

1                                   A bill to be entitled  
 2           An act relating to community contribution tax credits;  
 3           amending ss. 212.08, 220.183, and 624.5105, F.S.;  
 4           increasing the total amount of tax credits authorized for  
 5           community contribution tax credit programs; providing an  
 6           effective date.

7  
 8   Be It Enacted by the Legislature of the State of Florida:

9  
 10           Section 1. Paragraph (p) of subsection (5) of section  
 11   212.08, Florida Statutes, is amended to read:

12           212.08 Sales, rental, use, consumption, distribution, and  
 13   storage tax; specified exemptions.--The sale at retail, the  
 14   rental, the use, the consumption, the distribution, and the  
 15   storage to be used or consumed in this state of the following  
 16   are hereby specifically exempt from the tax imposed by this  
 17   chapter.

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

19           (p) Community contribution tax credit for donations.--

20           1. Authorization.--Persons who are registered with the  
 21   department under s. 212.18 to collect or remit sales or use tax  
 22   and who make donations to eligible sponsors are eligible for tax  
 23   credits against their state sales and use tax liabilities as  
 24   provided in this paragraph:

25           a. The credit shall be computed as 50 percent of the  
 26   person's approved annual community contribution.

27           b. The credit shall be granted as a refund against state  
 28   sales and use taxes reported on returns and remitted in the 12

29 months preceding the date of application to the department for  
 30 the credit as required in sub-subparagraph 3.c. If the annual  
 31 credit is not fully used through such refund because of  
 32 insufficient tax payments during the applicable 12-month period,  
 33 the unused amount may be included in an application for a refund  
 34 made pursuant to sub-subparagraph 3.c. in subsequent years  
 35 against the total tax payments made for such year. Carryover  
 36 credits may be applied for a 3-year period without regard to any  
 37 time limitation that would otherwise apply under s. 215.26.

38 c. A person may not receive more than \$200,000 in annual  
 39 tax credits for all approved community contributions made in any  
 40 one year.

41 d. All proposals for the granting of the tax credit  
 42 require the prior approval of the Office of Tourism, Trade, and  
 43 Economic Development.

44 e. The total amount of tax credits which may be granted  
 45 for all programs approved under this paragraph and ss.~~s.~~  
 46 ~~220.183,~~ and ~~s.~~ 624.5105 is \$15 ~~\$10.5~~ million annually for  
 47 projects that provide homeownership opportunities for low-income  
 48 or very-low-income households as defined in s. 420.9071(19) and  
 49 (28) and \$3.5 million annually for all other projects.

50 f. A person who is eligible to receive the credit provided  
 51 for in this paragraph, s. 220.183, or s. 624.5105 may receive  
 52 the credit only under the one section of the person's choice.

53 2. Eligibility requirements.--

54 a. A community contribution by a person must be in the  
 55 following form:

56 (I) Cash or other liquid assets;

57 (II) Real property;  
58 (III) Goods or inventory; or  
59 (IV) Other physical resources as identified by the Office  
60 of Tourism, Trade, and Economic Development.

61 b. All community contributions must be reserved  
62 exclusively for use in a project. As used in this sub-  
63 subparagraph, the term "project" means any activity undertaken  
64 by an eligible sponsor which is designed to construct, improve,  
65 or substantially rehabilitate housing that is affordable to low-  
66 income or very-low-income households as defined in s.  
67 420.9071(19) and (28); designed to provide commercial,  
68 industrial, or public resources and facilities; or designed to  
69 improve entrepreneurial and job-development opportunities for  
70 low-income persons. A project may be the investment necessary to  
71 increase access to high-speed broadband capability in rural  
72 communities with enterprise zones, including projects that  
73 result in improvements to communications assets that are owned  
74 by a business. A project may include the provision of museum  
75 educational programs and materials that are directly related to  
76 any project approved between January 1, 1996, and December 31,  
77 1999, and located in an enterprise zone designated pursuant to  
78 s. 290.0065. This paragraph does not preclude projects that  
79 propose to construct or rehabilitate housing for low-income or  
80 very-low-income households on scattered sites. With respect to  
81 housing, contributions may be used to pay the following eligible  
82 low-income and very-low-income housing-related activities:  
83 (I) Project development impact and management fees for  
84 low-income or very-low-income housing projects;

85 (II) Down payment and closing costs for eligible persons,  
 86 as defined in s. 420.9071(19) and (28);

87 (III) Administrative costs, including housing counseling  
 88 and marketing fees, not to exceed 10 percent of the community  
 89 contribution, directly related to low-income or very-low-income  
 90 projects; and

91 (IV) Removal of liens recorded against residential  
 92 property by municipal, county, or special district local  
 93 governments when satisfaction of the lien is a necessary  
 94 precedent to the transfer of the property to an eligible person,  
 95 as defined in s. 420.9071(19) and (28), for the purpose of  
 96 promoting home ownership. Contributions for lien removal must be  
 97 received from a nonrelated third party.

