

1 A bill to be entitled
 2 An act relating to the New Markets Development Program;
 3 amending s. 288.9913, F.S.; revising the definition of the
 4 term "qualified active low-income community business" for
 5 purposes of the New Markets Development Program Act;
 6 providing an effective date.

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

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 10 Section 1. Subsection (7) of section 288.9913, Florida
 11 Statutes, is amended to read:

12 288.9913 Definitions.—As used in ss. 288.991-288.9922, the
 13 term:

14 (7) "Qualified active low-income community business" means
 15 a corporation, including a nonprofit corporation, or partnership
 16 that complies with each of the following:

17 (a)1. Derives at least 50 percent of its total gross
 18 income from the active conduct of business within any low-income
 19 community for any taxable year.†

20 2. Uses at least 40 percent ~~a substantial portion~~ of its
 21 tangible property, whether owned or leased, within any low-
 22 income community for any taxable year, which percentage shall be
 23 the average value of the tangible property owned or leased and
 24 used within a low-income community by the corporation or
 25 partnership divided by the average value of the total tangible
 26 property owned or leased and used by the corporation or
 27 partnership during the taxable year. The value assigned to
 28 leased property by the corporation or partnership must be

29 reasonable.†

30 3. Performs at least 40 percent ~~a substantial portion~~ of
 31 its services through its employees in a low-income community for
 32 any taxable year, which percentage shall be the amount paid by
 33 the corporation or partnership for salaries, wages, and benefits
 34 to employees in a low-income community divided by the total
 35 amount paid by the corporation or partnership for salaries,
 36 wages, and benefits during the taxable year.†

37 4. Attributes less than 5 percent of the average of the
 38 aggregate unadjusted bases of the property of the entity to
 39 collectibles, as defined in 26 U.S.C. s. 408(m)(2), other than
 40 collectibles that are held primarily for sale to customers in
 41 the ordinary course of the business for any taxable year.†~~and~~

42 5. Attributes less than 5 percent of the average of the
 43 aggregate unadjusted bases of the property of the entity to
 44 nonqualified financial property, as defined in 26 U.S.C. s.
 45 1397C(e), for any taxable year.

46
 47 A corporation or partnership complies with subparagraph 1. if,
 48 as calculated in subparagraph 2., it uses at least 50 percent of
 49 its tangible property, whether owned or leased, within any low-
 50 income community for any taxable year or if, as calculated in
 51 subparagraph 3., the corporation or partnership performs at
 52 least 50 percent of its services through its employees in a low-
 53 income community for any taxable year.

54 (b) Is reasonably expected by a qualified community
 55 development entity at the time of an investment to continue to
 56 satisfy the requirements of paragraphs (a), (c), and (d) for the

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57 duration of the investment.

58 (c) Satisfies the requirements of paragraphs (a) and (b),
59 but does not:

60 1. Derive or project to derive 15 percent or more of its
61 annual revenue from the rental or sale of real estate, unless
62 the corporation or partnership derives such revenue from the
63 rental of real estate and the primary lessee and user of such
64 real estate is another qualified active low-income community
65 business that is owned or controlled by, or that is under common
66 ownership or control with, such corporation or partnership;

67 2. Engage predominantly in the development or holding of
68 intangibles for sale or license;

69 3. Operate a private or commercial golf course, country
70 club, massage parlor, hot tub facility, suntan facility,
71 racetrack, gambling facility, or a store the principal business
72 of which is the sale of alcoholic beverages for consumption off
73 premises; or

74 4. Engage principally in farming and owns or leases assets
75 the sum of the aggregate unadjusted bases or the fair market
76 value of which exceeds \$500,000.

77 (d) Will create or retain jobs that pay an average wage of
78 at least 115 percent of the federal poverty income guidelines
79 for a family of four.

80 Section 2. This act shall take effect upon becoming a law.