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CHAMBER ACTION

<u>Senate</u>	.	<u>House</u>
Comm: FAV	.	
4/17/2008	.	
	.	
	.	

1 The Committee on Community Affairs (Crist) recommended the
 2 following **amendment**:

Senate Amendment (with title amendment)

5 On page 1, between lines 10-11
6 insert:

7 Section 1. Paragraph (p) of subsection (5) of section
8 212.08, Florida Statutes, is amended to read:

9 212.08 Sales, rental, use, consumption, distribution, and
10 storage tax; specified exemptions.--The sale at retail, the
11 rental, the use, the consumption, the distribution, and the
12 storage to be used or consumed in this state of the following are
13 hereby specifically exempt from the tax imposed by this chapter.

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

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

16 1. Authorization.--Persons who are registered with the
17 department under s. 212.18 to collect or remit sales or use tax



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18 and who make donations to eligible sponsors are eligible for tax
19 credits against their state sales and use tax liabilities as
20 provided in this paragraph:

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

23 b. The credit shall be granted as a refund against state
24 sales and use taxes reported on returns and remitted in the 12
25 months preceding the date of application to the department for
26 the credit as required in sub-subparagraph 3.c. If the annual
27 credit is not fully used through such refund because of
28 insufficient tax payments during the applicable 12-month period,
29 the unused amount may be included in an application for a refund
30 made pursuant to sub-subparagraph 3.c. in subsequent years
31 against the total tax payments made for such year. Carryover
32 credits may be applied for a 3-year period without regard to any
33 time limitation that would otherwise apply under s. 215.26.

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

37 d. All proposals for the granting of the tax credit require
38 the prior approval of the Office of Tourism, Trade, and Economic
39 Development.

40 e. The total amount of tax credits which may be granted for
41 all programs approved under this paragraph, s. 220.183, and s.
42 624.5105 is \$10.5 million annually for projects that provide
43 homeownership opportunities for low-income or very-low-income
44 households as defined in s. 420.9071(19) and (28) and \$3.5
45 million annually for all other projects.

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

49 2. Eligibility requirements.--

50 a. A community contribution by a person must be in the
51 following form:

52 (I) Cash or other liquid assets;

53 (II) Real property;

54 (III) Goods or inventory; or

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

57 b. All community contributions must be reserved exclusively
58 for use in a project. As used in this sub-subparagraph, the term
59 "project" means any activity undertaken by an eligible sponsor
60 which is designed to construct, improve, or substantially
61 rehabilitate housing that is affordable to low-income or very-
62 low-income households as defined in s. 420.9071(19) and (28);
63 designed to provide commercial, industrial, or public resources
64 and facilities; or designed to improve entrepreneurial and job-
65 development opportunities for low-income persons. A project may
66 be the investment necessary to increase access to high-speed
67 broadband capability in rural communities with enterprise zones,
68 including projects that result in improvements to communications
69 assets that are owned by a business. A project may include the
70 provision of museum or public broadcasting educational programs
71 and materials that are ~~directly~~ related to any project approved
72 between January 1, 1996, and December 31, 2006 ~~1999~~, and located
73 in an enterprise zone designated pursuant to s. 290.0065. This
74 paragraph does not preclude projects that propose to construct or
75 rehabilitate housing for low-income or very-low-income households

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76 on scattered sites. With respect to housing, contributions may be
77 used to pay the following eligible low-income and very-low-income
78 housing-related activities:

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

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

83 (III) Administrative costs, including housing counseling
84 and marketing fees, not to exceed 10 percent of the community
85 contribution, directly related to low-income or very-low-income
86 projects; and

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

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

96 (I) A community action program;

97 (II) A nonprofit community-based development organization
98 whose mission is the provision of housing for low-income or very-
99 low-income households or increasing entrepreneurial and job-
100 development opportunities for low-income persons;

101 (III) A neighborhood housing services corporation;

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

103 (V) A community redevelopment agency created under s.
104 163.356;

105 (VI) The Florida Industrial Development Corporation;



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- 106 (VII) A historic preservation district agency or
107 organization;
- 108 (VIII) A regional workforce board;
- 109 (IX) A direct-support organization as provided in s.
110 1009.983;
- 111 (X) An enterprise zone development agency created under s.
112 290.0056;
- 113 (XI) A community-based organization incorporated under
114 chapter 617 which is recognized as educational, charitable, or
115 scientific pursuant to s. 501(c)(3) of the Internal Revenue Code
116 and whose bylaws and articles of incorporation include affordable
117 housing, economic development, or community development as the
118 primary mission of the corporation;
- 119 (XII) Units of local government;
- 120 (XIII) Units of state government; or
- 121 (XIV) Any other agency that the Office of Tourism, Trade,
122 and Economic Development designates by rule.

123

124 In no event may a contributing person have a financial interest
125 in the eligible sponsor.

126 d. The project must be located in an area designated an
127 enterprise zone or a Front Porch Florida Community pursuant to s.
128 20.18(6), unless the project increases access to high-speed
129 broadband capability for rural communities with enterprise zones
130 but is physically located outside the designated rural zone
131 boundaries. Any project designed to construct or rehabilitate
132 housing for low-income or very-low-income households as defined
133 in s. 420.9071(19) and (28) is exempt from the area requirement
134 of this sub-subparagraph.



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

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

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

161 (II) If, during the first 10 business days of the state
162 fiscal year, eligible tax credit applications for projects other
163 than those that provide homeownership opportunities for low-
164 income or very-low-income households as defined in s.



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165 420.9071(19) and (28) are received for less than the annual tax
166 credits available for those projects, the office shall grant tax
167 credits for those applications and shall grant remaining tax
168 credits on a first-come, first-served basis for any subsequent
169 eligible applications received before the end of the state fiscal
170 year. If, during the first 10 business days of the state fiscal
171 year, eligible tax credit applications for projects other than
172 those that provide homeownership opportunities for low-income or
173 very-low-income households as defined in s. 420.9071(19) and (28)
174 are received for more than the annual tax credits available for
175 those projects, the office shall grant the tax credits for those
176 applications on a pro rata basis.

177 3. Application requirements.--

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

187 b. Any person seeking to participate in this program must
188 submit an application for tax credit to the office which sets
189 forth the name of the sponsor, a description of the project, and
190 the type, value, and purpose of the contribution. The sponsor
191 shall verify the terms of the application and indicate its
192 receipt of the contribution, which verification must be in
193 writing and accompany the application for tax credit. The person
194 must submit a separate tax credit application to the office for

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195 each individual contribution that it makes to each individual
196 project.

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

204 4. Administration.--

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

209 b. The decision of the office must be in writing, and, if
210 approved, the notification shall state the maximum credit
211 allowable to the person. Upon approval, the office shall transmit
212 a copy of the decision to the Department of Revenue.

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

217 d. The office shall, in consultation with the Department of
218 Community Affairs and the statewide and regional housing and
219 financial intermediaries, market the availability of the
220 community contribution tax credit program to community-based
221 organizations.

222 5. Expiration.--This paragraph expires June 30, 2015;
223 however, any accrued credit carryover that is unused on that date



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224 | may be used until the expiration of the 3-year carryover period
225 | for such credit.

226 |
227 | ===== T I T L E A M E N D M E N T =====

228 | And the title is amended as follows:

229 | Delete line(s) 2-3

230 | and insert:

231 | An act relating to the community contribution tax credit;
232 | amending s. 212.08, F.S.; revising a definition of the
233 | term "project" to expand the types of projects eligible
234 | for the credit to include certain public broadcasting
235 | educational programs and materials; amending s. 220.03,
236 | F.S.; revising a