

By the Committee on Commerce; and Senator Altman

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1 A bill to be entitled
2 An act relating to spaceflight; amending s. 14.2015,
3 F.S.; providing for the Office of Tourism, Trade, and
4 Economic Development to administer corporate income
5 tax credits for commercial spaceflight projects;
6 amending s. 213.053, F.S.; authorizing the Department
7 of Revenue to share information relating to corporate
8 income tax credits for commercial spaceflight projects
9 with the Office of Tourism, Trade, and Economic
10 Development; amending s. 220.02, F.S.; revising the
11 order in which credits against the corporate income
12 tax or franchise tax may be taken; amending s. 220.13,
13 F.S.; providing that the amount taken as a credit for
14 a commercial spaceflight project must be added to
15 taxable income; prohibiting a deduction from taxable
16 income for any net operating loss taken as a credit
17 against corporate income taxes or transferred;
18 amending s. 220.16, F.S.; authorizing the amount of
19 payments received in exchange for transferring a
20 certain net operating loss to be allocated to this
21 state; creating s. 220.194, F.S.; providing
22 legislative intent; defining terms; authorizing
23 nontransferable corporate income tax credits,
24 transferable net operating loss tax credits, and
25 machinery and equipment tax credits for certified
26 commercial spaceflight businesses engaged in
27 commercial spaceflight projects; specifying tax credit
28 amounts and eligibility criteria; requiring a business
29 to demonstrate eligibility to claim a tax credit to

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30 the satisfaction of the Department of Revenue;
31 requiring a business that claims a tax credit to
32 submit a certification application to Space Florida
33 for review; specifying the required contents of an
34 application; requiring Space Florida to recommend
35 approval or denial of an application within 60 days
36 after receipt; requiring the executive director of the
37 Office of Tourism, Trade, and Economic Development
38 within 30 days after receiving a recommendation from
39 Space Florida to issue a letter of certification to
40 applicants having an approved application; authorizing
41 the Department of Revenue to perform audits and
42 investigations necessary to verify the accuracy of
43 returns; authorizing the Office of Tourism, Trade, and
44 Economic Development to revoke or modify a
45 certification granting eligibility for tax credits
46 under certain circumstances; requiring a certified
47 commercial spaceflight business to pay any required
48 tax within 60 days after receiving notice that
49 previously approved tax credits have been revoked or
50 modified; authorizing the Department of Revenue to
51 assess additional taxes, interest, or penalties;
52 authorizing the Office of Tourism, Trade, and Economic
53 Development to adopt rules; requiring the Office of
54 Tourism, Trade, and Economic Development to submit an
55 annual report to the Governor, the President of the
56 Senate, and the Speaker of the House of
57 Representatives on the activities of the commercial
58 launch zone incentive program; providing for

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59 application; providing an effective date.

60
61 Be It Enacted by the Legislature of the State of Florida:

62
63 Section 1. Paragraph (f) of subsection (2) of section
64 14.2015, Florida Statutes, is amended to read:

65 14.2015 Office of Tourism, Trade, and Economic Development;
66 creation; powers and duties.—

67 (2) The purpose of the Office of Tourism, Trade, and
68 Economic Development is to assist the Governor in working with
69 the Legislature, state agencies, business leaders, and economic
70 development professionals to formulate and implement coherent
71 and consistent policies and strategies designed to provide
72 economic opportunities for all Floridians. To accomplish such
73 purposes, the Office of Tourism, Trade, and Economic Development
74 shall:

75 (f)1. Administer the Florida Enterprise Zone Act under ss.
76 290.001-290.016, the community contribution tax credit program
77 under ss. 220.183 and 624.5105, the tax refund program for
78 qualified target industry businesses under s. 288.106, the tax-
79 refund program for qualified defense contractors and space
80 flight business contractors under s. 288.1045, contracts for
81 transportation projects under s. 288.063, the sports franchise
82 facility program under s. 288.1162, the professional golf hall
83 of fame facility program under s. 288.1168, the expedited
84 permitting process under s. 403.973, the Rural Community
85 Development Revolving Loan Fund under s. 288.065, the Regional
86 Rural Development Grants Program under s. 288.018, the Certified
87 Capital Company Act under s. 288.99, the Florida State Rural

