

1 Be It Enacted by the Legislature of the State of Florida:

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

5 212.08 Sales, rental, use, consumption, distribution,
6 and storage tax; specified exemptions.--The sale at retail,
7 the rental, the use, the consumption, the distribution, and
8 the storage to be used or consumed in this state of the
9 following are hereby specifically exempt from the tax imposed
10 by this chapter.

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

12 (r) Entertainment industry tax credits; authorization;
13 eligibility for credits.--Beginning July 1, 2006, any company
14 engaged in producing filmed entertainment in this state that
15 has registered with the department under this chapter to
16 collect or remit sales or use tax and has satisfied the
17 requirements enumerated in and has received credits under s.
18 220.192 may use the award of credits against the tax imposed
19 by this chapter as provided by this section.

20 1. The credit shall be granted as a refund against
21 state sales and use taxes reported on returns and remitted in
22 the 12 months preceding the date of application to the
23 department for the credit.

24 2. A company may not be awarded more than \$2 million
25 in tax credits under this paragraph and s. 220.192, unless the
26 production is a high-impact television series as defined in s.
27 220.192(2)(b), in which case the production shall be eligible
28 for a maximum tax credit award of \$3 million.

29 3. The total amount of tax credits which may be
30 granted for all programs approved under this paragraph and s.
31 220.192 is \$25 million in any state fiscal year.

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

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

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

10 220.02 Legislative intent.--

11 (8) It is the intent of the Legislature that credits
12 against either the corporate income tax or the franchise tax
13 be applied in the following order: those enumerated in s.
14 631.828, those enumerated in s. 220.191, those enumerated in
15 s. 220.181, those enumerated in s. 220.183, those enumerated
16 in s. 220.182, those enumerated in s. 220.1895, those
17 enumerated in s. 221.02, those enumerated in s. 220.184, those
18 enumerated in s. 220.186, those enumerated in s. 220.1845,
19 those enumerated in s. 220.19, those enumerated in s. 220.185,
20 ~~and~~ those enumerated in s. 220.187, and those enumerated in s.
21 220.192.

22 Section 3. Section 288.1254, Florida Statutes, is
23 transferred and renumbered as section 220.192, Florida
24 Statutes, and amended to read:

25 220.192 ~~288.1254~~ Entertainment industry financial
26 incentive program; creation; purpose; definitions; application
27 procedure; approval process; ~~reimbursement~~ eligibility;
28 submission of required documentation; recommendations for
29 credit award ~~payment~~; policies and procedures; fraudulent
30 claims.--
31

1 (1) CREATION AND PURPOSE OF PROGRAM.--~~Subject to~~
2 ~~specific appropriation,~~ There is created within the Office of
3 Film and Entertainment an entertainment industry financial
4 incentive program. The purpose of this program is to encourage
5 the use of this state as a site for filming and developing and
6 sustaining the workforce and infrastructure ~~providing~~
7 ~~production services~~ for filmed entertainment.

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

9 (a) "Filmed entertainment" means a theatrical or
10 direct-to-video motion picture, a made-for-television motion
11 picture teleproduction, a commercial, a music video, an
12 industrial or educational film, a promotional video or film, a
13 documentary film, a television pilot, a presentation for a
14 television pilot, a television special, a television series,
15 including, but not limited to, a drama, a reality, a comedy, a
16 soap opera, a telenovela, a game show, and a miniseries
17 production, or a digital-media-effects production by the
18 entertainment industry to be sold or displayed in an
19 electronic medium, excluding news shows and sporting events.

20 As used in this paragraph, the term "motion picture" means a
21 motion picture made on or by film, tape, or otherwise and
22 produced by means of a motion picture camera, electronic
23 camera or device, tape device, any combination of the
24 foregoing, or any other means, method, or device now used or
25 which may hereafter be adopted. As used in this paragraph, the
26 term "digital-media-effects" means visual elements created
27 through the modification of already existing or newly created
28 visual elements for film, video, or animated media through the
29 use of digital 2D/3D animation or painting, motion capture, or
30 compositing technologies. ~~For purposes of this section, the~~

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1 ~~term "filmed entertainment" does not include the electronic~~
2 ~~gaming industry or sporting events.~~

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

7 ~~(c)(b)~~ "Production costs" means the costs of ~~real,~~
8 tangible, and intangible property used and services performed
9 primarily or customarily in the production, including
10 preproduction and postproduction, of qualified filmed
11 entertainment. Production costs generally include, but are not
12 limited to:

13 1. Wages, salaries, or other compensation, including
14 amounts paid through payroll service companies, for technical
15 and production crews, directors, producers, and performers ~~who~~
16 ~~are residents of this state.~~

17 2. Expenditures for sound stages, backlots, production
18 editing, digital effects, sound recordings, sets, and set
19 construction.

