

Bill No. SB 2110

Barcode 931296

CHAMBER ACTION

Senate

House

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

Senate Amendment (with title amendment)

Delete everything after the enacting clause

and insert:

Section 1. Paragraph (r) is added to subsection (5) of
section 212.08, Florida Statutes, to read:

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

(5) EXEMPTIONS; ACCOUNT OF USE.--

(r) Entertainment industry tax credits; authorization;
eligibility for credits.--Beginning July 1, 2006, any company
engaged in producing filmed entertainment in this state that
has registered with the department under this chapter to
collect or remit sales or use tax and has satisfied the

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1 requirements enumerated in and has received credits under s.
2 220.192 may use the award of credits against the tax imposed
3 by this chapter as provided by this section.

4 1. The credit shall be granted as a refund against
5 state sales and use taxes reported on returns and remitted in
6 the 12 months preceding the date of application to the
7 department for the credit.

8 2. A company may not be awarded more than \$2 million
9 in tax credits under this paragraph and s. 220.192, unless the
10 production is a high-impact television series as defined in s.
11 220.192(2)(b), in which case the production shall be eligible
12 for a maximum tax credit award of \$3 million.

13 3. The total amount of tax credits which may be
14 granted for all programs approved under this paragraph and s.
15 220.192 is \$25 million in any state fiscal year.

16 4. A company may use the tax credit against the tax
17 liability imposed under this chapter, in whole or in part, and
18 against the liability imposed under chapter 220, so long as
19 the credit is actually applied only once.

20 5. The department may adopt rules pursuant to ss.
21 120.536(1) and 120.54 to administer this paragraph, as
22 provided by s. 220.192(6)(b).

23 Section 2. Subsection (8) of section 220.02, Florida
24 Statutes, is amended to read:

25 220.02 Legislative intent.--

26 (8) It is the intent of the Legislature that credits
27 against either the corporate income tax or the franchise tax
28 be applied in the following order: those enumerated in s.
29 631.828, those enumerated in s. 220.191, those enumerated in
30 s. 220.181, those enumerated in s. 220.183, those enumerated
31 in s. 220.182, those enumerated in s. 220.1895, those

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1 enumerated in s. 221.02, those enumerated in s. 220.184, those
 2 enumerated in s. 220.186, those enumerated in s. 220.1845,
 3 those enumerated in s. 220.19, those enumerated in s. 220.185,
 4 ~~and~~ those enumerated in s. 220.187, and those enumerated in s.
 5 220.192.

6 Section 3. Section 288.1254, Florida Statutes, is
 7 transferred and renumbered as section 220.192, Florida
 8 Statutes, and amended to read:

9 220.192 ~~288.1254~~ Entertainment industry financial
 10 incentive program; creation; purpose; definitions; application
 11 procedure; approval process; ~~reimbursement~~ eligibility;
 12 submission of required documentation; recommendations for
 13 credit award ~~payment~~; policies and procedures; fraudulent
 14 claims.--

15 (1) CREATION AND PURPOSE OF PROGRAM.--~~Subject to~~
 16 ~~specific appropriation~~, There is created within the Office of
 17 Film and Entertainment an entertainment industry financial
 18 incentive program. The purpose of this program is to encourage
 19 the use of this state as a site for filming and developing and
 20 sustaining the workforce and infrastructure ~~providing~~
 21 ~~production services~~ for filmed entertainment.

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

23 (a) "Filmed entertainment" means a theatrical or
 24 direct-to-video motion picture, a made-for-television motion
 25 picture teleproduction, a commercial, a music video, an
 26 industrial or educational film, a promotional video or film, a
 27 documentary film, a television pilot, a presentation for a
 28 television pilot, a television special, a television series,
 29 including, but not limited to, a drama, a reality, a comedy, a
 30 soap opera, a telenovela, a game show, and a miniseries
 31 production, or a digital-media-effects production by the