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88 Development Council, the Rural Economic Development Initiative,
89 the corporate income tax credits for commercial spaceflight
90 projects under s. 220.194, and other programs that are
91 specifically assigned to the office by law, by the
92 appropriations process, or by the Governor. Notwithstanding any
93 other provisions of law, the office may expend interest earned
94 from the investment of program funds deposited in the Grants and
95 Donations Trust Fund to contract for the administration of the
96 programs, or portions of the programs, enumerated in this
97 paragraph or assigned to the office by law, by the
98 appropriations process, or by the Governor. Such expenditures
99 shall be subject to review under chapter 216.

100 2. The office may enter into contracts in connection with
101 the fulfillment of its duties concerning the Florida First
102 Business Bond Pool under chapter 159, tax incentives under
103 chapters 212 and 220, tax incentives under the Certified Capital
104 Company Act in chapter 288, foreign offices under chapter 288,
105 the Enterprise Zone program under chapter 290, the Seaport
106 Employment Training program under chapter 311, the Florida
107 Professional Sports Team License Plates under chapter 320,
108 Spaceport Florida under chapter 331, Expedited Permitting under
109 chapter 403, and in carrying out other functions that are
110 specifically assigned to the office by law, by the
111 appropriations process, or by the Governor.

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

114 213.053 Confidentiality and information sharing.—

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

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117 (z) Information relative to tax credits taken under s.
118 220.194 to the Office of Tourism, Trade, and Economic
119 Development or to Space Florida.

120
121 Disclosure of information under this subsection shall be
122 pursuant to a written agreement between the executive director
123 and the agency. Such agencies, governmental or nongovernmental,
124 shall be bound by the same requirements of confidentiality as
125 the Department of Revenue. Breach of confidentiality is a
126 misdemeanor of the first degree, punishable as provided by s.
127 775.082 or s. 775.083.

128 Section 3. Subsection (8) of section 220.02, Florida
129 Statutes, is amended to read:

130 220.02 Legislative intent.—

131 (8) It is the intent of the Legislature that credits
132 against either the corporate income tax or the franchise tax be
133 applied in the following order: those enumerated in s. 631.828,
134 those enumerated in s. 220.191, those enumerated in s. 220.181,
135 those enumerated in s. 220.183, those enumerated in s. 220.182,
136 those enumerated in s. 220.1895, those enumerated in s. 221.02,
137 those enumerated in s. 220.184, those enumerated in s. 220.186,
138 those enumerated in s. 220.1845, those enumerated in s. 220.19,
139 those enumerated in s. 220.185, those enumerated in s. 220.187,
140 those enumerated in s. 220.192, those enumerated in s. 220.193,
141 ~~and~~ those enumerated in s. 288.9916, and those enumerated in s.
142 220.194.

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

145 220.13 "Adjusted federal income" defined.—

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

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

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

157 2. The amount of interest which is excluded from taxable
158 income under s. 103(a) of the Internal Revenue Code or any other
159 federal law, less the associated expenses disallowed in the
160 computation of taxable income under s. 265 of the Internal
161 Revenue Code or any other law, excluding 60 percent of any
162 amounts included in alternative minimum taxable income, as
163 defined in s. 55(b)(2) of the Internal Revenue Code, if the
164 taxpayer pays tax under s. 220.11(3).

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

169 4. That portion of the wages or salaries paid or incurred
170 for the taxable year which is equal to the amount of the credit
171 allowable for the taxable year under s. 220.181. This
172 subparagraph shall expire on the date specified in s. 290.016
173 for the expiration of the Florida Enterprise Zone Act.

174 5. That portion of the ad valorem school taxes paid or

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175 incurred for the taxable year which is equal to the amount of
176 the credit allowable for the taxable year under s. 220.182. This
177 subparagraph shall expire on the date specified in s. 290.016
178 for the expiration of the Florida Enterprise Zone Act.

