

Bill No. SB 1646

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CHAMBER ACTION

Senate

House

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The Committee on Health Policy (Dockery) recommended the following amendment:

Senate Amendment (with title amendment)

Delete everything after the enacting clause

and insert:

Section 1. Subsection (8) of section 220.02, Florida Statutes, is amended to read:

220.02 Legislative intent.--

(8) It is the intent of the Legislature that credits against either the corporate income tax or the franchise tax be applied in the following order: those enumerated in s. 631.828, those enumerated in s. 220.191, those enumerated in s. 220.181, those enumerated in s. 220.183, those enumerated in s. 220.182, those enumerated in s. 220.1895, those enumerated in s. 221.02, those enumerated in s. 220.184, those enumerated in s. 220.186, those enumerated in s. 220.1845, those enumerated in s. 220.19, those enumerated in s. 220.185, those enumerated in s. 220.187, those enumerated in s. 220.192, ~~and~~ those enumerated in s. 220.193, and those

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1 enumerated in s. 220.1875.

2 Section 2. Paragraph (a) of subsection (1) of section
3 220.13, Florida Statutes, is amended to read:

4 220.13 "Adjusted federal income" defined.--

5 (1) The term "adjusted federal income" means an amount
6 equal to the taxpayer's taxable income as defined in
7 subsection (2), or such taxable income of more than one
8 taxpayer as provided in s. 220.131, for the taxable year,
9 adjusted as follows:

10 (a) Additions.--There shall be added to such taxable
11 income:

12 1. The amount of any tax upon or measured by income,
13 excluding taxes based on gross receipts or revenues, paid or
14 accrued as a liability to the District of Columbia or any
15 state of the United States which is deductible from gross
16 income in the computation of taxable income for the taxable
17 year.

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

26 3. In the case of a regulated investment company or
27 real estate investment trust, an amount equal to the excess of
28 the net long-term capital gain for the taxable year over the
29 amount of the capital gain dividends attributable to the
30 taxable year.

31 4. That portion of the wages or salaries paid or

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1 incurred for the taxable year which is equal to the amount of
 2 the credit allowable for the taxable year under s. 220.181.
 3 This subparagraph shall expire on the date specified in s.
 4 290.016 for the expiration of the Florida Enterprise Zone Act.

5 5. That portion of the ad valorem school taxes paid or
 6 incurred for the taxable year which is equal to the amount of
 7 the credit allowable for the taxable year under s. 220.182.
 8 This subparagraph shall expire on the date specified in s.
 9 290.016 for the expiration of the Florida Enterprise Zone Act.

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

14 7. That portion of assessments to fund a guaranty
 15 association incurred for the taxable year which is equal to
 16 the amount of the credit allowable for the taxable year.

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

22 9. The amount taken as a credit for the taxable year
 23 under s. 220.1895.

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

27 11. The amount taken as a credit for the taxable year
 28 under s. 220.187.

29 12. The amount taken as a credit for the taxable year
 30 under s. 220.192.

31 13. The amount taken as a credit for the taxable year

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1 under s. 220.193.

2 14. The amount taken as a credit for the taxable year
3 under s. 220.185.

4 Section 3. Section 220.1875, Florida Statutes, is
5 created to read:

6 220.1875 Credits for contributions to health care
7 clinics for medical care for indigent persons.--

8 (1) PURPOSE.--The purpose of this section is to permit
9 corporations a credit against corporate income taxes by making
10 contributions to a fund that distributes grants to eligible
11 health care clinics so that the clinics can provide medical
12 care for indigent persons and to provide fiscal relief to
13 eligible health care clinics that provide a disproportionate
14 share of medical care to indigent persons.

15 (2) DEFINITIONS.--For purposes of this section, the
16 term:

17 (a) "Board" means the board of directors of the fund.

18 (b) "Charity care" means medical care provided to a
19 person who has insufficient resources or assets to pay for
20 medical care without using resources that are required to meet
21 the person's basic need for food, shelter, and clothing. A
22 person is not eligible for charity care if the person's family
23 income, for the 12 months preceding the determination of his
24 or her financial status by the health care clinic, exceeds 200
25 percent of the federal poverty guidelines.

