

By Senator Atwater

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A bill to be entitled

An act relating to community contribution tax credits; amending ss. 212.08, 220.183, and 624.5105, F.S.; increasing the total amount of tax credits which may be granted for the community contribution tax credit program; providing an effective date.

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

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

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

(5) EXEMPTIONS; ACCOUNT OF USE.--

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

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

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

b. The credit shall be granted as a refund against state sales and use taxes reported on returns and remitted in the 12 months preceding the date of application to the department for the credit as required in sub-subparagraph 3.c.

1 If the annual credit is not fully used through such refund
2 because of insufficient tax payments during the applicable
3 12-month period, the unused amount may be included in an
4 application for a refund made pursuant to sub-subparagraph
5 3.c. in subsequent years against the total tax payments made
6 for such year. Carryover credits may be applied for a 3-year
7 period without regard to any time limitation that would
8 otherwise apply under s. 215.26.

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

12 d. All proposals for the granting of the tax credit
13 require the prior approval of the Office of Tourism, Trade,
14 and Economic Development.

15 e. The total amount of tax credits which may be
16 granted for all programs approved under this paragraph, s.
17 220.183, and s. 624.5105 is ~~\$15~~\$10.5 million annually for
18 projects that provide homeownership opportunities for
19 low-income or very-low-income households as defined in s.
20 420.9071(19) and (28) and \$3.5 million annually for all other
21 projects.

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

26 2. Eligibility requirements.--

27 a. A community contribution by a person must be in the
28 following form:

- 29 (I) Cash or other liquid assets;
30 (II) Real property;
31 (III) Goods or inventory; or

1 (IV) Other physical resources as identified by the
2 Office of Tourism, Trade, and Economic Development.

3 b. All community contributions must be reserved
4 exclusively for use in a project. As used in this
5 sub-subparagraph, the term "project" means any activity
6 undertaken by an eligible sponsor which is designed to
7 construct, improve, or substantially rehabilitate housing that
8 is affordable to low-income or very-low-income households as
9 defined in s. 420.9071(19) and (28); designed to provide
10 commercial, industrial, or public resources and facilities; or
11 designed to improve entrepreneurial and job-development
12 opportunities for low-income persons. A project may be the
13 investment necessary to increase access to high-speed
14 broadband capability in rural communities with enterprise
15 zones, including projects that result in improvements to
16 communications assets that are owned by a business. A project
17 may include the provision of museum educational programs and
18 materials that are directly related to any project approved
19 between January 1, 1996, and December 31, 1999, and located in
20 an enterprise zone designated pursuant to s. 290.0065. This
21 paragraph does not preclude projects that propose to construct
22 or rehabilitate housing for low-income or very-low-income
23 households on scattered sites. With respect to housing,
24 contributions may be used to pay the following eligible
25 low-income and very-low-income housing-related activities:

26 (I) Project development impact and management fees for
27 low-income or very-low-income housing projects;

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

30 (III) Administrative costs, including housing
31 counseling and marketing fees, not to exceed 10 percent of the

1 community contribution, directly related to low-income or
2 very-low-income projects; and

3 (IV) Removal of liens recorded against residential
4 property by municipal, county, or special district local
5 governments when satisfaction of the lien is a necessary
6 precedent to the transfer of the property to an eligible
7 person, as defined in s. 420.9071(19) and (28), for the
8 purpose of promoting home ownership. Contributions for lien
9 removal must be received from a nonrelated third party.

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

12 (I) A community action program;

13 (II) A nonprofit community-based development
14 organization whose mission is the provision of housing for
15 low-income or very-low-income households or increasing
16 entrepreneurial and job-development opportunities for
17 low-income persons;

18 (III) A neighborhood housing services corporation;

19 (IV) A local housing authority created under chapter
20 421;

21 (V) A community redevelopment agency created under s.
22 163.356;

23 (VI) The Florida Industrial Development Corporation;

24 (VII) A historic preservation district agency or
25 organization;

26 (VIII) A regional workforce board;

27 (IX) A direct-support organization as provided in s.
28 1009.983;

29 (X) An enterprise zone development agency created
30 under s. 290.0056;

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1 (XI) A community-based organization incorporated under
2 chapter 617 which is recognized as educational, charitable, or
3 scientific pursuant to s. 501(c)(3) of the Internal Revenue
4 Code and whose bylaws and articles of incorporation include
5 affordable housing, economic development, or community
6 development as the primary mission of the corporation;

7 (XII) Units of local government;

8 (XIII) Units of state government; or

9 (XIV) Any other agency that the Office of Tourism,
10 Trade, and Economic Development designates by rule.

11
12 In no event may a contributing person have a financial
13 interest in the eligible sponsor.

14 d. The project must be located in an area designated
15 an enterprise zone or a Front Porch Florida Community pursuant
16 to s. 20.18(6), unless the project increases access to
17 high-speed broadband capability for rural communities with
18 enterprise zones but is physically located outside the
19 designated rural zone boundaries. Any project designed to
20 construct or rehabilitate housing for low-income or
21 very-low-income households as defined in s. 420.0971(19) and
22 (28) is exempt from the area requirement of this
23 sub-subparagraph.