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

183 7. That portion of assessments to fund a guaranty
184 association incurred for the taxable year which is equal to the
185 amount of the credit allowable for the taxable year.

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

191 9. The amount taken as a credit for the taxable year under
192 s. 220.1895.

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

196 11. The amount taken as a credit for the taxable year under
197 s. 220.187.

198 12. The amount taken as a credit for the taxable year under
199 s. 220.192.

200 13. The amount taken as a credit for the taxable year under
201 s. 220.193.

202 14. Any portion of a qualified investment, as defined in s.
203 288.9913, which is claimed as a deduction by the taxpayer and

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204 taken as a credit against income tax pursuant to s. 288.9916.

205 15. The amount taken as a credit for the taxable year under
206 s. 220.194.

207 (b) *Subtractions.*—

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

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

215 b. The net capital loss allowable for federal income tax
216 purposes under s. 1212 of the Internal Revenue Code for the
217 taxable year,

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

221 d. The excess contributions deductions allowable for
222 federal income tax purposes under s. 404 of the Internal Revenue
223 Code for the taxable year.

224
225 However, a net operating loss and a capital loss shall never be
226 carried back as a deduction to a prior taxable year, but all
227 deductions attributable to such losses shall be deemed net
228 operating loss carryovers and capital loss carryovers,
229 respectively, and treated in the same manner, to the same
230 extent, and for the same time periods as are prescribed for such
231 carryovers in ss. 172 and 1212, respectively, of the Internal
232 Revenue Code.

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

235 a. Dividends treated as received from sources without the
236 United States, as determined under s. 862 of the Internal
237 Revenue Code.

238 b. All amounts included in taxable income under s. 78 or s.
239 951 of the Internal Revenue Code.

240

241 However, as to any amount subtracted under this subparagraph,
242 there shall be added to such taxable income all expenses
243 deducted on the taxpayer's return for the taxable year which are
244 attributable, directly or indirectly, to such subtracted amount.
245 Further, no amount shall be subtracted with respect to dividends
246 paid or deemed paid by a Domestic International Sales
247 Corporation.

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

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

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

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262 861(a)(2)(A) of the Internal Revenue Code, not including credits
263 allowed under ss. 902 and 960 of the Internal Revenue Code,
264 withholding taxes on dividends within the meaning of sub-
265 subparagraph 2.a., and withholding taxes on royalties, interest,
266 technical service fees, and capital gains.

267 6. Notwithstanding any other provision of this code, except
268 with respect to amounts subtracted pursuant to subparagraphs 1.
269 and 3., any increment of any apportionment factor which is
270 directly related to an increment of gross receipts or income
271 which is deducted, subtracted, or otherwise excluded in
272 determining adjusted federal income shall be excluded from both
273 the numerator and denominator of such apportionment factor.
274 Further, all valuations made for apportionment factor purposes
275 shall be made on a basis consistent with the taxpayer's method
276 of accounting for federal income tax purposes.

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

279 220.16 Allocation of nonbusiness income.—Nonbusiness income
280 shall be allocated as follows:

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

284 Section 6. Section 220.194, Florida Statutes, is created to
285 read:

286 220.194 Corporate income tax credits for commercial
287 spaceflight projects in Florida's commercial launch zone.—

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

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291 (2) DEFINITIONS.—As used in this section, the term:
292 (a) "Certified commercial spaceflight business" means a
293 commercial spaceflight business that has been certified by the
294 office as meeting all of the requirements to obtain at least one
295 of the approved tax credits available under this section,
296 including any approval to transfer a credit.
297 (b) "Commercial launch zone" means an area within spaceport
298 territory in this state.
299 (c) "Commercial spaceflight business" means a business
300 that:
301 1. Is registered with the Secretary of State to do business
302 in this state; and
303 2. Is currently undertaking one or more of the following
304 activities in this state which are intended to result in a
305 launch from a commercial launch zone: designing, manufacturing,
306 testing, or assembling a launch vehicle, reentry vehicle,
307 satellite, station, or components thereof; providing a launch
308 service or reentry service; or providing the payload for a
309 launch vehicle or reentry vehicle.
310
311 A commercial spaceflight business may participate in more than
312 one spaceflight project at a time and may conduct work on a
313 commercial, governmental, or United States defense-related
314 project and remain certified or qualified for certification.
315 (d) "Commercial spaceflight project" means activities
316 performed in this state by a commercial spaceflight business
317 that qualify it to be certified including activity related to
318 the launch of a launch vehicle, reentry vehicle, satellite, or
319 space station from a commercial launch zone in this state, or