26 (c) "Department" means the Department of Revenue.

27 (d) "Eligible health care clinic" means a charitable
28 organization that is:

29 1. A federally qualified health center, as defined in
30 42 U.S.C. s. 1395x(aa)(4), or a federally qualified health
31 center "look-alike";

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1 2. An entity that is exempt from the federal income
2 tax under s. 501(c)(3) of the Internal Revenue Code and that:

3 a. Provides health care services in a community clinic
4 that is not owned or affiliated with a hospital licensed under
5 chapter 395;

6 b. In the most recently completed calendar year,
7 provided charity care in an aggregate amount equal to 50
8 percent of its total revenues derived from providing health
9 care services or that received at least 50 percent of its
10 patient visits from charity care patients;

11 c. Maintains a patient financial responsibility policy
12 under which the patient's charity care status is confirmed;
13 and

14 d. Provides information establishing that the
15 applicant maintains a quality assurance and improvement
16 process that includes an annual review establishing that
17 evidence-based medical practices are used; or

18 3. A county health department located in a county
19 having a total population of fewer than 20,000 persons.

20 (e) "Fiscal year" means the state fiscal year.

21 (f) "Fund" means the Health Care Clinic Indigent Care
22 Trust Fund created in s. 220.1876.

23 (3) CONTRIBUTIONS TO THE FUND; TAX CREDIT.--

24 (a) A corporate taxpayer may make contributions to the
25 fund at any time by submitting the contribution to the
26 department for deposit into the fund, thereby becoming
27 eligible for credits against the corporation's state corporate
28 income tax liabilities as provided in paragraph (b). The
29 department shall account for the contributions by each
30 corporate taxpayer and may require the filing of a certificate
31 of contribution that the corporate taxpayer must submit with

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1 its corporate income tax return when claiming credit for
2 contributions.

3 (b) A credit of 100 percent of an eligible
4 contribution is allowed against any tax due for a taxable year
5 under this chapter. However, the credit may not exceed 75
6 percent of the tax due under this chapter for the taxable
7 year, after the application of any other allowable credits by
8 the taxpayer.

9 (c) If the credit granted under this section is not
10 fully used in a single year because of insufficient tax
11 liability on the part of the corporation, the unused amount
12 may be carried forward for a period not to exceed 3 years.

13 (d) A taxpayer who files a consolidated return under
14 s. 220.131(1) as a member of an affiliated group may be
15 allowed the credit on a consolidated return basis; however,
16 the total credit taken by the affiliated group is subject to
17 the limitation set forth in paragraph (b).

18 (4) FUND AGGREGATE LIMIT.--The fund is subject to an
19 annual aggregate limit of \$50 million. Contributions by
20 corporate taxpayers to the fund shall be accepted in the order
21 in which received until the annual limit is reached.

22 (5) DISBURSEMENTS.--

23 (a) An eligible health care clinic may apply to the
24 board for approval of disbursement of moneys from the fund for
25 operations, personnel, and capital improvements. Such
26 applications must be accepted by the board semiannually on
27 June 1 and December 1 of each calendar year.

28 (b) The board shall approve qualified applications and
29 request the department to make disbursements to eligible
30 health care clinics to the extent funds are available. The
31 board shall determine disbursements on the basis of need, the

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1 date of the disbursement request, and the applicant's ability
 2 to obtain alternative funding. The board shall approve
 3 disbursements to applicants who provide a system of care for
 4 the uninsured or underinsured in the community served by the
 5 applicant. The board shall ensure that funds are distributed
 6 on a geographically equitable basis throughout the state. The
 7 board shall meet bimonthly basis for this purpose or may meet
 8 via teleconference if meeting in person is impracticable. If
 9 the board approves a disbursement to a qualified applicant,
 10 the board shall transmit a disbursement request to the
 11 department, which shall distribute the requested amount from
 12 the fund to the applicant approved for disbursement by the
 13 board. A single eligible health care clinic may not receive
 14 more than \$2.5 million in total assistance from the fund in a
 15 given fiscal year. Applications received at the end of the
 16 fiscal year shall be carried over and determined in the next
 17 fiscal year.

