

Bill No. CS for SB 2280

Barcode 634992

CHAMBER ACTION

Senate

House

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The Committee on Community Affairs (Wise) recommended the following amendment:

Senate Amendment (with title amendment)

Delete everything after the enacting clause

and insert:

Section 1. Part XII of chapter 288, Florida Statutes, consisting of sections 288.991 and 288.992, is created to read:

288.991 New Markets Tax Credit Act.--This part may be cited as the "New Markets Tax Credit Act."

288.992 Qualified equity investments; tax credit.--

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

(a) "Adjusted purchase price" means the product of the amount paid at issuance for a qualified equity investment times a fraction of which:

1. The numerator is the dollar amount of qualified low-income community investments made in this state with the proceeds from the issuance of a qualified equity investment held by a qualified community development entity on the

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1 applicable credit allowance date; and

2 2. The denominator is the total dollar amount of
3 qualified low-income community investments made with the
4 proceeds from the issuance of a qualified equity investment
5 held by a qualified community development entity on the
6 applicable credit allowance date.

7 (b) "Credit allowance date" means:

8 1. The first anniversary of the date a qualified
9 equity investment is initially made; and
10 2. Each of the five subsequent anniversaries of such
11 date.

12 (c) "Long-term debt security" means any debt
13 instrument issued by a qualified community development entity,
14 at par value or a premium, having an original maturity date of
15 at least 7 years following the date of its issuance, with no
16 acceleration of repayment, amortization, or prepayment
17 features before its original maturity date and having no
18 distribution, payment, or interest features related to the
19 profitability of the qualified community development entity or
20 the performance of the entity's investment portfolio. This
21 paragraph does not limit the holder's ability to accelerate
22 payments on the debt instrument in situations in which the
23 qualified community development entity has defaulted on
24 covenants designed to ensure compliance with this section or
25 s. 45D of the Internal Revenue Code of 1986, as amended.

26 (d) "Low-income community" means any population census
27 tract within the state of Florida where:

28 1. The federal individual poverty rate is at least 20
29 percent; or

30 2. In the case of a tract:

31 a. Not located within a metropolitan area, the median

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1 family income does not exceed 80 percent of the statewide
2 median family income; or

3 b. Located within a metropolitan area, the median
4 family income does not exceed 80 percent of the greater of the
5 statewide median family income or the metropolitan area median
6 income.

7 (e) "Office" means the Office of Tourism, Trade, and
8 Economic Development.

9 (f) "Qualified active low-income community business"
10 has the same meaning as in s. 45D of the Internal Revenue Code
11 of 1986, as amended, but excludes any trade or business:

12 1. That derives or projects to derive 15 percent or
13 more of its annual revenue from the rental or sale of real
14 estate;

15 2. That consists predominantly of the development or
16 holding of intangibles for sale or license;

17 3. That consists of the operation of any private or
18 commercial golf course, country club, massage parlor, hot tub
19 facility, suntan facility, racetrack, or other facility used
20 for gambling, or any store the principal business of which is
21 the sale of alcoholic beverages for consumption off premises;
22 or

23 4. The principal activity of which is farming if the
24 sum of the aggregate unadjusted bases or, if greater, the fair
25 market value, of the assets owned by the business which are
26 used in such trade or business and the aggregate value of the
27 assets leased by the business used in such trade or business
28 exceeds \$500,000. For the purposes of this subparagraph, two
29 or more trades or businesses are treated as a single trade or
30 business.

31 (g) "Qualified community development entity" means any

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1 entity that has been certified as a qualified community
 2 development entity by the Community Development Financial
 3 Institutions Fund of the United States Treasury Department
 4 pursuant to s. 45D of the Internal Revenue Code of 1986, as
 5 amended, the certification of which has not been revoked, and
 6 that has entered into an allocation agreement with the
 7 Community Development Financial Institutions Fund with respect
 8 to tax credits authorized by section 45D of the Internal
 9 Revenue Code of 1986, as amended.

10 (h) "Qualified equity investment" means any equity
 11 investment or long-term debt security issued by a qualified
 12 community development entity that:

13 1. Is acquired on or after July 1, 2007, at its
 14 original issuance solely in exchange for cash;

15 2. Has at least 85 percent of its cash purchase price
 16 used by the qualified community development entity to make
 17 qualified low-income community investments within the 12-month
 18 period beginning on the date the cash is paid by the taxpayer
 19 to the entity; and

20 3. Is certified by the Office of Tourism, Trade, and
 21 Economic Development as a qualified equity investment pursuant
 22 to this section.

