

Bill No. SB 624

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CHAMBER ACTION

Senate

House

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

Senate Amendment

On page 4, line 6, through page 15, line 7, delete
those lines

and insert:

Section 2. Section 212.097, Florida Statutes, is
amended to read:

(Substantial rewording of section. See s. 212.097,
F.S., for present text)

212.097 Designated Urban Job Tax Credit Area Program.

(1) As used in this section, the term:

(a) "Designated urban job tax credit area" means an
area designated by the Office of Tourism, Trade, and Economic
Development pursuant to subsection (5). Such an area includes
an area designated as a federal empowerment zone pursuant to
the Taxpayer Relief Act of 1997 or the Community Tax Relief
Act of 2000. A designated urban job tax credit area shall
retain its designation for a period of 5 years from the date

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1 of designation.

2 (b) "Eligible business" means any business entity
3 located in a designated urban job tax credit area that is
4 predominantly engaged in, or is headquarters for a business
5 predominantly engaged in, activities usually provided for
6 consideration by firms classified within the following
7 standard industrial classifications: SIC 01-SIC 09
8 (agriculture, forestry, and fishing); SIC 20-SIC 39
9 (manufacturing); SIC 52-SIC 57 and SIC 59 (retail); SIC 422
10 (public warehousing and storage); SIC 70 (hotels and other
11 lodging places); SIC 7391 (research and development); SIC 781
12 (motion picture production and allied services); SIC 7992
13 (public golf courses); SIC 7996 (amusement parks); and a
14 targeted industry eligible for the qualified target industry
15 business tax refund under s. 288.106. A call center or similar
16 customer service operation that services a multistate market
17 or international market is also an eligible business. Excluded
18 from eligible receipts are receipts from retail sales, except
19 such receipts for SIC 52-SIC 57 and SIC 59 (retail) hotels and
20 other lodging places classified in SIC 70, public golf courses
21 in SIC 7992, and amusement parks in SIC 7996. For purposes of
22 this paragraph, the term "predominantly" means that more than
23 50 percent of the business's gross receipts from all sources
24 is generated by those activities usually provided for
25 consideration by firms in the specified standard industrial
26 classification. The determination of whether the business is
27 located in a designated urban job tax credit area must be
28 based on the date of application for the credit under this
29 section. Commonly owned and controlled entities are to be
30 considered a single business entity.

31 (c) "Existing business" means any eligible business

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1 that does not meet the criteria for a new business.

2 (d) "New business" means any eligible business first
3 beginning operation on a site in a designated urban job tax
4 credit area and clearly separate from any other commercial or
5 business operation of the business entity within a designated
6 urban job tax credit area. A business entity that operated an
7 eligible business within a designated urban job tax credit
8 area within the 48 months before the period provided for
9 application by subsection (2) is not considered a new
10 business.

11 (e) "Office" means the Office of Tourism, Trade and
12 Economic Development.

13 (f) "Qualified employee" means any employee of an
14 eligible business who performs duties in connection with the
15 operations of the business on a regular, full-time basis for
16 an average of at least 36 hours per week for at least 3 months
17 within the designated urban job tax credit area in which the
18 eligible business is located. An owner or partner of the
19 eligible business is not a qualified employee. The term also
20 includes an employee leased from an employee leasing company
21 licensed under chapter 468, if such employee has been
22 continuously leased to the employer for an average of at least
23 36 hours per week for more than 6 months.

24 (g) "Urban infill and redevelopment area" means an
25 area or areas designated by a local government where:

26 1. Public services such as water and wastewater,
27 transportation, schools, and recreation are already available
28 or are scheduled to be provided in an adopted 5-year schedule
29 of capital improvements;

30 2. The area, or one or more neighborhoods within the
31 area, suffers from pervasive poverty, unemployment, and

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1 general distress as defined by s. 290.0058;

2 3. The area exhibits a proportion of properties that
3 are substandard, overcrowded, dilapidated, vacant or
4 abandoned, or functionally obsolete which is higher than the
5 average for the local government;

6 4. More than 50 percent of the area is within 1/4 mile
7 of a transit stop, or a sufficient number of such transit
8 stops will be made available concurrent with the designation;
9 and

10 5. The area includes or is adjacent to community
11 redevelopment areas, brownfields, enterprise zones, or Main
12 Street programs, or has been designated by the state or
13 Federal Government as an urban redevelopment, revitalization,
14 or infill area under empowerment zone, enterprise community,
15 or brownfield showcase community programs or similar programs.

