

By Senator Posey

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1 A bill to be entitled
2 An act relating to tax refunds for qualified space
3 flight contractors; amending s. 288.1045, F.S.;
4 including space flight contractors in the qualified
5 defense contractor tax refund program; expanding the
6 definition of "applicant" and "project" to include
7 space flight business contracts; defining the terms
8 "space flight business," "space flight business
9 contract," "new space flight business contract," and
10 "consolidation of a space flight business contract";
11 providing that qualified defense contractors are, upon
12 approval, eligible for specified tax refunds under
13 certain circumstances; authorizing a qualified
14 applicant to receive refunds from the account for
15 certain taxes after entering into certain tax refund
16 agreements; excluding certain taxes from the list of
17 eligible taxes on which a refund may be based;
18 expanding the requirements for an application for
19 certification as a qualified defense contractor or
20 space flight contractor; providing that an applicant
21 may not apply for certification after a proposal has
22 been submitted for a new space flight business contract
23 or after the applicant has made the decision to
24 consolidate an existing space flight business contract;
25 requiring that an applicant establish certain
26 information to qualify for review by the Office of
27 Tourism, Trade, and Economic Development; requiring
28 that certain types of applications contain certain
29 information; requiring that the office review and

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30 evaluate each application based on specified criteria;
31 requiring that the office forward its written findings
32 regarding each application meeting certain requirements
33 to its director within a specified period; requiring
34 that applications for certification based on the
35 consolidation of a space flight business contract or a
36 new space flight business contract be submitted to the
37 office in the manner prescribed by the office;
38 requiring that such contracts contain certain
39 information; providing for the claiming of a tax refund
40 by an applicant who has entered into a valid new space
41 flight business contract or commenced the consolidation
42 of a space flight business contract; prohibiting a tax
43 refund for a qualified defense contractor from being
44 paid unless local financial support has been paid to
45 the Economic Development Trust Fund for that refund;
46 providing eligible sources of such local financial
47 support; providing for certain reductions in the amount
48 of such tax refunds and applicable limitations;
49 providing that an applicant may not be certified after
50 a specified date; deleting provisions relating to the
51 submission of an annual report of the payment of
52 certain tax refunds by the Office of Tourism, Trade,
53 and Economic Development to the Governor, the President
54 of the Senate, and the Speaker of the House of
55 Representatives; providing an effective date.

56
57 Be It Enacted by the Legislature of the State of Florida:
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59 Section 1. Section 288.1045, Florida Statutes, is amended
60 to read:

61 288.1045 Qualified defense contractor and space flight
62 contractor tax refund program.--

63 (1) DEFINITIONS.--As used in this section:

64 (a) "Consolidation of a Department of Defense contract"
65 means the consolidation of one or more of an applicant's
66 facilities under one or more Department of Defense contracts
67 either from outside this state or from inside and outside this
68 state, into one or more of the applicant's facilities inside this
69 state.

70 (b) "Average wage in the area" means the average of all
71 wages and salaries in the state, the county, or in the standard
72 metropolitan area in which the business unit is located.

73 (c) "Applicant" means any business entity that holds a
74 valid Department of Defense contract or space flight business
75 contract, any business entity that is a subcontractor under a
76 valid Department of Defense contract or space flight business
77 contract, or any business entity that holds a valid contract for
78 the reuse of a defense-related facility, including all members of
79 an affiliated group of corporations as defined in s.
80 220.03(1)(b).

81 (d) "Office" means the Office of Tourism, Trade, and
82 Economic Development.

83 (e) "Department of Defense contract" means a competitively
84 bid Department of Defense contract or subcontract or a
85 competitively bid federal agency contract or subcontract issued
86 on behalf of the Department of Defense for manufacturing,
87 assembling, fabricating, research, development, or design with a

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88 duration of 2 or more years, but excluding any contract or
89 subcontract to provide goods, improvements to real or tangible
90 property, or services directly to or for any particular military
91 base or installation in this state. The term includes contracts
92 or subcontracts for products or services for military use or
93 homeland security which contracts or subcontracts are approved by
94 the United States Department of Defense, the United States
95 Department of State, or the United States Department of Homeland
96 Security.

97 (f) "New Department of Defense contract" means a Department
98 of Defense contract entered into after the date application for
99 certification as a qualified applicant is made and after January
100 1, 1994.

101 (g) "Jobs" means full-time equivalent positions, consistent
102 with the use of such terms by the Agency for Workforce Innovation
103 for the purpose of unemployment compensation tax, created or
104 retained as a direct result of a project in this state. This
105 number does not include temporary construction jobs involved with
106 the construction of facilities for the project.

107 (h) "Nondefense production jobs" means employment
108 exclusively for activities that, directly or indirectly, are
109 unrelated to the Department of Defense.

110 (i) "Project" means any business undertaking in this state
111 under a new Department of Defense contract, consolidation of a
112 Department of Defense contract, new space flight business
113 contract, consolidation of a space flight business contract, or
114 conversion of defense production jobs over to nondefense
115 production jobs or reuse of defense-related facilities.

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116 (j) "Qualified applicant" means an applicant that has been
117 approved by the director to be eligible for tax refunds pursuant
118 to this section.

