



029618

CHAMBER ACTION

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

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

3
4 **Senate Amendment (with title amendment)**

5 Delete everything after the enacting clause
6 and insert:

7 Section 1. Part XIII of chapter 288, Florida Statutes,
8 consisting of section 288.991, is created to read:

9 288.991 New Markets Tax Credit.--

10 (1) PURPOSE.--The New Markets Tax Credit Program is
11 established to encourage capital investment in rural and urban
12 low-income communities by allowing state taxpayers to receive
13 future credit against specified state taxes by investing in
14 community development entities that make quality equity
15 investments in qualified active low-income community businesses
16 that create jobs by leveraging credit available from the federal
17 New Markets Tax Credit Program.



029618

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

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

22 1. The numerator is the dollar amount of qualified low-
23 income community investments made in this state from the issuance
24 of a qualified equity investment held by a qualified community
25 development entity on the applicable credit allowance date; and

26 2. The denominator is the total dollar amount of qualified
27 low-income community investments made from the issuance of a
28 qualified equity investment held by a qualified community
29 development entity on the applicable credit allowance date.

30 (b) "Credit allowance date" means:

31 1. The first anniversary of the date that a qualified
32 equity investment is initially made; and

33 2. Each of the six subsequent anniversaries of that date.

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

35 (d) "Long-term debt security" means a debt instrument
36 issued by a qualified community development entity, at par value
37 or a premium, having an original maturity date of at least 7
38 years from the date of issuance, with no acceleration for
39 repayment, amortization, or prepayment features before its
40 original maturity date and having no distribution, payment, or
41 interest features related to the profitability of the qualified
42 community development entity or the performance of the entity's
43 investment portfolio. This paragraph does not limit the holder's
44 ability to accelerate payments on the debt instrument in
45 situations where the qualified community development entity has
46 defaulted on covenants designed to ensure compliance with this
47 section or s. 45D of the Internal Revenue Code of 1986, as



029618

48 | amended.

49 | (e) "Low-income community" means any population census
50 | tract within the state where:

51 | 1. The federal individual poverty rate is at least 20
52 | percent; or

53 | 2. In the case of a tract that is:

54 | a. Not located within a metropolitan area, the median
55 | family income does not exceed 80 percent of the statewide median
56 | family income; or

57 | b. Located within a metropolitan area, the median family
58 | income does not exceed 80 percent of the greater of the statewide
59 | median family income or the metropolitan area median income.

60 | (f) "Office" means the Office of Tourism, Trade, and
61 | Economic Development.

62 | (g) "Qualified active low-income community business" has
63 | the same meaning as in s. 45D of the Internal Revenue Code of
64 | 1986, as amended.

65 | 1. The term excludes any trade or business:

66 | a. That derives or projects to derive 15 percent or more of
67 | its annual revenue from the rental or sale of real estate;

68 | b. That engages predominantly in the development or holding
69 | of intangibles for sale or license;

70 | c. That operates a private or commercial golf course,
71 | country club, massage parlor, hot tub facility, suntan facility,
72 | racetrack, or other facility used for gambling, or a store the
73 | principal business of which is the sale of alcoholic beverages
74 | for consumption off premises; or

75 | d. In which the principal activity is farming if the sum of
76 | the aggregate unadjusted bases or the fair market value of the
77 | assets owned by the business which are used in such trade or



029618

78 business, whichever is greater, and the aggregate value of the
79 assets leased by the business used in such trade or business
80 exceeds \$500,000. For the purposes of this subparagraph, two or
81 more trades or businesses are treated as a single trade or
82 business.

83 2. A business shall be considered a qualified active low-
84 income community business for the duration of the qualified
85 community development entity's investment in or loan to the
86 business if the entity reasonably expects, at the time it makes
87 the investment or loan that the business will continue to satisfy
88 the requirements of being a qualified active low-income community
89 business throughout the entire period of the investment or loan.
90 The subsequent insolvency, including reorganization or
91 liquidation in bankruptcy, receivership, winding up, or
92 dissolution, of a business does not disqualify the business from
93 being a qualified active low-income community business if all
94 other requirements of this section continue to be met.

95 3. The office shall designate a comprehensive list of
96 industries using the North American Industry Classification
97 System, in consultation with Enterprise Florida, Inc., which will
98 be used to direct investments for this program. The industries
99 listed should lead to strong positive impacts on or benefits to
100 the state, regional, and local economies. The office shall submit
101 a copy of the list to the President of the Senate and the Speaker
102 of the House of Representatives upon completion of the list and
103 any further modifications. The office may waive the requirement
104 to limit investments to only those industries included on the
105 list if the office determines that an investment would have a
106 positive impact on a community.