16 (2) A county or municipality, or a county and one or
17 more municipalities together, may apply to the office for the
18 designation of an area as a designated urban job tax credit
19 area in accordance with subsection (3). Applications must be
20 received by the office no later than April 30 of 2007 and
21 every five years thereafter.

22 (3) In order for an area to qualify as a designated
23 urban job tax credit area, the following requirements must be
24 met:

25 (a) The local government seeking designation must
26 adopt a resolution prior to the date of application for
27 designation that:

28 1. Finds that an urban area exists in such county or
29 municipality, or in both the county and one or more
30 municipalities, which chronically exhibits extreme and
31 unacceptable levels of poverty, unemployment, physical

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1 deterioration, and economic disinvestment.

2 2. Determines that the rehabilitation, conservation,
3 or redevelopment, or a combination thereof, of such an urban
4 area is necessary in the interest of the health, safety, and
5 welfare of the residents of such county or municipality, or
6 such county and one or more municipalities.

7 3. Determines that the revitalization of such an urban
8 area can occur if the public sector or private sector can be
9 induced to invest its own resources in productive enterprises
10 that build or rebuild the economic viability of the area.

11 (b) The local government seeking designation
12 demonstrates to the Office that the area:

13 1.a. Has at least forty percent of its residents
14 earning wages on an annual basis which are equal to or less
15 than the annual wage of a person who is earning minimum wage;
16 or

17 b. Has more than 20 percent of its residents or
18 families living below the federal standard of poverty for
19 individuals or a family of four;

20 2. Has an unemployment rate at least 3 percentage
21 points higher than the state's unemployment rate;

22 3. Has an arrest rate higher than the state's average
23 rate for such crimes as drug sale, drug possession,
24 prostitution, vandalism, and civil disturbances, as recorded
25 by the total crime index of the Department of Law Enforcement;
26 and

27 4.a. Has 50 percent or more of its residents who rent;

28 b. Has property values that are within the lower 50
29 percent of the county's assessed property values;

30 c. Has more than 5 percent of its commercial buildings
31 currently vacant or condemned within the previous 24 months;

1 or

2 d. With respect to at least 25 percent of tax or
3 special assessment delinquencies, the amount of the
4 delinquency exceeds the fair value of the land.

5 (c) The selected area has a continuous boundary or
6 consists of not more than three noncontiguous parcels.

7 (d) The selected area does not exceed the following
8 mileage limitation:

9 1. For areas having a total population of 150,000
10 persons or more, the selected area does not exceed 20 square
11 miles and is within 10 miles of the urban infill and
12 redevelopment area of a city.

13 2. For areas having a total population of 50,000
14 persons or more, but fewer than 150,000 persons, the selected
15 area does not exceed 10 square miles and is within 7.5 miles
16 of the urban infill and redevelopment area of a city.

17 3. For areas having a total population of 20,000
18 persons or more, but fewer than 50,000 persons, the selected
19 area does not exceed 5 square miles and is within 5 miles of
20 the urban infill and redevelopment area of a city.

21 4. For areas having a total population of fewer than
22 20,000 persons, the selected area does not exceed 3 square
23 miles and is within 3 miles of the urban infill and
24 redevelopment area of a city.

25 (4) A municipality, or a county and one or more
26 municipalities together, may not nominate more than one urban
27 area. However, any county as defined by s. 125.011(1) may
28 nominate no more than three urban areas.

29 (5) On June 30, 2007, and every five years thereafter,
30 the office may designate no more than 30 areas that meet the
31 requirements of subsection (3). If there are more than 30

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1 applications in any year, the office shall rank the areas by
2 level of distress, and designate the 30 areas with the highest
3 level of distress.

4 (6) A new eligible business may apply for a tax credit
5 under this subsection once at any time during its first year
6 of operation. A new eligible business in a designated urban
7 job tax credit area which has at least 10 qualified employees
8 on the date of application shall receive a \$1,000 tax credit
9 for each such employee.

