

By Senator Saunders

37-1181-05

See HB

1 A bill to be entitled
 2 An act relating to economic development;
 3 amending s. 212.08, F.S.; revising sales price
 4 criteria for characterizing business property;
 5 conforming provisions to the designated urban
 6 job tax credit area revision; amending s.
 7 212.097, F.S.; revising provisions providing
 8 for an urban job tax credit program to apply to
 9 designated urban job tax credit areas rather
 10 than high-crime areas; revising and providing
 11 definitions, eligibility criteria, application
 12 procedures and requirements, and area
 13 characteristics and criteria; authorizing
 14 transfer of unused credits under the Designated
 15 Urban Job Tax Credit Area Program; specifying
 16 use of transferred credits; prohibiting
 17 transfer of transferred credits; amending s.
 18 212.098, F.S.; authorizing transfer of unused
 19 credits under the Rural Job Tax Credit Program;
 20 specifying use of transferred credits;
 21 prohibiting transfer of transferred credits;
 22 amending s. 220.1895, F.S., to conform;
 23 amending s. 288.99, F.S.; conforming provisions
 24 to the designated urban job tax credit area
 25 revision; amending s. 290.007, F.S.;
 26 authorizing eligible businesses to transfer
 27 unused credits; providing requirements and
 28 limitations; authorizing the Office of Tourism,
 29 Trade, and Economic Development to approve
 30 requests to amend enterprise zone boundaries;
 31 providing amendment requirements; authorizing

1 existing enterprise zones to request
2 recertification; providing request
3 requirements; amending s. 290.016, F.S.;
4 extending the expiration date of the Florida
5 Enterprise Zone Act of 1994; providing an
6 effective date.

7
8 Be It Enacted by the Legislature of the State of Florida:

9
10 Section 1. Paragraphs (h) and (o) of subsection (5) of
11 section 212.08, Florida Statutes, are amended to read:

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

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

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

20 1. Business property purchased for use by businesses
21 located in an enterprise zone which is subsequently used in an
22 enterprise zone shall be exempt from the tax imposed by this
23 chapter. This exemption inures to the business only through a
24 refund of previously paid taxes. A refund shall be authorized
25 upon an affirmative showing by the taxpayer to the
26 satisfaction of the department that the requirements of this
27 paragraph have been met.

28 2. To receive a refund, the business must file under
29 oath with the governing body or enterprise zone development
30 agency having jurisdiction over the enterprise zone where the
31

1 business is located, as applicable, an application which
2 includes:
3 a. The name and address of the business claiming the
4 refund.
5 b. The identifying number assigned pursuant to s.
6 290.0065 to the enterprise zone in which the business is
7 located.
8 c. A specific description of the property for which a
9 refund is sought, including its serial number or other
10 permanent identification number.
11 d. The location of the property.
12 e. The sales invoice or other proof of purchase of the
13 property, showing the amount of sales tax paid, the date of
14 purchase, and the name and address of the sales tax dealer
15 from whom the property was purchased.
16 f. Whether the business is a small business as defined
17 by s. 288.703(1).
18 g. If applicable, the name and address of each
19 permanent employee of the business, including, for each
20 employee who is a resident of an enterprise zone, the
21 identifying number assigned pursuant to s. 290.0065 to the
22 enterprise zone in which the employee resides.
23 3. Within 10 working days after receipt of an
24 application, the governing body or enterprise zone development
25 agency shall review the application to determine if it
26 contains all the information required pursuant to subparagraph
27 2. and meets the criteria set out in this paragraph. The
28 governing body or agency shall certify all applications that
29 contain the information required pursuant to subparagraph 2.
30 and meet the criteria set out in this paragraph as eligible to
31 receive a refund. If applicable, the governing body or agency

1 shall also certify if 20 percent of the employees of the
2 business are residents of an enterprise zone, excluding
3 temporary and part-time employees. The certification shall be
4 in writing, and a copy of the certification shall be
5 transmitted to the executive director of the Department of
6 Revenue. The business shall be responsible for forwarding a
7 certified application to the department within the time
8 specified in subparagraph 4.