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320 its return to a spaceport commercial launch zone in this state.
321 The term includes a launch service, reentry service, or any
322 process that validates hardware or components to meet design and
323 workmanship criteria for space launch or reentry vehicles per
324 United States Department of Defense and National Aeronautics and
325 Space Administration guidelines.

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

330 (f) "Launch service" means an activity in this state
331 related to the preparation of a launch vehicle and any payload
332 for launch and the conduct of a launch.

333 (g) "New job" means a full-time equivalent position that is
334 created by a commercial spaceflight business on or after January
335 1, 2011, to work on a commercial spaceflight project in this
336 state filled by an employee who is a resident of Florida. The
337 term does not include a job held by an owner, partner, or
338 majority stockholder of the business or an administrative,
339 clerical, or janitorial position. A new job may only be counted
340 once for the purpose of certification and may not be counted
341 more than once for the purposes of claiming multiple incentives
342 offered by this section. The annual wage of each net new job
343 must equal at least 115 percent of the statewide or countywide
344 average annual private-sector wage.

345 (h) "Office" means the Office of Tourism, Trade, and
346 Economic Development within the Executive Office of the
347 Governor.

348 (i) "Outer space" means an altitude of at least 50 miles

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349 above the Earth's surface.

350 (j) "Payload" means an object built or assembled in this
351 state that a commercial spaceflight business has prepared to
352 place in outer space by means of a launch vehicle or reentry
353 vehicle, including components, built or assembled in this state,
354 of the vehicle specifically designed or adapted for the object.

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

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

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

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

365 (o) "Successful launch" means a launch from a commercial
366 launch zone in this state that successfully places a launch
367 vehicle or reentry vehicle and payload from Earth into a
368 suborbital trajectory, into Earth orbit in outer space, or
369 otherwise into outer space.

370 (p) "Taxpayer" has the same meaning as defined in s.
371 220.03.

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

377 (a) Nontransferable corporate income tax credit.—A

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378 commercial spaceflight business may be certified to claim an
379 approved credit not exceeding 50 percent of the business's tax
380 liability imposed by this chapter in the tax year in which it is
381 claimed. The maximum tax credit granted under this paragraph to
382 any one certified commercial spaceflight business in a calendar
383 year is \$1 million. The office may not approve a total of more
384 than \$10 million in nontransferrable tax credits during a single
385 state fiscal year.

386 (b) Transferable net operating loss tax credit.—A
387 commercial spaceflight business may be certified to transfer its
388 Florida net operating loss that may otherwise be available to be
389 claimed on a return filed pursuant to his chapter not to exceed
390 \$2.5 million in a single tax year, as provided below.

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

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

397 b. Not be 50 percent or more owned or controlled, directly
398 or indirectly, by another corporation that has demonstrated
399 positive net income in any of the 3 previous tax years of
400 ongoing operations, or not be part of a consolidated group of
401 affiliated corporations, as filed for federal income tax
402 purposes, which in the aggregate demonstrated positive net
403 income in any year which forms the basis for the commercial
404 space flight business's claim of qualification for a credit, or
405 any of the 3 previous years.

406 2. The amount of the transferable tax credit that may be

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407 certified is equal to:

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

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

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

417 3. A commercial spaceflight business allowed a tax credit
418 under this paragraph may be certified to transfer all or part of
419 a transferable tax credit to another taxpayer. The credit may be
420 certified for transfer only once. The certified commercial
421 spaceflight business has 5 years after the date of its original
422 certification to transfer a net operating loss tax credit. The
423 transfer must be by written agreement, approved by the office,
424 for consideration of at least 75 percent of the credit's face
425 value. The transferee is entitled to apply the credit to the
426 taxes owed under this chapter and may carry forward an unused
427 credit for up to 5 years. A transferee may not claim a credit in
428 an amount that exceeds the transferee's corporate income tax
429 liability in the year for which the credit is claimed.

