

1 A bill to be entitled
2 An act relating to taxation; creating ss. 199.0125,
3 199.0235, 199.0325, 199.0335, 199.0425, 199.0525,
4 199.0575, 199.0625, 199.1035, 199.10555, 199.1065,
5 199.1755, and 199.1855, F.S.; recreating the annual
6 intangible personal property tax; providing a short title;
7 providing definitions; providing for imposition of the
8 annual tax; specifying a separate tax rate for securities
9 in a Florida's Future Investment Fund; specifying
10 nonapplication; specifying due date of annual tax;
11 providing for a discount for early payments; providing
12 requirements and procedures for annual tax returns and
13 payment of the annual tax; providing for corporate
14 election to pay stockholders' annual tax; providing
15 requirements for annual tax information reports; providing
16 requirements for the basis of assessments and valuation of
17 intangible personal property; providing for a contaminated
18 site rehabilitation tax credit; providing requirements,
19 procedures, and limitations; providing for a credit for
20 taxes imposed by other states; specifying requirements for
21 taxable situs of intangible personal property; exempting
22 certain property from the annual and nonrecurring
23 intangible taxes; amending ss. 28.35, 192.0105, 192.032,
24 192.042, 192.091, 193.114, 196.015, 196.199, 199.133,
25 199.183, 199.218, 199.232, 199.282, 199.292, 199.303,
26 212.02, 213.053, 213.054, 213.27, 650.05, and 733.702,
27 F.S., to conform provisions to the creation of the annual
28 intangible personal property tax; providing for

29 application of certain collection, administration, and
30 enforcement provisions to taxation of certain leaseholds;
31 authorizing the Department of Revenue to adopt emergency
32 implementing rules for a certain time; providing
33 legislative findings and intent; amending s. 220.03, F.S.;
34 revising a definition; defining the terms "tax haven" and
35 "water's edge group"; amending s. 220.13, F.S.; conforming
36 a cross-reference; redefining the term "adjusted federal
37 income" to limit the subtraction of certain deductions and
38 certain carryovers; requiring the subtraction of certain
39 dividends from taxable income; creating s. 220.136, F.S.;
40 providing rules and criteria to determine if a corporation
41 is a member of a water's edge group; creating s. 220.1363,
42 F.S.; providing a reporting method for a water's edge
43 group; providing for the apportionment of income to the
44 state; requiring a member of a water's edge group having
45 nexus with this state to file a single return for the
46 water's edge group; providing for the determination of
47 income for a member of a water's edge group having a
48 different tax year than the water's edge group; requiring
49 a water's edge group return to include a computational
50 schedule; requiring a water's edge group to file a
51 domestic disclosure spreadsheet along with its return;
52 authorizing the Department of Revenue to adopt rules;
53 amending s. 220.14, F.S.; providing for the proration of
54 an exemption during a leap year; limiting a water's edge
55 group to a single claim of a specified exemption; amending
56 s. 220.15, F.S.; deleting provisions relating to

57 affiliated groups with respect to certain sales of a
58 financial institution; amending s. 220.183, F.S.; deleting
59 provisions relating to affiliated groups with respect to
60 community contribution tax credits; amending s. 220.1845,
61 F.S.; deleting provisions relating to affiliated groups
62 with respect to the contaminated site rehabilitation tax
63 credit; amending s. 220.187, F.S.; deleting provisions
64 relating to affiliated groups with respect to the tax
65 credit for contributions to nonprofit scholarship funding
66 organizations; amending s. 220.191, F.S.; deleting
67 provisions relating to affiliated groups with respect to
68 the capital investment tax credit; amending s. 220.192,
69 F.S.; deleting provisions relating to affiliated groups
70 with respect to the renewable energy technologies
71 investment tax credit; amending s. 220.193, F.S.; deleting
72 provisions relating to affiliated groups with respect to
73 the Florida renewable energy production tax credit;
74 amending s. 220.51, F.S.; deleting provisions relating to
75 the rulemaking authority of the Department of Revenue with
76 respect to consolidated reporting for affiliated groups;
77 amending ss. 220.1845, 220.64, and 376.30781, F.S.;
78 conforming cross-references and conforming provisions to
79 the creation of the annual intangible personal property
80 tax; providing transitional rules for corporate income tax
81 returns filed by water's edge groups and affiliated groups
82 of corporations; specifying the allocation of funds that
83 are recaptured under the act; repealing s. 220.131, F.S.,
84 relating to adjusted federal income for affiliated groups;

85 requiring deposit of certain funds into the Educational
 86 Enhancement Trust Fund; specifying certain allocations of
 87 appropriations from the fund; providing legislative intent
 88 relating to uses of funds; providing authority for certain
 89 entities as to how best to use certain funds; providing
 90 effective dates.

91

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

93

94 Section 1. Effective January 1, 2011, sections 199.0125,
 95 199.0235, 199.0325, 199.0335, 199.0425, 199.0525, 199.0575,
 96 199.0625, 199.1035, 199.10555, 199.1065, 199.1755, and 199.1855,
 97 Florida Statutes, are created to read:

98 199.0125 Short title.—Sections 199.0125–199.1855 may be
 99 cited as the "Millionaire's Tax Act."