98 c. The project must be undertaken by an "eligible  
 99 sponsor," which includes:

100 (I) A community action program;

101 (II) A nonprofit community-based development organization  
 102 whose mission is the provision of housing for low-income or  
 103 very-low-income households or increasing entrepreneurial and  
 104 job-development opportunities for low-income persons;

105 (III) A neighborhood housing services corporation;

106 (IV) A local housing authority created under chapter 421;

107 (V) A community redevelopment agency created under s.  
 108 163.356;

109 (VI) The Florida Industrial Development Corporation;

110 (VII) A historic preservation district agency or  
 111 organization;

112 (VIII) A regional workforce board;

- 113 (IX) A direct-support organization as provided in s.
- 114 1009.983;
- 115 (X) An enterprise zone development agency created under s.
- 116 290.0056;
- 117 (XI) A community-based organization incorporated under
- 118 chapter 617 which is recognized as educational, charitable, or
- 119 scientific pursuant to s. 501(c)(3) of the Internal Revenue Code
- 120 and whose bylaws and articles of incorporation include
- 121 affordable housing, economic development, or community
- 122 development as the primary mission of the corporation;
- 123 (XII) Units of local government;
- 124 (XIII) Units of state government; or
- 125 (XIV) Any other agency that the Office of Tourism, Trade,
- 126 and Economic Development designates by rule.

127

128 In no event may a contributing person have a financial interest

129 in the eligible sponsor.

130 d. The project must be located in an area designated an

131 enterprise zone or a Front Porch Florida Community pursuant to

132 s. 20.18(6), unless the project increases access to high-speed

133 broadband capability for rural communities with enterprise zones

134 but is physically located outside the designated rural zone

135 boundaries. Any project designed to construct or rehabilitate

136 housing for low-income or very-low-income households as defined

137 in s. 420.0971(19) and (28) is exempt from the area requirement

138 of this sub-subparagraph.

139 e.(I) If, during the first 10 business days of the state

140 fiscal year, eligible tax credit applications for projects that

141 provide homeownership opportunities for low-income or very-low-  
142 income households as defined in s. 420.9071(19) and (28) are  
143 received for less than the annual tax credits available for  
144 those projects, the Office of Tourism, Trade, and Economic  
145 Development shall grant tax credits for those applications and  
146 shall grant remaining tax credits on a first-come, first-served  
147 basis for any subsequent eligible applications received before  
148 the end of the state fiscal year. If, during the first 10  
149 business days of the state fiscal year, eligible tax credit  
150 applications for projects that provide homeownership  
151 opportunities for low-income or very-low-income households as  
152 defined in s. 420.9071(19) and (28) are received for more than  
153 the annual tax credits available for those projects, the office  
154 shall grant the tax credits for those applications as follows:

155 (A) If tax credit applications submitted for approved  
156 projects of an eligible sponsor do not exceed \$200,000 in total,  
157 the credits shall be granted in full if the tax credit  
158 applications are approved.

159 (B) If tax credit applications submitted for approved  
160 projects of an eligible sponsor exceed \$200,000 in total, the  
161 amount of tax credits granted pursuant to sub-sub-sub-  
162 subparagraph (A) shall be subtracted from the amount of  
163 available tax credits, and the remaining credits shall be  
164 granted to each approved tax credit application on a pro rata  
165 basis.

166 (II) If, during the first 10 business days of the state  
167 fiscal year, eligible tax credit applications for projects other  
168 than those that provide homeownership opportunities for low-

169 income or very-low-income households as defined in s.  
170 420.9071(19) and (28) are received for less than the annual tax  
171 credits available for those projects, the office shall grant tax  
172 credits for those applications and shall grant remaining tax  
173 credits on a first-come, first-served basis for any subsequent  
174 eligible applications received before the end of the state  
175 fiscal year. If, during the first 10 business days of the state  
176 fiscal year, eligible tax credit applications for projects other  
177 than those that provide homeownership opportunities for low-  
178 income or very-low-income households as defined in s.  
179 420.9071(19) and (28) are received for more than the annual tax  
180 credits available for those projects, the office shall grant the  
181 tax credits for those applications on a pro rata basis.

