

Bill No. SB 1132

Barcode 173340

CHAMBER ACTION

Senate

House

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

.  
. .  
. .  
. .  
. .  
. .

---

The Committee on Commerce and Consumer Services (King)  
recommended the following amendment:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause

and insert:

Section 1. Subsection (1) of section 195.099, Florida  
Statutes, is amended to read:

195.099 Periodic review.--

(1)(a) The department shall periodically review the  
assessments of new, rebuilt, and expanded business reported  
according to s. 193.077(3), to ensure parity of level of  
assessment with other classifications of property.

(b) The provisions of this subsection shall expire and  
be void on the date specified in s. 290.016 for the expiration  
of the Florida Enterprise Zone Act ~~June 30, 2005~~.

Section 2. Paragraph (g) of subsection (5) of section  
212.08, Florida Statutes, is amended to read:

212.08 Sales, rental, use, consumption, distribution,  
and storage tax; specified exemptions.--The sale at retail,

Bill No. SB 1132

Barcode 173340

1 the rental, the use, the consumption, the distribution, and  
2 the storage to be used or consumed in this state of the  
3 following are hereby specifically exempt from the tax imposed  
4 by this chapter.

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

6 (g) Building materials used in the rehabilitation of  
7 real property located in an enterprise zone.--

8 1. Building materials used in the rehabilitation of  
9 real property located in an enterprise zone shall be exempt  
10 from the tax imposed by this chapter upon an affirmative  
11 showing to the satisfaction of the department that the items  
12 have been used for the rehabilitation of real property located  
13 in an enterprise zone. Except as provided in subparagraph 2.,  
14 this exemption inures to the owner, lessee, or lessor of the  
15 rehabilitated real property located in an enterprise zone only  
16 through a refund of previously paid taxes. To receive a refund  
17 pursuant to this paragraph, the owner, lessee, or lessor of  
18 the rehabilitated real property located in an enterprise zone  
19 must file an application under oath with the governing body or  
20 enterprise zone development agency having jurisdiction over  
21 the enterprise zone where the business is located, as  
22 applicable, which includes:

23 a. The name and address of the person claiming the  
24 refund.

25 b. An address and assessment roll parcel number of the  
26 rehabilitated real property in an enterprise zone for which a  
27 refund of previously paid taxes is being sought.

28 c. A description of the improvements made to  
29 accomplish the rehabilitation of the real property.

30 d. A copy of the building permit issued for the  
31 rehabilitation of the real property.

Bill No. SB 1132

Barcode 173340

1 e. A sworn statement, under the penalty of perjury,  
2 from the general contractor licensed in this state with whom  
3 the applicant contracted to make the improvements necessary to  
4 accomplish the rehabilitation of the real property, which  
5 statement lists the building materials used in the  
6 rehabilitation of the real property, the actual cost of the  
7 building materials, and the amount of sales tax paid in this  
8 state on the building materials. In the event that a general  
9 contractor has not been used, the applicant shall provide this  
10 information in a sworn statement, under the penalty of  
11 perjury. Copies of the invoices which evidence the purchase of  
12 the building materials used in such rehabilitation and the  
13 payment of sales tax on the building materials shall be  
14 attached to the sworn statement provided by the general  
15 contractor or by the applicant. Unless the actual cost of  
16 building materials used in the rehabilitation of real property  
17 and the payment of sales taxes due thereon is documented by a  
18 general contractor or by the applicant in this manner, the  
19 cost of such building materials shall be an amount equal to 40  
20 percent of the increase in assessed value for ad valorem tax  
21 purposes.

22 f. The identifying number assigned pursuant to s.  
23 290.0065 to the enterprise zone in which the rehabilitated  
24 real property is located.

25 g. A certification by the local building code  
26 inspector that the improvements necessary to accomplish the  
27 rehabilitation of the real property are substantially  
28 completed.

29 h. Whether the business is a small business as defined  
30 by s. 288.703(1).

31 i. If applicable, the name and address of each

Bill No. SB 1132

Barcode 173340

1 permanent employee of the business, including, for each  
 2 employee who is a resident of an enterprise zone, the  
 3 identifying number assigned pursuant to s. 290.0065 to the  
 4 enterprise zone in which the employee resides.