18 (c) An eligible health care clinic that is owned or
 19 operated in any manner in affiliation with a corporate
 20 taxpayer eligible for a tax credit as provided in this section
 21 is not eligible to receive any disbursements from the fund.

22 (6) BOARD MEMBERS AND APPOINTMENT; POWERS AND
 23 DUTIES.--

24 (a) The board shall consist of nine members. Three
 25 members shall be appointed by the Governor, three members
 26 shall be appointed by the President of the Senate, and three
 27 members shall be appointed by the Speaker of the House of
 28 Representatives. Each member must have relevant experience in
 29 the delivery of health care to indigent persons. Board members
 30 shall elect a chair at the first organizational meeting and
 31 shall elect a new chair annually. A board member may be

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1 reelected as chair at the discretion of the board.

2 (b) The term of a board member shall be 2 years, but
3 the member may serve a second consecutive term if reappointed.
4 For initial appointees, three members shall be appointed for
5 1-year terms, three members shall be appointed for 2-year
6 terms, and three members shall be appointed for 3-year terms.
7 Each of the appointing officials shall designate members for
8 1-year, 2-year, or 3-year terms. Members appointed to an
9 initial 3-year term are eligible for a second 2-year term if
10 reappointed.

11 (c) Board members shall serve without compensation,
12 but are entitled to receive reimbursement for per diem and
13 travel expenses in accordance with s. 112.061, while in the
14 performance of their duties.

15 (d) The board may hire an executive director and other
16 personnel, whose salaries shall be paid from the fund.

17 (e) A board member may not have an ownership interest
18 in a health care clinic or be a member of the board of
19 directors or an officer of a health care clinic.

20 (f) The board shall receive and evaluate applications
21 from eligible health care clinics for the disbursement of
22 moneys from the fund as provided by this section.

23 (g) By December 31, 2008, the board shall submit a
24 report to the Governor and the Legislature describing the
25 implementation of this section. Thereafter, the board shall
26 provide to the Governor and Legislature an annual report
27 summarizing the following:

- 28 1. The total annual contributions to the fund.
29 2. The annual disbursement of funds to eligible health
30 care clinics, identifying each clinic and the amount disbursed
31 to the clinic.

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1 (6) RULEMAKING.--The department shall adopt rules
 2 pursuant to ss. 120.536(1) and 120.54 which are necessary to
 3 administer this section, including, but not limited to, rules
 4 establishing application forms and procedures for
 5 contributions by corporate taxpayers to the fund, granting the
 6 tax credit, and approving applications for disbursements from
 7 the fund.

8 Section 4. This act shall take effect July 1, 2007,
 9 and apply to tax years beginning on or after January 1, 2008,
 10 only if SB 1654 or similar legislation is adopted in the same
 11 legislative session or an extension thereof and becomes law.

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13

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

15 And the title is amended as follows:

16 Delete everything before the enacting clause

17

18 and insert:

19 A bill to be entitled
 20 An act relating to the corporate income tax;
 21 amending s. 220.02, F.S.; revising the list of
 22 application of corporate income tax credits;
 23 amending s. 220.13, F.S.; including an tax
 24 credit with the definition of the term
 25 "adjusted federal income"; creating s.
 26 220.1875, F.S.; providing a purpose; defining
 27 terms; providing for a corporate income tax
 28 credit for contributions for medical care for
 29 indigent persons; providing for contributions
 30 to the Health Care Clinic Indigent Care Trust
 31 Fund for certain purposes; providing

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1 requirements, procedures, and limitations;
2 providing an annual aggregate limit for the
3 fund; providing for disbursements from the fund
4 to certain health care clinics; providing
5 requirements and limitations; providing for
6 ineligibility under certain circumstances;
7 providing for administration by a board of
8 directors; providing for appointing board
9 members; providing for terms and expenses;
10 providing powers and duties of the board;
11 requiring the board to report annually to the
12 Governor and Legislature; providing an
13 application; requiring the Department of
14 Revenue to adopt rules; providing a contingent
15 effective date.

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