

1 A bill to be entitled  
2 An act relating to entertainment industry economic  
3 development; amending s. 288.1254, F.S.; revising the  
4 entertainment industry financial incentive program to  
5 provide corporate income tax and sales and use tax credits  
6 to qualified entertainment entities rather than  
7 reimbursements from appropriations; revising provisions  
8 relating to definitions, creation and scope, application  
9 procedures, approval process, eligibility, required  
10 documents, qualified and certified productions, and annual  
11 reports; providing duties and responsibilities of the  
12 Office of Film and Entertainment, the Office of Tourism,  
13 Trade, and Economic Development, and the Department of  
14 Revenue relating to the tax credits; providing criteria  
15 and limitations for awards of tax credits; providing for  
16 uses, allocations, election, distributions, and  
17 carryforward of the tax credits; providing for withdrawal  
18 of tax credit eligibility; providing for use of  
19 consolidated returns; providing for partnership and  
20 noncorporate distributions of tax credits; providing for  
21 succession of tax credits; providing requirements for  
22 transfer of tax credits; authorizing the Office of  
23 Tourism, Trade, and Economic Development to adopt rules,  
24 policies, and procedures; authorizing the Department of  
25 Revenue to adopt rules and conduct audits; providing for  
26 revocation and forfeiture of tax credits; providing  
27 liability for reimbursement of certain costs and fees  
28 associated with a fraudulent claim; requiring an annual

29 report to the Governor and the Legislature; providing for  
 30 future repeal; amending s. 220.02, F.S.; including tax  
 31 credits enumerated in s. 288.1254, F.S., in the order of  
 32 application of credits against certain taxes; amending s.  
 33 213.053, F.S.; authorizing the Department of Revenue to  
 34 provide tax credit information to the Office of Film and  
 35 Entertainment and the Office of Tourism, Trade, and  
 36 Economic Development; amending s. 212.08, F.S.; requiring  
 37 electronic funds transfer for the entertainment industry  
 38 tax credit; providing procedures; providing severability;  
 39 providing an effective date.

40

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

42

43 Section 1. Section 288.1254, Florida Statutes, is amended  
 44 to read:

45 (Substantial rewording of section. See

46 s. 288.1254, F.S., for present text.)

47 288.1254 Entertainment industry financial incentive

48 program.--

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

50 (a) "Certified production" means a qualified production

51 that has tax credits allocated to it by the Office of Tourism,

52 Trade, and Economic Development based on its estimated qualified

53 expenditures, up to its maximum certified amount of tax credits,

54 by the Office of Tourism, Trade, and Economic Development. The

55 term excludes a production if its first day of principal

56 photography in this state occurred before the production is

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57 certified by the Office of Tourism, Trade, and Economic  
58 Development.

59 (b) "Digital media project" means a production of  
60 interactive entertainment which is produced for distribution in  
61 commercial or educational markets, including a video game,  
62 simulation, or animation, or a production intended for Internet  
63 or wireless distribution. The term excludes a production deemed  
64 by the Office of Film and Entertainment to contain obscene  
65 content as defined in s. 847.001(10).

66 (c) "Off-season certified production" means a production,  
67 other than a digital media project or an animated production,  
68 which films 75 percent or more of its principal photography days  
69 from June 1 through November 30.

70 (d) "Production" means a theatrical or direct-to-video  
71 motion picture; a made-for-television motion picture; a  
72 commercial; a music video; an industrial or educational film; an  
73 infomercial; a documentary film; a television pilot program; a  
74 presentation for a television pilot program; a television  
75 series, including, but not limited to, a drama, a reality show,  
76 a comedy, a soap opera, a telenovela, a game show, or a  
77 miniseries production; or a digital media project by the  
78 entertainment industry. One season of a television series is  
79 considered one production. The term excludes a weather or market  
80 program; a sporting event; a sports show; a gala; a production  
81 that solicits funds; a home shopping program; a political  
82 program; a political documentary; political advertising; a  
83 gambling-related project or production; a concert production; a  
84 pornographic production; or a local, regional, or Internet-

85 distributed-only news show, current-events show, pornographic  
 86 production, or current-affairs show. A production may be  
 87 produced on or by film, tape, or otherwise by means of a motion  
 88 picture camera; electronic camera or device; tape device;  
 89 computer; any combination of the foregoing; or any other means,  
 90 method, or device now used or later adopted.

