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LEGISLATIVE ACTION

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| Senate     | . | House |
| Comm: FAV  | . |       |
| 03/24/2010 | . |       |
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The Committee on Commerce (Crist) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Paragraph (f) of subsection (2) of section  
14.2015, Florida Statutes, is amended to read:

14.2015 Office of Tourism, Trade, and Economic Development;  
creation; powers and duties.-

(2) The purpose of the Office of Tourism, Trade, and  
Economic Development is to assist the Governor in working with  
the Legislature, state agencies, business leaders, and economic  
development professionals to formulate and implement coherent



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14 and consistent policies and strategies designed to provide  
15 economic opportunities for all Floridians. To accomplish such  
16 purposes, the Office of Tourism, Trade, and Economic Development  
17 shall:

18 (f)1. Administer the Florida Enterprise Zone Act under ss.  
19 290.001-290.016, the community contribution tax credit program  
20 under ss. 220.183 and 624.5105, the tax refund program for  
21 qualified target industry businesses under s. 288.106, the tax-  
22 refund program for qualified defense contractors and space  
23 flight business contractors under s. 288.1045, contracts for  
24 transportation projects under s. 288.063, the sports franchise  
25 facility program under s. 288.1162, the professional golf hall  
26 of fame facility program under s. 288.1168, the expedited  
27 permitting process under s. 403.973, the Rural Community  
28 Development Revolving Loan Fund under s. 288.065, the Regional  
29 Rural Development Grants Program under s. 288.018, the Certified  
30 Capital Company Act under s. 288.99, the Florida State Rural  
31 Development Council, the Rural Economic Development Initiative,  
32 the corporate income tax credits for commercial spaceflight  
33 projects under s. 220.194, and other programs that are  
34 specifically assigned to the office by law, by the  
35 appropriations process, or by the Governor. Notwithstanding any  
36 other provisions of law, the office may expend interest earned  
37 from the investment of program funds deposited in the Grants and  
38 Donations Trust Fund to contract for the administration of the  
39 programs, or portions of the programs, enumerated in this  
40 paragraph or assigned to the office by law, by the  
41 appropriations process, or by the Governor. Such expenditures  
42 shall be subject to review under chapter 216.



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43           2. The office may enter into contracts in connection with  
44 the fulfillment of its duties concerning the Florida First  
45 Business Bond Pool under chapter 159, tax incentives under  
46 chapters 212 and 220, tax incentives under the Certified Capital  
47 Company Act in chapter 288, foreign offices under chapter 288,  
48 the Enterprise Zone program under chapter 290, the Seaport  
49 Employment Training program under chapter 311, the Florida  
50 Professional Sports Team License Plates under chapter 320,  
51 Spaceport Florida under chapter 331, Expedited Permitting under  
52 chapter 403, and in carrying out other functions that are  
53 specifically assigned to the office by law, by the  
54 appropriations process, or by the Governor.

55           Section 2. Paragraph (z) is added to subsection (8) of  
56 section 213.053, Florida Statutes, to read:

57           213.053 Confidentiality and information sharing.—

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

60           (z) Information relative to tax credits taken under s.  
61 220.194 to the Office of Tourism, Trade, and Economic  
62 Development or to Space Florida.

63  
64 Disclosure of information under this subsection shall be  
65 pursuant to a written agreement between the executive director  
66 and the agency. Such agencies, governmental or nongovernmental,  
67 shall be bound by the same requirements of confidentiality as  
68 the Department of Revenue. Breach of confidentiality is a  
69 misdemeanor of the first degree, punishable as provided by s.  
70 775.082 or s. 775.083.

71           Section 3. Subsection (8) of section 220.02, Florida



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72 Statutes, is amended to read:

73 220.02 Legislative intent.—

74 (8) It is the intent of the Legislature that credits  
75 against either the corporate income tax or the franchise tax be  
76 applied in the following order: those enumerated in s. 631.828,  
77 those enumerated in s. 220.191, those enumerated in s. 220.181,  
78 those enumerated in s. 220.183, those enumerated in s. 220.182,  
79 those enumerated in s. 220.1895, those enumerated in s. 221.02,  
80 those enumerated in s. 220.184, those enumerated in s. 220.186,  
81 those enumerated in s. 220.1845, those enumerated in s. 220.19,  
82 those enumerated in s. 220.185, those enumerated in s. 220.187,  
83 those enumerated in s. 220.192, those enumerated in s. 220.193,  
84 ~~and~~ those enumerated in s. 288.9916, and those enumerated in s.  
85 220.194.