119 (k) "Director" means the director of the Office of Tourism,
120 Trade, and Economic Development.

121 (l) "Taxable year" means the same as in s. 220.03(1)(y).

122 (m) "Fiscal year" means the fiscal year of the state.

123 (n) "Business unit" means an employing unit, as defined in
124 s. 443.036, that is registered with the Agency for Workforce
125 Innovation for unemployment compensation purposes or means a
126 subcategory or division of an employing unit that is accepted by
127 the Agency for Workforce Innovation as a reporting unit.

128 (o) "Local financial support" means funding from local
129 sources, public or private, which is paid to the Economic
130 Development Trust Fund and which is equal to 20 percent of the
131 annual tax refund for a qualified applicant. Local financial
132 support may include excess payments made to a utility company
133 under a designated program to allow decreases in service by the
134 utility company under conditions, regardless of when application
135 is made. A qualified applicant may not provide, directly or
136 indirectly, more than 5 percent of such funding in any fiscal
137 year. The sources of such funding may not include, directly or
138 indirectly, state funds appropriated from the General Revenue
139 Fund or any state trust fund, excluding tax revenues shared with
140 local governments pursuant to law.

141 (p) "Contract for reuse of a defense-related facility"
142 means a contract with a duration of 2 or more years for the use
143 of a facility for manufacturing, assembling, fabricating,
144 research, development, or design of tangible personal property,

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145 but excluding any contract to provide goods, improvements to real
146 or tangible property, or services directly to or for any
147 particular military base or installation in this state. Such
148 facility must be located within a port, as defined in s. 313.21,
149 and have been occupied by a business entity that held a valid
150 Department of Defense contract or occupied by any branch of the
151 Armed Forces of the United States, within 1 year of any contract
152 being executed for the reuse of such facility. A contract for
153 reuse of a defense-related facility may not include any contract
154 for reuse of such facility for any Department of Defense contract
155 for manufacturing, assembling, fabricating, research,
156 development, or design.

157 (q) "Local financial support exemption option" means the
158 option to exercise an exemption from the local financial support
159 requirement available to any applicant whose project is located
160 in a county designated by the Rural Economic Development
161 Initiative, if the county commissioners of the county in which
162 the project will be located adopt a resolution requesting that
163 the applicant's project be exempt from the local financial
164 support requirement. Any applicant that exercises this option is
165 not eligible for more than 80 percent of the total tax refunds
166 allowed such applicant under this section.

167 (r) "Space flight business" means the manufacturing,
168 processing, or assembly of space technology products, a space
169 facility, space propulsion system, space vehicle, satellite, or
170 station of any kind possessing the capacity for space flight, as
171 defined in s. 212.02(23), or components thereof. The term also
172 includes activities supporting space flight, including, but not
173 limited to, vehicle launch activities, flight operations, ground

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174 control or ground support, and all administrative activities
175 directly related thereto. The term does not include products that
176 are designed or manufactured for general commercial aviation or
177 other uses even though such products may also serve an incidental
178 use in space applications.

179 (s) "Space flight business contract" means a competitively
180 bid federal agency contract or federal agency subcontract, an
181 awarded commercial contract, or an awarded commercial subcontract
182 for space flight business having a duration of 2 years or longer.

183 (t) "New space flight business contract" means a space
184 flight business contract entered into after the date on which
185 application for certification as a qualified applicant is made
186 and after January 1, 2007.

187 (u) "Consolidation of a space flight business contract"
188 means the consolidation of one or more of an applicant's
189 facilities, under one or more space flight business contracts,
190 from outside this state or from inside and outside this state
191 into one or more of the applicant's facilities inside this state.

192 (2) GRANTING OF A TAX REFUND; ELIGIBLE AMOUNTS.--

193 (a) There shall be allowed, from the Economic Development
194 Trust Fund, a refund to a qualified applicant for the amount of
195 eligible taxes certified by the director which were paid by such
196 qualified applicant. The total amount of refunds for all fiscal
197 years for each qualified applicant shall be determined pursuant
198 to subsection (3). The annual amount of a refund to a qualified
199 applicant shall be determined pursuant to subsection (5).

200 (b) Upon approval by the director, a qualified defense
201 contractor business shall be allowed tax refund payments equal to
202 \$3,000 multiplied by the number of jobs specified in the tax

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203 refund agreement under subparagraph (4) (a)1., or \$6,000
204 multiplied by the number of jobs if the project is located in a
205 rural county or an enterprise zone. Further, a qualified defense
206 contractor business shall be allowed additional tax refund
207 payments equal to \$1,000 multiplied by the number of jobs
208 specified in the tax refund agreement under subparagraph
209 (4) (a)1., if such jobs pay an annual average wage of at least 150
210 percent of the average private sector wage in the area, or \$2,000
211 multiplied by the number of jobs if such jobs pay an annual
212 average wage of at least 200 percent of the average private
213 sector wage in the area. A qualified applicant may not be
214 ~~qualified for any project to receive more than \$5,000 times the~~
215 ~~number of jobs provided in the tax refund agreement pursuant to~~
216 ~~subparagraph (4) (a)1.~~ A qualified applicant may not receive
217 refunds of more than 25 percent of the total tax refunds provided
218 in the tax refund agreement pursuant to subparagraph (4) (a)1. in
219 any fiscal year, provided that no qualified applicant may receive
220 more than \$2.5 million in tax refunds pursuant to this section in
221 any fiscal year.