91 (e) "Production expenditures" means the costs of tangible  
 92 and intangible property used and services performed primarily  
 93 and customarily in production, including preproduction and  
 94 postproduction, excluding costs for development, marketing, and  
 95 distribution. Production expenditures include, but are not  
 96 limited to:

97 1. Wages, salaries, or other compensation, including  
 98 amounts paid through payroll service companies, for technical  
 99 and production crews, directors, producers, and performers.

100 2. Expenditures for sound stages, backlots, production  
 101 editing, digital effects, sound recordings, sets, and set  
 102 construction.

103 3. Expenditures for rental equipment, including, but not  
 104 limited to, cameras and grip or electrical equipment.

105 4. Costs of computer software and hardware, including  
 106 servers, data processing, and visualization technologies used  
 107 exclusively in the state for the production of digital media.

108 5. Expenditures for meals, travel, and accommodations.

109 (f) "Qualified expenditures" means production expenditures  
 110 incurred in this state by a qualified production for:

111 1. Goods purchased or leased from, or services provided  
 112 by, a vendor or supplier, including a payroll services company,

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113 in this state which is registered with the Department of State  
114 or the Department of Revenue and doing business in this state.

115 2. Payments to residents of this state in the form of  
116 salary, wages, or other compensation up to a maximum of  
117 \$1,000,000 per resident unless otherwise specified in subsection  
118 (4).

119  
120 For a qualified production involving an event, such as an awards  
121 show, the term excludes expenditures solely associated with the  
122 event itself and not directly required by the production. The  
123 term excludes expenditures prior to certification, with the  
124 exception of those incurred for a commercial, a music video, or  
125 the pickup of additional episodes of a television series within  
126 a single season.

127 (g) "Qualified production" means a production in this  
128 state meeting the requirements of this section. The term  
129 excludes a production:

130 1. In which less than 50 percent of the positions that  
131 make up its production cast and below-the-line production crew  
132 are filled by residents of this state, whose residency is  
133 demonstrated by a valid Florida driver's license or other state-  
134 issued identification confirming residency, or students enrolled  
135 full-time in a film-and-entertainment-related course of study at  
136 an institution of higher education in this state; or

137 2. That is deemed by the Office of Film and Entertainment  
138 to contain obscene content as defined in s. 847.001(10).

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139 (h) "Qualified production company" means a corporation,  
140 limited liability company, partnership, or other legal entity  
141 engaged in a production or productions.

142 (2) CREATION AND PURPOSE OF PROGRAM.--The entertainment  
143 industry financial incentive program is created within the  
144 Office of Film and Entertainment. The purpose of this program is  
145 to encourage the use of this state as a site for filming and to  
146 develop and sustain the workforce and infrastructure for film  
147 and entertainment production.

148 (3) APPLICATION PROCEDURE; APPROVAL PROCESS.--

149 (a) Program application.--A qualified production company  
150 in this state producing a qualified production may submit a  
151 program application to the Office of Film and Entertainment for  
152 the purpose of determining qualification for an award of tax  
153 credits authorized by this section no earlier than 6 months  
154 before the anticipated production start date. The applicant  
155 shall provide the office with information required to determine  
156 whether the production is a qualified production and to  
157 determine the qualified expenditures and other information  
158 necessary for the office to determine eligibility for the tax  
159 credit.