86 Section 4. Paragraphs (a) and (b) of subsection (1) of  
87 section 220.13, Florida Statutes, are amended to read:

88 220.13 "Adjusted federal income" defined.—

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

94 (a) *Additions.*—There shall be added to such taxable income:

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

100 2. The amount of interest which is excluded from taxable



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101 income under s. 103(a) of the Internal Revenue Code or any other  
102 federal law, less the associated expenses disallowed in the  
103 computation of taxable income under s. 265 of the Internal  
104 Revenue Code or any other law, excluding 60 percent of any  
105 amounts included in alternative minimum taxable income, as  
106 defined in s. 55(b)(2) of the Internal Revenue Code, if the  
107 taxpayer pays tax under s. 220.11(3).

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

112 4. That portion of the wages or salaries paid or incurred  
113 for the taxable year which is equal to the amount of the credit  
114 allowable for the taxable year under s. 220.181. This  
115 subparagraph shall expire on the date specified in s. 290.016  
116 for the expiration of the Florida Enterprise Zone Act.

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

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

126 7. That portion of assessments to fund a guaranty  
127 association incurred for the taxable year which is equal to the  
128 amount of the credit allowable for the taxable year.

129 8. In the case of a nonprofit corporation which holds a



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130 pari-mutuel permit and which is exempt from federal income tax  
131 as a farmers' cooperative, an amount equal to the excess of the  
132 gross income attributable to the pari-mutuel operations over the  
133 attributable expenses for the taxable year.

134 9. The amount taken as a credit for the taxable year under  
135 s. 220.1895.

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

139 11. The amount taken as a credit for the taxable year under  
140 s. 220.187.

141 12. The amount taken as a credit for the taxable year under  
142 s. 220.192.

143 13. The amount taken as a credit for the taxable year under  
144 s. 220.193.

145 14. Any portion of a qualified investment, as defined in s.  
146 288.9913, which is claimed as a deduction by the taxpayer and  
147 taken as a credit against income tax pursuant to s. 288.9916.

148 15. The amount taken as a credit for the taxable year under  
149 s. 220.194.

150 (b) *Subtractions.*—

151 1. There shall be subtracted from such taxable income:

152 a. The net operating loss deduction allowable for federal  
153 income tax purposes under s. 172 of the Internal Revenue Code  
154 for the taxable year, except that any net operating loss taken  
155 as a credit to corporate income taxes owed or that is  
156 transferred, pursuant to s. 220.194(3)(b), may not be deducted  
157 by the seller,

158 b. The net capital loss allowable for federal income tax



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159 purposes under s. 1212 of the Internal Revenue Code for the  
160 taxable year,

161 c. The excess charitable contribution deduction allowable  
162 for federal income tax purposes under s. 170(d)(2) of the  
163 Internal Revenue Code for the taxable year, and

164 d. The excess contributions deductions allowable for  
165 federal income tax purposes under s. 404 of the Internal Revenue  
166 Code for the taxable year.

167  
168 However, a net operating loss and a capital loss shall never be  
169 carried back as a deduction to a prior taxable year, but all  
170 deductions attributable to such losses shall be deemed net  
171 operating loss carryovers and capital loss carryovers,  
172 respectively, and treated in the same manner, to the same  
173 extent, and for the same time periods as are prescribed for such  
174 carryovers in ss. 172 and 1212, respectively, of the Internal  
175 Revenue Code.

176 2. There shall be subtracted from such taxable income any  
177 amount to the extent included therein the following:

178 a. Dividends treated as received from sources without the  
179 United States, as determined under s. 862 of the Internal  
180 Revenue Code.

181 b. All amounts included in taxable income under s. 78 or s.  
182 951 of the Internal Revenue Code.

183  
184 However, as to any amount subtracted under this subparagraph,  
185 there shall be added to such taxable income all expenses  
186 deducted on the taxpayer's return for the taxable year which are  
187 attributable, directly or indirectly, to such subtracted amount.



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188 Further, no amount shall be subtracted with respect to dividends  
189 paid or deemed paid by a Domestic International Sales  
190 Corporation.