222 (c) A qualified applicant may not receive more than \$7.5
223 million in tax refunds pursuant to this section in all fiscal
224 years.

225 (d) Contingent upon an annual appropriation by the
226 Legislature, the director may approve not more in tax refunds
227 than the amount appropriated to the Economic Development Trust
228 Fund for tax refunds, for a fiscal year pursuant to subsection
229 (5) and s. 288.095.

230 (e) For the first 6 months of each fiscal year, the
231 director shall set aside 30 percent of the amount appropriated

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232 for refunds pursuant to this section by the Legislature to
233 provide tax refunds only to qualified applicants who employ 500
234 or fewer full-time employees in this state. Any unencumbered
235 funds remaining undisbursed from this set-aside at the end of the
236 6-month period may be used to provide tax refunds for any
237 qualified applicants pursuant to this section.

238 (f) After entering into a tax refund agreement pursuant to
239 subsection (4), a qualified applicant may ~~receive refunds from~~
240 ~~the Economic Development Trust Fund for the following taxes due~~
241 ~~and paid by the qualified applicant beginning with the~~
242 ~~applicant's first taxable year that begins after entering into~~
243 ~~the agreement:~~

244 1. Receive refunds from the account for corporate income
245 taxes under chapter 220 due and paid by that business beginning
246 with the first taxable year of the business which begins after
247 entering into the agreement.

248 2. Receive refunds from the account for the following taxes
249 due and paid by that business after entering into the agreement:

250 a. Taxes on sales, use, and other transactions under
251 chapter 212.

252 b. Intangible personal property taxes under chapter 199.

253 c. Excise taxes on documents under chapter 201.

254 d. Ad valorem taxes paid, as defined in s. 220.03(1).

255 e. State communications services taxes administered under
256 chapter 202. This sub-subparagraph does not apply to the gross
257 receipts tax imposed under chapter 203 and administered under
258 chapter 202 or the local communications services tax authorized
259 under s. 202.19.

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- 260 1. ~~Taxes on sales, use, and other transactions paid~~
261 ~~pursuant to chapter 212.~~
- 262 2. ~~Corporate income taxes paid pursuant to chapter 220.~~
- 263 3. ~~Intangible personal property taxes paid pursuant to~~
264 ~~chapter 199.~~
- 265 4. ~~Emergency excise taxes paid pursuant to chapter 221.~~
- 266 5. ~~Excise taxes paid on documents pursuant to chapter 201.~~
- 267 6. ~~Ad valorem taxes paid, as defined in s. 220.03(1)(a) on~~
268 ~~June 1, 1996.~~
- 269 7. ~~State communications services taxes administered under~~
270 ~~chapter 202. This provision does not apply to the gross receipts~~
271 ~~tax imposed under chapter 203 and administered under chapter 202~~
272 ~~or the local communications services tax authorized under s.~~
273 ~~202.19.~~

274

275 However, a qualified applicant may not receive a tax refund
276 pursuant to this section for any amount of credit, refund, or
277 exemption granted such contractor for any of such taxes. If a
278 refund for such taxes is provided by the office, which taxes are
279 subsequently adjusted by the application of any credit, refund,
280 or exemption granted to the qualified applicant other than that
281 provided in this section, the qualified applicant shall reimburse
282 the Economic Development Trust Fund for the amount of such
283 credit, refund, or exemption. A qualified applicant must notify
284 and tender payment to the office within 20 days after receiving a
285 credit, refund, or exemption, other than that provided in this
286 section. The addition of communications services taxes
287 administered under chapter 202 is remedial in nature and
288 retroactive to October 1, 2001. The office may make supplemental

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289 tax refund payments to allow for tax refunds for communications
290 services taxes paid by an eligible qualified defense contractor
291 after October 1, 2001.

292 (g) Any qualified applicant who fraudulently claims this
293 refund is liable for repayment of the refund to the Economic
294 Development Trust Fund plus a mandatory penalty of 200 percent of
295 the tax refund which shall be deposited into the General Revenue
296 Fund. Any qualified applicant who fraudulently claims this refund
297 commits a felony of the third degree, punishable as provided in
298 s. 775.082, s. 775.083, or s. 775.084.

299 (h) Funds made available pursuant to this section may not
300 be expended in connection with the relocation of a business from
301 one community to another community in this state unless the
302 Office of Tourism, Trade, and Economic Development determines
303 that without such relocation the business will move outside this
304 state or determines that the business has a compelling economic
305 rationale for the relocation which creates additional jobs.