160 (b) Required documentation.--The Office of Film and  
161 Entertainment shall develop an application form for qualifying  
162 an applicant as a qualified production. The form must include,  
163 but need not be limited to, production-related information  
164 concerning employment of residents in this state, a detailed  
165 budget of planned qualified expenditures, and the applicant's  
166 signed affirmation that the information on the form has been

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167 verified and is correct. The Office of Film and Entertainment  
168 and local film commissions shall distribute the form.

169 (c) Application process.--The Office of Film and  
170 Entertainment shall establish a process by which an application  
171 is accepted and reviewed and by which tax credit eligibility and  
172 amount are determined. The office may request assistance from a  
173 duly appointed local film commission in determining compliance  
174 with this section.

175 (d) Certification.--The Office of Film and Entertainment  
176 shall review the application within 10 business days after  
177 receipt. Upon its determination that the application contains  
178 all the information required by this subsection and meets the  
179 criteria set out in this section, the office shall qualify the  
180 applicant and recommend to the Office of Tourism, Trade, and  
181 Economic Development that the applicant be certified for the  
182 maximum tax credit award amount. Within 5 business days after  
183 receipt of the recommendation, the Office of Tourism, Trade, and  
184 Economic Development shall reject the recommendation or certify  
185 the maximum recommended tax credit award, if any, to the  
186 applicant and to the executive director of the Department of  
187 Revenue.

188 (e) Grounds for denial.--The Office of Film and  
189 Entertainment shall deny an application if it determines that  
190 the application is not complete, the production does not meet  
191 the requirements of this section, or the tax credit sought does  
192 not meet the requirements of this section.

193 (f) Verification of actual qualified expenditures.--

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194        1. The Office of Film and Entertainment shall develop a  
195 process to verify the actual qualified expenditures of a  
196 certified production. The process must require:

197        a. A certified production to submit, in a timely manner  
198 after production ends and after making all of its qualified  
199 expenditures, data substantiating each qualified expenditure to  
200 an independent certified public accountant licensed in this  
201 state;

202        b. Such accountant to conduct an audit, at the certified  
203 production's expense, to substantiate each qualified expenditure  
204 and submit the results as a report, along with all  
205 substantiating data, to the Office of Film and Entertainment;  
206 and

207        c. The Office of Film and Entertainment to review the  
208 accountant's submittal and report to the Office of Tourism,  
209 Trade, and Economic Development the final verified amount of  
210 actual qualified expenditures made by the certified production.

211        2. The Office of Tourism, Trade, and Economic Development  
212 shall determine and approve the final tax credit award amount to  
213 each certified applicant based on the final verified amount of  
214 actual qualified expenditures and shall then notify the  
215 executive director of the Department of Revenue that the  
216 certified production has met the requirements of the incentive  
217 program and of the final amount of the tax credit award.

218        (g) Promoting Florida.--The Office of Film and  
219 Entertainment shall ensure that, as a condition of receiving a  
220 tax credit under this section, marketing materials promoting  
221 this state as a tourist destination or film and entertainment



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222 production destination are included, when appropriate, at no  
223 cost to the state, which must, at a minimum, include placement  
224 in the end credits of a "Filmed in Florida" logo with size and  
225 placement commensurate to other logos included in the end  
226 credits or, if no logos are used, the statement "Filmed in  
227 Florida using Florida's Entertainment Industry Financial  
228 Incentive," or a similar statement approved by the Office of  
229 Film and Entertainment before such placement. The Office of Film  
230 and Entertainment shall develop a "Filmed in Florida" logo and  
231 supply it for the purposes specified in this paragraph.

232 (4) TAX CREDIT ELIGIBILITY; ELECTION AND DISTRIBUTION;  
233 CARRYFORWARD; CONSOLIDATED RETURNS; PARTNERSHIP AND NONCORPORATE  
234 DISTRIBUTIONS; MERGERS AND ACQUISITIONS.--

235 (a) Tax credit award.--Tax credits awarded under this  
236 section in a fiscal year shall be made to qualified productions  
237 according to the principal photography start date of the  
238 productions, except for digital media projects, which shall be  
239 based on the start date of the productions.