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

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

25 5. Expenditures for goods and services used in
26 producing filmed entertainment.

27 ~~(d)(c)~~ "Qualified expenditures" means production costs
28 incurred in this state within the current state fiscal year
29 for goods purchased or leased from or services provided by
30 ~~purchased, leased, or employed from a resident of this state~~
31 ~~or~~ a vendor or supplier who is located and doing business in

1 ~~this state, or payments to residents of this state in the form~~
2 ~~of salary, wages, or other compensation but~~ excluding wages,
3 salaries, and ~~or~~ other compensation paid to the two
4 highest-paid residents of this state ~~employees~~.

5 ~~(e)(d)~~ (e) "Qualified production" means filmed
6 entertainment that meets or exceeds minimum qualified ~~makes~~
7 expenditures required in this state for the total or partial
8 production of filmed entertainment. Productions that are
9 deemed by the Office of Film and Entertainment to contain
10 obscene content, as defined by the United States Supreme
11 Court, are not qualified productions. ~~Also, a production is~~
12 ~~not a qualified production if it is determined that the first~~
13 ~~day of principal photography in this state occurred on or~~
14 ~~before the date of submitting its application to the Office of~~
15 ~~Film and Entertainment or prior to certification by the Office~~
16 ~~of Tourism, Trade, and Economic Development.~~

17 ~~(f)(e)~~ (f) "Qualified production company ~~relocation~~
18 ~~project~~" means a corporation, limited liability company,
19 partnership, ~~corporate headquarters,~~ or other legal ~~private~~
20 entity engaged in the production of filmed entertainment that
21 ~~is domiciled in another state or country and relocates its~~
22 ~~operations to this state, is organized under the laws of this~~
23 ~~or any other state or country, and includes as one of its~~
24 ~~primary purposes digital media effects or motion picture and~~
25 ~~television production, or postproduction.~~

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

27 (a) Any company engaged in this state in producing
28 filmed entertainment may submit an application to the Office
29 of Film and Entertainment for the purpose of determining
30 qualification for an award of credits against the tax imposed
31 by this chapter as ~~receipt of reimbursement~~ provided in this

1 section. The office must be provided information required to
2 determine if the production is a qualified production and to
3 determine the qualified expenditures, production costs, and
4 other information necessary for the office to determine ~~both~~
5 eligibility for the tax credit and level of reimbursement.

6 (b) ~~A digital media effects company in the state which~~
7 ~~furnishes digital material to filmed entertainment may submit~~
8 ~~an application to the Office of Film and Entertainment for the~~
9 ~~purpose of determining qualification for receipt of~~
10 ~~reimbursement authorized by this section. The office must be~~
11 ~~provided information required to determine if the company is~~
12 ~~qualified and to determine the amount of reimbursement.~~

13 (c) ~~Any corporation, limited liability company,~~
14 ~~partnership, corporate headquarters, or other private entity~~
15 ~~domiciled in another state which includes as one of its~~
16 ~~primary purposes digital media effects or motion picture and~~
17 ~~television production and which is considering relocation to~~
18 ~~this state may submit an application to the Office of Film and~~
19 ~~Entertainment for the purpose of determining qualification for~~
20 ~~reimbursement under this section.~~

21 (d)1. ~~The Office of Film and Entertainment shall~~
22 ~~establish a process by which an application is accepted and~~
23 ~~reviewed and reimbursement eligibility and reimbursement~~
24 ~~amount are determined. The Office of Film and Entertainment~~
25 ~~may request assistance from a duly appointed local film~~
26 ~~commission in determining qualifications for reimbursement and~~
27 ~~compliance.~~

28 1.2. The Office of Film and Entertainment shall
29 develop a standardized application form for use in qualifying
30 an applicant as approving a qualified production, ~~a qualified~~
31 ~~relocation project, or a company qualifying under paragraph~~

1 ~~(a), paragraph (b), or paragraph (c).~~ The application form for
2 qualifying an applicant as a qualified production must
3 include, but need not be limited to, production-related
4 information on employment, proposed total production budgets,
5 planned expenditures in this state ~~which are intended for use~~
6 ~~exclusively as an integral part of preproduction, production,~~
7 ~~or postproduction activities engaged primarily in this state,~~
8 and a signed affirmation from the applicant ~~Office of Film and~~
9 ~~Entertainment~~ that the information on the application form has
10 been verified and is correct. The application form shall be
11 distributed to applicants by the Office of Film and
12 Entertainment or local film commissions.