306 (3) APPLICATION PROCESS; REQUIREMENTS; AGENCY
307 DETERMINATION.--

308 (a) To apply for certification as a qualified applicant
309 pursuant to this section, an applicant must file an application
310 with the office which satisfies the requirements of paragraphs
311 (b) and (e), paragraphs (c) and (e), ~~or~~ paragraphs (d) and (e),
312 or paragraphs (e) and (k). An applicant may not apply for
313 certification pursuant to this section after a proposal has been
314 submitted for a new Department of Defense contract, after the
315 applicant has made the decision to consolidate an existing
316 Department of Defense contract, after a proposal has been
317 submitted for a new space flight business contract, after the

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318 applicant has made the decision to consolidate an existing space
319 flight business contract in this state for which such applicant
320 is seeking certification, or after the applicant has made the
321 decision to convert defense production jobs to nondefense
322 production jobs for which such applicant is seeking
323 certification.

324 (b) Applications for certification based on the
325 consolidation of a Department of Defense contract or a new
326 Department of Defense contract must be submitted to the office as
327 prescribed by the office and must include, but are not limited
328 to, the following information:

329 1. The applicant's federal employer identification number,
330 the applicant's Florida sales tax registration number, and a
331 ~~notarized~~ signature of an officer of the applicant.

332 2. The permanent location of the manufacturing, assembling,
333 fabricating, research, development, or design facility in this
334 state at which the project is or is to be located.

335 3. The Department of Defense contract numbers of the
336 contract to be consolidated, the new Department of Defense
337 contract number, or the "RFP" number of a proposed Department of
338 Defense contract.

339 4. The date the contract was executed or is expected to be
340 executed, and the date the contract is due to expire or is
341 expected to expire.

342 5. The commencement date for project operations under the
343 contract in this state.

344 6. The number of net new full-time equivalent Florida jobs
345 included in the project as of December 31 of each year and the
346 average wage of such jobs.

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347 7. The total number of full-time equivalent employees
348 employed by the applicant in this state.

349 8. The percentage of the applicant's gross receipts derived
350 from Department of Defense contracts during the 5 taxable years
351 immediately preceding the date the application is submitted.

352 9. The number of full-time equivalent jobs in this state to
353 be retained by the project.

354 ~~10. The estimated amount of tax refunds to be claimed for~~
355 ~~each fiscal year.~~

356 ~~10.11.~~ A brief statement concerning the applicant's need
357 for tax refunds, and the proposed uses of such refunds by the
358 applicant.

359 ~~11.12.~~ A resolution adopted by the governing board of the
360 county or municipality ~~commissioners of the county~~ in which the
361 project will be located, which recommends the applicant be
362 approved as a qualified applicant, and which indicates that the
363 necessary commitments of local financial support for the
364 applicant exist. Prior to the adoption of the resolution, the
365 county commission may review the proposed public or private
366 sources of such support and determine whether the proposed
367 sources of local financial support can be provided or, for any
368 applicant whose project is located in a county designated by the
369 Rural Economic Development Initiative, a resolution adopted by
370 the county commissioners of such county requesting that the
371 applicant's project be exempt from the local financial support
372 requirement.

373 ~~12.13.~~ Any additional information requested by the office.

374 (c) Applications for certification based on the conversion
375 of defense production jobs to nondefense production jobs must be

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376 submitted to the office as prescribed by the office and must
377 include, but are not limited to, the following information:

378 1. The applicant's federal employer identification number,
379 the applicant's Florida sales tax registration number, and a
380 ~~notarized~~ signature of an officer of the applicant.

381 2. The permanent location of the manufacturing, assembling,
382 fabricating, research, development, or design facility in this
383 state at which the project is or is to be located.

384 3. The Department of Defense contract numbers of the
385 contract under which the defense production jobs will be
386 converted to nondefense production jobs.

387 4. The date the contract was executed, and the date the
388 contract is due to expire or is expected to expire, or was
389 canceled.

390 5. The commencement date for the nondefense production
391 operations in this state.

392 6. The number of net new full-time equivalent Florida jobs
393 included in the nondefense production project as of December 31
394 of each year and the average wage of such jobs.

395 7. The total number of full-time equivalent employees
396 employed by the applicant in this state.

397 8. The percentage of the applicant's gross receipts derived
398 from Department of Defense contracts during the 5 taxable years
399 immediately preceding the date the application is submitted.

400 9. The number of full-time equivalent jobs in this state to
401 be retained by the project.

402 ~~10. The estimated amount of tax refunds to be claimed for~~
403 ~~each fiscal year.~~

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404 ~~10.11.~~ A brief statement concerning the applicant's need
405 for tax refunds, and the proposed uses of such refunds by the
406 applicant.

407 ~~11.12.~~ A resolution adopted by the governing board of the
408 county or municipality ~~commissioners of the county~~ in which the
409 project will be located, which recommends the applicant be
410 approved as a qualified applicant, and which indicates that the
411 necessary commitments of local financial support for the
412 applicant exist. Prior to the adoption of the resolution, the
413 county commission may review the proposed public or private
414 sources of such support and determine whether the proposed
415 sources of local financial support can be provided or, for any
416 applicant whose project is located in a county designated by the
417 Rural Economic Development Initiative, a resolution adopted by
418 the county commissioners of such county requesting that the
419 applicant's project be exempt from the local financial support
420 requirement.

421 ~~12.13.~~ Any additional information requested by the office.