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

13 5. The provisions of s. 212.095 do not apply to any
14 refund application made pursuant to this paragraph. The amount
15 refunded on purchases of business property under this
16 paragraph shall be the lesser of 97 percent of the sales tax
17 paid on such business property or \$5,000, or, if no less than
18 20 percent of the employees of the business are residents of
19 an enterprise zone, excluding temporary and part-time
20 employees, the amount refunded on purchases of business
21 property under this paragraph shall be the lesser of 97
22 percent of the sales tax paid on such business property or
23 \$10,000. A refund approved pursuant to this paragraph shall be
24 made within 30 days of formal approval by the department of
25 the application for the refund. No refund shall be granted
26 under this paragraph unless the amount to be refunded exceeds
27 \$100 in sales tax paid on purchases made within a 60-day time
28 period.

29 6. The department shall adopt rules governing the
30 manner and form of refund applications and may establish
31

1 guidelines as to the requisites for an affirmative showing of
2 qualification for exemption under this paragraph.

3 7. If the department determines that the business
4 property is used outside an enterprise zone within 3 years
5 from the date of purchase, the amount of taxes refunded to the
6 business purchasing such business property shall immediately
7 be due and payable to the department by the business, together
8 with the appropriate interest and penalty, computed from the
9 date of purchase, in the manner provided by this chapter.

10 Notwithstanding this subparagraph, business property used
11 exclusively in:

- 12 a. Licensed commercial fishing vessels,
- 13 b. Fishing guide boats, or
- 14 c. Ecotourism guide boats

15
16 that leave and return to a fixed location within an area
17 designated under s. 370.28 are eligible for the exemption
18 provided under this paragraph if all requirements of this
19 paragraph are met. Such vessels and boats must be owned by a
20 business that is eligible to receive the exemption provided
21 under this paragraph. This exemption does not apply to the
22 purchase of a vessel or boat.

23 8. The department shall deduct an amount equal to 10
24 percent of each refund granted under the provisions of this
25 paragraph from the amount transferred into the Local
26 Government Half-cent Sales Tax Clearing Trust Fund pursuant to
27 s. 212.20 for the county area in which the business property
28 is located and shall transfer that amount to the General
29 Revenue Fund.

30 9. For the purposes of this exemption, "business
31 property" means new or used property defined as "recovery

1 | property" in s. 168(c) of the Internal Revenue Code of 1954,
2 | as amended, except:

3 | a. Property classified as 3-year property under s.
4 | 168(c)(2)(A) of the Internal Revenue Code of 1954, as
5 | amended.†

6 | b. Industrial machinery and equipment as defined in
7 | sub-subparagraph (b)6.a. and eligible for exemption under
8 | paragraph (b).†

9 | c. Building materials as defined in sub-subparagraph
10 | (g)8.a.† ~~and~~

11 | d. Business property having a sales price of under
12 | ~~\$500~~~~\$5,000~~ per unit.

13 | 10. The provisions of this paragraph shall expire and
14 | be void on December 31, 2005.

15 | (o) Building materials in redevelopment projects.--

16 | 1. As used in this paragraph, the term:

17 | a. "Building materials" means tangible personal
18 | property that becomes a component part of a housing project or
19 | a mixed-use project.

20 | b. "Housing project" means the conversion of an
21 | existing manufacturing or industrial building to housing units
22 | in a designated ~~an urban job tax credit high-crime~~ area,
23 | enterprise zone, empowerment zone, Front Porch Community,
24 | designated brownfield area, or urban infill area and in which
25 | the developer agrees to set aside at least 20 percent of the
26 | housing units in the project for low-income and
27 | moderate-income persons or the construction in a designated
28 | brownfield area of affordable housing for persons described in
29 | s. 420.0004(9), (10), or (14), or in s. 159.603(7).

30 | c. "Mixed-use project" means the conversion of an
31 | existing manufacturing or industrial building to mixed-use

1 units that include artists' studios, art and entertainment
2 services, or other compatible uses. A mixed-use project must
3 be located in a designated ~~an~~ urban job tax credit ~~high-crime~~
4 area, enterprise zone, empowerment zone, Front Porch
5 Community, designated brownfield area, or urban infill area,
6 and the developer must agree to set aside at least 20 percent
7 of the square footage of the project for low-income and
8 moderate-income housing.

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

11 2. Building materials used in the construction of a
12 housing project or mixed-use project are exempt from the tax
13 imposed by this chapter upon an affirmative showing to the
14 satisfaction of the department that the requirements of this
15 paragraph have been met. This exemption inures to the owner
16 through a refund of previously paid taxes. To receive this
17 refund, the owner must file an application under oath with the
18 department which includes:

19 a. The name and address of the owner.