23 (i) "Qualified low-income community investment" means
 24 any capital or equity investment in or loan to any qualified
 25 active low-income community business made after July 1, 2007.
 26 With respect to any one qualified active low-income community
 27 business, the maximum amount of debt or equity issued by it on
 28 a collective basis with all of its affiliates which may be
 29 included in the calculation of any numerator described in
 30 paragraph (a) shall be \$10 million, whether such investments
 31 are issued to one or more qualified community development

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1 entities.

2 (2) AUTHORIZATION OF TAX CREDITS.--

3 (a) A taxpayer holding a qualified equity investment
4 issued by a community development entity on the credit
5 allowance date of the investment is entitled to a tax credit
6 against the taxes imposed by s. 220.11 or s. 624.509 during
7 the tax year that includes the credit allowance date. The tax
8 credit amount is equal to 8.33 percent of the adjusted
9 purchase price of the qualified equity investment.

10 (b) The taxpayer's cash investment in the qualified
11 equity investment received by the community development entity
12 is treated as invested in a qualified low-income community
13 investment only to the extent that the cash is invested within
14 the 12-month period beginning on the date the cash is paid by
15 the taxpayer to the community development entity.

16 (c) A taxpayer may not redeem any portion of a tax
17 credit in a tax year in which the tax credit exceeds the
18 taxpayer's state tax liability for such tax year. Any amount
19 of the tax credit that the taxpayer is prohibited from
20 redeeming may be carried forward for use in a subsequent tax
21 year; however, all unused tax credits expire on December 31,
22 2028.

23 (d) A tax credit authorized under this section is not
24 refundable or transferable. However, if a qualified equity
25 investment is transferred, the tax credits for future credit
26 allowance dates, if any, transfer with the investment. Credit
27 amounts, including any carryover amounts, from credit
28 allowance dates prior to the date of transfer do not transfer
29 with the qualified equity investment. Tax credits earned by a
30 partnership, limited liability company, S corporation, or
31 other "pass-through" entity may be allocated to the partners,

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1 members, or shareholders of such entity for their direct
2 redemption in accordance with the provisions of any agreement
3 among the partners, members, or shareholders.

4 (3) DESIGNATION OF QUALIFIED EQUITY INVESTMENTS.--

5 (a) Any qualified community development entity that
6 seeks to have an equity investment or long-term debt security
7 designated as a qualified equity investment and eligible for
8 tax credits under this section shall apply to the office. The
9 qualified community development entity shall submit an
10 application on a form that the office prescribes by rule, and
11 that includes, but need not be limited to:

12 1. The name, address, tax identification number of the
13 entity, and evidence of the entity's certification as a
14 qualified community development entity;

15 2. A copy of an allocation agreement executed by the
16 entity and the Community Development Financial Institutions
17 Fund with respect to the allocation of tax credits under s. 4D
18 of the Internal Revenue Code of 1986, as amended;

19 3. A certificate, executed by an executive officer of
20 the entity, attesting that such allocation agreement remains
21 in effect and has not been revoked or cancelled by the
22 Community Development Financial Institutions Fund;

23 4. A description of the proposed amount, structure,
24 and purchaser of the equity investment or long-term debt
25 security;

26 5. The name and tax identification number of any
27 person or entity that will be eligible to redeem tax credits
28 earned as a result of the issuance of the qualified equity
29 investment;

30 6. Information regarding the proposed use of proceeds
31 from the issuance of a qualified equity investment, which must

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1 include the types of qualified active low-income community
 2 businesses that will be funded and an estimate of the
 3 percentage of qualified low-income community investments that
 4 will be made in Florida. In addition, the entity shall submit
 5 a nonrefundable application fee of \$1,000 to the office with
 6 each application submitted; and

7 7. A statement setting forth the entity's plans for
 8 the development of relationships with community-based
 9 organizations, local community development offices and
 10 organizations, and economic development organizations as well
 11 as any steps the entity has taken to implement these
 12 relationships.