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

435 (c) Machinery and equipment credit.—A credit against the

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436 tax imposed by this chapter shall be certified by the office
437 when a commercial spaceflight business invests at least \$500,000
438 in machinery and equipment over a period not to exceed three tax
439 years that is purchased in this state and that is exclusively
440 used for one or more commercial spaceflight projects in this
441 state.

442 1. An investment in machinery and equipment may be claimed
443 only one time by a commercial spaceflight business for the
444 corporate income tax credit authorized by this paragraph.
445 However, the purchase of the machinery and equipment may also be
446 exempt from the sales and use tax under the exemption in s.
447 212.08(5)(b).

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

450 3. The certified commercial spaceflight business may claim
451 a credit for no more than 50 percent of its corporate income tax
452 liability in the year in which it is claimed, up to a maximum of
453 \$5 million. If credit granted under this paragraph is not fully
454 used in any one tax year because of insufficient tax liability,
455 the unused amount may be carried forward for up to 5 years.

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

459 (4) ADMINISTRATION.—

460 (a) Unless transferred as provided in paragraph (3)(b),
461 credits awarded under this section may be granted only against
462 the corporate income tax liability generated by or arising out
463 of a commercial spaceflight project in this state, as documented
464 in the certified commercial spaceflight business's annual audit

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465 prepared by a certified public accountant licensed to do
466 business in this state and verified by the office.

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

470 (c) It is the responsibility of the certified commercial
471 spaceflight business or transferee to demonstrate to the
472 office's and the department's satisfaction that it is eligible
473 for the credits under this section.

474 (5) APPLICATION AND CERTIFICATION.—

475 (a) To claim a tax credit pursuant to this section, a
476 commercial spaceflight business must submit a certification
477 application to Space Florida for review, be certified to obtain
478 credits under this section, and select and be approved for a
479 credit. Each business may only be approved for one credit for
480 any calendar year and may not take any credit more than one
481 time. The application must include the following information,
482 along with a \$250 nonrefundable fee:

483 1. The name and physical Florida address of the taxpayer.

484 2. Documentation demonstrating to the satisfaction of the
485 office that:

486 a. The taxpayer is a commercial spaceflight business.

487 b. The business has engaged in a qualifying commercial
488 spaceflight project or projects for 3 calendar years before
489 claiming a credit under this section.

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

491 a. Created, filled, and retained for 3 calendar years
492 before claiming a credit under this section at least 35 new
493 full-time equivalent jobs primarily located in this state and

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494 directly associated with an individual commercial spaceflight
495 project, or projects;

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

499 c. Participated in a commercial spaceflight project that
500 resulted in a successful launch from a commercial launch zone in
501 this state during the 3 calendar years before claiming a credit
502 under this section.

503 4. The total amount and types of credits sought.

504 5. The amount of transferable tax credits to be
505 transferred, if any; when the business expects to transfer the
506 credits; and the name and address of the recipient taxpayer or
507 taxpayers.

508 6. A copy of an audit or audits of the pertinent years,
509 prepared by a certified public accountant licensed to practice
510 in this state, that identifies, if applicable, that portion of
511 the business's activities in this state related to commercial
512 spaceflight projects in this state.

513 7. An acknowledgement that the business must file an annual
514 report on the project's progress with Space Florida and the
515 office.

516 8. Any other information necessary to demonstrate that the
517 applicant meets the job creation, investment, and other
518 requirements of this section.

519 (b) Within 60 days after receipt of the application, the
520 executive staff of Space Florida shall evaluate the application
521 and recommend it for certification or denial of certification by
522 the office. The executive director of the office must approve or

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523 deny the application within 30 days after receiving the
524 recommendation from Space Florida. The office must provide a
525 letter of certification to the applicant, if approved and
526 consistent with any restrictions on the credit being sought. If
527 the office denies any part of the requested credit, the office
528 must inform the applicant of the grounds for the denial. A copy
529 of the certification shall be submitted to the department within
530 10 days after the executive director's decision.