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

22 c. A copy of the building permit issued for the
23 project.

24 d. A certification by the local building code
25 inspector that the project is substantially completed.

26 e. A sworn statement, under penalty of perjury, from
27 the general contractor licensed in this state with whom the
28 owner contracted to construct the project, which statement
29 lists the building materials used in the construction of the
30 project and the actual cost thereof, and the amount of sales
31 tax paid on these materials. If a general contractor was not

1 used, the owner shall provide this information in a sworn
2 statement, under penalty of perjury. Copies of invoices
3 evidencing payment of sales tax must be attached to the sworn
4 statement.

5 3. An application for a refund under this paragraph
6 must be submitted to the department within 6 months after the
7 date the project is deemed to be substantially completed by
8 the local building code inspector. Within 30 working days
9 after receipt of the application, the department shall
10 determine if it meets the requirements of this paragraph. A
11 refund approved pursuant to this paragraph shall be made
12 within 30 days after formal approval of the application by the
13 department. The provisions of s. 212.095 do not apply to any
14 refund application made under this paragraph.

15 4. The department shall establish by rule an
16 application form and criteria for establishing eligibility for
17 exemption under this paragraph.

18 5. The exemption shall apply to purchases of materials
19 on or after July 1, 2005 ~~2000~~.

20 Section 2. Section 212.097, Florida Statutes, is
21 amended to read:

22 212.097 Designated Urban ~~High Crime Area~~ Job Tax
23 Credit Area Program.--

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

25 (a) "Eligible business" means any sole proprietorship,
26 firm, partnership, or corporation that is located in a
27 designated urban job tax credit area ~~qualified county~~ and is
28 predominantly engaged in, or is headquarters for a business
29 predominantly engaged in, activities usually provided for
30 consideration by firms classified within the following
31 standard industrial classifications: SIC 01-SIC 09

1 | (agriculture, forestry, and fishing); SIC 20-SIC 39
2 | (manufacturing); SIC 52-SIC 57 and SIC 59 (retail); SIC 422
3 | (public warehousing and storage); SIC 70 (hotels and other
4 | lodging places); SIC 7391 (research and development); SIC 781
5 | (motion picture production and allied services); SIC 7992
6 | (public golf courses); ~~and~~ SIC 7996 (amusement parks); and a
7 | targeted industry eligible for the qualified target industry
8 | business tax refund under s. 288.106. A call center or similar
9 | customer service operation that services a multistate market
10 | or international market is also an eligible business. In
11 | addition, the Office of Tourism, Trade, and Economic
12 | Development may, as part of its final budget request submitted
13 | pursuant to s. 216.023, recommend additions to or deletions
14 | from the list of standard industrial classifications used to
15 | determine an eligible business, and the Legislature may
16 | implement such recommendations. Excluded from eligible
17 | receipts are receipts from retail sales, except such receipts
18 | for SIC 52-SIC 57 and SIC 59 (retail) hotels and other lodging
19 | places classified in SIC 70, public golf courses in SIC 7992,
20 | and amusement parks in SIC 7996. For purposes of this
21 | paragraph, the term "predominantly" means that more than 50
22 | percent of the business's gross receipts from all sources is
23 | generated by those activities usually provided for
24 | consideration by firms in the specified standard industrial
25 | classification. The determination of whether the business is
26 | located in a designated urban job tax credit ~~qualified~~
27 | ~~high crime area and the tier ranking of that area~~ must be
28 | based on the date of application for the credit under this
29 | section. Commonly owned and controlled entities are to be
30 | considered a single business entity.

31 |

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

12 (c) "New business" means any eligible business first
13 beginning operation on a site in a designated urban job tax
14 credit ~~qualified high crime~~ area and clearly separate from any
15 other commercial or business operation of the business entity
16 within a designated urban job tax credit ~~qualified high crime~~
17 area. A business entity that operated an eligible business
18 within a designated urban job tax credit ~~qualified high crime~~
19 area within the 48 months before the period provided for
20 application by subsection (2) is not considered a new
21 business.

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

24 (e) "Designated urban job tax credit ~~Qualified~~
25 ~~high crime~~ area" means an area selected by the Office of
26 Tourism, Trade, and Economic Development in the following
27 manner: every third year, the office shall rank and tier those
28 areas nominated under subsection (7), according to the highest
29 level of distress experienced in the categories enumerated
30 under subsection (7). The Office of Tourism, Trade, and
31 Economic Development shall designate the 30

1 highest-distress-profile urban areas as eligible participants
2 under the Designated Urban Job Tax Credit Area Program.