13 (b) Within 30 days after receipt of a completed
 14 application containing all the information necessary for the
 15 office to certify a potential qualified equity investment,
 16 including payment of the application fee, the office shall
 17 grant or deny the application in full or in part. If the
 18 office denies any part of the application, it shall inform the
 19 qualified community development entity of the grounds for the
 20 denial. If the qualified community development entity provides
 21 any additional information required by the office or otherwise
 22 completes its application within 15 days after the notice of
 23 denial, the application shall be considered completed as of
 24 the original date of submission. If the qualified community
 25 development entity fails to provide such information or
 26 complete its application within the 15-day period, the
 27 application remains denied and must be resubmitted in full
 28 with a new submission date.

29 (c) If an application is deemed complete by the
 30 office, it shall certify the proposed equity investment or
 31 long-term debt security as a qualified equity investment and

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1 eligible for tax credits under this section. The office shall
2 provide written notice of the certification to the qualified
3 community development entity and the Department of Revenue.
4 The written notice must include the maximum amount of tax
5 credits that may be earned as a result of the issuance of the
6 qualified equity investment, which shall be calculated with
7 reference to the percentage of qualified low-income community
8 investments estimated to be made in Florida by the qualified
9 community development entity in its application, and the names
10 of those taxpayers who are eligible to redeem the credits and
11 their respective credit amounts. The office shall certify
12 qualified equity investments in the order applications for
13 certification are received. Any applications received on the
14 same day shall be deemed to have been received simultaneously.

15 (d) Once the office has certified qualified equity
16 investments that, on a cumulative basis, are eligible for \$105
17 million in tax credits, of which no more than \$15 million may
18 be claimed per state fiscal year exclusive of tax credits
19 carried forward on or after June 30, 2014, the office may not
20 certify any more qualified equity investments. If a pending
21 request for certification cannot be fully certified under this
22 section, the office shall certify the portion that may be
23 certified unless the qualified community development entity
24 elects to withdraw its request rather than receive partial
25 credits.

26 (e) Within 30 days after notice of certification from
27 the office, the qualified community development entity must
28 issue the qualified equity investment and receive cash in the
29 amount of the certified amount. The qualified community
30 development entity shall provide the office with evidence of
31 the receipt of the investment within 10 business days after

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1 receipt. If the qualified community development entity does
 2 not issue the qualified equity investment and receive the cash
 3 investment within the 30 days following receipt of the
 4 certification notice, the certification shall lapse and the
 5 entity may not issue the qualified equity investment without
 6 reapplying to the office for certification. Any certification
 7 that lapses reverts back to the office and may be reissued in
 8 accordance with the application process outlined in this
 9 section.

10 (f) On the date that a qualified equity investment is
 11 initially made, the purchaser must make an election to apply
 12 the credit against taxes due under chapter 220 or chapter 624
 13 or against a stated combination of the two taxes, and shall
 14 provide notice of such election to the office and Department
 15 of Revenue. The purchaser or subsequent holder of the
 16 qualified equity investment or a member, partner, or
 17 shareholder of the holder who is eligible to take the credit
 18 may not alter this election without prior notice to and
 19 approval from the Department of Revenue.

20 (4) ANNUAL CALCULATION OF CREDIT.--

21 (a) Within 30 days after each credit allowance date,
 22 each qualified community development entity shall submit to
 23 the office the following with respect to each qualified equity
 24 investment issued by it:

- 25 1. A listing, certified by an executive officer of the
 26 qualified community development entity, of all qualified
 27 low-income community investments made by the qualified
 28 community development entity with the proceeds of a qualified
 29 equity investment and held as of the credit allowance date,
 30 which must include the name of each qualified active
 31 low-income business funded, the location of the principal

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1 office of each such business, the type of business, the amount
 2 of the qualified low-income community investment in each such
 3 business, and the total of qualified low-income community
 4 investments by all community development entities in each such
 5 business;

6 2. Bank records, wire transfer records, or other
 7 similar documents that reflect the investments listed above;

