



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

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

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

19           a. The name and address of the person claiming the  
20 refund.

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

24           c. A description of the improvements made to  
25 accomplish the rehabilitation of the real property.

26           d. A copy of the building permit issued for the  
27 rehabilitation of the real property.

28           e. A sworn statement, under the penalty of perjury,  
29 from the general contractor licensed in this state with whom  
30 the applicant contracted to make the improvements necessary to  
31 accomplish the rehabilitation of the real property, which

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

18 f. The identifying number assigned pursuant to s.  
19 290.0065 to the enterprise zone in which the rehabilitated  
20 real property is located.

21 g. A certification by the local building code  
22 inspector that the improvements necessary to accomplish the  
23 rehabilitation of the real property are substantially  
24 completed.

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

27 i. If applicable, the name and address of each  
28 permanent employee of the business, including, for each  
29 employee who is a resident of an enterprise zone, the  
30 identifying number assigned pursuant to s. 290.0065 to the  
31 enterprise zone in which the employee resides.

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

21           3. Within 10 working days after receipt of an  
22 application, the governing body or enterprise zone development  
23 agency shall review the application to determine if it  
24 contains all the information required pursuant to subparagraph  
25 1. or subparagraph 2. and meets the criteria set out in this  
26 paragraph. The governing body or agency shall certify all  
27 applications that contain the information required pursuant to  
28 subparagraph 1. or subparagraph 2. and meet the criteria set  
29 out in this paragraph as eligible to receive a refund. If  
30 applicable, the governing body or agency shall also certify if  
31 20 percent of the employees of the business are residents of

1 an enterprise zone, excluding temporary and part-time  
2 employees. The certification shall be in writing, and a copy  
3 of the certification shall be transmitted to the executive  
4 director of the Department of Revenue. The applicant shall be  
5 responsible for forwarding a certified application to the  
6 department within the time specified in subparagraph 4.

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

13 5. The provisions of s. 212.095 do not apply to any  
14 refund application made pursuant to this paragraph. No more  
15 than one exemption through a refund of previously paid taxes  
16 for the rehabilitation of real property shall be permitted for  
17 any one parcel of property unless there is a change in  
18 ownership of the real property. No refund shall be granted  
19 pursuant to this paragraph unless the amount to be refunded  
20 exceeds \$500. No refund granted pursuant to this paragraph  
21 shall exceed the lesser of 97 percent of the Florida sales or  
22 use tax paid on the cost of the building materials used in the  
23 rehabilitation of the real property as determined pursuant to  
24 sub-subparagraph 1.e. or \$5,000, or, if no less than 20  
25 percent of the employees of the business are residents of an  
26 enterprise zone, excluding temporary and part-time employees,  
27 the amount of refund granted pursuant to this paragraph shall  
28 not exceed the lesser of 97 percent of the sales tax paid on  
29 the cost of such building materials or \$10,000. A refund  
30 approved pursuant to this paragraph shall be made within 30  
31 days of formal approval by the department of the application

1 for the refund. This subparagraph applies retroactively to  
2 July 1, 2005.

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

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

14           8. For the purposes of the exemption provided in this  
15 paragraph:

16           a. "Building materials" means tangible personal  
17 property which becomes a component part of improvements to  
18 real property.

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

21           c. "Rehabilitation of real property" means the  
22 reconstruction, renovation, restoration, rehabilitation,  
23 construction, or expansion of improvements to real property.

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

26           9. This paragraph expires on the date specified in s.  
27 290.016 for the expiration of the Florida Enterprise Zone Act.

28           Section 2. Paragraph (e) of subsection (1) of section  
29 212.096, Florida Statutes, is amended to read:

30           212.096 Sales, rental, storage, use tax; enterprise  
31 zone jobs credit against sales tax.--

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

3           (e) "New job has been created" means that the total  
4 number of full-time jobs has increased in an enterprise zone  
5 during from the average of the previous 12 months prior to the  
6 application date, as demonstrated to the department by a  
7 business located in the enterprise zone.

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

15           Section 3. Paragraph (ff) of subsection (1) of section  
16 220.03, Florida Statutes, is amended to read:

17           220.03 Definitions.--

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

22           (ff) "New job has been created" means that the total  
23 number of full-time jobs has increased in an enterprise zone  
24 during from the average of the previous 12 months prior to the  
25 application date, as demonstrated to the department by a  
26 business located in the enterprise zone.