13 2.3- Within 10 business days after receipt of an
14 application, the Office of Film and Entertainment shall review
15 the application to determine if the application contains all
16 the information required by this subsection and meets the
17 criteria set out in this section. The office shall qualify all
18 applications that contain the information and meet the
19 criteria set out in this section as eligible to receive a tax
20 credit or shall notify the applicant that the requirements for
21 qualification have not been met. If the application is
22 qualified, the office shall recommend to the Office of
23 Tourism, Trade, and Economic Development approval of the
24 maximum amount of the tax credit to be awarded. The Office of
25 ~~Film and Entertainment must complete its review of each~~
26 ~~application within 5 days after receipt of the completed~~
27 ~~application, including all required information, and it must~~
28 ~~notify the applicant of its determination within 10 business~~
29 ~~days after receipt of the completed application and required~~
30 ~~information.~~

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1 ~~3.4.~~ Within 10 business days after receiving notice
2 from the Office of Film and Entertainment of qualification of
3 an applicant as a qualified production and a recommended
4 approval of the maximum amount of tax credit to be awarded,
5 the Office of Tourism, Trade, and Economic Development shall
6 certify the maximum tax credit award, if any. The
7 certification shall be transmitted to the applicant and to the
8 executive director of the Department of Revenue. The applicant
9 shall be responsible for forwarding a certified application to
10 the Department of Revenue. Upon determination that all
11 criteria are met for qualification for reimbursement, The
12 Office of Film and Entertainment shall notify the applicant of
13 such approval. the office shall also notify the Office of
14 Tourism, Trade, and Economic Development of the applicant
15 approval and amount of reimbursement required. The Office of
16 Tourism, Trade, and Economic Development shall make final
17 determination for actual reimbursement.

18 ~~4.5.~~ The Office of Film and Entertainment shall deny
19 an application if it determines that:

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

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

24 (4) CREDIT REIMBURSEMENT ELIGIBILITY; SUBMISSION OF
25 REQUIRED DOCUMENTATION; APPLICATION RECOMMENDATIONS FOR
26 TRANSFER PAYMENT.--

27 (a) Tax credit award.--A production of filmed
28 entertainment that is qualified by the Office of Film and
29 Entertainment and is certified by the Office of Tourism,
30 Trade, and Economic Development is eligible for a tax credit
31 for reimbursement of up to 15 percent of its qualified

1 ~~qualifying expenditures in this state on a filmed~~
2 ~~entertainment program that demonstrates a minimum of \$850,000~~
3 ~~in total qualified expenditures for the entire run of the~~
4 ~~project, versus the budget on a single episode, within the~~
5 ~~fiscal year from July 1 to June 30. However, the maximum~~
6 ~~reimbursement that may be made with respect to any filmed~~
7 ~~entertainment program is \$2 million. All reimbursements under~~
8 ~~this section are subject to appropriation.~~

9 (b) Production spanning 2 state fiscal years.--A
10 qualified production that starts in one state fiscal year and
11 finishes in the next state fiscal year shall have all
12 qualified expenditures from both state fiscal years certified
13 for the latter state fiscal year. This requirement does not
14 apply to the commercials and music video queue described in
15 subparagraph (d)3.

16 (c) Aggregate tax credit available.--The aggregate
17 amount of tax credits allowed under this section in any state
18 fiscal year is \$25 million. If the total amount of allocated
19 tax credits applied for in any state fiscal year exceeds the
20 aggregate amount of tax credits authorized annually under this
21 section, such excess shall be treated as having been applied
22 for on the first day of the next state fiscal year in which
23 tax credits remain available for allocation. However, no more
24 than an aggregate amount of \$100 million in tax credits shall
25 be allocated in state fiscal year 2006-2007, aggregate
26 allocations in state fiscal year 2007-2008 may not exceed \$133
27 million, aggregate allocations in state fiscal year 2008-2009
28 may not exceed \$166 million, and aggregate allocations in
29 state fiscal years 2009-2010 and thereafter may not exceed
30 \$200 million. At such time as \$200 million of tax credits have
31 been allocated, no additional tax credits shall be allocated.