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1 entertainment industry to be sold or displayed in an
 2 electronic medium, excluding news shows and sporting events.
 3 As used in this paragraph, the term "motion picture" means a
 4 motion picture made on or by film, tape, or otherwise and
 5 produced by means of a motion picture camera, electronic
 6 camera or device, tape device, any combination of the
 7 foregoing, or any other means, method, or device now used or
 8 which may hereafter be adopted. As used in this paragraph, the
 9 term "digital-media-effects" means visual elements created
 10 through the modification of already existing or newly created
 11 visual elements for film, video, or animated media through the
 12 use of digital 2D/3D animation or painting, motion capture, or
 13 compositing technologies. ~~For purposes of this section, the~~
 14 ~~term "filmed entertainment" does not include the electronic~~
 15 ~~gaming industry or sporting events.~~

16 (b) "High-impact television series" means a production
 17 created to run multiple production seasons with an estimated
 18 order of at least seven episodes per season and qualified
 19 expenditures of at least \$625,000 per episode.

20 (c)(b) "Production costs" means the costs of ~~real,~~
 21 ~~tangible,~~ and intangible property used and services performed
 22 primarily or customarily in the production, including
 23 preproduction and postproduction, of qualified filmed
 24 entertainment. Production costs generally include, but are not
 25 limited to:

26 1. Wages, salaries, or other compensation, including
 27 amounts paid through payroll service companies, for technical
 28 and production crews, directors, producers, and performers ~~who~~
 29 ~~are residents of this state.~~

30 2. Expenditures for sound stages, backlots, production
 31 editing, digital effects, sound recordings, sets, and set

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1 construction.

2 3. Expenditures for rental equipment, including, but
3 not limited to, cameras and grip or electrical equipment.

4 4. Expenditures for meals, travel, and accommodations,
5 ~~and goods~~ used in producing filmed entertainment ~~that is~~
6 ~~located and doing business in this state.~~

7 5. Expenditures for goods and services used in
8 producing filmed entertainment.

9 (d)(c) "Qualified expenditures" means production costs
10 incurred in this state within the current state fiscal year
11 for goods purchased or leased ~~from~~ or services provided by
12 ~~purchased, leased, or employed from a resident of this state~~
13 ~~or~~ a vendor or supplier who is located and doing business in
14 this state, or payments to residents of this state in the form
15 of salary, wages, or other compensation ~~but~~ excluding wages,
16 salaries, and ~~or~~ other compensation paid to the two
17 highest-paid residents of this state ~~employees.~~

18 (e)(d) "Qualified production" means filmed
19 entertainment that meets or exceeds minimum qualified ~~makes~~
20 expenditures required in this state for the total or partial
21 production of filmed entertainment. Productions that are
22 deemed by the Office of Film and Entertainment to contain
23 obscene content, as defined by the United States Supreme
24 Court, are not qualified productions. ~~Also, a production is~~
25 not a qualified production if it is determined that the first
26 day of principal photography in this state occurred on or
27 before the date of submitting its application to the Office of
28 Film and Entertainment or prior to certification by the Office
29 of Tourism, Trade, and Economic Development.

30 (f)(e) "Qualified production company ~~relocation~~
31 project" means a corporation, limited liability company,

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1 partnership, ~~corporate headquarters,~~ or other legal private
 2 entity engaged in the production of filmed entertainment that
 3 ~~is domiciled in another state or country and relocates its~~
 4 ~~operations to this state, is organized under the laws of this~~
 5 ~~or any other state or country, and includes as one of its~~
 6 ~~primary purposes digital-media-effects or motion picture and~~
 7 ~~television production, or postproduction.~~

8 (3) APPLICATION PROCEDURE; APPROVAL PROCESS.--

9 (a) Any company engaged in this state in producing
 10 filmed entertainment may submit an application to the Office
 11 of Film and Entertainment for the purpose of determining
 12 qualification for an award of credits against the tax imposed
 13 by this chapter as ~~receipt of reimbursement~~ provided in this
 14 section. The office must be provided information required to
 15 determine if the production is a qualified production and to
 16 determine the qualified expenditures, production costs, and
 17 other information necessary for the office to determine ~~both~~
 18 eligibility for the tax credit ~~and level of reimbursement.~~

19 (b) ~~A digital-media-effects company in the state which~~
 20 ~~furnishes digital material to filmed entertainment may submit~~
 21 ~~an application to the Office of Film and Entertainment for the~~
 22 ~~purpose of determining qualification for receipt of~~
 23 ~~reimbursement authorized by this section. The office must be~~
 24 ~~provided information required to determine if the company is~~
 25 ~~qualified and to determine the amount of reimbursement.~~