191 3. In computing "adjusted federal income" for taxable years  
192 beginning after December 31, 1976, there shall be allowed as a  
193 deduction the amount of wages and salaries paid or incurred  
194 within this state for the taxable year for which no deduction is  
195 allowed pursuant to s. 280C(a) of the Internal Revenue Code  
196 (relating to credit for employment of certain new employees).

197 4. There shall be subtracted from such taxable income any  
198 amount of nonbusiness income included therein.

199 5. There shall be subtracted any amount of taxes of foreign  
200 countries allowable as credits for taxable years beginning on or  
201 after September 1, 1985, under s. 901 of the Internal Revenue  
202 Code to any corporation which derived less than 20 percent of  
203 its gross income or loss for its taxable year ended in 1984 from  
204 sources within the United States, as described in s.

205 861(a)(2)(A) of the Internal Revenue Code, not including credits  
206 allowed under ss. 902 and 960 of the Internal Revenue Code,  
207 withholding taxes on dividends within the meaning of sub-  
208 subparagraph 2.a., and withholding taxes on royalties, interest,  
209 technical service fees, and capital gains.

210 6. Notwithstanding any other provision of this code, except  
211 with respect to amounts subtracted pursuant to subparagraphs 1.  
212 and 3., any increment of any apportionment factor which is  
213 directly related to an increment of gross receipts or income  
214 which is deducted, subtracted, or otherwise excluded in  
215 determining adjusted federal income shall be excluded from both  
216 the numerator and denominator of such apportionment factor.





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217 Further, all valuations made for apportionment factor purposes  
218 shall be made on a basis consistent with the taxpayer's method  
219 of accounting for federal income tax purposes.

220 Section 5. Subsection (5) is added to section 220.16,  
221 Florida Statutes, to read:

222 220.16 Allocation of nonbusiness income.—Nonbusiness income  
223 shall be allocated as follows:

224 (5) The amount of payments received in exchange for  
225 transferring a net operating loss as authorized by s. 220.194 is  
226 allocable to this state.

227 Section 6. Section 220.194, Florida Statutes, is created to  
228 read:

229 220.194 Corporate income tax credits for commercial  
230 spaceflight projects in Florida's commercial launch zone.—

231 (1) INTENT.—The intent of this section is to create  
232 incentives to attract commercial launch, payload, research and  
233 development, and other commercial space business to this state.

234 (2) DEFINITIONS.—As used in this section, the term:

235 (a) "Certified commercial spaceflight business" means a  
236 commercial spaceflight business that has been certified by the  
237 office as meeting all of the requirements to obtain at least one  
238 of the approved tax credits available under this section,  
239 including any approval to transfer a credit.

241 A commercial spaceflight business may participate in more than  
242 one spaceflight project at a time and may conduct work on a  
243 commercial, governmental, or United States defense-related  
244 project and remain certified or qualified for certification.

245 (b) "Commercial launch zone" means an area within spaceport



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246 territory in this state.

247 (c) "Commercial spaceflight business" means a business  
248 that:

249 1. Is registered with the Secretary of State to do business  
250 in this state; and

251 2. Is currently undertaking one or more of the following  
252 activities in this state which are intended to result in a  
253 launch from a commercial launch zone: designing, manufacturing,  
254 testing, or assembling a launch vehicle, reentry vehicle,  
255 satellite, station, or components thereof; providing a launch  
256 service or reentry service; or providing the payload for a  
257 launch vehicle or reentry vehicle.

258 (d) "Commercial spaceflight project" means activities  
259 performed in this state by a commercial spaceflight business  
260 that qualify it to be certified including activity related to  
261 the launch of a launch vehicle, reentry vehicle, satellite, or  
262 space station from a commercial launch zone in this state, or  
263 its return to a spaceport commercial launch zone in this state.  
264 The term includes a launch service, reentry service, or any  
265 process that validates hardware or components to meet design and  
266 workmanship criteria for space launch or reentry vehicles per  
267 United States Department of Defense and National Aeronautics and  
268 Space Administration guidelines.

269 (e) "Launch" means to place or attempt to place a launch  
270 vehicle and any payload from a commercial launch zone in this  
271 state into a suborbital trajectory, into Earth orbit in outer  
272 space, or otherwise into outer space.

273 (f) "Launch service" means an activity in this state  
274 related to the preparation of a launch vehicle and any payload



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275 for launch and the conduct of a launch.