10 (7) An existing eligible business may apply for a tax
11 credit under this subsection at any time it is entitled to
12 such credit, except as restricted by this subsection. An
13 existing eligible business in a designated urban job tax
14 credit area which on the date of application has at least 5
15 more qualified employees than it had 1 year prior to its date
16 of application shall receive a \$1,000 credit for each such
17 additional employee. An existing eligible business may apply
18 for the credit under this subsection no more than once in any
19 12-month period. Any existing eligible business that received
20 a credit under subsection(6) may not apply for the credit
21 under this subsection sooner than 12 months after the
22 application date for the credit under subsection (6). To be
23 eligible for a tax credit under this subsection, the number of
24 qualified employees employed 1 year prior to the application
25 date must be no lower than the number of qualified employees
26 on the application date on which a credit under this section
27 was based for any previous application, including an
28 application under subsection (6).

29 (8) For any new eligible business receiving a credit
30 pursuant to subsection (6), an additional \$500 credit shall be
31 provided for any qualified employee who is a welfare

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1 transition program participant. For any existing eligible
 2 business receiving a credit pursuant to subsection (7), an
 3 additional \$500 credit shall be provided for any qualified
 4 employee who is a welfare transition program participant. Such
 5 employee must be employed on the application date and have
 6 been employed less than 1 year. This credit shall be in
 7 addition to other credits pursuant to this section.
 8 Appropriate documentation concerning the eligibility of an
 9 employee for this credit must be submitted as determined by
 10 the department.

11 (9)(a) In order to claim this credit, an eligible
 12 business must file under oath with the office a statement that
 13 includes the name and address of the eligible business and any
 14 other information that is required to process the application.

15 (b) Within 30 working days after receipt of an
 16 application for credit, the office shall review the
 17 application to determine whether it contains all the
 18 information required by this subsection and meets the criteria
 19 set out in this section. Subject to the provisions of
 20 paragraph (c), the office shall approve all applications that
 21 contain the information required by this subsection and meet
 22 the criteria set out in this section as eligible to receive a
 23 credit.

24 (c) The maximum credit amount that may be approved
 25 during any calendar year is \$5 million. The Department of
 26 Revenue, in conjunction with the office, shall notify the
 27 governing bodies in areas designated under this section when
 28 the \$5 million maximum amount has been reached. Applications
 29 must be considered for approval in the order in which they are
 30 received without regard to whether the credit is for a new or
 31 existing business. This limitation applies to the value of the

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1 credit as contained in approved applications. Approved credits
2 may be taken in the time and manner allowed pursuant to this
3 section.

4 (10) If the application is insufficient to support the
5 credit authorized in this section, the office shall deny the
6 credit and notify the business of that fact. The business may
7 reapply for this credit within 3 months after such
8 notification.

9 (11) If the credit under this section is greater than
10 can be taken on a single tax return, excess amounts may be
11 taken as credits on any tax return submitted within 12 months
12 after the approval of the application by the department.

13 (12) It is the responsibility of each business to
14 affirmatively demonstrate to the satisfaction of the
15 Department of Revenue that it meets the requirements of this
16 section.

17 (13) Any person who fraudulently claims this credit is
18 liable for repayment of the credit plus a mandatory penalty of
19 100 percent of the credit and is guilty of a misdemeanor of
20 the second degree, punishable as provided in s. 775.082 or s.
21 775.083.

22 (14) A corporation may take the credit under this
23 section against its corporate income tax liability, as
24 provided in s. 220.1895. However, a corporation that applies
25 its job tax credit against the tax imposed by chapter 220 may
26 not receive the credit provided for in this section. A credit
27 may be taken against only one tax.

28 (15) The department shall adopt rules governing the
29 manner and form of applications for credit and may establish
30 guidelines concerning the requisites for an affirmative
31 showing of qualification for the credit under this section.

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1 (16) Notwithstanding subsections (6), (7) and (8), an
2 eligible business located in an area designated under this act
3 as of June 30, 2006 shall retain its program and tax credit
4 eligibility through June 30, 2012, if the business complies
5 with the job-creation requirements. This subsection shall
6 stand repealed on July 1, 2012.

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