

By Senators Fasano, Jones, Wise and Klein

11-368A-05

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A bill to be entitled
An act relating to the community contribution tax credit; amending s. 212.08, F.S.; requiring the Office of Tourism, Trade, and Economic Development to reserve portions of certain annual tax credits for eligible sponsors of certain low-income housing projects; providing requirements, criteria, and limitations; extending an expiration date; amending s. 220.03, F.S.; revising a definition to delete a provision authorizing the office to reserve certain portions of available annual tax credits for certain low-income housing purposes; amending s. 220.183, F.S.; increasing the amount of available annual community contribution tax credits; revising eligibility criteria; requiring the Office of Tourism, Trade, and Economic Development to reserve portions of certain annual tax credits for eligible sponsors of certain low-income housing projects; providing requirements, criteria, and limitations; extending an expiration date; amending s. 624.5105, F.S.; increasing the amount of available annual community contribution tax credits; revising eligibility criteria; requiring the Office of Tourism, Trade, and Economic Development to reserve portions of certain annual tax credits for eligible sponsors of certain low-income housing projects; providing requirements, criteria, and

1 limitations; extending an expiration date;
2 providing an effective date.

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

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

8 212.08 Sales, rental, use, consumption, distribution,
9 and storage tax; specified exemptions.--The sale at retail,
10 the rental, the use, the consumption, the distribution, and
11 the storage to be used or consumed in this state of the
12 following are hereby specifically exempt from the tax imposed
13 by this chapter.

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

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

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

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

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

1 for such year. Carryover credits may be applied for a 3-year
2 period without regard to any time limitation that would
3 otherwise apply under s. 215.26;

4 c. ~~A No~~ person may not ~~shall~~ receive more than
5 \$200,000 in annual tax credits for all approved community
6 contributions made in any one year;

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

10 e. The total amount of tax credits which may be
11 granted for all programs approved under this paragraph, s.
12 220.183, and s. 624.5105 is \$20~~\$10~~ million annually; and

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

17 2. Eligibility requirements.--

18 a. A community contribution by a person must be in the
19 following form:

20 (I) Cash or other liquid assets;

21 (II) Real property;

22 (III) Goods or inventory; or

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

25 b. All community contributions must be reserved
26 exclusively for use in a project. As used in this
27 sub-subparagraph, the term "project" means any activity
28 undertaken by an eligible sponsor which is designed to
29 construct, improve, or substantially rehabilitate housing that
30 is affordable to low-income or very-low-income households as
31 defined in s. 420.9071(19) and (28); designed to provide

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

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

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

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

7 (I) A community action program;

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

13 (III) A neighborhood housing services corporation;

14 (IV) A local housing authority created under chapter
15 421;

16 (V) A community redevelopment agency created under s.
17 163.356;

18 (VI) The Florida Industrial Development Corporation;

19 (VII) A historic preservation district agency or
20 organization;

21 (VIII) A regional workforce board;

22 (IX) A direct-support organization as provided in s.
23 1009.983;

24 (X) An enterprise zone development agency created
25 under s. 290.0056;

26 (XI) A community-based organization incorporated under
27 chapter 617 which is recognized as educational, charitable, or
28 scientific pursuant to s. 501(c)(3) of the Internal Revenue
29 Code and whose bylaws and articles of incorporation include
30 affordable housing, economic development, or community
31 development as the primary mission of the corporation;

1 (XII) Units of local government;
2 (XIII) Units of state government; or
3 (XIV) Any other agency that the Office of Tourism,
4 Trade, and Economic Development designates by rule.

5
6 In no event may a contributing person have a financial
7 interest in the eligible sponsor.