5           2. This exemption inures to a city, county, other  
 6 governmental agency, or nonprofit community-based organization  
 7 through a refund of previously paid taxes if the building  
 8 materials used in the rehabilitation of real property located  
 9 in an enterprise zone are paid for from the funds of a  
 10 community development block grant, State Housing Initiatives  
 11 Partnership Program, or similar grant or loan program. To  
 12 receive a refund pursuant to this paragraph, a city, county,  
 13 other governmental agency, or nonprofit community-based  
 14 organization must file an application which includes the same  
 15 information required to be provided in subparagraph 1. by an  
 16 owner, lessee, or lessor of rehabilitated real property. In  
 17 addition, the application must include a sworn statement  
 18 signed by the chief executive officer of the city, county,  
 19 other governmental agency, or nonprofit community-based  
 20 organization seeking a refund which states that the building  
 21 materials for which a refund is sought were paid for from the  
 22 funds of a community development block grant, State Housing  
 23 Initiatives Partnership Program, or similar grant or loan  
 24 program.

25           3. Within 10 working days after receipt of an  
 26 application, the governing body or enterprise zone development  
 27 agency shall review the application to determine if it  
 28 contains all the information required pursuant to subparagraph  
 29 1. or subparagraph 2. and meets the criteria set out in this  
 30 paragraph. The governing body or agency shall certify all  
 31 applications that contain the information required pursuant to

Bill No. SB 1132

Barcode 173340

1 subparagraph 1. or subparagraph 2. and meet the criteria set  
 2 out in this paragraph as eligible to receive a refund. If  
 3 applicable, the governing body or agency shall also certify if  
 4 20 percent of the employees of the business are residents of  
 5 an enterprise zone, excluding temporary and part-time  
 6 employees. The certification shall be in writing, and a copy  
 7 of the certification shall be transmitted to the executive  
 8 director of the Department of Revenue. The applicant shall be  
 9 responsible for forwarding a certified application to the  
 10 department within the time specified in subparagraph 4.

11           4. An application for a refund pursuant to this  
 12 paragraph must be submitted to the department within 6 months  
 13 after the rehabilitation of the property is deemed to be  
 14 substantially completed by the local building code inspector  
 15 or by September 1 after the rehabilitated property is first  
 16 subject to assessment.

17           5. The provisions of s. 212.095 do not apply to any  
 18 refund application made pursuant to this paragraph. No more  
 19 than one exemption through a refund of previously paid taxes  
 20 for the rehabilitation of real property shall be permitted for  
 21 any one parcel of property unless there is a change in  
 22 ownership, a new lessor, or a new lessee of the real property.

23 No refund shall be granted pursuant to this paragraph unless  
 24 the amount to be refunded exceeds \$500. No refund granted  
 25 pursuant to this paragraph shall exceed the lesser of 97  
 26 percent of the Florida sales or use tax paid on the cost of  
 27 the building materials used in the rehabilitation of the real  
 28 property as determined pursuant to sub-subparagraph 1.e. or  
 29 \$5,000, or, if no less than 20 percent of the employees of the  
 30 business are residents of an enterprise zone, excluding  
 31 temporary and part-time employees, the amount of refund

Bill No. SB 1132

Barcode 173340

1 granted pursuant to this paragraph shall not exceed the lesser  
 2 of 97 percent of the sales tax paid on the cost of such  
 3 building materials or \$10,000. A refund approved pursuant to  
 4 this paragraph shall be made within 30 days of formal approval  
 5 by the department of the application for the refund. This  
 6 subparagraph applies retroactively to July 1, 2005.

7           6. The department shall adopt rules governing the  
 8 manner and form of refund applications and may establish  
 9 guidelines as to the requisites for an affirmative showing of  
 10 qualification for exemption under this paragraph.

11           7. The department shall deduct an amount equal to 10  
 12 percent of each refund granted under the provisions of this  
 13 paragraph from the amount transferred into the Local  
 14 Government Half-cent Sales Tax Clearing Trust Fund pursuant to  
 15 s. 212.20 for the county area in which the rehabilitated real  
 16 property is located and shall transfer that amount to the  
 17 General Revenue Fund.

18           8. For the purposes of the exemption provided in this  
 19 paragraph:

20           a. "Building materials" means tangible personal  
 21 property which becomes a component part of improvements to  
 22 real property.

23           b. "Real property" has the same meaning as provided in  
 24 s. 192.001(12).

25           c. "Rehabilitation of real property" means the  
 26 reconstruction, renovation, restoration, rehabilitation,  
 27 construction, or expansion of improvements to real property.

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

30           9. This paragraph expires on the date specified in s.  
 31 290.016 for the expiration of the Florida Enterprise Zone Act.

Bill No. SB 1132

Barcode 173340

1 Section 3. Paragraph (e) of subsection (1) and  
2 paragraph (e) of subsection (3) of section 212.096, Florida  
3 Statutes, are amended to read:

4 212.096 Sales, rental, storage, use tax; enterprise  
5 zone jobs credit against sales tax.--

6 (1) For the purposes of the credit provided in this  
7 section:

8 (e) "New job has been created" means that, on the date  
9 of application, the total number of full-time jobs is greater  
10 than it was 12 months prior to such date ~~has increased in an~~  
11 ~~enterprise zone from the average of the previous 12 months~~, as  
12 demonstrated to the department by a business located in the  
13 enterprise zone.