8 3. A calculation, certified by the chief financial or
 9 accounting officer of the qualified community development
 10 entity, of the amount of qualified low-income community
 11 investments in Florida made with the proceeds of the issuance
 12 of the qualified equity investment held by the entity as of
 13 the credit allowance date, and the total qualified low-income
 14 community investments made with the proceeds of the issuance
 15 of the qualified equity investment held by the entity on the
 16 credit allowance date. In making this calculation, an
 17 investment in Florida shall be deemed to be held by a
 18 qualified community development entity even if the investment
 19 has been sold or repaid if the entity reinvests an amount
 20 equal to the capital returned to or recovered from the
 21 original investment, exclusive of any profits realized, in
 22 another qualified low-income community investment in Florida
 23 within 12 months after receipt of such capital. A qualified
 24 community development entity is not required to reinvest
 25 capital returned from qualified low-income community
 26 investments after the sixth anniversary of the issuance of the
 27 qualified equity investment for which the proceeds were used
 28 to make the qualified low-income community investment. The
 29 qualified low-income community investment shall be deemed to
 30 be held by the qualified community development entity through
 31 the seventh anniversary of the qualified equity investment's

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1 issuance;

2 4. An attestation from the qualified community
3 development entity's chief financial or accounting officer
4 that no redemption or principal payment was made with respect
5 to the qualified equity investment since the previous credit
6 allowance date; and

7 5. Any information with respect to a recapture of the
8 federal tax credits available with respect to a qualified
9 equity investment that the qualified community development
10 entity has received since the prior credit allowance date.

11 (b) Within 20 days after receipt of the information
12 listed in paragraph (a), the office shall certify in writing
13 to the qualified community development entity and to the
14 Department of Revenue the amount of credit that is eligible
15 for use for the credit allowance date. The notice must include
16 a listing of those taxpayers that are eligible to redeem the
17 tax credit for such credit allowance date.

18 (5) AUDIT AND RECAPTURE.--

19 (a) A qualified community development entity that
20 receives an annual allocation of tax credits in an amount
21 equal to or in excess of \$500,000 shall be treated as a
22 recipient pursuant to s. 215.97(1)(n) and required to
23 participate in a state single audit pursuant to s. 215.97. In
24 addition to the required financial reporting package, the
25 audit must attest to the qualified community development
26 entity's adherence to the performance conditions enumerated in
27 this section as they relate to the potential for recapture of
28 the tax credit required by subsection (b). The office shall be
29 deemed the state awarding agency and state coordinating agency
30 pursuant to s. 215.97(1)(d) and (p). Taxpayers that are not
31 qualified community development entities shall not be treated

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1 as subrecipients pursuant to s. 215.97(2)(x) or otherwise
 2 required to participate in the state single audit program
 3 since such persons do not control adherence to the performance
 4 standards of this program.

5 (b) The office shall order recapture of any tax credit
 6 allowed under this section with respect to a qualified equity
 7 investment if:

8 1. Any amount of the federal tax credit available that
 9 is eligible for a tax credit under this section is recaptured
 10 under s. 45D of the Internal Revenue Code of 1986, as amended;

11 2. The qualified community development entity redeems
 12 or makes any principal repayment before the seventh
 13 anniversary of the issuance of the qualified equity
 14 investment;

15 3. The qualified community development entity fails to
 16 maintain at least 85 percent of the proceeds of the qualified
 17 equity investment in qualified low-income community
 18 investments at any time before the seventh anniversary of the
 19 issuance of the qualified equity investment;

20 4. The qualified community development entity fails to
 21 provide to the office and the Department of Revenue any of the
 22 information or reports required by this section; or

23 5. The office determines as a result of a state single
 24 audit or an examination by the office that a taxpayer received
 25 tax credits pursuant to this section to which the taxpayer was
 26 not entitled.

27 (c) The office shall provide notice to the qualified
 28 community development entity and to the Department of Revenue
 29 of any proposed recapture of tax credits pursuant to this
 30 section. The entity shall have 90 days to cure any deficiency
 31 indicated in the office's original recapture notice and avoid

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1 such recapture. If the entity fails or is unable to cure such
 2 deficiency within the 90-day period, the office shall provide
 3 the entity and the Department of Revenue with a final order of
 4 recapture. The qualified community development entity shall be
 5 responsible for providing copies of the final order of
 6 recapture to persons owning the tax credits at issue.