1 (d) Filmed entertainment queues.--Tax credits awarded
2 ~~Payments~~ under this section in a state fiscal year shall be
3 made to qualified productions according to a production's
4 principal photography start date, for those qualified
5 productions having entered into the first queue as cited in
6 subparagraph 1. or the second queue cited in subparagraph 2.
7 within the first 2 weeks after the queue's opening. All other
8 qualified productions entering into either queue after the
9 initial 2-week openings shall be on a first-come, first-served
10 basis ~~until the appropriation for that fiscal year is~~
11 ~~exhausted. On February 1 of each year, the remaining funds~~
12 ~~within both queues shall be combined into a single queue and~~
13 ~~distributed based on a project's principal photography start~~
14 ~~date. The eligibility of qualified productions may not carry~~
15 ~~over from year to year, but such productions may reapply for~~
16 ~~eligibility under the guidelines established for doing so. The~~
17 ~~Office of Film and Entertainment shall develop a procedure to~~
18 ~~ensure that qualified productions continue on a reasonable~~
19 ~~schedule until completion. If a qualified production is not~~
20 ~~continued according to a reasonable schedule, the office shall~~
21 ~~withdraw its eligibility and reallocate the funds to the next~~
22 ~~qualified productions already in the queue that have yet to~~
23 ~~receive their full maximum or 15 percent financial~~
24 ~~reimbursement, if they have not started principal photography~~
25 ~~by the time the funds become available.~~

26 1. Film, television, and episodic queue.--Theatrical
27 or direct-to-video motion pictures, made-for-television
28 movies, ~~commercials, music videos,~~ industrial and educational
29 films, promotional videos or films, documentary films,
30 television specials, television series, including, but not
31 limited to, miniseries and telenovelas, and

1 digital-media-effects productions by the entertainment
2 industry to be sold or displayed in an electronic medium that
3 demonstrate a minimum of \$625,000 in total qualified
4 expenditures for the entire run of the project, which, for a
5 television series, means a season even if the season is not
6 completed in the same state fiscal year in which principal
7 photography began, shall have their own separate queue
8 established, and such queue shall have dedicated to it 60
9 percent of all available tax credits in any state fiscal year
10 for which this section applies ~~of the state incentive money.~~
11 The maximum tax credit award that may be made from this queue
12 for any single production is \$2 million, unless the production
13 is a high-impact television series, in which case the
14 production shall be eligible for a maximum tax credit award of
15 \$3 million, provided such production meets the other criteria
16 of this section. On March 1 of each year, the remaining tax
17 credits within this queue shall be merged into a general queue
18 and may be used for other purposes of this section as
19 determined by the Office of Film and Entertainment. A
20 television series, including, but not limited to, a qualified
21 high-impact television series, is not eligible for a tax
22 credit award under this section after its fifth production
23 season. A qualified high-impact television series shall be
24 allowed first position in this queue for its first five
25 production seasons in this state if the application is
26 received by the Office of Film and Entertainment within the
27 first 2 weeks after the queue's opening. A qualified
28 high-impact television series must file an application for
29 each state fiscal year in which it is eligible to receive the
30 credit, unless otherwise provided in this section.

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

18 3. Commercials and music video queue.--Commercials and
19 music videos by the entertainment industry to be sold or
20 displayed in an electronic medium that demonstrate a minimum
21 of \$500,000 in combined total qualified expenditures from a
22 production company during the state fiscal year with a minimum
23 of \$75,000 in qualified expenditures for each production shall
24 have their own separate queue established. Such queue shall
25 have dedicated to it 20 percent of available tax credits in
26 any given state fiscal year for which this section applies.
27 The maximum tax credit award that may be made from this queue
28 for any single production company is \$500,000 for a state
29 fiscal year. On April 1 of each year, the remaining tax
30 credits within this queue shall be merged into a general queue
31

1 and may be used for other purposes of this section as
2 determined by the Office of Film and Entertainment.

3 (e) Loss of eligibility; reallocation of tax
4 credits.--If a qualified production is not continued according
5 to a reasonable schedule or the Office of Film and
6 Entertainment is notified that a qualified production will no
7 longer be produced, the office shall withdraw the production's
8 eligibility for tax credits and reallocate the tax credits to
9 the next qualified productions already in the queue that have
10 yet to receive a full tax credit if such next qualified
11 productions have not started principal photography by the time
12 the tax credits become available.