029618

107 4. Jobs created must pay an average wage of no less than
108 115 percent of the federal poverty guideline for a family of four
109 as defined by the United States Department of Health and Human
110 Services' Federal Register.

111 (h) "Qualified community development entity" means an
112 entity that is certified as a qualified community development
113 entity by the Community Development Financial Institutions Fund
114 of the United States Department of the Treasury pursuant to s.
115 45D of the Internal Revenue Code of 1986, as amended, and that
116 has entered into an allocation agreement with the fund with
117 respect to tax credits authorized by section 45D, and includes
118 this state within the service area set forth in the agreement.

119 (i) "Qualified equity investment" means an equity
120 investment or long-term debt security that is issued by a
121 qualified community development entity and that:

122 1. Is acquired on or after July 1, 2008, solely in exchange
123 for cash at the time of its original issuance;

124 2. Has at least 85 percent of its cash purchase price used
125 by the qualified community development entity to make qualified
126 low-income community investments within the 12-month period
127 beginning on the date the cash is paid by the purchaser to the
128 entity; and

129 3. Is certified by the Office of Tourism, Trade, and
130 Economic Development as a qualified equity investment pursuant to
131 this section.

132 (j) "Qualified low-income community investment" means a
133 capital or equity investment in or loan to a qualified active
134 low-income community business which is made after July 1, 2008.

135 (3) QUALIFIED EQUITY INVESTMENTS.--

136 (a) A qualified community development entity that seeks to



029618

137 have an equity investment or long-term debt security designated
138 as a qualified equity investment and be eligible for tax credits
139 under this section shall apply to the office. The qualified
140 community development entity must submit an application on a form
141 that the office provides, and that includes, but need not be
142 limited to:

143 1. The name, address, tax identification number of the
144 entity, and evidence of the entity's certification as a qualified
145 community development entity;

146 2. A copy of the allocation agreement executed by the
147 entity and the Community Development Financial Institutions Fund;

148 3. A certificate executed by an executive officer of the
149 entity attesting that the allocation agreement remains in effect
150 and has not been revoked or cancelled by the Community
151 Development Financial Institutions Fund;

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

154 5. The name and tax identification number of any taxpayer
155 eligible to redeem tax credits earned as a result of the issuance
156 of the qualified equity investment;

157 6. Information regarding the proposed use of proceeds from
158 the issuance of a qualified equity investment, which must include
159 the types of qualified active low-income community businesses
160 that will be funded and an estimate of the percentage of
161 qualified low-income community investments that will be made
162 statewide;

163 7. A statement setting forth the entity's plans to invest
164 in only those entities engaged in industries identified for this
165 program by the office;

166 8. A statement setting forth the entity's plans for the



029618

167 development of relationships with community-based organizations,
168 local community development offices and organizations, and
169 economic development organizations, as well as any steps the
170 entity has taken to implement these relationships; and

171 9. A nonrefundable application fee for each application
172 submitted. The office shall determine the amount of the
173 application fee, which in total may not exceed the cost of
174 administering the program.

175 (b) Within 30 days after receipt of a completed application
176 containing the information necessary for the office to certify a
177 potential qualified equity investment, including payment of the
178 application fee, the office shall grant or deny the application
179 in full or in part. If the office denies any part of the
180 application, it shall inform the qualified community development
181 entity of the grounds for the denial. If the qualified community
182 development entity provides any additional information required
183 by the office or otherwise completes its application within 15
184 days after the notice of denial, the application shall be
185 considered completed as of the original date of submission. If
186 the qualified community development entity fails to provide the
187 information or complete its application within the 15-day period,
188 the application remains denied and must be resubmitted in full
189 with a new submission date.