26 (c) ~~Any corporation, limited liability company,~~
 27 ~~partnership, corporate headquarters, or other private entity~~
 28 ~~domiciled in another state which includes as one of its~~
 29 ~~primary purposes digital-media-effects or motion picture and~~
 30 ~~television production and which is considering relocation to~~
 31 ~~this state may submit an application to the Office of Film and~~

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1 ~~Entertainment for the purpose of determining qualification for~~
2 ~~reimbursement under this section.~~

3 ~~(d)1. The Office of Film and Entertainment shall~~
4 ~~establish a process by which an application is accepted and~~
5 ~~reviewed and reimbursement eligibility and reimbursement~~
6 ~~amount are determined. The Office of Film and Entertainment~~
7 ~~may request assistance from a duly appointed local film~~
8 ~~commission in determining qualifications for reimbursement and~~
9 ~~compliance.~~

10 ~~1.2.~~ The Office of Film and Entertainment shall
11 develop a standardized application form for use in qualifying
12 an applicant as approving a qualified production, ~~a qualified~~
13 ~~relocation project, or a company qualifying under paragraph~~
14 ~~(a), paragraph (b), or paragraph (c).~~ The application form for
15 qualifying an applicant as a qualified production must
16 include, but need not be limited to, production-related
17 information on employment, proposed total production budgets,
18 planned expenditures in this state ~~which are intended for use~~
19 ~~exclusively as an integral part of preproduction, production,~~
20 ~~or postproduction activities engaged primarily in this state,~~
21 and a signed affirmation from the applicant ~~Office of Film and~~
22 ~~Entertainment~~ that the information on the application form has
23 been verified and is correct. The application form shall be
24 distributed to applicants by the Office of Film and
25 Entertainment or local film commissions.

26 ~~2.3.~~ Within 10 business days after receipt of an
27 application, the Office of Film and Entertainment shall review
28 the application to determine if the application contains all
29 the information required by this subsection and meets the
30 criteria set out in this section. The office shall qualify all
31 applications that contain the information and meet the

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1 criteria set out in this section as eligible to receive a tax
2 credit or shall notify the applicant that the requirements for
3 qualification have not been met. If the application is
4 qualified, the office shall recommend to the Office of
5 Tourism, Trade, and Economic Development approval of the
6 maximum amount of the tax credit to be awarded. The Office of
7 Film and Entertainment must complete its review of each
8 application within 5 days after receipt of the completed
9 application, including all required information, and it must
10 notify the applicant of its determination within 10 business
11 days after receipt of the completed application and required
12 information.

13 3.4. Within 10 business days after receiving notice
14 from the Office of Film and Entertainment of qualification of
15 an applicant as a qualified production and a recommended
16 approval of the maximum amount of tax credit to be awarded,
17 the Office of Tourism, Trade, and Economic Development shall
18 certify the maximum tax credit award, if any. The
19 certification shall be transmitted to the applicant and to the
20 executive director of the Department of Revenue. The applicant
21 shall be responsible for forwarding a certified application to
22 the Department of Revenue. Upon determination that all
23 criteria are met for qualification for reimbursement, The
24 Office of Film and Entertainment shall notify the applicant of
25 such approval. the office shall also notify the Office of
26 Tourism, Trade, and Economic Development of the applicant
27 approval and amount of reimbursement required. The Office of
28 Tourism, Trade, and Economic Development shall make final
29 determination for actual reimbursement.