3 ~~following prioritized criteria:~~

4 1. ~~Highest arrest rates within the geographic area for~~
5 ~~violent crime and for such other crimes as drug sale, drug~~
6 ~~possession, prostitution, vandalism, and civil disturbances;~~

7 2. ~~Highest reported crime volume and rate of specific~~
8 ~~property crimes such as business and residential burglary,~~
9 ~~motor vehicle theft, and vandalism;~~

10 3. ~~Highest percentage of reported index crimes that~~
11 ~~are violent in nature;~~

12 4. ~~Highest overall index crime volume for the area;~~

13 ~~and~~

14 5. ~~Highest overall index crime rate for the geographic~~
15 ~~area.~~

16
17 ~~Tier one areas are ranked 1 through 5 and represent the~~
18 ~~highest crime areas according to this ranking. Tier two areas~~
19 ~~are ranked 6 through 10 according to this ranking. Tier three~~
20 ~~areas are ranked 11 through 15. Notwithstanding this~~
21 ~~definition, "designated urban job tax credit qualified~~
22 ~~high crime area" also means an area that has been designated~~
23 ~~as a federal Empowerment Zone pursuant to the Taxpayer Relief~~
24 ~~Act of 1997 or the Community Tax Relief Act of 2000. Such a~~
25 ~~designated area is ranked in tier three until the areas are~~
26 ~~reevaluated by the Office of Tourism, Trade, and Economic~~
27 ~~Development.~~

28 (f) "Central business district" means an area
29 comprised of at least 80 percent commercial and government
30 buildings and properties that is characterized by a high
31 concentration of retail businesses, service businesses,

1 offices, theaters, and hotels and is located in a Department
2 of Transportation urban service area.

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

8 (2) A new eligible business may apply for a tax credit
9 under this subsection once at any time during its first year
10 of operation. A new eligible business in a designated urban
11 job tax credit tier one qualified high crime area which has at
12 least 10 qualified employees on the date of application shall
13 receive a ~~\$1,500 tax credit for each such employee. A new~~
14 ~~eligible business in a tier two qualified high crime area~~
15 ~~which has at least 20 qualified employees on the date of~~
16 ~~application shall receive a \$1,000 tax credit for each such~~
17 ~~employee. A new eligible business in a tier three qualified~~
18 ~~high crime area which has at least 30 qualified employees on~~
19 ~~the date of application shall receive a \$500 tax credit for~~
20 ~~each such employee.~~

21 (3) An existing eligible business may apply for a tax
22 credit under this subsection at any time it is entitled to
23 such credit, except as restricted by this subsection. An
24 existing eligible business in a designated urban job tax
25 credit tier one qualified high crime area which on the date of
26 application has at least 5 more qualified employees than it
27 had 1 year prior to its date of application shall receive a
28 ~~\$1,500 tax credit for each such additional employee. An~~
29 ~~existing eligible business in a tier two qualified high crime~~
30 ~~area which on the date of application has at least 10 more~~
31 ~~qualified employees than it had 1 year prior to its date of~~

1 ~~application shall receive a \$1,000 credit for each such~~
2 ~~additional employee. An existing business in a tier three~~
3 ~~qualified high crime area which on the date of application has~~
4 ~~at least 15 more qualified employees than it had 1 year prior~~
5 ~~to its date of application shall receive a \$500 tax credit for~~
6 ~~each such additional employee.~~ An existing eligible business
7 may apply for the credit under this subsection no more than
8 once in any 12-month period. Any existing eligible business
9 that received a credit under subsection (2) may not apply for
10 the credit under this subsection sooner than 12 months after
11 the application date for the credit under subsection (2).

12 (4) For any new eligible business receiving a credit
13 pursuant to subsection (2), an additional \$500 credit shall be
14 provided for any qualified employee who is a welfare
15 transition program participant. For any existing eligible
16 business receiving a credit pursuant to subsection (3), an
17 additional \$500 credit shall be provided for any qualified
18 employee who is a welfare transition program participant. Such
19 employee must be employed on the application date and have
20 been employed less than 1 year. This credit shall be in
21 addition to other credits pursuant to this section ~~regardless~~
22 ~~of the tier level of the high crime area.~~ Appropriate
23 documentation concerning the eligibility of an employee for
24 this credit must be submitted as determined by the department.