240 (b) Tax credit eligibility.--

241 1. A qualified production, excluding commercials, music  
242 videos, digital media projects, and independent Florida films,  
243 that demonstrates a minimum of \$500,000 in qualified  
244 expenditures is eligible for tax credits equal to 20 percent of  
245 its actual qualified expenditures.

246 2. An off-season certified production is eligible for an  
247 additional 5-percent tax credit on actual qualified  
248 expenditures. An off-season certified production that does not  
249 complete 75 percent of principal photography due to disruption

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250 caused by a hurricane or tropical storm may not be disqualified  
251 from eligibility for the additional 5-percent credit as a result  
252 of the disruption.

253 3. A qualified production company that produces national  
254 or regional commercials or music videos may be eligible for a  
255 tax credit award if it demonstrates a minimum of \$100,000 in  
256 qualified expenditures per national or regional commercial or  
257 music video and exceeds a combined threshold of \$500,000 after  
258 combining actual qualified expenditures from qualified  
259 commercials and music videos during a single state fiscal year.  
260 After a qualified production company that produces commercials,  
261 music videos, or both reaches the threshold of \$500,000, it is  
262 eligible to apply for certification for a tax credit award. The  
263 maximum credit award shall be equal to 10 percent of its actual  
264 qualified expenditures up to a maximum of \$500,000.

265 4. A qualified production that is a digital media project  
266 that demonstrates a minimum of \$300,000 in total qualified  
267 expenditures is eligible for a tax credit equal to 20 percent of  
268 its actual qualified expenditures. As used in this subparagraph,  
269 the term "qualified expenditures" means the wages or salaries  
270 paid to a resident of this state for working on a single  
271 qualified digital media project, up to a maximum of \$200,000 in  
272 wages or salaries paid per resident. A qualified production  
273 company producing digital media projects may not qualify for  
274 more than three projects in a fiscal year. A project that  
275 extends beyond a fiscal year must reapply each fiscal year in  
276 order to be eligible for a tax credit award for that year.

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277        5. An independent Florida film that meets the criteria of  
278 this subparagraph and demonstrates a minimum of \$100,000, but  
279 not more than \$625,000, in total qualified expenditures is  
280 eligible for tax credits equal to 15 percent of its actual  
281 qualified expenditures. To qualify for this tax credit, a  
282 qualified production must:

283        a. Be planned as a feature film or documentary of no less  
284 than 70 minutes in length.

285        b. Provide evidence of 50 percent of the financing for its  
286 total budget in an escrow account or other form dedicated to the  
287 production.

288        c. Do all major postproduction in this state.

289        d. Employ Florida workers in at least six of the following  
290 key positions: writer, director, producer, director of  
291 photography, star or one of the lead actors, unit production  
292 manager, editor, or production designer. As used in this sub-  
293 subparagraph, the term "Florida worker" means a person who has  
294 been a resident of this state for at least 1 year before a  
295 production's application under subsection (3) was submitted or a  
296 person who graduated from a film school, college, university, or  
297 community college in this state no more than 5 years before such  
298 submittal or who is enrolled full-time in such a school,  
299 college, or university.

300        6. A certified production determined by the Commissioner  
301 of Film and Entertainment, with the advice of the Florida Film  
302 and Entertainment Advisory Council, to be family-friendly, based  
303 on the review of the script and an interview with the director,  
304 is eligible for an additional tax credit equal to 2 percent of

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305 its actual qualified expenditures. Family-friendly productions  
306 are those that have cross-generational appeal; would be  
307 considered suitable for viewing by children age 5 or older; are  
308 appropriate in theme, content, and language for a broad family  
309 audience; embody a responsible resolution of issues; and do not  
310 exhibit any act of smoking, sex, nudity, or vulgar or profane  
311 language.