190 (c) If an application is deemed complete, the office may
191 certify the proposed equity investment or long-term debt security
192 as a qualified equity investment and eligible for tax credits
193 under this section. The office shall provide written notice of
194 the certification to the qualified community development entity
195 and the department. The notice must include the maximum amount of
196 tax credits that may be earned from the issuance of the qualified



029618

197 equity investment, which shall be calculated with reference to
198 the estimate of the percentage of qualified low-income community
199 investments made in this state by the qualified community
200 development entity included in the application, and the names of
201 those taxpayers who are eligible to redeem the credits and their
202 respective credit amounts. The office shall certify qualified
203 equity investments in the order applications are received.
204 Applications received on the same day shall be deemed to have
205 been received simultaneously. For applications received on the
206 same day and deemed complete, the office shall certify,
207 consistent with remaining tax credit authority, qualified equity
208 investments in proportionate percentages based on the amount of
209 qualified equity investment requested to be certified in each
210 investment.

211 (d) Once the office has certified qualified equity
212 investments that are eligible for tax credits, and on or after
213 June 30, 2015, the office may not certify any more qualified
214 equity investments. Tax credits subject to appropriations in any
215 year must be approved and enacted by the Legislature. If a
216 pending request cannot be fully certified, the office shall
217 certify the portion that may be certified unless the qualified
218 community development entity elects to withdraw its request
219 rather than receive partial credit.

220 (e) Within 30 days after receiving notice of certification,
221 the qualified community development entity shall issue the
222 qualified equity investment and receive cash in the amount of the
223 certified amount. The qualified community development entity must
224 provide the office with evidence of the receipt of the cash
225 investment within 10 business days after receipt. If the
226 qualified community development entity does not receive the cash



029618

227 investment and issue the qualified equity investment within 30
228 days following receipt of the certification notice, the
229 certification lapses and the entity may not issue the qualified
230 equity investment without reapplying to the office for
231 certification. A certification that lapses reverts back to the
232 office and must be reissued in accordance with the application
233 process outlined in this subsection.

234 (4) TAX CREDITS.--

235 (a) A taxpayer that makes a qualified equity investment
236 earns a vested tax credit against taxes imposed by s. 220.11 or
237 s. 624.509. The taxpayer or a subsequent holder of the qualified
238 equity investment on the credit allowance date of the qualified
239 equity investment may use a portion of the vested tax credit
240 equal to 6.5 percent of the adjusted purchase price of the
241 qualified equity investment during the calendar year in which the
242 credit allowance date falls.

243 (b) A taxpayer's cash investment in a qualified equity
244 investment is considered a qualified low-income community
245 investment only to the extent that the cash is invested within
246 the 12-month period beginning on the date the cash is paid by the
247 taxpayer to the community development entity.

248 (c) A taxpayer may not redeem any portion of a tax credit
249 in a tax year in which the tax credit exceeds the taxpayer's
250 state tax liability for the tax year. Such portion may be carried
251 forward for use in a subsequent tax year; however, all unused tax
252 credits expire on December 31, 2021.

253 (d) A tax credit authorized under this section is not
254 refundable or transferable. However, if a qualified equity
255 investment is transferred, any unused tax credits transfer with
256 the investment. Tax credit amounts, including any carryover



029618

257 | amounts, from credit allowance dates before the date of transfer
258 | do not transfer with the qualified equity investment. Tax credits
259 | earned by a partnership, limited liability company, S
260 | corporation, or other pass-through entity may be allocated to the
261 | partners, members, or shareholders of such entity for direct
262 | redemption in accordance with any agreement between the partners,
263 | members, or shareholders.

264 | (e) Tax credits for taxpayers who are insurance companies
265 | subject to the insurance premium tax under s. 624.509 must be
266 | claimed against the insurance premium tax. An insurance company
267 | claiming a credit against the insurance premium tax is not
268 | required to pay any additional retaliatory tax levied pursuant to
269 | s. 624.5091. Because credits under this section are available to
270 | an insurance company, s. 624.5091 does not limit such credit in
271 | any manner.

272 | (5) CALCULATION OF CREDIT.--

273 | (a) Within 30 days after each credit allowance date, each
274 | qualified community development entity shall submit to the office
275 | the following with respect to each qualified equity investment
276 | issued by the entity:

277 | 1. A listing, certified by an executive officer of the
278 | entity, of all qualified low-income community investments made by
279 | the entity from the proceeds of a qualified equity investment and
280 | held as of the credit allowance date, which must include the name
281 | of each qualified active low-income community business funded,
282 | the location of the principal office of each such business, the
283 | type of business, the amount of the qualified low-income
284 | community investment in each business, and the total of qualified
285 | low-income community investments by all community development
286 | entities in each business;



029618

287 2. Bank records, records of wire transfers of funds, or
288 other similar documents that reflect the investments listed
289 above;