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

18 e.(I) The Office of Tourism, Trade, and Economic
19 Development shall reserve 60 percent of the available annual
20 tax credits for donations made to eligible sponsors for
21 projects that provide homeownership opportunities to
22 low-income or very-low-income households under s. 420.9071(19)
23 and (28) for the first 2 months of the fiscal year. If less
24 than 60 percent of the annual tax credits for donations made
25 to eligible sponsors for projects for low-income or
26 very-low-income households are approved within the first 2
27 months of the fiscal year, the office may approve the balance
28 of available credits for donations made to eligible sponsors
29 for projects other than those that provide homeownership
30 opportunities for low-income or very-low-income households.
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1 (II) The office shall reserve 40 percent of the
2 available annual tax credits for donations made to eligible
3 sponsors for projects other than those that provide
4 homeownership opportunities for low-income or very-low-income
5 households as provided by s. 420.9071(19) and (28) for the
6 first 2 months of the fiscal year. If less than 40 percent of
7 the annual tax credits for donations made to eligible sponsors
8 for projects other than those that provide homeownership
9 opportunities for low-income or very-low-income households are
10 approved within the first 2 months of the fiscal year, the
11 office may approve the balance of available credits for
12 donations made to eligible sponsors for projects that provide
13 homeownership opportunities for low-income or very-low-income
14 households.

15 (III) If, during the first 10 business days of the
16 state fiscal year, tax credit applications are received for
17 more than 60 percent of available annual tax credits from
18 eligible sponsors for projects that provide homeownership
19 opportunities for low-income or very-low-income households,
20 the office shall grant the tax credits for such applications
21 as follows:

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

27 (B) If an eligible sponsor submits tax credit
28 applications that, in total, equal or exceed \$200,000, the
29 amount of tax credit granted under sub-sub-sub-subparagraph
30 (A) shall be subtracted from the amount of available tax
31 credits under sub-sub-subparagraph (I), and the remaining

1 credits shall be granted to each approved tax credit
2 application on a pro rata basis.

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

10 (IV) If, during the first 10 business days of the
11 state fiscal year, tax credit applications are received for
12 more than 40 percent of available annual tax credits from
13 eligible 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 sub-sub-subparagraph (I), the office
19 shall grant the tax credits by first increasing the credit of
20 those who received a pro rata reduction and, if there are
21 remaining credits, granting credits to those who applied on or
22 after the 11th business day of the state fiscal year on a
23 first-come, first-served basis.

24 3. Application requirements.--

25 a. Any eligible sponsor seeking to participate in this
26 program must submit a proposal to the Office of Tourism,
27 Trade, and Economic Development which sets forth the name of
28 the sponsor, a description of the project, and the area in
29 which the project is located, together with such supporting
30 information as is prescribed by rule. The proposal must also
31 contain a resolution from the local governmental unit in which

1 the project is located certifying that the project is
2 consistent with local plans and regulations.

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

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

22 4. Administration.--

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

27 b. The decision of the Office of Tourism, Trade, and
28 Economic Development must be in writing, and, if approved, the
29 notification shall state the maximum credit allowable to the
30 person. Upon approval, the office shall transmit a copy of the
31 decision to the Department of Revenue.

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

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

13 5. Expiration.--This paragraph expires June 30, 2015
14 ~~2005~~; however, any accrued credit carryover that is unused on
15 that date may be used until the expiration of the 3-year
16 carryover period for such credit.

17 Section 2. Paragraph (t) of subsection (1) of section
18 220.03, Florida Statutes, is amended to read:

19 220.03 Definitions.--

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

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

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

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

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

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

9 220.183 Community contribution tax credit.--

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

13 (c) The total amount of tax credit which may be
14 granted for all programs approved under this section, s.
15 212.08(5)(q), and s. 624.5105 is ~~\$20~~^{\$10} million annually.