30 4.5. The Office of Film and Entertainment shall deny
31 an application if it determines that:

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1 a. The application is not complete or does not meet
2 the requirements of this section; or

3 b. The tax credit amount ~~reimbursement~~ sought does not
4 meet the requirements of this section ~~for such reimbursement.~~

5 (4) CREDIT ~~REIMBURSEMENT~~ ELIGIBILITY; SUBMISSION OF
6 REQUIRED DOCUMENTATION; APPLICATION ~~RECOMMENDATIONS~~ FOR
7 TRANSFER ~~PAYMENT~~.--

8 (a) Tax credit award.--A production of filmed
9 entertainment that is qualified by the Office of Film and
10 Entertainment and is certified by the Office of Tourism,
11 Trade, and Economic Development is eligible for a tax credit
12 for reimbursement of up to 15 percent of its qualified
13 qualifying expenditures in this state on a filmed
14 entertainment program that demonstrates a minimum of \$850,000
15 in total qualified expenditures for the entire run of the
16 project, versus the budget on a single episode, within the
17 fiscal year from July 1 to June 30. However, the maximum
18 reimbursement that may be made with respect to any filmed
19 entertainment program is \$2 million. All reimbursements under
20 this section are subject to appropriation.

21 (b) Production spanning 2 state fiscal years.--A
22 qualified production that starts in one state fiscal year and
23 finishes in the next state fiscal year shall have all
24 qualified expenditures from both state fiscal years certified
25 for the latter state fiscal year. This requirement does not
26 apply to the commercials and music video queue described in
27 subparagraph (d)3.

28 (c) Aggregate tax credit available.--The aggregate
29 amount of tax credits allowed under this section in any state
30 fiscal year is \$25 million. If the total amount of allocated
31 tax credits applied for in any state fiscal year exceeds the

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1 aggregate amount of tax credits authorized annually under this
2 section, such excess shall be treated as having been applied
3 for on the first day of the next state fiscal year in which
4 tax credits remain available for allocation. However, no more
5 than an aggregate amount of \$100 million in tax credits shall
6 be allocated in state fiscal year 2006-2007, aggregate
7 allocations in state fiscal year 2007-2008 may not exceed \$133
8 million, aggregate allocations in state fiscal year 2008-2009
9 may not exceed \$166 million, and aggregate allocations in
10 state fiscal years 2009-2010 and thereafter may not exceed
11 \$200 million. At such time as \$200 million of tax credits have
12 been allocated, no additional tax credits shall be allocated.

13 (d) Filmed entertainment queues.--Tax credits awarded
14 Payments under this section in a state fiscal year shall be
15 made to qualified productions according to a production's
16 principal photography start date, for those qualified
17 productions having entered into the first queue as cited in
18 subparagraph 1. or the second queue cited in subparagraph 2.
19 within the first 2 weeks after the queue's opening. All other
20 qualified productions entering into either queue after the
21 initial 2-week openings shall be on a first-come, first-served
22 basis ~~until the appropriation for that fiscal year is~~
23 ~~exhausted. On February 1 of each year, the remaining funds~~
24 ~~within both queues shall be combined into a single queue and~~
25 ~~distributed based on a project's principal photography start~~
26 ~~date. The eligibility of qualified productions may not carry~~
27 ~~over from year to year, but such productions may reapply for~~
28 ~~eligibility under the guidelines established for doing so. The~~
29 ~~Office of Film and Entertainment shall develop a procedure to~~
30 ~~ensure that qualified productions continue on a reasonable~~
31 ~~schedule until completion. If a qualified production is not~~

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1 ~~continued according to a reasonable schedule, the office shall~~
 2 ~~withdraw its eligibility and reallocate the funds to the next~~
 3 ~~qualified productions already in the queue that have yet to~~
 4 ~~receive their full maximum or 15-percent financial~~
 5 ~~reimbursement, if they have not started principal photography~~
 6 ~~by the time the funds become available.~~

7 1. Film, television, and episodic queue.--Theatrical
 8 or direct-to-video motion pictures, made-for-television
 9 movies, ~~commercials, music videos,~~ industrial and educational
 10 films, promotional videos or films, documentary films,
 11 television specials, television series, including, but not
 12 limited to, miniseries and telenovelas, and
 13 digital-media-effects productions by the entertainment
 14 industry to be sold or displayed in an electronic medium that
 15 demonstrate a minimum of \$625,000 in total qualified
 16 expenditures for the entire run of the project, which, for a
 17 television series, means a season even if the season is not
 18 completed in the same state fiscal year in which principal
 19 photography began, shall have their own separate queue
 20 established, and such queue shall have dedicated to it 60
 21 percent of all available tax credits in any state fiscal year
 22 for which this section applies of the state incentive money.
 23 The maximum tax credit award that may be made from this queue
 24 for any single production is \$2 million, unless the production
 25 is a high-impact television series, in which case the
 26 production shall be eligible for a maximum tax credit award of
 27 \$3 million, provided such production meets the other criteria
 28 of this section. On March 1 of each year, the remaining tax
 29 credits within this queue shall be merged into a general queue
 30 and may be used for other purposes of this section as
 31 determined by the Office of Film and Entertainment. A