290 3. A calculation, certified by the chief financial or
291 accounting officer of the entity, of the amount of qualified low-
292 income community investments made in this state using proceeds
293 from the issuance of the qualified equity investment held by the
294 entity as of the credit allowance date, and the total qualified
295 low-income community investments made using proceeds of the
296 issuance of the qualified equity investment held by the entity on
297 the credit allowance date. In making this calculation, an
298 investment shall be deemed to be held by a qualified community
299 development entity even if the investment has been sold or repaid
300 if the entity reinvests an amount equal to the capital returned
301 to or recovered from the original investment, exclusive of any
302 profits realized, in another qualified low-income community
303 investment within 12 months after receipt of such capital. An
304 entity is not required to reinvest capital returned from a
305 qualified low-income community investment after the sixth
306 anniversary of the issuance of the qualified equity investment
307 for which the proceeds were used to make the qualified low-income
308 community investment, and the qualified low-income community
309 investment shall be deemed to be held by the entity through the
310 seventh anniversary of the qualified equity investment's
311 issuance;

312 4. An attestation from the entity's chief financial or
313 accounting officer that no redemption or principal payment was
314 made with respect to the qualified equity investment since the
315 previous credit allowance date; and

316 5. Any information relating to the recapture of any federal



029618

317 tax credits available with respect to a qualified equity
318 investment which the entity received since the prior credit
319 allowance date.

320 (b) Within 20 days after receipt of the information listed
321 in paragraph (a), the office shall certify in writing to the
322 qualified community development entity and to the department the
323 amount of credit that is eligible for use for the credit
324 allowance date. The notice must include a listing of those
325 taxpayers that are eligible to redeem the tax credit for the
326 credit allowance date.

327 (6) AUDIT AND RECAPTURE.--

328 (a) A qualified community development entity that receives
329 an annual allocation of tax credits shall be treated as a
330 recipient and required to participate in a state single audit
331 pursuant to s. 215.97. The office shall be deemed the state
332 awarding agency and coordinating agency. In addition to the
333 required financial reporting package, the audit must attest to
334 the entity's adherence to the performance conditions enumerated
335 in this section as they relate to the recapture of the tax credit
336 under paragraph (b). Taxpayers that are not qualified community
337 development entities may not be treated as subrecipients or
338 otherwise required to participate in the state single audit
339 program since such persons do not control adherence to the
340 performance standards of this program.

341 (c) The office shall disqualify a qualified community
342 development entity from receiving additional Florida markets tax
343 credits if more than 50 percent of qualified equity investments
344 during the first three years of operation become insolvent,
345 reorganized or liquidated in bankruptcy, receivership, winding
346 up, or dissolved. In addition, the office shall recapture 50



029618

347 percent of all credits issued to such qualified community
348 development entity.

349 (b) The office shall order the department to recapture any
350 tax credit authorized under this section with respect to a
351 qualified equity investment if:

352 1. Any amount of any federal tax credit which is eligible
353 for a tax credit under this section is recaptured under s. 45D of
354 the Internal Revenue Code of 1986, as amended;

355 2. The qualified community development entity is not deemed
356 to be a qualified community development entity under the federal
357 New Markets Tax Credit Program;

358 3. The qualified community development entity redeems or
359 makes a principal repayment before the seventh anniversary of the
360 issuance of the qualified equity investment;

361 4. The qualified community development entity fails to make
362 qualified low-income community investments in qualified active
363 low-income community businesses;

364 5. The qualified community development entity fails to
365 maintain at least 85 percent of the proceeds of the qualified
366 equity investment in qualified low-income community investments
367 at any time before the seventh anniversary of the issuance of the
368 qualified equity investment and remains in compliance with
369 subparagraph (2)(i)2.;

370 6. The qualified community development entity fails to
371 provide to the office and the department any of the information
372 or reports required by this section; or

373 7. The office determines as a result of a state single
374 audit or an examination by the office that a taxpayer received
375 tax credits pursuant to this section to which the taxpayer was
376 not entitled.



029618

377 (c) The office shall provide notice to the qualified
378 community development entity and to the department of any
379 proposed recapture of tax credits pursuant to this subsection.
380 The entity shall have 90 days to cure any deficiency indicated in
381 the office's original recapture notice and avoid such recapture.
382 If the entity fails or is unable to cure such deficiency within
383 the 90-day period, the office shall provide the entity and the
384 department with a final order of recapture. The qualified
385 community development entity is responsible for providing copies
386 of the final order of recapture to taxpayers owning the tax
387 credits at issue.