422 (d) Applications for certification based on a contract for
423 reuse of a defense-related facility must be submitted to the
424 office as prescribed by the office and must include, but are not
425 limited to, the following information:

426 1. The applicant's Florida sales tax registration number
427 and a ~~notarized~~ signature of an officer of the applicant.

428 2. The permanent location of the manufacturing, assembling,
429 fabricating, research, development, or design facility in this
430 state at which the project is or is to be located.

431 3. The business entity holding a valid Department of
432 Defense contract or branch of the Armed Forces of the United

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433 States that previously occupied the facility, and the date such
434 entity last occupied the facility.

435 4. A copy of the contract to reuse the facility, or such
436 alternative proof as may be prescribed by the office that the
437 applicant is seeking to contract for the reuse of such facility.

438 5. The date the contract to reuse the facility was executed
439 or is expected to be executed, and the date the contract is due
440 to expire or is expected to expire.

441 6. The commencement date for project operations under the
442 contract in this state.

443 7. The number of net new full-time equivalent Florida jobs
444 included in the project as of December 31 of each year and the
445 average wage of such jobs.

446 8. The total number of full-time equivalent employees
447 employed by the applicant in this state.

448 9. The number of full-time equivalent jobs in this state to
449 be retained by the project.

450 ~~10. The estimated amount of tax refunds to be claimed for~~
451 ~~each fiscal year.~~

452 10.11. A brief statement concerning the applicant's need
453 for tax refunds, and the proposed uses of such refunds by the
454 applicant.

455 11.12. A resolution adopted by the governing board of the
456 county or municipality ~~commissioners of the county~~ in which the
457 project will be located, which recommends the applicant be
458 approved as a qualified applicant, and which indicates that the
459 necessary commitments of local financial support for the
460 applicant exist. Prior to the adoption of the resolution, the
461 county commission may review the proposed public or private

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462 sources of such support and determine whether the proposed
463 sources of local financial support can be provided or, for any
464 applicant whose project is located in a county designated by the
465 Rural Economic Development Initiative, a resolution adopted by
466 the county commissioners of such county requesting that the
467 applicant's project be exempt from the local financial support
468 requirement.

469 ~~12.13.~~ Any additional information requested by the office.

470 (e) To qualify for review by the office, the application of
471 an applicant must, at a minimum, establish the following to the
472 satisfaction of the office:

473 1. The jobs proposed to be provided under the application,
474 pursuant to subparagraph (b)6., ~~or~~ subparagraph (c)6., or
475 subparagraph (k)6., must pay an estimated annual average wage
476 equaling at least 115 percent of the average wage in the area
477 where the project is to be located.

478 2. The consolidation of a Department of Defense contract
479 must result in a net increase of at least 25 percent in the
480 number of jobs at the applicant's facilities in this state or the
481 addition of at least 80 jobs at the applicant's facilities in
482 this state.

483 3. The conversion of defense production jobs to nondefense
484 production jobs must result in net increases in nondefense
485 employment at the applicant's facilities in this state.

486 4. The Department of Defense contract or the space flight
487 business contract cannot allow the business to include the costs
488 of relocation or retooling in its base as allowable costs under a
489 cost-plus, or similar, contract.

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490 5. A business unit of the applicant must have derived not
491 less than 60 percent of its gross receipts in this state from
492 Department of Defense contracts or space flight business
493 contracts over the applicant's last fiscal year, and must have
494 derived not less than an average of 60 percent of its gross
495 receipts in this state from Department of Defense contracts or
496 space flight business contracts over the 5 years preceding the
497 date an application is submitted pursuant to this section. This
498 subparagraph does not apply to any application for certification
499 based on a contract for reuse of a defense-related facility.

500 6. The reuse of a defense-related facility must result in
501 the creation of at least 100 jobs at such facility.

502 7. The consolidation of a space flight business contract or
503 a new space flight business contract must result in net increases
504 in space flight business employment at the applicant's facilities
505 in the state.

506 (f) Each application meeting the requirements of paragraphs
507 (b) and (e), paragraphs (c) and (e), ~~or~~ paragraphs (d) and (e),
508 or paragraphs (e) and (k) must be submitted to the office for a
509 determination of eligibility. The office shall review and~~r~~
510 ~~evaluate, and score~~ each application based on, but not limited
511 to, the following criteria:

512 1. Expected contributions to the state strategic economic
513 development plan adopted by Enterprise Florida, Inc., taking into
514 account the extent to which the project contributes to the
515 state's high-technology base, and the long-term impact of the
516 project and the applicant on the state's economy.

517 2. The economic benefit of the jobs created or retained by
518 the project in this state, taking into account the cost and

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519 average wage of each job created or retained, and the potential
520 risk to existing jobs.

521 3. The amount of capital investment to be made by the
522 applicant in this state.

523 4. The local commitment and support for the project and
524 applicant.

525 5. The impact of the project on the local community, taking
526 into account the unemployment rate for the county where the
527 project will be located.

528 6. The dependence of the local community on the defense
529 industry or space flight business.