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1 television series, including, but not limited to, a qualified
 2 high-impact television series, is not eligible for a tax
 3 credit award under this section after its fifth production
 4 season. A qualified high-impact television series shall be
 5 allowed first position in this queue for its first five
 6 production seasons in this state if the application is
 7 received by the Office of Film and Entertainment within the
 8 first 2 weeks after the queue's opening. A qualified
 9 high-impact television series must file an application for
 10 each state fiscal year in which it is eligible to receive the
 11 credit, unless otherwise provided in this section.

12 2. Television pilot queue.--Television pilots and,
 13 presentations for television pilots for television series
 14 intended to be shot in this state and, or television series,
 15 including, but not limited to, drama, reality, comedy, soap
 16 opera, telenovela, game show, or miniseries productions, by
 17 the entertainment industry to be sold or displayed in an
 18 electronic medium that demonstrate a minimum of \$625,000 in
 19 total qualified expenditures for the pilot episode or
 20 presentation shall have their own separate queue established,
 21 and such queue shall have dedicated to it 20 40 percent of all
 22 available tax credits in any given state fiscal year for which
 23 this section applies of the state incentive money. The maximum
 24 tax credit award that may be made from this queue for any
 25 single project is \$2 million. On March 1 of each year, the
 26 remaining tax credits within this queue shall be merged into a
 27 general queue and may be used for other purposes of this
 28 section as determined by the Office of Film and Entertainment.

29 3. Commercials and music video queue.--Commercials and
 30 music videos by the entertainment industry to be sold or
 31 displayed in an electronic medium that demonstrate a minimum

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1 of \$500,000 in combined total qualified expenditures from a
2 production company during the state fiscal year with a minimum
3 of \$75,000 in qualified expenditures for each production shall
4 have their own separate queue established. Such queue shall
5 have dedicated to it 20 percent of available tax credits in
6 any given state fiscal year for which this section applies.
7 The maximum tax credit award that may be made from this queue
8 for any single production company is \$500,000 for a state
9 fiscal year. On April 1 of each year, the remaining tax
10 credits within this queue shall be merged into a general queue
11 and may be used for other purposes of this section as
12 determined by the Office of Film and Entertainment.

13 (e) Loss of eligibility; reallocation of tax
14 credits.--If a qualified production is not continued according
15 to a reasonable schedule or the Office of Film and
16 Entertainment is notified that a qualified production will no
17 longer be produced, the office shall withdraw the production's
18 eligibility for tax credits and reallocate the tax credits to
19 the next qualified productions already in the queue that have
20 yet to receive a full tax credit if such next qualified
21 productions have not started principal photography by the time
22 the tax credits become available.

23 (f) Verification of tax credit award.--The Office of
24 Film and Entertainment shall develop a process by which a
25 qualified production that has been certified by the Office of
26 Tourism, Trade, and Economic Development shall submit to the
27 Office of Film and Entertainment, in a timely manner after
28 production ends and after making all of its qualified
29 expenditures, verifying data to substantiate each qualified
30 expenditure. The Office of Film and Entertainment shall report
31 to the Office of Tourism, Trade, and Economic Development the

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1 final verified amount of actual qualified expenditures made by
 2 the qualified production. The Office of Tourism, Trade, and
 3 Economic Development shall then notify the executive director
 4 of the Department of Revenue that the qualified production has
 5 met all requirements of the incentive program and shall
 6 recommend the final amount of the tax credit.