388 (d) Any tax credit for which a final recapture order has
389 been issued shall be recaptured by the department from the
390 taxpayer who claimed the tax credit on a tax return, or in the
391 case of multiple succeeding entities, in the order of tax-credit
392 succession, and such funds shall be paid into the General Revenue
393 Fund. Such action by the department does not constitute an audit
394 or otherwise alter the department's ability to audit the
395 taxpayer.

396 (7) ANNUAL REPORTING.--

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

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

405 2. Using the North American Industry Classification System
406 Code, the types of businesses funded, the counties where the



029618

407 qualified active low-income community businesses are located, the
408 dollars invested, and the number of jobs created and retained by
409 qualified active low-income community businesses funded in a form
410 satisfactory to the office;

411 3. A statement describing the relationships that the entity
412 has established with community-based organizations, local
413 community development offices and organizations, and economic
414 development organizations, and a summary of the outcomes
415 resulting from those relationships; and

416 4. Other information as prescribed by the office and
417 documentation to demonstrate continued certification by the
418 federal program.

419 (b) The office shall prepare an annual report of all
420 qualified low-income community investments made in this state
421 from the proceeds of qualified equity investments, which includes
422 relevant statistics from the North American Industry
423 Classification System Code, the county or counties where the
424 qualified low-income community investments are located, the
425 dollars invested, the number of jobs created and retained by
426 business in which qualified low-income community investments have
427 been made, and the value of applicable state tax credits claimed
428 for the latest year for which such information is available. The
429 office shall submit a copy to the Governor, the President of the
430 Senate, and the Speaker of the House of Representatives each July
431 1, beginning in 2010, and may post the annual report on the
432 office's website.

433 (8) EXAMINATION.--

434 (a) The office may conduct examinations to verify that tax
435 credits under this section have been received and applied
436 according to the requirements of this section and to verify



029618

437 information provided by qualified community development entities
438 to the office.

439 (b) The office may revoke or modify any written decision
440 qualifying, certifying, or otherwise granting eligibility for tax
441 credits under this section if it is discovered that the qualified
442 community development entity submitted any false statement,
443 representation, or certification in any application, record,
444 report, plan, or other document filed in an attempt to receive
445 the tax credits.

446 (c) A qualified community development entity that submits
447 information under this section which includes fraudulent
448 information is liable for reimbursement of the reasonable costs
449 and fees associated with the review, processing, investigation,
450 and prosecution of the fraudulent claim plus a penalty in an
451 amount double the credit amount certified and claimed by the
452 holders of the entity's qualified equity investments, which
453 penalty is in addition to any criminal penalty to which the
454 taxpayer is liable for the same acts.

455 (9) RULEMAKING AUTHORITY.--

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

458 (b) The department may adopt rules pursuant to ss.
459 120.536(1) and 120.54 to administer this section.

460 (10) EXPIRATION.--This section expires December 31, 2021.

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

463 220.02 Legislative intent.--

464 (8) It is the intent of the Legislature that credits
465 against either the corporate income tax or the franchise tax be
466 applied in the following order: those enumerated in s. 631.828,



029618

467 those enumerated in s. 220.191, those enumerated in s. 220.181,
468 those enumerated in s. 220.183, those enumerated in s. 220.182,
469 those enumerated in s. 220.1895, those enumerated in s. 221.02,
470 those enumerated in s. 220.184, those enumerated in s. 220.186,
471 those enumerated in s. 220.1845, those enumerated in s. 220.19,
472 those enumerated in s. 220.185, those enumerated in s. 220.187,
473 those enumerated in s. 220.192, ~~and~~ those enumerated in s.
474 220.193, and those enumerated in s. 288.991.

475 Section 3. Paragraph (a) of subsection (1) of section
476 220.13, Florida Statutes, is amended to read:

477 220.13 "Adjusted federal income" defined.--

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

482 (a) Additions.--There shall be added to such taxable
483 income:

484 1. The amount of any tax upon or measured by income,
485 excluding taxes based on gross receipts or revenues, paid or
486 accrued as a liability to the District of Columbia or any state
487 of the United States which is deductible from gross income in the
488 computation of taxable income for the taxable year.