14  
15 A person shall be deemed to be employed if the person performs  
16 duties in connection with the operations of the business on a  
17 regular, full-time basis, provided the person is performing  
18 such duties for an average of at least 36 hours per week each  
19 month. The person must be performing such duties at a business  
20 site located in the enterprise zone.

21 (3) In order to claim this credit, an eligible  
22 business must file under oath with the governing body or  
23 enterprise zone development agency having jurisdiction over  
24 the enterprise zone where the business is located, as  
25 applicable, a statement which includes:

26 (e) Demonstration to the department that, on the date  
27 of application, the total number of full-time jobs defined  
28 under paragraph (1)(d) is greater than it was 12 months prior  
29 to such date ~~has increased in an enterprise zone from the~~  
30 ~~average of the previous 12 months~~.

31 Section 4. Paragraph (ff) of subsection (1) of section

Bill No. SB 1132

Barcode 173340

1 220.03, Florida Statutes, is amended to read:

2 220.03 Definitions.--

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

7 (ff) "New job has been created" means that, on the  
8 date of application, the total number of full-time jobs is  
9 greater than it was 12 months prior to such date ~~has increased~~  
10 ~~in an enterprise zone from the average of the previous 12~~  
11 ~~months~~, as demonstrated to the department by a business  
12 located in the enterprise zone.

13 Section 5. Paragraph (a) of subsection (1) of section  
14 220.13, Florida Statutes, is amended to read:

15 220.13 "Adjusted federal income" defined.--

16 (1) The term "adjusted federal income" means an amount  
17 equal to the taxpayer's taxable income as defined in  
18 subsection (2), or such taxable income of more than one  
19 taxpayer as provided in s. 220.131, for the taxable year,  
20 adjusted as follows:

21 (a) Additions.--There shall be added to such taxable  
22 income:

23 1. The amount of any tax upon or measured by income,  
24 excluding taxes based on gross receipts or revenues, paid or  
25 accrued as a liability to the District of Columbia or any  
26 state of the United States which is deductible from gross  
27 income in the computation of taxable income for the taxable  
28 year.

29 2. The amount of interest which is excluded from  
30 taxable income under s. 103(a) of the Internal Revenue Code or  
31 any other federal law, less the associated expenses disallowed



Bill No. SB 1132

Barcode 173340

1 in the computation of taxable income under s. 265 of the  
 2 Internal Revenue Code or any other law, excluding 60 percent  
 3 of any amounts included in alternative minimum taxable income,  
 4 as defined in s. 55(b)(2) of the Internal Revenue Code, if the  
 5 taxpayer pays tax under s. 220.11(3).

6           3. In the case of a regulated investment company or  
 7 real estate investment trust, an amount equal to the excess of  
 8 the net long-term capital gain for the taxable year over the  
 9 amount of the capital gain dividends attributable to the  
 10 taxable year.

11           4. That portion of the wages or salaries paid or  
 12 incurred for the taxable year which is equal to the amount of  
 13 the credit allowable for the taxable year under s. 220.181.  
 14 The provisions of this subparagraph ~~shall expire and be void~~  
 15 on the date specified in s. 290.016 for the expiration of the  
 16 Florida Enterprise Zone Act June 30, 2005.

17           5. That portion of the ad valorem school taxes paid or  
 18 incurred for the taxable year which is equal to the amount of  
 19 the credit allowable for the taxable year under s. 220.182.  
 20 The provisions of this subparagraph ~~shall expire and be void~~  
 21 on the date specified in s. 290.016 for the expiration of the  
 22 Florida Enterprise Zone Act June 30, 2005.

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

27           7. That portion of assessments to fund a guaranty  
 28 association incurred for the taxable year which is equal to  
 29 the amount of the credit allowable for the taxable year.

30           8. In the case of a nonprofit corporation which holds  
 31 a pari-mutuel permit and which is exempt from federal income

Bill No. SB 1132

Barcode 173340

1 tax as a farmers' cooperative, an amount equal to the excess  
2 of the gross income attributable to the pari-mutuel operations  
3 over the attributable expenses for the taxable year.

4 9. The amount taken as a credit for the taxable year  
5 under s. 220.1895.

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

9 11. The amount taken as a credit for the taxable year  
10 under s. 220.187.