312  
313 Each qualified production under this paragraph shall make a good  
314 faith effort to use existing providers of infrastructure or  
315 equipment in this state, including, but not limited to,  
316 providers of camera gear, grip and lighting equipment, vehicle  
317 providers, and postproduction services when available in-state.

318 (c) Withdrawal of tax credit eligibility.--A qualified or  
319 certified production shall continue on a reasonable schedule,  
320 which means beginning principal photography or in the case of a  
321 digital media project the start date of the production, in this  
322 state no more than 45 calendar days before or after the date  
323 provided in the production's program application. The Office of  
324 Tourism, Trade, and Economic Development shall withdraw the  
325 eligibility of a qualified or certified production that does not  
326 continue on a reasonable schedule.

327 (d) Election and distribution of tax credits.--A certified  
328 production company receiving a tax credit award under this  
329 section shall, at the time the credit is awarded by the Office  
330 of Tourism, Trade, and Economic Development after production is  
331 completed and all requirements to receive a credit award have  
332 been met, make an irrevocable election to apply the credit

333 against taxes due under chapter 220, against taxes collected or  
334 accrued under chapter 212, or against a stated combination of  
335 the two taxes. The election shall be binding upon any  
336 distributee, successor, transferee, or purchaser. The Office of  
337 Tourism, Trade, and Economic Development shall notify the  
338 Department of Revenue of any election made pursuant to this  
339 paragraph.

340 (e) Tax credit carryforward.--If the certified production  
341 company cannot use the entire tax credit in the taxable year or  
342 reporting period in which the credit is awarded, any excess  
343 amount may be carried forward to a succeeding taxable year or  
344 reporting period. A tax credit applied against taxes imposed  
345 under chapter 212 may be carried forward for a maximum of 5  
346 years following the date of award. A tax credit applied against  
347 taxes imposed under chapter 220 may be carried forward for a  
348 maximum of 5 years following the year in which the credit was  
349 awarded, after which the credit expires and may not be used.

350 (f) Consolidated returns.--A certified production company  
351 that files a Florida consolidated return as a member of an  
352 affiliated group under s. 220.131(1) may be allowed the credit  
353 on a consolidated return basis up to the amount of the tax  
354 imposed upon the consolidated group under chapter 220.

355 (g) Partnership and noncorporate distributions.--A  
356 qualified production company that is not a corporation as  
357 defined in s. 220.03 may elect to distribute tax credits awarded  
358 under this section to its partners or members in proportion to  
359 their respective distributive income or loss in the taxable  
360 fiscal year in which the tax credits were awarded.

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361 (h) Mergers or acquisitions.--Tax credits available under  
362 this section to a certified production company may succeed to a  
363 surviving or acquiring entity subject to the same conditions and  
364 limitations as described in this section; however, they may not  
365 be transferred again by the surviving or acquiring entity.

366 (5) TRANSFER OF TAX CREDITS.--

367 (a) Authorization.--Upon application to the Office of Film  
368 and Entertainment and approval by the Office of Tourism, Trade,  
369 and Economic Development, a certified production company, or a  
370 partner or member that has received a distribution under  
371 paragraph (4) (g), may elect to transfer, in whole or in part,  
372 any unused credit amount granted under this section. An election  
373 to transfer any unused tax credit amount under chapter 212 or  
374 chapter 220 must be made no later than 5 years from the date the  
375 credit was awarded, after which period the credit expires and  
376 may not be used. The Office of Tourism, Trade, and Economic  
377 Development shall notify the Department of Revenue of the  
378 election and transfer.

379 (b) Number of transfers permitted.--A certified production  
380 company that has elected to apply a credit amount against taxes  
381 remitted under chapter 212 is permitted a one-time transfer of  
382 unused credits to one transferee. A certified production company  
383 that has elected to apply a credit amount against taxes due  
384 under chapter 220 is permitted a one-time transfer of unused  
385 credits to no more than four transferees, and such transfers  
386 shall occur in the same taxable year.