489 2. The amount of interest which is excluded from taxable
490 income under s. 103(a) of the Internal Revenue Code or any other
491 federal law, less the associated expenses disallowed in the
492 computation of taxable income under s. 265 of the Internal
493 Revenue Code or any other law, excluding 60 percent of any
494 amounts included in alternative minimum taxable income, as
495 defined in s. 55(b)(2) of the Internal Revenue Code, if the
496 taxpayer pays tax under s. 220.11(3).



029618

497 3. In the case of a regulated investment company or real
498 estate investment trust, an amount equal to the excess of the net
499 long-term capital gain for the taxable year over the amount of
500 the capital gain dividends attributable to the taxable year.

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

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

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

515 7. That portion of assessments to fund a guaranty
516 association incurred for the taxable year which is equal to the
517 amount of the credit allowable for the taxable year.

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

523 9. The amount taken as a credit for the taxable year under
524 s. 220.1895.



029618

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

528 11. The amount taken as a credit for the taxable year under
529 s. 220.187.

530 12. The amount taken as a credit for the taxable year under
531 s. 220.192.

532 13. The amount taken as a credit for the taxable year under
533 s. 220.193.

534 14. Any portion of a qualified equity investment, as
535 defined in s. 288.991, which is claimed as a deduction by the
536 taxpayer for the purpose of calculating the taxpayer's net
537 income.

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

540 213.053 Confidentiality and information sharing.--

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

548 Section 5. This act shall take effect July 1, 2008, and
549 applies to tax years ending after December 31, 2008.

550
551 ===== T I T L E A M E N D M E N T =====

552 And the title is amended as follows:

553 Delete everything before the enacting clause
554 and insert:



029618

555 A bill to be entitled
556 An act relating to corporate income tax credits; creating
557 part XIII of ch. 288, F.S., consisting of s. 288.991,
558 F.S.; creating the New Markets Tax Credit Program;
559 providing definitions; authorizing the Office of Tourism,
560 Trade, and Economic Development to develop a list of
561 industries, in consultation with Enterprise Florida, Inc.,
562 in which equity investments can be made; qualify certain
563 equity investments as eligible for tax credits; providing
564 an application process; requiring an application fee;
565 providing for the certification of an investment;
566 providing for notice to the applicant and the Department
567 of Revenue; providing for a limit on the amount of
568 investments the office may certify; requiring the
569 certified equity investments to be issued within a certain
570 timeframe; providing that a taxpayer who holds a qualified
571 equity investment in a qualified low-income business on
572 the credit allowance date of the investment is entitled to
573 a nonrefundable, nontransferable tax credit for the
574 taxable year in which the credit allowance date falls;
575 limiting the amount of the tax credit that may be redeemed
576 in a fiscal year; authorizing a taxpayer to carry over any
577 amount of the tax credit that the taxpayer is prohibited
578 from redeeming in a taxable year to a subsequent taxable
579 year; providing for the redemption of tax credits earned
580 by certain business entities and by the partners, members,
581 or shareholders of those entities; specifying how tax
582 credits may be claimed by insurance companies; providing
583 how the amount of tax credits available to the taxpayer
584 will be calculated; requiring the calculations to be



029618

585 certified and accompanied by audited financial statements
586 and notarized affidavits; requiring the office to
587 disqualify community development entities under certain
588 circumstances; requiring the department to recapture tax
589 credits from certain taxpayers under certain
590 circumstances; requiring notice; requiring community
591 development entities that have certified investments to
592 report certain information to the office; requiring the
593 office to prepare annual reports on low-income community
594 investments made in this state; authorizing the department
595 to conduct examinations to verify receipt and application
596 of tax credits; authorizing the department to pursue
597 recovery of certain funds; authorizing the office to
598 revoke or modify certain decisions relating to eligibility
599 for tax credits under certain circumstances; providing for
600 applicant liability for costs and fees relating to
601 investigations of fraudulent claims; providing for
602 taxpayer liability for reimbursement of fraudulently
603 claimed tax credits; providing a penalty; authorizing the
604 office and the department to adopt rules; providing for
605 future repeal of the tax credit program; amending s.
606 220.02, F.S.; revising legislative intent with respect to
607 the order of tax credits to include the New Markets Tax
608 Credit; amending s. 220.13, F.S.; revising a definition;
609 amending s. 213.053, F.S.; authorizing the Department of
610 Revenue to share confidential taxpayer information with
611 the Office of Tourism, Trade, and Economic Development;
612 providing for application of the tax credit; providing an
613 effective date.