11 Section 6. Paragraph (a) of subsection (1) and  
12 paragraph (f) of subsection (2) of section 220.181, Florida  
13 Statutes, are amended to read:

14 220.181 Enterprise zone jobs credit.--

15 (1)(a) There shall be allowed a credit against the tax  
16 imposed by this chapter to any business located in an  
17 enterprise zone which demonstrates to the department that, on  
18 the date of application, the total number of full-time jobs is  
19 greater than it was 12 months prior to such date ~~has increased~~  
20 ~~from the average of the previous 12 months~~. The credit shall  
21 be computed as 20 percent of the actual monthly wages paid in  
22 this state to each new employee hired when a new job has been  
23 created, as defined under s. 220.03(1)(ff), unless the  
24 business is located in a rural enterprise zone, pursuant to s.  
25 290.004(6), in which case the credit shall be 30 percent of  
26 the actual monthly wages paid. If no less than 20 percent of  
27 the employees of the business are residents of an enterprise  
28 zone, excluding temporary and part-time employees, the credit  
29 shall be computed as 30 percent of the actual monthly wages  
30 paid in this state to each new employee hired when a new job  
31 has been created, unless the business is located in a rural

Bill No. SB 1132

Barcode 173340

1 enterprise zone, in which case the credit shall be 45 percent  
 2 of the actual monthly wages paid, for a period of up to 24  
 3 consecutive months. If the new employee hired when a new job  
 4 is created is a participant in the welfare transition program,  
 5 the following credit shall be a percent of the actual monthly  
 6 wages paid: 40 percent for \$4 above the hourly federal minimum  
 7 wage rate; 41 percent for \$5 above the hourly federal minimum  
 8 wage rate; 42 percent for \$6 above the hourly federal minimum  
 9 wage rate; 43 percent for \$7 above the hourly federal minimum  
 10 wage rate; and 44 percent for \$8 above the hourly federal  
 11 minimum wage rate.

12 (2) When filing for an enterprise zone jobs credit, a  
 13 business must file under oath with the governing body or  
 14 enterprise zone development agency having jurisdiction over  
 15 the enterprise zone where the business is located, as  
 16 applicable, a statement which includes:

17 (f) Demonstration to the department that, on the date  
 18 of application, the total number of full-time jobs is greater  
 19 than it was 12 months prior to that date ~~has increased from~~  
 20 ~~the average of the previous 12 months.~~

21 Section 7. Subsection (6) of section 290.0055, Florida  
 22 Statutes, is amended to read:

23 290.0055 Local nominating procedure.--

24 (6)(a) The office may approve a change in the boundary  
 25 of any enterprise zone that ~~which~~ was designated pursuant to  
 26 s. 290.0065. A boundary change must continue to satisfy the  
 27 requirements of subsections (3), (4), and (5).

28 (b) Upon a recommendation by the enterprise zone  
 29 development agency, the governing body of the jurisdiction  
 30 which authorized the application for an enterprise zone may  
 31 apply to the office for a change in boundary once every 3

Bill No. SB 1132

Barcode 173340

1 years by adopting a resolution that:

2 1. States with particularity the reasons for the  
3 change; and

4 2. Describes specifically and, to the extent required  
5 by the office, the boundary change to be made.

6 (c) At least 90 days before adopting a resolution  
7 seeking a change in the boundary of an enterprise zone, the  
8 governing body must notify in writing all property owners and  
9 businesses that may be excluded from the enterprise zone by  
10 virtue of the proposed boundary change.

11 Section 8. This act shall take effect upon becoming a  
12 law.

13  
14

15 ===== T I T L E A M E N D M E N T =====

16 And the title is amended as follows:

17 Delete everything before the enacting clause

18

19 and insert:

20 A bill to be entitled  
21 An act relating to enterprise zones; amending  
22 s. 195.099, F.S.; revising the expiration date  
23 of provisions governing the assessment of new,  
24 rebuilt, or expanded businesses to coincide  
25 with the expiration of the Florida Enterprise  
26 Zone Act; amending s. 212.08, F.S.; limiting  
27 the tax exemption provided for the  
28 rehabilitation of real property to one parcel  
29 of real property unless there is a change in  
30 ownership, a new lessor, or a new lessee;  
31 providing for retroactive application; amending

Bill No. SB 1132

Barcode 173340

1 ss. 212.096 and 220.03, F.S.; redefining the  
2 term "new job has been created" for purposes of  
3 the enterprise zone jobs credit against the  
4 sales tax and the income tax code; amending s.  
5 220.13, F.S.; revising the expiration date of a  
6 provision requiring that certain wages,  
7 salaries, and ad valorem school taxes be added  
8 to adjusted federal income; amending s.  
9 220.181, F.S.; revising the requirement for  
10 demonstrating an increase in the number of jobs  
11 for purposes of qualifying for the enterprise  
12 zone jobs credit; amending s. 290.0055;  
13 requiring that business and property owners be  
14 notified of a proposed change to an enterprise  
15 zone boundary; providing an effective date.

16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31