276 (g) "New job" means a full-time equivalent position that is  
277 created by a commercial spaceflight business on or after January  
278 1, 2011, to work on a commercial spaceflight project in this  
279 state filled by an employee who is a resident of Florida. The  
280 term does not include a job held by an owner, partner, or  
281 majority stockholder of the business or an administrative,  
282 clerical, or janitorial position. A new job may only be counted  
283 once for the purpose of certification and may not be counted  
284 more than once for the purposes of claiming multiple incentives  
285 offered by this section. The annual wage of each net new job  
286 must equal at least 115 percent of the statewide or countywide  
287 average annual private-sector wage.

288 (h) "Office" means the Office of Tourism, Trade, and  
289 Economic Development within the Executive Office of the  
290 Governor.

291 (i) "Outer space" means an altitude of at least 50 miles  
292 above the Earth's surface.

293 (j) "Payload" means an object built or assembled in this  
294 state that a commercial spaceflight business has prepared to  
295 place in outer space by means of a launch vehicle or reentry  
296 vehicle, including components, built or assembled in this state,  
297 of the vehicle specifically designed or adapted for the object.

298 (k) "Reentry" means to return or attempt to return a  
299 reentry vehicle and any payload from Earth orbit, or from outer  
300 space, to a commercial launch zone in this state.

301 (l) "Reentry service" means an activity conducted in this  
302 state related to the preparation of a reentry vehicle and any  
303 payload for reentry and conduct of the reentry.



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304 (m) "Spaceport territory" has the same meaning as defined  
305 in s. 331.303(18).

306 (n) "Space vehicle" means any spacecraft, satellite, upper-  
307 stage, or launch vehicle system.

308 (o) "Successful launch" means a launch from a commercial  
309 launch zone in this state that successfully places a launch  
310 vehicle or reentry vehicle and payload from Earth into a  
311 suborbital trajectory, into Earth orbit in outer space, or  
312 otherwise into outer space.

313 (p) "Taxpayer" has the same meaning as defined in s.  
314 220.03.

315 (3) TAX CREDITS.—For any tax year beginning on or after  
316 January 1, 2014, a commercial spaceflight business engaged in a  
317 commercial spaceflight project and certified to obtain a credit  
318 may select from among the following tax credits and obtain  
319 approval to take the selected credit if available:

320 (a) Nontransferable corporate income tax credit.—A  
321 commercial spaceflight business may be certified to claim an  
322 approved credit not exceeding 50 percent of the business's tax  
323 liability imposed by this chapter in the tax year in which it is  
324 claimed. The maximum tax credit granted under this paragraph to  
325 any one certified commercial spaceflight business in a calendar  
326 year is \$1 million. The office may not approve a total of more  
327 than \$10 million in nontransferrable tax credits during a single  
328 state fiscal year.

329 (b) Transferable net operating loss tax credit.—A  
330 commercial spaceflight business may be certified to transfer its  
331 Florida net operating loss that may otherwise be available to be  
332 claimed on a return filed pursuant to his chapter not to exceed



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333 \$2.5 million in a single tax year, as provided below.

334 1. In addition to meeting the requirements in paragraph  
335 (2) (a), the business must:

336 a. Have incurred a net operating loss on activity in this  
337 state directly associated with one or more commercial space  
338 flight projects in any of its immediately preceding 3 tax years;  
339 and

340 b. Not be 50 percent or more owned or controlled, directly  
341 or indirectly, by another corporation that has demonstrated  
342 positive net income in any of the 3 previous tax years of  
343 ongoing operations, or not be part of a consolidated group of  
344 affiliated corporations, as filed for federal income tax  
345 purposes, which in the aggregate demonstrated positive net  
346 income in any year which forms the basis for the commercial  
347 space flight business's claim of qualification for a credit, or  
348 any of the 3 previous years.

349 2. The amount of the transferable tax credit that may be  
350 certified is equal to:

351 a. One hundred percent of the net operating losses incurred  
352 by a commercial spaceflight business during its first full year  
353 of operations in this state.

354 b. One hundred percent of the net operating losses incurred  
355 by a commercial spaceflight business during its second full year  
356 of operations in this state.

357 c. One hundred percent of the net operating losses incurred  
358 by a commercial spaceflight business during its third full year  
359 of operations in this state.