7 (g)(b) Use of tax credit; carry forward.--The tax
 8 credit available under this section shall only be surrendered
 9 in satisfaction of the tax owed by a qualified production
 10 company under this chapter and only up to the face amount of
 11 the credit. If the qualified production company cannot use the
 12 entire tax credit in the state fiscal year in which the credit
 13 is approved, any excess may be carried over to a succeeding
 14 state fiscal year. A tax credit granted under this section and
 15 applied against taxes imposed under this chapter may be
 16 carried forward only for a maximum of 5 state fiscal years
 17 following the state fiscal year in which the credit was
 18 approved. A digital-media-effects company in the state which
 19 furnishes digital material to filmed entertainment may be
 20 eligible for a payment in an amount not to exceed 5 percent of
 21 its annual gross revenues on qualified expenditures as defined
 22 in paragraph (2)(c) before taxes or \$100,000, whichever is
 23 less. A company applying for payment must submit documentation
 24 annually as required by the Office of Film and Entertainment
 25 for determination of eligibility of claimed billing and
 26 determination of the amount of payment for which the company
 27 is eligible.

28 (h)(c) Transfer of tax credits.--Upon application and
 29 approval by the Department of Revenue, a taxpayer may sell or
 30 assign, in whole or in part, a tax credit granted under this
 31 section. The sale or assignment of any amount of the tax

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1 credit may not be exchanged for consideration received by the
2 taxpayer of less than 85 percent of the transferred amount of
3 tax credit. The purchaser or assignee shall surrender the tax
4 credit in the state fiscal year acquired from the qualified
5 production company and otherwise may carry the tax credit over
6 subject to the same limitations on tax credit usage as the
7 qualified production company awarded the tax credit. The
8 purchaser may not sell, assign, or otherwise transfer the tax
9 credit. Tax credits granted by this section may not be sold or
10 assigned, in whole or in part, until all credits the taxpayer
11 is eligible to use under this chapter and chapter 212 are
12 exhausted. The Department of Revenue may adopt rules pursuant
13 to ss. 120.536(1) and 120.54 to administer this paragraph, as
14 provided in paragraph (6)(b). A qualified relocation project
15 that is certified by the Office of Film and Entertainment is
16 eligible for a one-time incentive payment in an amount equal
17 to 5 percent of its annual gross revenues before taxes for the
18 first 12 months of conducting business in its Florida domicile
19 or \$200,000, whichever is less. A company applying for payment
20 must submit documentation as required by the Office of Film
21 and Entertainment for determination of eligibility of claimed
22 billing and determination of the amount of payment for which
23 the company is eligible.

24 (i)(d) Noncorporate distributions of tax credits.--A
25 qualified production company that is not a corporation, as
26 defined in s. 220.03(1)(e), shall elect to make an
27 application, a digital-media-effects company, or a qualified
28 relocation project applying for a payment under this section
29 must submit documentation for claimed qualified expenditures
30 to the Department of Revenue as provided in paragraph (h) or
31 distribute tax credits awarded under this section to its

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1 partners or members in proportion to the respective
2 distributive share of such partners' or members' income or
3 loss in the state fiscal year in which such tax credits were
4 approved. A tax credit granted under this section and applied
5 against taxes imposed under this chapter shall be carried
6 forward only for a maximum of 5 state fiscal years following
7 the state fiscal year in which the credit was approved ~~Office~~
8 ~~of Film and Entertainment. The Department of Revenue may adopt~~
9 rules pursuant to ss. 120.536(1) and 120.54 to administer this
10 paragraph, as provided in paragraph (6)(b).

11 ~~(j)(e)~~ Use of tax credits.--A company may use the tax
12 credit against the tax liability imposed under this chapter,
13 in whole or in part, and against the tax liability imposed
14 under chapter 212. The Office of Film and Entertainment shall
15 notify the Office of Tourism, Trade, and Economic Development
16 whether an applicant meets the criteria for reimbursement and
17 shall recommend the reimbursement amount. The Office of
18 Tourism, Trade, and Economic Development shall make the final
19 determination for actual reimbursement.

20 (5) MARKETING REQUIREMENTS.--The Office of Film and
21 Entertainment shall ensure appropriate marketing materials,
22 including promotions of this state as a tourist or filming
23 destination, are required when appropriate to be included on
24 any filmed entertainment as a condition of receiving a tax
25 credit under this section. The Office of Film and
26 Entertainment shall consult with appropriate entities for the
27 development and implementation of marketing materials.