7 (d) Any tax credit for which a final recapture order
 8 has been issued shall be recaptured by the Department of
 9 Revenue from the taxpayer who claimed the tax credit on a tax
 10 return, or in the case of multiple succeeding entities, in the
 11 order of tax-credit succession, and such funds shall be paid
 12 into the General Revenue Fund. Such action by the Department
 13 of Revenue does not constitute an audit or otherwise alter the
 14 Department of Revenue's ability to audit the taxpayer.

15 (6) ANNUAL REPORTING.--

16 (a) Within 120 days after the end of a calendar year
 17 that includes a credit allowance date, each community
 18 development entity that has an equity investment or long-term
 19 debt security certified as a qualified equity investment under
 20 this section shall provide the office with:

21 1. The entity's annual financial statements for the
 22 immediately preceding calendar year, audited by an independent
 23 certified public accountant;

24 2. Using the North American Industry Classification
 25 System Code, the types of businesses funded, the counties
 26 where the qualified active low-income community businesses are
 27 located, the dollars invested, and the number of jobs created
 28 and retained by qualified active low-income businesses funded
 29 in a form satisfactory to the office; and

30 3. A statement detailing a description of the
 31 relationships that the entity has established with

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1 community-based organizations, local community development
 2 offices and organizations, and economic development
 3 organizations, and a summary of the outcomes resulting from
 4 those relationships.

5 (b) The office shall file an annual report of all
 6 qualified low-income community investments made in this state
 7 with the proceeds of qualified equity investments which
 8 includes relevant statistics from the North American Industry
 9 Classification System Code, the county or counties where the
 10 qualified low-income community investments are located, the
 11 dollars invested, the number of jobs created and retained by
 12 business in which qualified low-income community investments
 13 have been made, and the value of applicable state tax credits
 14 claimed for the latest year for which such information is
 15 available. The office shall submit a copy to the Governor, the
 16 President of the Senate, and the Speaker of the House of
 17 Representatives each July 1, beginning in 2009, and may post
 18 the annual report on the office's website.

19 (7) EXAMINATION.--

20 (a) The office may conduct examinations to verify that
 21 tax credits under this section have been received and applied
 22 according to the requirements of this section and to verify
 23 information provided by qualified community development
 24 entities to the office.

25 (b) The office may revoke or modify any written
 26 decision qualifying, certifying, or otherwise granting
 27 eligibility for tax credits under this section if it is
 28 discovered that the qualified community development entity
 29 submitted any false statement, representation, or
 30 certification in any application, record, report, plan, or
 31 other document filed in an attempt to receive tax credits

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1 under this section.

2 (c) Any qualified community development entity that
3 submits information under this section which includes
4 fraudulent information is liable for reimbursement of the
5 reasonable costs and fees associated with the review,
6 processing, investigation, and prosecution of the fraudulent
7 claim plus a penalty in an amount double the credit amount
8 certified and claimed by the holders of the entity's qualified
9 equity investments, which penalty is in addition to any
10 criminal penalty to which the taxpayer is liable for the same
11 acts.

12 (8) RULEMAKING AUTHORITY.--

13 (a) The office may adopt rules pursuant to ss.
14 120.536(1) and 120.54 to administer this section.

15 (b) The Department of Revenue may adopt rules pursuant
16 to ss. 120.536(1) and 120.54 to administer this section.

17 (9) EXPIRATION.--This section expires December 31,
18 2028.

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

21 220.02 Legislative intent.--

22 (8) It is the intent of the Legislature that credits
23 against either the corporate income tax or the franchise tax
24 be applied in the following order: those enumerated in s.
25 631.828, those enumerated in s. 220.191, those enumerated in
26 s. 220.181, those enumerated in s. 220.183, those enumerated
27 in s. 220.182, those enumerated in s. 220.1895, those
28 enumerated in s. 221.02, those enumerated in s. 220.184, those
29 enumerated in s. 220.186, those enumerated in s. 220.1845,
30 those enumerated in s. 220.19, those enumerated in s. 220.185,
31 those enumerated in s. 220.187, those enumerated in s.

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1 220.192, ~~and~~ those enumerated in s. 220.193, and those
2 enumerated in s. 288.992.