360 3. A commercial spaceflight business allowed a tax credit  
361 under this paragraph may be certified to transfer all or part of



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362 a transferable tax credit to another taxpayer. The credit may be  
363 certified for transfer only once. The certified commercial  
364 spaceflight business has 5 years after the date of its original  
365 certification to transfer a net operating loss tax credit. The  
366 transfer must be by written agreement, approved by the office,  
367 for consideration of at least 75 percent of the credit's face  
368 value. The transferee is entitled to apply the credit to the  
369 taxes owed under this chapter and may carry forward an unused  
370 credit for up to 5 years. A transferee may not claim a credit in  
371 an amount that exceeds the transferee's corporate income tax  
372 liability in the year for which the credit is claimed.

373 4. The office may not approve a cumulative amount of  
374 transferrable net operating loss tax credits exceeding \$25  
375 million during a single state fiscal year. However, the  
376 potential for a taxpayer to carry forward an unused tax credit  
377 is not considered in calculating the annual limit.

378 (c) Machinery and equipment credit.—A credit against the  
379 tax imposed by this chapter shall be certified by the office  
380 when a commercial spaceflight business invests at least \$500,000  
381 in machinery and equipment over a period not to exceed three tax  
382 years that is purchased in this state and that is exclusively  
383 used for one or more commercial spaceflight projects in this  
384 state.

385 1. An investment in machinery and equipment may be claimed  
386 only one time by a commercial spaceflight business for the  
387 corporate income tax credit authorized by this paragraph.  
388 However, the purchase of the machinery and equipment may also be  
389 exempt from the sales and use tax under the exemption in s.  
390 212.08 (5) (b) .



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391           2. The amount of the credit is equal to 7.5 percent of the  
392 purchase price of the machinery and equipment.

393           3. The certified commercial spaceflight business may claim  
394 a credit for no more than 50 percent of its corporate income tax  
395 liability in the year in which it is claimed, up to a maximum of  
396 \$5 million. If credit granted under this paragraph is not fully  
397 used in any one tax year because of insufficient tax liability,  
398 the unused amount may be carried forward for up to 5 years.

399           4. The office may not approve more than \$20 million in  
400 machinery and equipment tax credits during a single state fiscal  
401 year.

402           (4) ADMINISTRATION.—

403           (a) Unless transferred as provided in paragraph (3) (b),  
404 credits awarded under this section may be granted only against  
405 the corporate income tax liability generated by or arising out  
406 of a commercial spaceflight project in this state, as documented  
407 in the certified commercial spaceflight business's annual audit  
408 prepared by a certified public accountant licensed to do  
409 business in this state and verified by the office.

410           (b) A certified spaceflight business may not file a  
411 consolidated return for the purposes of claiming the tax  
412 incentives described in paragraphs (3) (a)-(c).

413           (c) It is the responsibility of the certified commercial  
414 spaceflight business or transferee to demonstrate to the  
415 office's and the department's satisfaction that it is eligible  
416 for the credits under this section.

417           (5) APPLICATION AND CERTIFICATION.—

418           (a) To claim a tax credit pursuant to this section, a  
419 commercial spaceflight business must submit a certification



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420 application to Space Florida for review, be certified to obtain  
421 credits under this section, and select and be approved for a  
422 credit. Each business may only be approved for one credit for  
423 any calendar year and may not take any credit more than one  
424 time. The application must include the following information,  
425 along with a \$250 nonrefundable fee:

426 1. The name and physical Florida address of the taxpayer.  
427 2. Documentation demonstrating to the satisfaction of the  
428 office that:

429 a. The taxpayer is a commercial spaceflight business.  
430 b. The business has engaged in a qualifying commercial  
431 spaceflight project or projects for 3 calendar years before  
432 claiming a credit under this section.

433 3. The business has complied with all of the following:

434 a. Created, filled, and retained for 3 calendar years  
435 before claiming a credit under this section at least 35 new  
436 full-time equivalent jobs primarily located in this state and  
437 directly associated with an individual commercial spaceflight  
438 project, or projects;

439 b. Invested a total of at least \$15 million in this state  
440 on an commercial spaceflight project or projects during the 3  
441 calendar years before claiming a credit under this section; and

442 c. Participated in a commercial spaceflight project that  
443 resulted in a successful launch from a commercial launch zone in  
444 this state during the 3 calendar years before claiming a credit  
445 under this section.