13 (f) Verification of tax credit award.--The Office of
14 Film and Entertainment shall develop a process by which a
15 qualified production that has been certified by the Office of
16 Tourism, Trade, and Economic Development shall submit to the
17 Office of Film and Entertainment, in a timely manner after
18 production ends and after making all of its qualified
19 expenditures, verifying data to substantiate each qualified
20 expenditure. The Office of Film and Entertainment shall report
21 to the Office of Tourism, Trade, and Economic Development the
22 final verified amount of actual qualified expenditures made by
23 the qualified production. The Office of Tourism, Trade, and
24 Economic Development shall then notify the executive director
25 of the Department of Revenue that the qualified production has
26 met all requirements of the incentive program and shall
27 recommend the final amount of the tax credit.

28 (g)(b) Use of tax credit; carry forward.--The tax
29 credit available under this section shall only be surrendered
30 in satisfaction of the tax owed by a qualified production
31 company under this chapter and only up to the face amount of

1 the credit. If the qualified production company cannot use the
2 entire tax credit in the state fiscal year in which the credit
3 is approved, any excess may be carried over to a succeeding
4 state fiscal year. A tax credit granted under this section and
5 applied against taxes imposed under this chapter may be
6 carried forward only for a maximum of 5 state fiscal years
7 following the state fiscal year in which the credit was
8 approved. A digital media effects company in the state which
9 furnishes digital material to filmed entertainment may be
10 eligible for a payment in an amount not to exceed 5 percent of
11 its annual gross revenues on qualified expenditures as defined
12 in paragraph (2)(c) before taxes or \$100,000, whichever is
13 less. A company applying for payment must submit documentation
14 annually as required by the Office of Film and Entertainment
15 for determination of eligibility of claimed billing and
16 determination of the amount of payment for which the company
17 is eligible.

18 (h)(c) Transfer of tax credits.--Upon application and
19 approval by the Department of Revenue, a taxpayer may sell or
20 assign, in whole or in part, a tax credit granted under this
21 section. The sale or assignment of any amount of the tax
22 credit may not be exchanged for consideration received by the
23 taxpayer of less than 85 percent of the transferred amount of
24 tax credit. The purchaser or assignee shall surrender the tax
25 credit in the state fiscal year acquired from the qualified
26 production company and otherwise may carry the tax credit over
27 subject to the same limitations on tax credit usage as the
28 qualified production company awarded the tax credit. The
29 purchaser may not sell, assign, or otherwise transfer the tax
30 credit. Tax credits granted by this section may not be sold or
31 assigned, in whole or in part, until all credits the taxpayer

1 is eligible to use under this chapter and chapter 212 are
2 exhausted. The Department of Revenue may adopt rules pursuant
3 to ss. 120.536(1) and 120.54 to administer this paragraph, as
4 provided in paragraph (6)(b). A ~~qualified relocation project~~
5 that is certified by the Office of Film and Entertainment is
6 eligible for a one time incentive payment in an amount equal
7 to 5 percent of its annual gross revenues before taxes for the
8 first 12 months of conducting business in its Florida domicile
9 or \$200,000, whichever is less. A company applying for payment
10 must submit documentation as required by the Office of Film
11 and Entertainment for determination of eligibility of claimed
12 billing and determination of the amount of payment for which
13 the company is eligible.

14 (i)(d) Noncorporate distributions of tax credits.--A
15 qualified production company that is not a corporation, as
16 defined in s. 220.03(1)(e), shall elect to make an
17 application, a digital media effects company, or a qualified
18 relocation project applying for a payment under this section
19 must submit documentation for claimed qualified expenditures
20 to the Department of Revenue as provided in paragraph (h) or
21 distribute tax credits awarded under this section to its
22 partners or members in proportion to the respective
23 distributive share of such partners' or members' income or
24 loss in the state fiscal year in which such tax credits were
25 approved. A tax credit granted under this section and applied
26 against taxes imposed under this chapter shall be carried
27 forward only for a maximum of 5 state fiscal years following
28 the state fiscal year in which the credit was approved Office
29 of Film and Entertainment. The Department of Revenue may adopt
30 rules pursuant to ss. 120.536(1) and 120.54 to administer this
31 paragraph, as provided in paragraph (6)(b).