387 (c) Transferee rights and limitations.--The transferee is  
388 subject to the same rights and limitations as the certified

389 production company awarded the tax credit, except that the  
 390 transferee may not sell or otherwise transfer the tax credit.

391 (d) Rulemaking.--The Department of Revenue may adopt rules  
 392 pursuant to ss. 120.536(1) and 120.54 to administer this  
 393 subsection, as provided in subsection (6).

394 (6) RULES, POLICIES, AND PROCEDURES.--

395 (a) The Office of Tourism, Trade, and Economic Development  
 396 may adopt rules pursuant to ss. 120.536(1) and 120.54 and  
 397 develop policies and procedures to implement and administer this  
 398 section, including, but not limited to, rules specifying  
 399 requirements for the application and approval process, records  
 400 required for substantiation for tax credits, procedures for  
 401 making the election in paragraph (4)(d), the manner and form of  
 402 documentation required to claim tax credits awarded or  
 403 transferred under this section, and marketing requirements for  
 404 tax credit recipients.

405 (b) The Department of Revenue may adopt rules pursuant to  
 406 ss. 120.536(1) and 120.54 to administer this section, including  
 407 rules governing the examination and audit procedures required to  
 408 administer this section and the manner and form of documentation  
 409 required to claim tax credits awarded or transferred under this  
 410 section.

411 (7) AUDIT AUTHORITY; REVOCATION AND FORFEITURE OF TAX  
 412 CREDITS; FRAUDULENT CLAIMS.--

413 (a) Audit authority.--The Department of Revenue may  
 414 conduct examinations and audits as provided in s. 213.34 to  
 415 verify that tax credits under this section have been received,  
 416 transferred, and applied according to the requirements of this

417 section. If the Department of Revenue determines that tax  
418 credits have not been received, transferred, or applied as  
419 required by this section, it may, in addition to the remedies  
420 provided in this subsection, pursue recovery of such funds  
421 pursuant to the laws and rules governing the assessment of  
422 taxes.

423 (b) Revocation of tax credits.--The Office of Tourism,  
424 Trade, and Economic Development may revoke or modify any written  
425 decision qualifying, certifying, or otherwise granting  
426 eligibility for tax credits under this section if it is  
427 discovered that the tax credit applicant submitted any false  
428 statement, representation, or certification in any application,  
429 record, report, plan, or other document filed in an attempt to  
430 receive tax credits under this section. The Office of Tourism,  
431 Trade, and Economic Development shall immediately notify the  
432 Department of Revenue of any revoked or modified orders  
433 affecting previously granted tax credits. Additionally, the  
434 applicant must notify the Department of Revenue of any change in  
435 its tax credit claimed.

436 (c) Forfeiture of tax credits.--A determination by the  
437 Department of Revenue, as a result of an audit or examination by  
438 the Department of Revenue or from information received from the  
439 Office of Film and Entertainment, that an applicant received tax  
440 credits pursuant to this section to which the applicant was not  
441 entitled is grounds for forfeiture of previously claimed and  
442 received tax credits. The applicant is responsible for returning  
443 forfeited tax credits to the Department of Revenue, and such  
444 funds shall be paid into the General Revenue Fund of the state.



445 Tax credits purchased in good faith are not subject to  
 446 forfeiture unless the transferee submitted fraudulent  
 447 information in the purchase or failed to meet the requirements  
 448 in subsection (5).

449 (d) Fraudulent claims.--Any applicant that submits  
 450 information under this section that includes fraudulent  
 451 information is liable for reimbursement of the reasonable costs  
 452 and fees associated with the review, processing, investigation,  
 453 and prosecution of the fraudulent claim. An applicant that  
 454 obtains a credit payment under this section through a claim that  
 455 is fraudulent is liable for reimbursement of the credit amount  
 456 plus a penalty in an amount double the credit amount. The  
 457 penalty is in addition to any criminal penalty to which the  
 458 applicant is liable for the same acts. The applicant is also  
 459 liable for costs and fees incurred by the state in investigating  
 460 and prosecuting the fraudulent claim.