28 ~~(6)(5)~~ RULES POLICIES AND PROCEDURES.--
29 (a) The Office of Tourism, Trade, and Economic
30 Development shall adopt rules pursuant to ss. 120.536(1) and
31 120.54 policies and procedures to implement this section,

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1 including, but not limited to, rules specifying requirements
 2 for the application and approval process, records required for
 3 ~~submission for~~ substantiation of credit awards for
 4 ~~reimbursement,~~ and determination of and qualification for
 5 credit awards, and marketing requirements for credit
 6 recipients reimbursement.

7 **(b)** The Department of Revenue may adopt rules pursuant
 8 to ss. 120.536(1) and 120.54 to administer the provisions of
 9 this section, including rules governing the manner and form of
 10 documentation required to claim tax credits granted or
 11 transferred under this section, and may establish guidelines
 12 as to the requisites for an affirmative showing of
 13 qualification for tax credits granted or transferred under
 14 this section.

15 **(7)(6)** FRAUDULENT CLAIMS.--

16 **(a)** Any applicant who submits an application under
 17 this section that includes fraudulent information is liable
 18 for reimbursement of the reasonable costs and fees associated
 19 with the review, processing, investigation, and prosecution of
 20 the application.

21 **(b)** An eligible entity or company that obtains a
 22 credit payment under this section through a claim that it
 23 knows is fraudulent is liable for reimbursement of the credit
 24 ~~amount paid~~ plus a penalty in an amount double the credit
 25 ~~payment~~ and reimbursement of reasonable costs, which penalty
 26 is in addition to any criminal penalty to which the entity or
 27 company is liable for the same acts, plus interest. The entity
 28 or company is also liable for costs and fees incurred by the
 29 state in investigating and prosecuting the fraudulent claim.

30 **(8)(7)** ANNUAL REPORT.--The Office of Film and
 31 Entertainment shall provide an annual report for the previous

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1 state fiscal year, due October 1, to the Governor, the
 2 President of the Senate, and the Speaker of the House of
 3 Representatives outlining the return on investment to the
 4 state on tax credits awarded ~~funds expended~~ pursuant to this
 5 section.

6 (9) REPEAL.--This section is repealed July 1, 2014.

7 Section 4. Subsection (5) of section 477.0135, Florida
 8 Statutes, is amended to read:

9 477.0135 Exemptions.--

10 (5) A license is not required of any individual
 11 providing makeup, special effects, or cosmetology services to
 12 an actor, stunt person, musician, extra, or other talent
 13 during a production recognized by the Office of Film and
 14 Entertainment as a qualified production as defined in s.
 15 220.192 ~~288.1254(2)~~. Such services are not required to be
 16 performed in a licensed salon. Individuals exempt under this
 17 subsection may not provide such services to the general
 18 public.

19 Section 5. This act shall take effect July 1, 2006.

20
 21

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

23 And the title is amended as follows:

24 Delete everything before the enacting clause

25

26 and insert:

27 A bill to be entitled
 28 An act relating to entertainment industry
 29 economic development; amending s. 212.08, F.S. ;
 30 authorizing the use of certain entertainment
 31 industry tax credits as a refund against sales

Bill No. SB 2110

Barcode 931296

1 and use tax liability under certain
2 circumstances; providing requirements,
3 procedures, and limitations; authorizing the
4 Department of Revenue to adopt rules; amending
5 s. 220.02, F.S.; revising the order of priority
6 list of applicable credits against certain
7 taxes; transferring, renumbering, and amending
8 s. 288.1254, F.S.; revising the entertainment
9 industry financial incentive program to provide
10 corporate income tax credits to qualified
11 entertainment entities rather than
12 reimbursements from appropriations; revising
13 provisions relating to definitions, creation
14 and scope, application procedures, approval
15 process, eligibility, required documents,
16 qualified productions, and annual reports;
17 providing criteria and limitations for awards
18 of tax credits; providing marketing
19 requirements; requiring the Office of Tourism,
20 Trade, and Economic Development and Department
21 of Revenue to adopt rules; providing liability
22 for reimbursement of certain costs and fees
23 associated with fraudulent applications;
24 providing for future repeal; amending s.
25 477.0135, F.S.; correcting a cross-reference;
26 providing an effective date.

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