446 4. The total amount and types of credits sought.  
447 5. The amount of transferable tax credits to be  
448 transferred, if any; when the business expects to transfer the





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449 credits; and the name and address of the recipient taxpayer or  
450 taxpayers.

451 6. A copy of an audit or audits of the pertinent years,  
452 prepared by a certified public accountant licensed to practice  
453 in this state, that identifies, if applicable, that portion of  
454 the business's activities in this state related to commercial  
455 spaceflight projects in this state.

456 7. An acknowledgement that the business must file an annual  
457 report on the project's progress with Space Florida and the  
458 office.

459 8. Any other information necessary to demonstrate that the  
460 applicant meets the job creation, investment, and other  
461 requirements of this section.

462 (b) Within 60 days after receipt of the application, the  
463 executive staff of Space Florida shall evaluate the application  
464 and recommend it for certification or denial of certification by  
465 the office. The executive director of the office must approve or  
466 deny the application within 30 days after receiving the  
467 recommendation from Space Florida. The office must provide a  
468 letter of certification to the applicant, if approved and  
469 consistent with any restrictions on the credit being sought. If  
470 the office denies any part of the requested credit, the office  
471 must inform the applicant of the grounds for the denial. A copy  
472 of the certification shall be submitted to the department within  
473 10 days after the executive director's decision.

474 (6) ADMINISTRATION; AUDIT AUTHORITY; RECAPTURE OF CREDITS.—

475 (a) In addition to its existing audit and investigative  
476 authority, the department may perform any additional financial  
477 and technical audits and investigations, including examining the



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478 accounts, books, and financial records of the tax credit  
479 applicant, which are necessary to verify the accuracy of the  
480 return and to ensure compliance with this section. The office  
481 and Space Florida shall provide technical assistance when  
482 requested by the department on any technical audits or  
483 examinations performed under this subsection.

484 (b) It is grounds for forfeiture of previously claimed tax  
485 credits if the department determines, as a result of an audit or  
486 examination, or from information received from the office, that  
487 a certified commercial spaceflight business, or in the case of  
488 transferred tax credits, a taxpayer received tax credits under  
489 this section to which the certified commercial spaceflight  
490 business or taxpayer was not entitled. The certified commercial  
491 spaceflight business or transferee is responsible for filing an  
492 amended return reflecting the disallowed credits and paying any  
493 tax due as a result of the amendment.

494 (c) If the certified commercial spaceflight business's  
495 Florida corporate income tax return is adjusted by amendment,  
496 recomputation, or redetermination such that any item entering  
497 into the computation of a claimed credit has been changed the  
498 taxpayer must notify the department by filing an amended return.  
499 The amount of any credit award not supported by the amended  
500 return shall be deemed a deficiency to be remitted with the  
501 amended return and otherwise subject to s. 220.23. The certified  
502 commercial spaceflight business also is liable for a penalty  
503 equal to the amount of the credit claimed or transferred,  
504 reduced in proportion to the amount of the net operating loss  
505 certified for transfer over the amount of the certified net  
506 operating loss disallowed. The applicant and its successors



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507 shall maintain all records necessary to support the reported net  
508 operating loss.

509 (d) The office may revoke or modify any certification  
510 granting eligibility for tax credits under this section if it is  
511 discovered that the certified commercial spaceflight business  
512 made a false statement, or representation, in any application,  
513 record, report, plan, or other document filed in an attempt to  
514 receive tax credits under this section. The office shall  
515 immediately notify the department of any revoked or modified  
516 orders affecting previously granted tax credits. Additionally,  
517 the certified commercial spaceflight business must notify the  
518 department of any change in its tax credit claimed.

519 (e) The certified commercial spaceflight business must file  
520 with the department an amended return or other report required  
521 by the department by rule and must pay any required tax and  
522 interest within 60 days after the certified commercial  
523 spaceflight business receives notification from the office that  
524 previously approved tax credits have been revoked or modified.  
525 If the revocation or modification order is contested, the  
526 certified commercial spaceflight business must file an amended  
527 return or other report as provided in this paragraph within 60  
528 days after a final order is issued following proceedings.

529 (f) The department may assess an additional tax, penalty,  
530 or interest pursuant to s. 95.091.