3 Section 3. Paragraph (a) of subsection (1) of section
4 220.13, Florida Statutes, is amended to read:

5 220.13 "Adjusted federal income" defined.--

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

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

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

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

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

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1 4. That portion of the wages or salaries paid or
 2 incurred for the taxable year which is equal to the amount of
 3 the credit allowable for the taxable year under s. 220.181.
 4 This subparagraph shall expire on the date specified in s.
 5 290.016 for the expiration of the Florida Enterprise Zone Act.

6 5. That portion of the ad valorem school taxes paid or
 7 incurred for the taxable year which is equal to the amount of
 8 the credit allowable for the taxable year under s. 220.182.
 9 This subparagraph shall expire on the date specified in s.
 10 290.016 for the expiration of the Florida Enterprise Zone Act.

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

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

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

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

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

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

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

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1 13. The amount taken as a credit for the taxable year
2 under s. 220.193.

3 14. Any portion of a qualified equity investment, as
4 defined in s. 288.993, which has been claimed as a deduction
5 by the taxpayer for the purpose of calculating the taxpayer's
6 net income.

7 Section 4. Subsection (19) is added to section
8 213.053, Florida Statutes, to read:

9 213.053 Confidentiality and information sharing.--

10 (19) Information relative to tax credits taken by a
11 taxpayer under s. 288.991 may be disclosed to the Office of
12 Tourism, Trade, and Economic Development or its employees or
13 agents that have been identified in writing by the office to
14 the department for use in performance of their official
15 duties. All information so obtained by the office is subject
16 to the same confidentiality as imposed on the department.

17 Section 5. This act shall take effect July 1, 2007,
18 and applies to tax years ending after December 31, 2007.

19
20

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

22 And the title is amended as follows:

23 Delete everything before the enacting clause

24

25 and insert:

26

A bill to be entitled

27

An act relating to corporate income tax

28

credits; creating part XII of ch. 288, F.S.,

29

consisting of ss. 288.991 and 288.992, F.S.;

30

providing for the qualification and sale of

31

investments that provide tax credits; providing

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1 definitions; providing that a taxpayer who
2 holds a qualified equity investment in a
3 qualified low-income business on the credit
4 allowance date of the investment is entitled to
5 a nonrefundable, nontransferable tax credit for
6 the taxable year in which the credit allowance
7 date falls; providing for calculating the
8 amount of the tax credit; limiting the amount
9 of the tax credit that may be redeemed in a
10 fiscal year; authorizing a taxpayer to carry
11 over any amount of the tax credit that the
12 taxpayer is prohibited from redeeming in a
13 taxable year to any subsequent taxable year;
14 providing for the redemption of tax credits
15 earned by certain business entities and by the
16 partners, members, or shareholders of those
17 entities; authorizing the Office of Tourism,
18 Trade, and Economic Development to qualify
19 equity investments as eligible for tax credits;
20 providing an application process; requiring a
21 fee; providing for the certification of the
22 investment; providing for notice to the
23 applicant and the Department of Revenue;
24 providing for a limit on the amount of
25 investments the office may certify; requiring
26 the certified equity investments to be issued
27 within a certain time frame; requiring the
28 taxpayer to elect how the credit will be
29 applied; providing how the amount of tax
30 credits available will be calculated; requiring
31 the calculations to be certified and

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1 accompanied by audited financial statements and
2 notarized affidavits; requiring the department
3 to recapture tax credits from certain taxpayers
4 under certain circumstances; requiring notice;
5 requiring community development entities that
6 have certified investments to report certain
7 information to the department; requiring the
8 department to file annual reports on low-income
9 community investments made in this state;
10 authorizing the department to conduct
11 examinations to verify receipt and application
12 of tax credits; authorizing the department to
13 pursue recovery of certain funds; authorizing
14 the department to revoke or modify certain
15 decisions relating to eligibility for tax
16 credits under certain circumstances; providing
17 for applicant liability for costs and fees
18 relating to investigations of fraudulent
19 claims; providing for taxpayer liability for
20 reimbursement of fraudulently claimed tax
21 credits; providing a penalty; providing for
22 rules; providing for future repeal; amending s.
23 220.02, F.S.; revising legislative intent with
24 respect to the order of tax credits to conform;
25 amending s. 220.13, F.S.; revising a
26 definition; amending s. 213.053, F.S.;

27 authorizing the Department of Revenue to share
28 confidential taxpayer information with the
29 Office of Tourism, Trade, and Economic
30 Development; providing an effective date.

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