25 (5) To be eligible for a tax credit under subsection
26 (3), the number of qualified employees employed 1 year prior
27 to the application date must be no lower than the number of
28 qualified employees on the application date on which a credit
29 under this section was based for any previous application,
30 including an application under subsection (2).

31

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

7 (a) Finds that an urban ~~a high-crime~~ area exists in
8 such county or municipality, or in both the county and one or
9 more municipalities, which chronically exhibits extreme and
10 unacceptable levels of poverty, unemployment, physical
11 deterioration, and economic disinvestment.†

12 (b) Determines that the rehabilitation, conservation,
13 or redevelopment, or a combination thereof, of such an urban ~~a~~
14 ~~high-crime~~ area is necessary in the interest of the health,
15 safety, and welfare of the residents of such county or
16 municipality, or such county and one or more municipalities.†
17 ~~and~~

18 (c) Determines that the revitalization of such an
19 urban ~~a high-crime~~ area can occur if the public sector or
20 private sector can be induced to invest its own resources in
21 productive enterprises that build or rebuild the economic
22 viability of the area.

23 (7) The governing body of the entity nominating the
24 area shall demonstrate ~~provide~~ to the Office of Tourism,
25 Trade, and Economic Development that the area meets the
26 following:

27 (a) Income characteristics:

28 1. Forty percent of area residents are earning wages
29 on an annual basis that are equal to or less than the annual
30 wage of a person who is earning minimum wage; or
31

1 2. More than 20 percent of residents or families live
2 below the federal standard of poverty for individuals or a
3 family of four. ~~The overall index crime rate for the~~
4 geographic area;
5 (b) Education characteristics:
6 1. Has a high school dropout rate higher than the
7 county average; or
8 2. Has a high school graduation rate lower than the
9 state average. ~~The overall index crime volume for the area;~~
10 (c) Workforce and employment characteristics:
11 1. Has an unemployment rate at least 3 percentage
12 points higher than the state's unemployment rate;
13 2. More than 50 percent of families subject to the
14 welfare-to-work transition time limit are either within 6
15 months of the time limit or are receiving cash assistance
16 under a period of hardship extension to the time limit; or
17 3. Is identified as a labor surplus area using the
18 criteria established by the United States Department of
19 Labor's Employment and Training Administration. ~~The percentage~~
20 of reported index crimes that are violent in nature;
21 (d) Crime characteristics:
22 1. Has an arrest rate higher than the state's average
23 rate for such crimes as drug sale, drug possession,
24 prostitution, vandalism, and civil disturbances, as recorded
25 by the total crime index of the Department of Law Enforcement;
26 or
27 2. Ranks in the top 30 percent of zip codes with
28 reported crimes that are violent in nature. ~~The reported crime~~
29 volume and rate of specific property crimes such as business
30 and residential burglary, motor vehicle theft, and vandalism;
31 and

1 (e) Residential and commercial property-related
2 characteristics:
3 1. Fifty percent or more of area residents rent; or
4 2.a. Property values are within the lower 50 percent
5 of the county's assessed property values;
6 b. More than 5 percent of area homes, apartments, or
7 buildings are abandoned, have been condemned within the
8 previous 24 months, or have a greater number of violations of
9 the Florida Building Code than recorded in the remainder of
10 the county or municipality; or
11 c. Tax or special assessment delinquencies exceed the
12 fair value of the land ~~The arrest rates within the geographic~~
13 ~~area for violent crime and for such other crimes as drug sale,~~
14 ~~drug possession, prostitution, disorderly conduct, vandalism,~~
15 ~~and other public order offenses.~~
16 (8) A municipality, or a county and one or more
17 municipalities together, may not nominate more than one urban
18 ~~high crime~~ area. However, any county as defined by s.
19 125.011(1) may nominate no more than three urban high crime
20 areas.
21 (9)(a) An area nominated by a county or municipality,
22 or a county and one or more municipalities together, for
23 designation as a designated urban job tax credit high crime
24 area shall be eligible only if it meets the following
25 criteria:
26 1.(a) The selected area ~~does not exceed 20 square~~
27 ~~miles and either~~ has a continuous boundary or consists of not
28 more than three noncontiguous parcels;
29 2.(b) The selected area does not exceed the following
30 mileage limitation:
31

1 ~~a.1.~~ For areas ~~communities~~ having a total population
2 of 150,000 persons or more, the selected area does not exceed
3 20 square miles and is within 10 miles of the central business
4 district of a city.