530 7. The impact of any tax refunds granted pursuant to this
531 section on the viability of the project and the probability that
532 the project will occur in this state if such tax refunds are
533 granted to the applicant, taking into account the expected long-
534 term commitment of the applicant to economic growth and
535 employment in this state.

536 8. The length of the project, or the expected long-term
537 commitment to this state resulting from the project.

538 (g) The office shall forward its written findings and
539 evaluation on each application meeting the requirements of
540 paragraphs (b) and (e), paragraphs (c) and (e), ~~or~~ paragraphs (d)
541 and (e), or paragraphs (e) and (k) to the director within 60
542 calendar days after receipt of a complete application. The office
543 shall notify each applicant when its application is complete, and
544 when the 60-day period begins. In its written report to the
545 director, the office shall specifically address each of the
546 factors specified in paragraph (f), and shall make a specific
547 assessment with respect to the minimum requirements established

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548 in paragraph (e). The office shall include in its report
549 projections of the tax refunds the applicant would be eligible to
550 receive in each fiscal year based on the creation and maintenance
551 of the net new Florida jobs specified in subparagraph (b)6.,
552 subparagraph (c)6., or subparagraph (d)7. as of December 31 of
553 the preceding state fiscal year.

554 (h) Within 30 days after receipt of the office's findings
555 and evaluation, the director shall issue a letter of
556 certification which either approves or disapproves an
557 application. The decision must be in writing and provide the
558 justifications for either approval or disapproval. If
559 appropriate, the director shall enter into a written agreement
560 with the qualified applicant pursuant to subsection (4).

561 (i) The director may not certify any applicant as a
562 qualified applicant when the value of tax refunds to be included
563 in that letter of certification exceeds the available amount of
564 authority to certify new businesses as determined in s.
565 288.095(3). A letter of certification that approves an
566 application must specify the maximum amount of a tax refund that
567 is to be available to the contractor for each fiscal year and the
568 total amount of tax refunds for all fiscal years.

569 (j) This section does not create a presumption that an
570 applicant should receive any tax refunds under this section.

571 (k) Applications for certification based on the
572 consolidation of a space flight business contract or a new space
573 flight business contract must be submitted to the office in the
574 manner prescribed by the office and must include, but are not
575 limited to, the following information:

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576 1. The applicant's federal employer identification number,
577 the applicant's Florida sales tax registration number, and a
578 signature of an officer of the applicant.

579 2. The permanent location of the space flight business
580 facility in this state at which the project is or is to be
581 located.

582 3. The space flight business contract numbers of the
583 contract to be consolidated, the new space flight business
584 contract number, or the "RFP" number of a proposed space flight
585 business contract.

586 4. The date on which the contract was executed, and the
587 date on which the contract is due to expire, is expected to
588 expire, or was canceled.

589 5. The commencement date for project operations under the
590 contract for duties to be performed in this state.

591 6. The number of net new full-time or equivalent Florida
592 jobs included in the project as of December 31 of each year and
593 the average wage of such jobs.

594 7. The total number of full-time or equivalent employees
595 employed by the applicant in this state.

596 8. The percentage of the applicant's gross receipts derived
597 from space flight business contracts during the 5 taxable years
598 immediately preceding the date on which the application is
599 submitted.

600 9. The number of full-time or equivalent jobs in this state
601 to be retained by the project.

602 10. A brief statement concerning the applicant's need for
603 tax refunds, and the proposed uses of such refunds by the
604 applicant.

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605 11. A resolution adopted by the governing board of the
606 county or municipality in which the project will be located which
607 recommends that the applicant be approved as a qualified
608 applicant and indicates the existence of the necessary
609 commitments of local financial support for the applicant. Before
610 the adoption of the resolution, the county commission may review
611 the proposed public or private sources of such support and
612 determine whether the proposed sources of local financial support
613 can be provided or, for any applicant whose project is located in
614 a county designated by the Rural Economic Development Initiative,
615 a resolution adopted by the county commissioners of such county
616 requesting that the applicant's project be exempt from the local
617 financial support requirement.

618 12. Any additional information requested by the office.

619 (4) QUALIFIED DEFENSE CONTRACTOR TAX REFUND AGREEMENT.--

620 (a) A qualified applicant shall enter into a written
621 agreement with the office containing, but not limited to, the
622 following:

623 1. The total number of full-time equivalent jobs in this
624 state that are or will be dedicated to the qualified applicant's
625 project, the average wage of such jobs, the definitions that will
626 apply for measuring the achievement of these terms during the
627 pendency of the agreement, and a time schedule or plan for when
628 such jobs will be in place and active in this state.

629 2. The maximum amount of a refund that the qualified
630 applicant is eligible to receive for each fiscal year, based on
631 the job creation or retention and maintenance schedule specified
632 in subparagraph 1.

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633 3. An agreement with the office allowing the office to
634 review and verify the financial and personnel records of the
635 qualified applicant to ascertain whether the qualified applicant
636 is complying with the requirements of this section.

637 4. The date by which, in each fiscal year, the qualified
638 applicant may file a claim pursuant to subsection (5) to be
639 considered to receive a tax refund in the following fiscal year.

640 5. That local financial support shall be annually available
641 and will be paid to the Economic Development Trust Fund.