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

532 (a) In addition to its existing audit and investigative
533 authority, the department may perform any additional financial
534 and technical audits and investigations, including examining the
535 accounts, books, and financial records of the tax credit
536 applicant, which are necessary to verify the accuracy of the
537 return and to ensure compliance with this section. The office
538 and Space Florida shall provide technical assistance when
539 requested by the department on any technical audits or
540 examinations performed under this subsection.

541 (b) It is grounds for forfeiture of previously claimed tax
542 credits if the department determines, as a result of an audit or
543 examination, or from information received from the office, that
544 a certified commercial spaceflight business, or in the case of
545 transferred tax credits, a taxpayer received tax credits under
546 this section to which the certified commercial spaceflight
547 business or taxpayer was not entitled. The certified commercial
548 spaceflight business or transferee is responsible for filing an
549 amended return reflecting the disallowed credits and paying any
550 tax due as a result of the amendment.

551 (c) If the certified commercial spaceflight business's

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552 Florida corporate income tax return is adjusted by amendment,
553 recomputation, or redetermination such that any item entering
554 into the computation of a claimed credit has been changed the
555 taxpayer must notify the department by filing an amended return.
556 The amount of any credit award not supported by the amended
557 return shall be deemed a deficiency to be remitted with the
558 amended return and otherwise subject to s. 220.23. The certified
559 commercial spaceflight business also is liable for a penalty
560 equal to the amount of the credit claimed or transferred,
561 reduced in proportion to the amount of the net operating loss
562 certified for transfer over the amount of the certified net
563 operating loss disallowed. The applicant and its successors
564 shall maintain all records necessary to support the reported net
565 operating loss.

566 (d) The office may revoke or modify any certification
567 granting eligibility for tax credits under this section if it is
568 discovered that the certified commercial spaceflight business
569 made a false statement, or representation, in any application,
570 record, report, plan, or other document filed in an attempt to
571 receive tax credits under this section. The office shall
572 immediately notify the department of any revoked or modified
573 orders affecting previously granted tax credits. Additionally,
574 the certified commercial spaceflight business must notify the
575 department of any change in its tax credit claimed.

576 (e) The certified commercial spaceflight business must file
577 with the department an amended return or other report required
578 by the department by rule and must pay any required tax and
579 interest within 60 days after the certified commercial
580 spaceflight business receives notification from the office that

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581 previously approved tax credits have been revoked or modified.
582 If the revocation or modification order is contested, the
583 certified commercial spaceflight business must file an amended
584 return or other report as provided in this paragraph within 60
585 days after a final order is issued following proceedings.

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

588 (7) RULES.—

589 (a) The office, in consultation with Space Florida, shall
590 adopt rules to administer this section, including rules relating
591 to the certification forms for commercial spaceflight businesses
592 to complete, and the application and certification procedures,
593 guidelines, and requirements necessary to administer this
594 section.

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

597 1. The forms required to claim a tax credit under this
598 section, the requirements and basis for establishing an
599 entitlement to a credit, and the examination and audit
600 procedures required to administer this section.

601 2. The implementation and administration of the provisions
602 allowing a transfer of a net operating loss as a tax credit,
603 including rules prescribing forms, reporting requirements, and
604 specific procedures, guidelines, and requirements necessary to
605 perform the transfer.

606 3. The minimum portion of the credit that is available for
607 transfer.

608 (8) ANNUAL REPORT.—The office, in cooperation with Space
609 Florida and the department, shall submit an annual report of the

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610 commercial launch zone incentive program's activities to the
611 Governor, the President of the Senate, and the Speaker of the
612 House of Representatives by November 30 of each year, beginning
613 in 2014.

614 Section 7. This act shall take effect upon becoming a law,
615 except that the tax credits authorized by this act may not be
616 applied to returns filed for any tax period before January 1,
617 2014.