5 ~~b.2.~~ For areas ~~communities~~ having a total population
6 of 50,000 persons or more, but fewer than 150,000 persons, the
7 selected area does not exceed 10 square miles and is within
8 7.5 miles of the central business district of a city.

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

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

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

21 (10)(a) In order to claim this credit, an eligible
22 business must file under oath with the Office of Tourism,
23 Trade, and Economic Development a statement that includes the
24 name and address of the eligible business and any other
25 information that is required to process the application.

26 (b) Within 30 working days after receipt of an
27 application for credit, the Office of Tourism, Trade, and
28 Economic Development shall review the application to determine
29 whether it contains all the information required by this
30 subsection and meets the criteria set out in this section.
31 Subject to the provisions of paragraph (c), the Office of

1 Tourism, Trade, and Economic Development shall approve all
2 applications that contain the information required by this
3 subsection and meet the criteria set out in this section as
4 eligible to receive a credit.

5 (c) The maximum credit amount that may be approved
6 during any calendar year is \$5 million, ~~of which \$1 million~~
7 ~~shall be exclusively reserved for tier one areas~~. The
8 Department of Revenue, in conjunction with the Office of
9 Tourism, Trade, and Economic Development, shall notify the
10 governing bodies in areas designated under this section ~~as~~
11 ~~urban high crime areas~~ when the \$5 million maximum amount has
12 been reached. Applications must be considered for approval in
13 the order in which they are received without regard to whether
14 the credit is for a new or existing business. This limitation
15 applies to the value of the credit as contained in approved
16 applications. Approved credits may be taken in the time and
17 manner allowed pursuant to this section.

18 (11) If the application is insufficient to support the
19 credit authorized in this section, the Office of Tourism,
20 Trade, and Economic Development shall deny the credit and
21 notify the business of that fact. The business may reapply for
22 this credit within 3 months after such notification.

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

27 (13) It is the responsibility of each business to
28 affirmatively demonstrate to the satisfaction of the
29 Department of Revenue that it meets the requirements of this
30 section.

31

1 (14) Any person who fraudulently claims this credit is
2 liable for repayment of the credit plus a mandatory penalty of
3 100 percent of the credit and is guilty of a misdemeanor of
4 the second degree, punishable as provided in s. 775.082 or s.
5 775.083.

6 (15) A corporation may take the credit under this
7 section against its corporate income tax liability, as
8 provided in s. 220.1895. However, a corporation that applies
9 its job tax credit against the tax imposed by chapter 220 may
10 not receive the credit provided for in this section. A credit
11 may be taken against only one tax.

12 (16) An eligible business may transfer any unused
13 credit in whole or in units of no less than 25 percent of the
14 remaining credit. The entity acquiring such credit may use it
15 in the same manner and with the same limitation as described
16 in this section. Such transferred credits may not be
17 transferred again although they may succeed to a surviving or
18 acquiring entity subject to the same conditions and
19 limitations described in this section.

20 ~~(17)~~~~(16)~~ The department shall adopt rules governing
21 the manner and form of applications for credit or transfers of
22 credit and may establish guidelines concerning the requisites
23 for an affirmative showing of qualification for the credit
24 under this section.

25 Section 3. Subsection (12) of section 212.098, Florida
26 Statutes, is renumbered as subsection (13) and a new
27 subsection (12) is added to that section to read:

28 212.098 Rural Job Tax Credit Program.--

29 (12) An eligible business may transfer any unused
30 credit in whole or in units of not less than 25 percent of the
31 remaining credit. The entity acquiring such credit may use it

1 in the same manner and with the same limitation as described
2 in this section. Such transferred credits may not be
3 transferred again although they may succeed to a surviving or
4 acquiring entity subject to the same conditions and
5 limitations described in this section.