642 (b) Compliance with the terms and conditions of the
643 agreement is a condition precedent for receipt of tax refunds
644 each year. The failure to comply with the terms and conditions of
645 the agreement shall result in the loss of eligibility for receipt
646 of all tax refunds previously authorized pursuant to this
647 section, and the revocation of the certification as a qualified
648 applicant by the director, unless the qualified applicant is
649 eligible to receive and elects to accept a prorated refund under
650 paragraph (5)(g) or the office grants the qualified applicant an
651 economic-stimulus exemption.

652 1. A qualified applicant may submit, in writing, a request
653 to the office for an economic-stimulus exemption. The request
654 must provide quantitative evidence demonstrating how negative
655 economic conditions in the qualified applicant's industry, the
656 effects of the impact of a named hurricane or tropical storm, or
657 specific acts of terrorism affecting the qualified applicant have
658 prevented the qualified applicant from complying with the terms
659 and conditions of its tax refund agreement.

660 2. Upon receipt of a request under subparagraph 1., the
661 director shall have 45 days to notify the requesting qualified

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662 applicant, in writing, if its exemption has been granted or
663 denied. In determining if an exemption should be granted, the
664 director shall consider the extent to which negative economic
665 conditions in the requesting qualified applicant's industry, the
666 effects of the impact of a named hurricane or tropical storm, or
667 specific acts of terrorism affecting the qualified applicant have
668 prevented the qualified applicant from complying with the terms
669 and conditions of its tax refund agreement.

670 3. As a condition for receiving a prorated refund under
671 paragraph (5)(g) or an economic-stimulus exemption under this
672 paragraph, a qualified applicant must agree to renegotiate its
673 tax refund agreement with the office to, at a minimum, ensure
674 that the terms of the agreement comply with current law and
675 office procedures governing application for and award of tax
676 refunds. Upon approving the award of a prorated refund or
677 granting an economic-stimulus exemption, the office shall
678 renegotiate the tax refund agreement with the qualified applicant
679 as required by this subparagraph. When amending the agreement of
680 a qualified applicant receiving an economic-stimulus exemption,
681 the office may extend the duration of the agreement for a period
682 not to exceed 2 years.

683 4. A qualified applicant may submit a request for an
684 economic-stimulus exemption to the office in lieu of any tax
685 refund claim scheduled to be submitted after January 1, 2005, but
686 before July 1, 2006.

687 5. A qualified applicant that receives an economic-stimulus
688 exemption may not receive a tax refund for the period covered by
689 the exemption.

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690 (c) The agreement shall be signed by the director and the
691 authorized officer of the qualified applicant.

692 (d) The agreement must contain the following legend,
693 clearly printed on its face in bold type of not less than 10
694 points:

695

696 "This agreement is neither a general obligation of the State of
697 Florida, nor is it backed by the full faith and credit of the
698 State of Florida. Payment of tax refunds are conditioned on and
699 subject to specific annual appropriations by the Florida
700 Legislature of funds sufficient to pay amounts authorized in s.
701 288.1045, Florida Statutes."

702 (5) ANNUAL CLAIM FOR REFUND FROM A QUALIFIED DEFENSE
703 CONTRACTOR.--

704 (a) To be eligible to claim any scheduled tax refund,
705 qualified applicants who have entered into a written agreement
706 with the office pursuant to subsection (4) and who have entered
707 into a valid new Department of Defense contract, entered into a
708 valid new space flight business contract, commenced the
709 consolidation of a space flight business contract, commenced the
710 consolidation of a Department of Defense contract, commenced the
711 conversion of defense production jobs to nondefense production
712 jobs, or entered into a valid contract for reuse of a defense-
713 related facility must apply by January 31 of each fiscal year to
714 the office for tax refunds scheduled to be paid from the
715 appropriation for the fiscal year that begins on July 1 following
716 the January 31 claims-submission date. The office may, upon
717 written request, grant a 30-day extension of the filing date. The

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718 application must include a notarized signature of an officer of
719 the applicant.

720 (b) The claim for refund by the qualified applicant must
721 include a copy of all receipts pertaining to the payment of taxes
722 for which a refund is sought, and data related to achieving each
723 performance item contained in the tax refund agreement pursuant
724 to subsection (4). The amount requested as a tax refund may not
725 exceed the amount for the relevant fiscal year in the written
726 agreement entered pursuant to subsection (4).

727 (c) A tax refund may not be approved for any qualified
728 applicant unless local financial support has been paid to the
729 Economic Development Trust Fund for that refund. If the local
730 financial support is less than 20 percent of the approved tax
731 refund, the tax refund shall be reduced. The tax refund paid may
732 not exceed 5 times the local financial support received. Funding
733 from local sources includes tax abatement under s. 196.1995 or
734 the appraised market value of municipal or county land including
735 any improvements or structures conveyed or provided at a discount
736 via sale or lease to that business ~~provided to a qualified~~
737 ~~applicant~~. The amount of any tax refund for an applicant approved
738 under this section shall be reduced by the amount of any such tax
739 abatement granted or the value of the land including any
740 improvements or structures granted, and the limitations in
741 subsection (2) and paragraph (3)(h) shall be reduced by the
742 amount of any such tax abatement or the value of the land
743 including any improvements or structures granted. A report
744 listing all sources of the local financial support shall be
745 provided to the office when such support is paid to the Economic
746 Development Trust Fund.

