

1 A bill to be entitled
2 An act relating to the corporate income tax; providing a
3 credit against the tax for contributions to nonprofit
4 cultural organizations; providing legislative purpose;
5 defining terms; providing limitations on individual
6 credits; providing that the unused amount of a credit may
7 not be carried forward; prohibiting conveying, assigning,
8 or transferring the credit to another entity except as
9 specified; providing for administration by the Department
10 of Revenue and the Division of Cultural Affairs of the
11 Department of State; requiring the department and the
12 division to adopt rules; providing a tax credit for
13 donations to the Fine Arts Trust Fund; providing that the
14 unused amount of a credit may not be carried forward;
15 prohibiting conveying, assigning, or transferring the
16 credit to another entity, except as specified; providing
17 application procedures; providing for rulemaking by the
18 Department of Revenue and the Department of State;
19 providing legislative intent with respect to the order in
20 which credits may be applied; providing for an addition to
21 taxable income for purposes of computing adjusted federal
22 income, to conform; specifying the maximum amount of
23 annual tax credits which may be granted under the act;
24 providing for expiration of the act; providing an
25 effective date.

26
27 Be It Enacted by the Legislature of the State of Florida:
28

29 Section 1. Credits for contributions to nonprofit cultural
 30 organizations.--

31 (1) PURPOSE.--The purpose of this section is to encourage
 32 private, voluntary contributions to organizations that promote
 33 cultural activities by encouraging the talents of creative
 34 individuals or by helping to provide an audience for cultural
 35 activities.

36 (2) DEFINITIONS.--As used in this section, the term:

37 (a) "Cultural activities" means dance, music, theater,
 38 visual arts, literature, media arts, museum programs, and
 39 activities that combine two or more of those disciplines.

40 (b) "Department" means the Department of Revenue.

41 (c) "Division" means the Division of Cultural Affairs of
 42 the Department of State.

43 (d) "Eligible contribution" means a monetary contribution
 44 from a taxpayer, subject to the restrictions provided in this
 45 section, to an eligible cultural organization.

46 (e) "Eligible cultural organization" means a nonprofit
 47 cultural organization that is:

48 1. Exempt from federal income tax under s. 501(c)(3) of
 49 the Internal Revenue Code;

50 2. In compliance with section 265.702, Florida Statutes;
 51 and

52 3. Given priority ranking under rule 1T-1001, Florida
 53 Administrative Code.

54
 55 The term includes educational institutions that are also
 56 presenters or producers of cultural activities in this state

57 which otherwise meet these requirements.

58 (3) AUTHORIZATION TO GRANT CULTURAL ORGANIZATIONS TAX
 59 CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS.--

60 (a) There is allowed a credit of 50 percent of the amount
 61 of an eligible contribution, which contribution is in the amount
 62 of \$60,000 or more, against any tax due for a taxable year under
 63 chapter 220, Florida Statutes. However, such a credit is
 64 inapplicable to a particular corporation after the aggregate
 65 amount of the contributions to eligible cultural organizations
 66 given by the corporation in any one taxable year exceeds
 67 \$600,000.

68 (b) A taxpayer who files a Florida consolidated return as
 69 a member of an affiliated group under section 220.131(1),
 70 Florida Statutes, may be allowed the credit on a consolidated
 71 return basis; however, the total credit taken by the affiliated
 72 group is subject to the limitation established under paragraph
 73 (a).

74 (4) ADMINISTRATION; RULES.--

75 (a) If the credit granted under this section is not fully
 76 used in any one year, the unused amount may not be carried
 77 forward. A taxpayer may not convey, assign, or transfer the
 78 credit authorized by this section to another entity unless all
 79 of the assets of the taxpayer are conveyed, assigned, or
 80 transferred in the same transaction.

81 (b) An application for a tax credit pursuant to this
 82 section must be submitted to the division on forms established
 83 by rule of the division. Applications shall be accepted on a
 84 first-come, first-served basis beginning July 1, 2005.

85 (c) A taxpayer must submit a separate application for the
 86 tax credit for each individual contribution that it makes to an
 87 eligible cultural organization.

88 (d) The granting of tax credit by the division must be in
 89 writing and must state the maximum credit allowable to the
 90 business firm. A copy of the granting of tax credit must be
 91 transmitted to the executive director of the Department of
 92 Revenue, who shall apply such credit to the tax liability of the
 93 business firm.

94 (e) The department shall adopt rules necessary to
 95 administer this section, including rules establishing
 96 application forms and procedures.

97 (f) The division shall adopt rules necessary to determine
 98 the eligibility of nonprofit cultural organizations.

99 Section 2. Cultural contributions tax credit.--

100 (1) AUTHORIZATION TO GRANT CULTURAL CONTRIBUTIONS TAX
 101 CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS.--

102 (a) There shall be allowed a credit of 50 percent of any
 103 monetary contribution made to the Division of Cultural Affairs
 104 of the Department of State for deposit into the Fine Arts Trust
 105 Fund against any tax due for a taxable year under chapter 220,
 106 Florida Statutes.

107 (b) A proposal for the granting of the tax credit requires
 108 the prior approval of the Division of Cultural Affairs of the
 109 Department of State.

110 (c) If the credit granted under this section is not fully
 111 used in any one year, the unused amount may not be carried
 112 forward. A taxpayer may not convey, assign, or transfer the

113 credit authorized by this section to another entity unless all
 114 of the assets of the taxpayer are conveyed, assigned, or
 115 transferred in the same transaction.

116 (2) APPLICATION REQUIREMENTS.--

117 (a) Any business wishing to participate in this program
 118 must submit an application for the tax credit to the Division of
 119 Cultural Affairs of the Department of State on forms established
 120 by rule of the division. Applications shall be accepted on a
 121 first-come, first-served basis beginning July 1, 2005.

122 (b) The business firm must submit a separate application
 123 for tax credit for each individual contribution that it makes to
 124 the Cultural Institutions Trust Fund.

125 (3) ADMINISTRATION.--

126 (a) The Division of Cultural Affairs of the Department of
 127 State may adopt rules under sections 120.536(1) and 120.54,
 128 Florida Statutes, to administer this section.

129 (b) The granting of tax credit by the Division of Cultural
 130 Affairs of the Department of State must be in writing and must
 131 state the maximum credit allowable to the business firm. A copy
 132 of the granting of tax credit must be transmitted to the
 133 executive director of the Department of Revenue, who shall apply
 134 such credit to the tax liability of the business firm.

135 (c) The Department of Revenue may adopt rules under
 136 sections 120.536(1) and 120.54, Florida Statutes, to administer
 137 this section.

138 Section 3. It is the intent of the Legislature that
 139 credits against the corporate income tax granted under section 1
 140 or section 2 be applied subsequent to those enumerated in

141 section 220.187, Florida Statutes.

142 Section 4. In computing adjusted federal income under
143 section 220.13, Florida Statutes, there shall be added to such
144 taxable income the amount taken as a credit for the taxable year
145 under sections 1 and 2.

146 Section 5. The total amount of tax credit which may be
147 granted for all programs approved under sections 1 and 2 is \$5
148 million annually.

149 Section 6. Sections 1-5 expire June 30, 2006.

150 Section 7. This act shall take effect July 1, 2005.