24 e.(I) If, during the first 10 business days of the
25 state fiscal year, eligible tax credit applications for
26 projects that provide homeownership opportunities for
27 low-income or very-low-income households as defined in s.
28 420.9071(19) and (28) are received for less than the annual
29 tax credits available for those projects, the Office of
30 Tourism, Trade, and Economic Development shall grant tax
31 credits for those applications and shall grant remaining tax

1 | credits on a first-come, first-served basis for any subsequent
2 | eligible applications received before the end of the state
3 | fiscal year. If, during the first 10 business days of the
4 | state fiscal year, eligible tax credit applications for
5 | projects that provide homeownership opportunities for
6 | low-income or very-low-income households as defined in s.
7 | 420.9071(19) and (28) are received for more than the annual
8 | tax credits available for those projects, the office shall
9 | grant the tax credits for those applications as follows:

10 | (A) If tax credit applications submitted for approved
11 | projects of an eligible sponsor do not exceed \$200,000 in
12 | total, the credits shall be granted in full if the tax credit
13 | applications are approved.

14 | (B) If tax credit applications submitted for approved
15 | projects of an eligible sponsor exceed \$200,000 in total, the
16 | amount of tax credits granted pursuant to
17 | sub-sub-sub-subparagraph (A) shall be subtracted from the
18 | amount of available tax credits, and the remaining credits
19 | shall be granted to each approved tax credit application on a
20 | pro rata basis.

21 | (II) If, during the first 10 business days of the
22 | state fiscal year, eligible tax credit applications for
23 | projects other than those that provide homeownership
24 | opportunities for low-income or very-low-income households as
25 | defined in s. 420.9071(19) and (28) are received for less than
26 | the annual tax credits available for those projects, the
27 | office shall grant tax credits for those applications and
28 | shall grant remaining tax credits on a first-come,
29 | first-served basis for any subsequent eligible applications
30 | received before the end of the state fiscal year. If, during
31 | the first 10 business days of the state fiscal year, eligible

1 tax credit applications for projects other than those that
2 provide homeownership opportunities for low-income or
3 very-low-income households as defined in s. 420.9071(19) and
4 (28) are received for more than the annual tax credits
5 available for those projects, the office shall grant the tax
6 credits for those applications on a pro rata basis.

7 3. Application requirements.--

8 a. Any eligible sponsor seeking to participate in this
9 program must submit a proposal to the Office of Tourism,
10 Trade, and Economic Development which sets forth the name of
11 the sponsor, a description of the project, and the area in
12 which the project is located, together with such supporting
13 information as is prescribed by rule. The proposal must also
14 contain a resolution from the local governmental unit in which
15 the project is located certifying that the project is
16 consistent with local plans and regulations.

17 b. Any person seeking to participate in this program
18 must submit an application for tax credit to the office which
19 sets forth the name of the sponsor, a description of the
20 project, and the type, value, and purpose of the contribution.
21 The sponsor shall verify the terms of the application and
22 indicate its receipt of the contribution, which verification
23 must be in writing and accompany the application for tax
24 credit. The person must submit a separate tax credit
25 application to the office for each individual contribution
26 that it makes to each individual project.

27 c. Any person who has received notification from the
28 office that a tax credit has been approved must apply to the
29 department to receive the refund. Application must be made on
30 the form prescribed for claiming refunds of sales and use
31 taxes and be accompanied by a copy of the notification. A

1 person may submit only one application for refund to the
2 department within any 12-month period.

3 4. Administration.--

4 a. The Office of Tourism, Trade, and Economic
5 Development may adopt rules pursuant to ss. 120.536(1) and
6 120.54 necessary to administer this paragraph, including rules
7 for the approval or disapproval of proposals by a person.

8 b. The decision of the office must be in writing, and,
9 if approved, the notification shall state the maximum credit
10 allowable to the person. Upon approval, the office shall
11 transmit a copy of the decision to the Department of Revenue.

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

16 d. The office shall, in consultation with the
17 Department of Community Affairs and the statewide and regional
18 housing and financial intermediaries, market the availability
19 of the community contribution tax credit program to
20 community-based organizations.

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

25 Section 2. Paragraph (c) of subsection (1) of section
26 220.183, Florida Statutes, is amended to read:

27 220.183 Community contribution tax credit.--

28 (1) AUTHORIZATION TO GRANT COMMUNITY CONTRIBUTION TAX
29 CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS AND PROGRAM
30 SPENDING.--
31

1 (c) The total amount of tax credit which may be
2 granted for all programs approved under this section, s.
3 212.08(5)(p) ~~s. 212.08(5)(q)~~, and s. 624.5105 is ~~\$15~~\$10.5
4 million annually for projects that provide homeownership
5 opportunities for low-income or very-low-income households as
6 defined in s. 420.9071(19) and (28) and \$3.5 million annually
7 for all other projects.

8 Section 3. Paragraph (c) of subsection (1) of section
9 624.5105, Florida Statutes, is amended to read:

10 624.5105 Community contribution tax credit;
11 authorization; limitations; eligibility and application
12 requirements; administration; definitions; expiration.--

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

14 (c) The total amount of tax credit which may be
15 granted for all programs approved under this section and ss.
16 212.08(5)(p) ~~212.08(5)(q)~~ and 220.183 is ~~\$15~~\$10.5 million
17 annually for projects that provide homeownership opportunities
18 for low-income or very-low-income households as defined in s.
19 420.9071(19) and (28) and \$3.5 million annually for all other
20 projects.

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

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24 SENATE SUMMARY

25 Increases from \$10.5 to \$15 million the total amount of
26 tax credits which may be granted for the community
27 contribution tax credit program.
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