461 (8) ANNUAL REPORT.--Each October 1, The Office of Film and  
 462 Entertainment shall provide an annual report for the previous  
 463 fiscal year to the Governor, the President of the Senate, and  
 464 the Speaker of the House of Representatives which outlines the  
 465 return on investment and economic benefits to the state.

466 (9) REPEAL.--This section is repealed July 1, 2014, except  
 467 that the tax credit carryforward provided in this section shall  
 468 continue to be valid for the period specified.

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

471 220.02 Legislative intent.--

472 (8) It is the intent of the Legislature that credits  
 473 against either the corporate income tax or the franchise tax be  
 474 applied in the following order: those enumerated in s. 631.828,  
 475 those enumerated in s. 220.191, those enumerated in s. 220.181,  
 476 those enumerated in s. 220.183, those enumerated in s. 220.182,  
 477 those enumerated in s. 220.1895, those enumerated in s. 221.02,  
 478 those enumerated in s. 220.184, those enumerated in s. 220.186,  
 479 those enumerated in s. 220.1845, those enumerated in s. 220.19,  
 480 those enumerated in s. 220.185, those enumerated in s. 220.187,  
 481 those enumerated in s. 220.192, ~~and~~ those enumerated in s.  
 482 220.193, and those enumerated in s. 288.1254.

483 Section 3. Paragraph (z) is added to subsection (8) of  
 484 section 213.053, Florida Statutes, to read:

485 213.053 Confidentiality and information sharing.--

486 (8) Notwithstanding any other provision of this section,  
 487 the department may provide:

488 (z) Information relative to tax credits taken under s.  
 489 288.1254 to the Office of Film and Entertainment and the Office  
 490 of Tourism, Trade, and Economic Development.

491  
 492 Disclosure of information under this subsection shall be  
 493 pursuant to a written agreement between the executive director  
 494 and the agency. Such agencies, governmental or nongovernmental,  
 495 shall be bound by the same requirements of confidentiality as  
 496 the Department of Revenue. Breach of confidentiality is a  
 497 misdemeanor of the first degree, punishable as provided by s.  
 498 775.082 or s. 775.083.

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499 Section 4. Paragraph (q) is added to subsection (5) of  
500 section 212.08, Florida Statutes, to read:

501 212.08 Sales, rental, use, consumption, distribution, and  
502 storage tax; specified exemptions.--The sale at retail, the  
503 rental, the use, the consumption, the distribution, and the  
504 storage to be used or consumed in this state of the following  
505 are hereby specifically exempt from the tax imposed by this  
506 chapter.

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

508 (q) Entertainment industry tax credit; authorization;  
509 eligibility for credits.--

510 1. For the fiscal years beginning July 1, 2009, and ending  
511 June 30, 2014, a qualified production company as defined in s.  
512 288.1254(1)(g), is eligible for tax credits against its sales  
513 and use tax liabilities as provided in s. 288.1254.

514 2. The credit shall be deducted from any sales and use tax  
515 remitted by the dealer to the department by electronic funds  
516 transfer and can only be deducted on a sales and use tax return  
517 initiated through electronic data interchange. The dealer shall  
518 separately state the credit on the electronic return. The net  
519 amount of tax due and payable must be remitted by electronic  
520 funds transfer. If the credit for the qualified expenditures is  
521 larger than the amount owed on the sales and use tax return, the  
522 amount of the credit may be carried forward to a succeeding  
523 reporting period. A dealer may only obtain a credit using the  
524 method described in this subparagraph. A dealer is not  
525 authorized to obtain a credit by applying for a refund.

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526           Section 5. If any provision of this act or the application  
527 thereof to any person or circumstance is held invalid, the  
528 invalidity shall not affect other provisions or applications of  
529 the act which can be given effect without the invalid provision  
530 or application, and to this end the provisions of this act are  
531 declared severable.

532           Section 6. This act shall take effect July 1, 2009.