent of available annual tax credits from eligible
8 sponsors for projects other than those that provide
9 homeownership opportunities for low-income or very-low-income
10 households, the office shall grant the tax credits to each
11 approved tax credit application on a pro rata basis. If, after
12 the first 2 months of the fiscal year, additional credits
13 become available under subparagraph 1., the office shall grant
14 the tax credits by first increasing the credit of those who
15 received a pro rata reduction and, if there are remaining
16 credits, granting credits to those who applied on or after the
17 11th business day of the state fiscal year on a first-come,
18 first-served basis.

19 (6) EXPIRATION.--The provisions of this section,
20 except paragraph (1)(e), shall expire and be void on June 30,
21 2015 ~~2005~~.

22 Section 5. This act shall take effect upon becoming a
23 law.

24 *****

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26 SENATE SUMMARY

27 Requires the Office of Tourism, Trade, and Economic
28 Development to reserve portions of certain annual tax
29 credits for eligible sponsors of certain low-income
30 housing projects. Increases the amount of available
31 annual community contribution tax credits. Revises
eligibility criteria. Provides requirements, criteria,
and limitations. Provides that an insurer claiming a
credit is not subject to the retaliatory tax levied in s.
624.5091, F.S. Provides for the community contribution
tax credit to expire in 2015 rather than 2005.