531 (7) RULES.—

532 (a) The office, in consultation with Space Florida, shall  
533 adopt rules to administer this section, including rules relating  
534 to the certification forms for commercial spaceflight businesses  
535 to complete, and the application and certification procedures,



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536 guidelines, and requirements necessary to administer this  
537 section.

538 (b) The department may adopt rules to administer this  
539 section, including rules relating to:

540 1. The forms required to claim a tax credit under this  
541 section, the requirements and basis for establishing an  
542 entitlement to a credit, and the examination and audit  
543 procedures required to administer this section.

544 2. The implementation and administration of the provisions  
545 allowing a transfer of a net operating loss as a tax credit,  
546 including rules prescribing forms, reporting requirements, and  
547 specific procedures, guidelines, and requirements necessary to  
548 perform the transfer.

549 3. The minimum portion of the credit that is available for  
550 transfer.

551 (8) ANNUAL REPORT.—The office, in cooperation with Space  
552 Florida and the department, shall submit an annual report of the  
553 commercial launch zone incentive program's activities to the  
554 Governor, the President of the Senate, and the Speaker of the  
555 House of Representatives by November 30 of each year, beginning  
556 in 2014.

557 Section 7. This act shall take effect upon becoming a law,  
558 except that the tax credits authorized by this act may not be  
559 applied to returns filed for any tax period before January 1,  
560 2014.

562 ===== T I T L E A M E N D M E N T =====

563 And the title is amended as follows:

564 Delete everything before the enacting clause



565 and insert:

566                   A bill to be entitled  
567           An act relating to spaceflight; amending s. 14.2015,  
568           F.S.; providing for the Office of Tourism, Trade, and  
569           Economic Development to administer corporate income  
570           tax credits for commercial spaceflight projects;  
571           amending s. 213.053, F.S.; authorizing the Department  
572           of Revenue to share information relating to corporate  
573           income tax credits for commercial spaceflight projects  
574           with the Office of Tourism, Trade, and Economic  
575           Development; amending s. 220.02, F.S.; revising the  
576           order in which credits against the corporate income  
577           tax or franchise tax may be taken; amending s. 220.13,  
578           F.S.; providing that the amount taken as a credit for  
579           a commercial spaceflight project must be added to  
580           taxable income; prohibiting a deduction from taxable  
581           income for any net operating loss taken as a credit  
582           against corporate income taxes or transferred;  
583           amending s. 220.16, F.S.; authorizing the amount of  
584           payments received in exchange for transferring a  
585           certain net operating loss to be allocated to this  
586           state; creating s. 220.194, F.S.; providing  
587           legislative intent; defining terms; authorizing  
588           nontransferable corporate income tax credits,  
589           transferable net operating loss tax credits, and  
590           machinery and equipment tax credits for certified  
591           commercial spaceflight businesses engaged in  
592           commercial spaceflight projects; specifying tax credit  
593           amounts and eligibility criteria; requiring a business



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594 to demonstrate eligibility to claim a tax credit to  
595 the satisfaction of the Department of Revenue;  
596 requiring a business that claims a tax credit to  
597 submit a certification application to Space Florida  
598 for review; specifying the required contents of an  
599 application; requiring Space Florida to recommend  
600 approval or denial of an application within 60 days  
601 after receipt; requiring the executive director of the  
602 Office of Tourism, Trade, and Economic Development  
603 within 30 days after receiving a recommendation from  
604 Space Florida to issue a letter of certification to  
605 applicants having an approved application; authorizing  
606 the Department of Revenue to perform audits and  
607 investigations necessary to verify the accuracy of  
608 returns; authorizing the Office of Tourism, Trade, and  
609 Economic Development to revoke or modify a  
610 certification granting eligibility for tax credits  
611 under certain circumstances; requiring a certified  
612 commercial spaceflight business to pay any required  
613 tax within 60 days after receiving notice that  
614 previously approved tax credits have been revoked or  
615 modified; authorizing the Department of Revenue to  
616 assess additional taxes, interest, or penalties;  
617 authorizing the Office of Tourism, Trade, and Economic  
618 Development to adopt rules; requiring the Office of  
619 Tourism, Trade, and Economic Development to submit an  
620 annual report to the Governor, the President of the  
621 Senate, and the Speaker of the House of  
622 Representatives on the activities of the commercial



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launch zone incentive program; providing for  
application; providing an effective date.