27           Section 4. Paragraph (a) of subsection (1) of section  
28 220.13, Florida Statutes, is amended to read:

29           220.13 "Adjusted federal income" defined.--

30           (1) The term "adjusted federal income" means an amount  
31 equal to the taxpayer's taxable income as defined in

1 subsection (2), or such taxable income of more than one  
2 taxpayer as provided in s. 220.131, for the taxable year,  
3 adjusted as follows:

4 (a) Additions.--There shall be added to such taxable  
5 income:

6 1. The amount of any tax upon or measured by income,  
7 excluding taxes based on gross receipts or revenues, paid or  
8 accrued as a liability to the District of Columbia or any  
9 state of the United States which is deductible from gross  
10 income in the computation of taxable income for the taxable  
11 year.

12 2. The amount of interest which is excluded from  
13 taxable income under s. 103(a) of the Internal Revenue Code or  
14 any other federal law, less the associated expenses disallowed  
15 in the computation of taxable income under s. 265 of the  
16 Internal Revenue Code or any other law, excluding 60 percent  
17 of any amounts included in alternative minimum taxable income,  
18 as defined in s. 55(b)(2) of the Internal Revenue Code, if the  
19 taxpayer pays tax under s. 220.11(3).

20 3. In the case of a regulated investment company or  
21 real estate investment trust, an amount equal to the excess of  
22 the net long-term capital gain for the taxable year over the  
23 amount of the capital gain dividends attributable to the  
24 taxable year.

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

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

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

11           7. That portion of assessments to fund a guaranty  
12 association incurred for the taxable year which is equal to  
13 the amount of the credit allowable for the taxable year.

14           8. In the case of a nonprofit corporation which holds  
15 a pari-mutuel permit and which is exempt from federal income  
16 tax as a farmers' cooperative, an amount equal to the excess  
17 of the gross income attributable to the pari-mutuel operations  
18 over the attributable expenses for the taxable year.

19           9. The amount taken as a credit for the taxable year  
20 under s. 220.1895.

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

24           11. The amount taken as a credit for the taxable year  
25 under s. 220.187.

26           Section 5. Paragraph (a) of subsection (1) of section  
27 220.181, Florida Statutes, is amended to read:

28           220.181 Enterprise zone jobs credit.--

29           (1)(a) There shall be allowed a credit against the tax  
30 imposed by this chapter to any business located in an  
31 enterprise zone which demonstrates to the department that, on

1 the date of application, the total number of full-time jobs  
2 has increased during ~~from the average of~~ the previous 12  
3 months. The credit shall be computed as 20 percent of the  
4 actual monthly wages paid in this state to each new employee  
5 hired when a new job has been created, as defined under s.  
6 220.03(1)(ff), unless the business is located in a rural  
7 enterprise zone, pursuant to s. 290.004(6), in which case the  
8 credit shall be 30 percent of the actual monthly wages paid.  
9 If no less than 20 percent of the employees of the business  
10 are residents of an enterprise zone, excluding temporary and  
11 part-time employees, the credit shall be computed as 30  
12 percent of the actual monthly wages paid in this state to each  
13 new employee hired when a new job has been created, unless the  
14 business is located in a rural enterprise zone, in which case  
15 the credit shall be 45 percent of the actual monthly wages  
16 paid, for a period of up to 24 consecutive months. If the new  
17 employee hired when a new job is created is a participant in  
18 the welfare transition program, the following credit shall be  
19 a percent of the actual monthly wages paid: 40 percent for \$4  
20 above the hourly federal minimum wage rate; 41 percent for \$5  
21 above the hourly federal minimum wage rate; 42 percent for \$6  
22 above the hourly federal minimum wage rate; 43 percent for \$7  
23 above the hourly federal minimum wage rate; and 44 percent for  
24 \$8 above the hourly federal minimum wage rate.

25           Section 6. This act shall take effect July 1, 2006.  
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SENATE SUMMARY

Limits the tax exemption provided for the rehabilitation of real property to one parcel of real property unless there is a change in ownership, applicable retroactive to July 1, 2005. Redefines the term "new job has been created" for purposes of the enterprise zone jobs credit against the sales tax and the income tax code. Revises the expiration date of a provision requiring that certain wages, salaries, and ad valorem school taxes be added to adjusted federal income. Revises the requirement for demonstrating an increase in the number of jobs for purposes of qualifying for a tax credit.