6 Section 4. Section 220.1895, Florida Statutes, is
7 amended to read:

8 220.1895 Rural Job Tax Credit and Designated Urban
9 ~~High Crime Area~~ Job Tax Credit.--There shall be allowed a
10 credit against the tax imposed by this chapter amounts
11 approved by the Office of Tourism, Trade, and Economic
12 Development pursuant to the Rural Job Tax Credit Program in s.
13 212.098 and the Designated Urban ~~High Crime Area~~ Job Tax
14 Credit Area Program in s. 212.097. A corporation that uses its
15 credit against the tax imposed by this chapter may not take
16 the credit against the tax imposed by chapter 212. If any
17 credit granted under this section is not fully used in the
18 first year for which it becomes available, the unused amount
19 may be carried forward for a period not to exceed 5 years. The
20 carryover may be used in a subsequent year when the tax
21 imposed by this chapter for such year exceeds the credit for
22 such year under this section after applying the other credits
23 and unused credit carryovers in the order provided in s.
24 220.02(8). The Office of Tourism, Trade, and Economic
25 Development shall conduct a review of the Designated Urban
26 ~~High Crime Area~~ Job Tax Credit Area Program and the Rural Job
27 Tax Credit Program and submit its report to the Governor, the
28 President of the Senate, and the Speaker of the House of
29 Representatives by February 1, 2000.

30 Section 5. Subsection (2) of section 288.99, Florida
31 Statutes, is amended to read:

1 288.99 Certified Capital Company Act.--

2 (2) PURPOSE.--The primary purpose of this act is to
3 stimulate a substantial increase in venture capital
4 investments in this state by providing an incentive for
5 insurance companies to invest in certified capital companies
6 in this state which, in turn, will make investments in new
7 businesses or in expanding businesses, including
8 minority-owned or minority-operated businesses and businesses
9 located in a designated Front Porch community, enterprise
10 zone, designated urban job tax credit ~~high-crime~~ area, rural
11 job tax credit county, or nationally recognized historic
12 district. The increase in investment capital flowing into new
13 or expanding businesses is intended to contribute to
14 employment growth, create jobs which exceed the average wage
15 for the county in which the jobs are created, and expand or
16 diversify the economic base of this state.

17 Section 6. Subsection (9) is added to section 290.007,
18 Florida Statutes, to read:

19 290.007 State incentives available in enterprise
20 zones.--The following incentives are provided by the state to
21 encourage the revitalization of enterprise zones:

22 (9) An eligible business may transfer any unused
23 credit in whole or in units of no less than 25 percent of the
24 remaining credit. The entity acquiring such credit may use the
25 credit in the same manner and with the same limitation as
26 described in ss. 212.096 and 220.181. Such transferred credits
27 may not be transferred again but may succeed to a surviving or
28 acquiring entity subject to the same conditions and
29 limitations described in this section.

30 Section 7. (1) Notwithstanding any provision of
31 sections 290.001-290.016, Florida Statutes, the Office of

1 Tourism, Trade, and Economic Development may approve any
2 request to amend the boundaries of an enterprise zone created
3 or recertified after September 1, 2005. Boundary amendments
4 authorized pursuant to this subsection are subject to the
5 following requirements:

6 (a) The amendment shall not increase the overall size
7 of the zone beyond 20 square miles.

8 (b) The amendment shall be consistent with the
9 rationale for the establishment of the enterprise zone as
10 provided in section 290.0058, Florida Statutes.

11 (c) The local enterprise zone development agency shall
12 request the amendment from the Office of Tourism, Trade, and
13 Economic Development. The request must contain maps and
14 sufficient information to allow the office to determine the
15 number of noncontiguous areas and the total enterprise zone
16 size. The request must also contain the justification for
17 changing the existing enterprise zone boundaries.

18 (d) The office shall have 30 days to review and act
19 upon the boundary amendment request.

20 (2) All enterprise zones existing as of December 31,
21 2004, may submit a letter requesting recertification of the
22 existing enterprise zone to the Office of Tourism, Trade, and
23 Economic Development by September 1, 2005. No reasonable
24 request for recertification shall be denied. Such request
25 shall include:

26 (a) A description of the progress made within the zone
27 as measured against the existing strategic plan.

28 (b) A map of the zone.

29 (c) A statement of the goals for the next calendar
30 year, including, but not limited to, the number of new jobs,
31

1 housing starts, infrastructure projects, and new capital
2 investment.

3 (d) A narrative description of the zone with address
4 ranges.

5 Section 8. Section 290.016, Florida Statutes, is
6 amended to read:

7 290.016 Repeal.--Sections 290.001-290.015 shall stand
8 repealed on December 31, 2015 ~~2005~~.

9 Section 9. This act shall take effect July 1, 2005.

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