1 (j)(e) Use of tax credits.--A company may use the tax
2 credit against the tax liability imposed under this chapter,
3 in whole or in part, and against the tax liability imposed
4 under chapter 212. The Office of Film and Entertainment shall
5 notify the Office of Tourism, Trade, and Economic Development
6 whether an applicant meets the criteria for reimbursement and
7 shall recommend the reimbursement amount. The Office of
8 Tourism, Trade, and Economic Development shall make the final
9 determination for actual reimbursement.

10 (5) MARKETING REQUIREMENTS.--The Office of Film and
11 Entertainment shall ensure appropriate marketing materials,
12 including promotions of this state as a tourist or filming
13 destination, are required when appropriate to be included on
14 any filmed entertainment as a condition of receiving a tax
15 credit under this section. The Office of Film and
16 Entertainment shall consult with appropriate entities for the
17 development and implementation of marketing materials.

18 ~~(6)(5) RULES POLICIES AND PROCEDURES.--~~

19 (a) The Office of Tourism, Trade, and Economic
20 Development shall adopt rules pursuant to ss. 120.536(1) and
21 120.54 policies and procedures to implement this section,
22 including, but not limited to, rules specifying requirements
23 for the application and approval process, records required for
24 submission for substantiation of credit awards for
25 reimbursement, and determination of and qualification for
26 credit awards, and marketing requirements for credit
27 recipients reimbursement.

28 (b) The Department of Revenue may adopt rules pursuant
29 to ss. 120.536(1) and 120.54 to administer the provisions of
30 this section, including rules governing the manner and form of
31 documentation required to claim tax credits granted or

1 transferred under this section, and may establish guidelines
2 as to the requisites for an affirmative showing of
3 qualification for tax credits granted or transferred under
4 this section.

5 ~~(7)(6)~~ FRAUDULENT CLAIMS.--

6 (a) Any applicant who submits an application under
7 this section that includes fraudulent information is liable
8 for reimbursement of the reasonable costs and fees associated
9 with the review, processing, investigation, and prosecution of
10 the application.

11 (b) An eligible entity or company that obtains a
12 credit payment under this section through a claim that it
13 knows is fraudulent is liable for reimbursement of the credit
14 ~~amount paid~~ plus a penalty in an amount double the credit
15 ~~payment~~ and reimbursement of reasonable costs, which penalty
16 is in addition to any criminal penalty to which the entity or
17 company is liable for the same acts, plus interest. The entity
18 or company is also liable for costs and fees incurred by the
19 state in investigating and prosecuting the fraudulent claim.

20 ~~(8)(7)~~ ANNUAL REPORT.--The Office of Film and
21 Entertainment shall provide an annual report for the previous
22 state fiscal year, due October 1, to the Governor, the
23 President of the Senate, and the Speaker of the House of
24 Representatives outlining the return on investment to the
25 state on tax credits awarded funds expended pursuant to this
26 section.

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

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

30 477.0135 Exemptions.--

31

1 (5) A license is not required of any individual
2 providing makeup, special effects, or cosmetology services to
3 an actor, stunt person, musician, extra, or other talent
4 during a production recognized by the Office of Film and
5 Entertainment as a qualified production as defined in s.
6 220.192 ~~288.1254(2)~~. Such services are not required to be
7 performed in a licensed salon. Individuals exempt under this
8 subsection may not provide such services to the general
9 public.

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

11
12 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
13 COMMITTEE SUBSTITUTE FOR
14 Senate Bill 2110

15 The committee substitute differs from the bill in the
16 following ways:

- 17 - Provides that the entertainment industry tax credit may
18 be applied against sales tax as well as corporate income
19 tax;
- 20 - Limits tax credits per individual recipient by providing
21 that qualified productions are eligible for tax credits
22 equal to 15 percent, rather than 100 percent, of
23 qualified expenditures;
- 24 - Provides that the entertainment industry corporate income
25 tax credits must be claimed after all other corporate
26 income tax credits are claimed;
- 27 - Removes one of the categories of qualified productions
28 that are eligible for tax credits, the independent film
29 and video queue;
- 30 - Provides for maximum tax credit allocations allowed in
31 certain fiscal years, and provides that once the maximum
allocations are met, no more credits can be allocated;
- Provides that television series may only receive tax
credits for the first 5 production seasons;
- Authorizes the Department of Revenue to adopt rules to
administer the program; and
- Requires that the Department of Revenue receive tax
credit applications from the applicants and receive
notification of certification of qualified productions.