182 3. Application requirements.--

183 a. Any eligible sponsor seeking to participate in this  
184 program must submit a proposal to the Office of Tourism, Trade,  
185 and Economic Development which sets forth the name of the  
186 sponsor, a description of the project, and the area in which the  
187 project is located, together with such supporting information as  
188 is prescribed by rule. The proposal must also contain a  
189 resolution from the local governmental unit in which the project  
190 is located certifying that the project is consistent with local  
191 plans and regulations.

192 b. Any person seeking to participate in this program must  
193 submit an application for tax credit to the office which sets  
194 forth the name of the sponsor, a description of the project, and  
195 the type, value, and purpose of the contribution. The sponsor  
196 shall verify the terms of the application and indicate its

197 receipt of the contribution, which verification must be in  
198 writing and accompany the application for tax credit. The person  
199 must submit a separate tax credit application to the office for  
200 each individual contribution that it makes to each individual  
201 project.

202 c. Any person who has received notification from the  
203 office that a tax credit has been approved must apply to the  
204 department to receive the refund. Application must be made on  
205 the form prescribed for claiming refunds of sales and use taxes  
206 and be accompanied by a copy of the notification. A person may  
207 submit only one application for refund to the department within  
208 any 12-month period.

209 4. Administration.--

210 a. The Office of Tourism, Trade, and Economic Development  
211 may adopt rules pursuant to ss. 120.536(1) and 120.54 necessary  
212 to administer this paragraph, including rules for the approval  
213 or disapproval of proposals by a person.

214 b. The decision of the office must be in writing, and, if  
215 approved, the notification shall state the maximum credit  
216 allowable to the person. Upon approval, the office shall  
217 transmit a copy of the decision to the Department of Revenue.

218 c. The office shall periodically monitor all projects in a  
219 manner consistent with available resources to ensure that  
220 resources are used in accordance with this paragraph; however,  
221 each project must be reviewed at least once every 2 years.

222 d. The office shall, in consultation with the Department  
223 of Community Affairs and the statewide and regional housing and  
224 financial intermediaries, market the availability of the



225 community contribution tax credit program to community-based  
 226 organizations.

227 5. Expiration.--This paragraph expires June 30, 2015;  
 228 however, any accrued credit carryover that is unused on that  
 229 date may be used until the expiration of the 3-year carryover  
 230 period for such credit.

231 Section 2. Paragraph (c) of subsection (1) of section  
 232 220.183, Florida Statutes, is amended to read:

233 220.183 Community contribution tax credit.--

234 (1) AUTHORIZATION TO GRANT COMMUNITY CONTRIBUTION TAX  
 235 CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS AND PROGRAM  
 236 SPENDING.--

237 (c) The total amount of tax credit which may be granted  
 238 for all programs approved under this section and ss.~~s.~~  
 239 212.08(5) (p)~~(q)~~, and ~~s.~~ 624.5105 is \$15 ~~\$10.5~~ million annually  
 240 for projects that provide homeownership opportunities for low-  
 241 income or very-low-income households as defined in s.  
 242 420.9071(19) and (28) and \$3.5 million annually for all other  
 243 projects.

244 Section 3. Paragraph (c) of subsection (1) of section  
 245 624.5105, Florida Statutes, is amended to read:

246 624.5105 Community contribution tax credit; authorization;  
 247 limitations; eligibility and application requirements;  
 248 administration; definitions; expiration.--

249 (1) AUTHORIZATION TO GRANT TAX CREDITS; LIMITATIONS.--

250 (c) The total amount of tax credit which may be granted  
 251 for all programs approved under this section and ss.  
 252 212.08(5) (p)~~(q)~~ and 220.183 is \$15 ~~\$10.5~~ million annually for

HB 129

2007

253 projects that provide homeownership opportunities for low-income  
254 or very-low-income households as defined in s. 420.9071(19) and  
255 (28) and \$3.5 million annually for all other projects.

256 Section 4. This act shall take effect July 1, 2007.