16 (2) ELIGIBILITY REQUIREMENTS.--

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

19 2. The Office of Tourism, Trade, and Economic
20 Development ~~shall may~~ reserve ~~60 up to 50~~ percent of the
21 available annual tax credits for housing for donations made to
22 eligible sponsors for projects that provide homeownership
23 opportunities for low-income or very-low-income households
24 under pursuant to s. 420.9071(19) and (28) for the first 2 6
25 months of the fiscal year. If less than 60 percent of the
26 annual tax credits for donations made to eligible sponsors for
27 projects for low-income or very-low-income households are
28 approved within the first 2 months of the fiscal year, the
29 office may approve the balance of available credits for
30 donations made to eligible sponsors for projects other than
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1 those that provide homeownership opportunities for low-income
2 or very-low-income households.

3 3. The office shall reserve 40 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 40 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 60 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
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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 40 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, and paragraph (e) is added to subsection (2) of that
30 section, to read:
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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, s.
7 212.08(5)(g), and s. 220.183 is ~~\$20~~\$10 million annually.

8 (2) ELIGIBILITY REQUIREMENTS.--

9 (e)1. The Office of Tourism, Trade, and Economic
10 Development shall reserve 60 percent of the available annual
11 tax credits for donations made to eligible sponsors for
12 projects that provide homeownership opportunities for
13 low-income or very-low-income households under s. 420.9071(19)
14 and (28) for the first 2 months of the fiscal year. If less
15 than 60 percent of the annual tax credits for donations made
16 to eligible sponsors for projects that provide homeownership
17 opportunities for low-income or very-low-income households are
18 approved within the first 2 months of the fiscal year, the
19 office may approve the balance of available credits for
20 donations made to eligible sponsors for projects other than
21 those that provide homeownership opportunities for low-income
22 or very-low-income households.

23 2. The office shall reserve 40 percent of the
24 available annual tax credits for donations made to eligible
25 sponsors for projects other than those that provide
26 homeownership opportunities for low-income or very-low-income
27 households under s. 420.9071(19) and (28) for the first 2
28 months of the fiscal year. If less than 40 percent of the
29 annual tax credits for donations made to eligible sponsors for
30 projects other than those that provide homeownership
31 opportunities for low-income or very-low-income households are

1 approved within the first 2 months of the fiscal year, the
2 office may approve the balance of available credits for
3 donations made to eligible sponsors for projects that provide
4 homeownership opportunities for low-income or very-low-income
5 households.

6 3. If, during the first 10 business days of the state
7 fiscal year, tax credit applications are received for more
8 than 60 percent of available annual tax credits from eligible
9 sponsors for projects that provide homeownership opportunities
10 for low-income or very-low-income households, the office shall
11 grant the tax credits to such applicants as follows:

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

16 b. If an eligible sponsor submits tax credit
17 applications that, in total, equal or exceed \$200,000, the
18 amount of tax credits granted under sub-subparagraph a. shall
19 be subtracted from the amount of available tax credits under
20 subparagraph 1., and the remaining credits shall be granted to
21 each approved tax credit application on a pro rata basis.

22 c. If, after the first 2 months of the fiscal year,
23 additional credits become available under subparagraph 2., the
24 office shall grant the tax credits by first increasing the
25 credit of those who received a pro rata reduction and, if
26 there are remaining credits, granting credits to those who
27 applied on or after the 11th business day of the state fiscal
28 year on a first-come, first-served basis.

29 4. If, during the first 10 business days of the state
30 fiscal year, tax credit applications are received for more
31 than 40 percent of available annual tax credits from eligible

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

12 (6) EXPIRATION.--The provisions of this section,
13 except paragraph (1)(e), shall expire and be void on June 30,
14 2015 ~~2005~~.

15 Section 5. This act shall take effect upon becoming a
16 law.

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19 SENATE SUMMARY

20 Requires the Office of Tourism, Trade, and Economic
21 Development to reserve portions of certain annual tax
22 credits for eligible sponsors of certain low-income
23 housing projects. Increases the amount of available
24 annual community contribution tax credits. Revises
25 eligibility criteria. Provides requirements, criteria,
26 and limitations. Provides for the community contribution
27 tax credit to expire in 2015 rather than 2005.
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