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747 (d) The director, with assistance from the office, the
748 Department of Revenue, and the Agency for Workforce Innovation,
749 shall, by June 30 following the scheduled date for submitting the
750 tax refund claim, specify by written order the approval or
751 disapproval of the tax refund claim and, if approved, the amount
752 of the tax refund that is authorized to be paid to the qualified
753 applicant for the annual tax refund. The office may grant an
754 extension of this date upon the request of the qualified
755 applicant for the purpose of filing additional information in
756 support of the claim.

757 (e) The total amount of tax refunds approved by the
758 director under this section in any fiscal year may not exceed the
759 amount authorized under s. 288.095(3).

760 (f) Upon approval of the tax refund pursuant to paragraphs
761 (c) and (d), the Chief Financial Officer shall issue a warrant
762 for the amount included in the written order. In the event of any
763 appeal of the written order, the Chief Financial Officer may not
764 issue a warrant for a refund to the qualified applicant until the
765 conclusion of all appeals of the written order.

766 (g) A prorated tax refund, less a 5 percent penalty, shall
767 be approved for a qualified applicant provided all other
768 applicable requirements have been satisfied and the applicant
769 proves to the satisfaction of the director that it has achieved
770 at least 80 percent of its projected employment and that the
771 average wage paid by the qualified applicant is at least 90
772 percent of the average wage specified in the tax refund
773 agreement, but in no case less than 115 percent of the average
774 private sector wage in the area available at the time of
775 certification. The prorated tax refund shall be calculated by

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776 multiplying the tax refund amount for which the qualified
777 applicant would have been eligible, if all applicable
778 requirements had been satisfied, by the percentage of the average
779 employment specified in the tax refund agreement which was
780 achieved, and by the percentage of the average wages specified in
781 the tax refund agreement which was achieved.

782 (h) This section does not create a presumption that a tax
783 refund claim will be approved and paid.

784 (6) ADMINISTRATION.--

785 (a) The office may adopt rules pursuant to chapter 120 for
786 the administration of this section.

787 (b) The office may verify information provided in any claim
788 submitted for tax credits under this section with regard to
789 employment and wage levels or the payment of the taxes with the
790 appropriate agency or authority including the Department of
791 Revenue, the Agency for Workforce Innovation, or any local
792 government or authority.

793 (c) To facilitate the process of monitoring and auditing
794 applications made under this program, the office may provide a
795 list of qualified applicants to the Department of Revenue, to the
796 Agency for Workforce Innovation, or to any local government or
797 authority. The office may request the assistance of said entities
798 with respect to monitoring jobs, wages, and the payment of the
799 taxes listed in subsection (2).

800 ~~(d) By December 1 of each year, the office shall submit a~~
801 ~~complete and detailed report to the Governor, the President of~~
802 ~~the Senate, and the Speaker of the House of Representatives of~~
803 ~~all tax refunds paid under this section, including analyses of~~
804 ~~benefits and costs, types of projects supported, employment and~~

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805 ~~investment created, geographic distribution of tax refunds~~
806 ~~granted, and minority business participation. The report must~~
807 ~~indicate whether the moneys appropriated by the Legislature to~~
808 ~~the qualified applicant tax refund program were expended in a~~
809 ~~prudent, fiducially sound manner.~~

810 (d)~~(e)~~ Funds specifically appropriated for the tax refund
811 program under this section may not be used for any purpose other
812 than the payment of tax refunds authorized by this section.

813 (7) WAIVER GRANTED UNDER CERTAIN
814 CIRCUMSTANCES.--Notwithstanding paragraphs (4)(a) and (5)(c), the
815 office may approve a waiver of the local financial support
816 requirement for a business located in any of the following
817 counties in which businesses received emergency loans
818 administered by the office in response to the named hurricanes of
819 2004: Bay, Brevard, Charlotte, DeSoto, Escambia, Flagler, Glades,
820 Hardee, Hendry, Highlands, Indian River, Lake, Lee, Martin,
821 Okaloosa, Okeechobee, Orange, Osceola, Palm Beach, Polk, Putnam,
822 Santa Rosa, Seminole, St. Lucie, Volusia, and Walton. A waiver
823 may be granted only if the office determines that the local
824 financial support cannot be provided or that doing so would
825 effect a demonstrable hardship on the unit of local government
826 providing the local financial support. If the office grants a
827 waiver of the local financial support requirement, the state
828 shall pay 100 percent of the refund due to an eligible business.
829 The waiver shall apply for tax refund applications made for
830 fiscal years 2004-2005, 2005-2006, and 2006-2007.

831 (8) EXPIRATION.--An applicant may not be certified as
832 qualified under this section after June 30, 2014 ~~2010~~. A tax

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833 refund agreement existing on that date shall continue in effect
834 in accordance with its terms.

835 Section 2. This act shall take effect July 1, 2008.