100 199.0235 Definitions.—As used in this chapter:

101 (1) "Abroad" means in one or more foreign nations; in the
 102 colonies, dependencies, possessions, or territories of a foreign
 103 nation or of the United States; or in the Commonwealth of Puerto
 104 Rico.

105 (2) (a) "Affiliated group" means one or more chains of
 106 corporations or limited liability companies connected through
 107 stock ownership or membership interest in a limited liability
 108 company with a common parent corporation or limited liability
 109 company, for which:

110 1. Stock or membership interest in a limited liability
 111 company possessing at least 80 percent of the voting power of
 112 all classes of stock or membership interest in a limited

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113 liability company and at least 80 percent of each class of the
114 nonvoting stock or membership interest in a limited liability
115 company of each corporation or limited liability company, except
116 for the common parent corporation or limited liability company,
117 is owned directly by one or more of the other corporations or
118 limited liability companies.

119 2. The common parent corporation or limited liability
120 company directly owns stock or membership interest in a limited
121 liability company possessing at least 80 percent of the voting
122 power of all classes of stock or membership interest in a
123 limited liability company and at least 80 percent of each class
124 of the nonvoting stock or membership interest in a limited
125 liability company of at least one of the other corporations or
126 limited liability companies.

127 (b) As used in this subsection, the terms "nonvoting
128 stock" and "membership interest in a limited liability company"
129 do not include nonvoting stock or membership interest in a
130 limited liability company which is limited and preferred as to
131 dividends. For purposes of this chapter, a common parent may be
132 a corporation or a limited liability company.

133 (3) "Banking organization" means:

134 (a) A bank organized and existing under the laws of this
135 state;

136 (b) A national bank organized and existing pursuant to the
137 provisions of the National Bank Act, 12 U.S.C. ss. 21 et seq.,
138 and maintaining its principal office in this state;

139 (c) An Edge Act corporation organized pursuant to the
140 provisions of s. 25(a) of the Federal Reserve Act, 12 U.S.C. ss.

141 611 et seq., and maintaining an office in this state;
 142 (d) An international bank agency licensed pursuant to the
 143 laws of this state;
 144 (e) A federal agency licensed pursuant to ss. 4 and 5 of
 145 the International Banking Act of 1978 to maintain an office in
 146 this state;
 147 (f) A savings association organized and existing under the
 148 laws of this state;
 149 (g) A federal association organized and existing pursuant
 150 to the provisions of the Home Owners' Loan Act of 1933, 12
 151 U.S.C. ss. 1461 et seq., and maintaining its principal office in
 152 this state; or
 153 (h) An export finance corporation organized in this state
 154 and existing pursuant to the provisions of part V of chapter
 155 288.
 156 (4) A resident has a "beneficial interest" in a trust if
 157 the resident has a vested interest, even if subject to
 158 divestment, which includes at least a current right to income
 159 and either a power to revoke the trust or a general power of
 160 appointment, as defined in 26 U.S.C. s. 2041(b)(1).
 161 (5) "Department" means the Department of Revenue.
 162 (6) "Intangible personal property" means all personal
 163 property that is not in itself intrinsically valuable, but that
 164 derives its chief value from that which it represents,
 165 including, but not limited to:
 166 (a) All stocks or shares of incorporated or unincorporated
 167 companies, business trusts, and mutual funds.
 168 (b) All notes, bonds, and other obligations for the

169 payment of money.

170 (c) All condominium and cooperative apartment leases of
 171 recreation facilities, land leases, and leases of other commonly
 172 used facilities.

173 (d) Except for any leasehold or other possessory interest
 174 described in s. 4(a), Art. VII of the State Constitution or s.
 175 196.199(7), all leasehold or other possessory interests in real
 176 property owned by the United States, the state, any political
 177 subdivision of the state, any municipality of the state, or any
 178 agency, authority, or other public body corporate of the state,
 179 which are undeveloped or predominantly used for residential or
 180 commercial purposes and upon which rental payments are due.

181 (7) "International banking facility" means a set of asset
 182 and liability accounts segregated on the books and records of a
 183 banking organization that includes only international banking
 184 facility deposits, borrowings, and extensions of credit as those
 185 terms are defined pursuant to s. 655.071(2).

186 (8) "International banking transaction" means:

187 (a) The financing of the exportation from, or the
 188 importation into, the United States or between jurisdictions
 189 abroad of tangible personal property or services;

190 (b) The financing of the production, preparation, storage,
 191 or transportation of tangible personal property or services
 192 which are identifiable as being directly and solely for export
 193 from, or import into, the United States or between jurisdictions
 194 abroad;

195 (c) The financing of contracts, projects, or activities to
 196 be performed substantially abroad, except those transactions

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197 secured by a mortgage, deed of trust, or other lien upon real
198 property located in this state;

199 (d) The receipt of deposits or borrowings or the
200 extensions of credit by an international banking facility,
201 except the loan or deposit of funds secured by mortgage, deed of
202 trust, or other lien upon real property located in this state;
203 or

204 (e) Entering into foreign exchange trading or hedging
205 transactions in connection with the activities described in
206 paragraph (d).

207 (9) "Ministerial function" means an act the performance of
208 which does not involve the use of discretion or judgment.

209 (10) "Money" includes, without limitation, United States
210 legal tender, certificates of deposit, cashier's and certified
211 checks, bills of exchange, drafts, the cash equivalent of
212 annuities and life insurance policies, and similar instruments,
213 which are held by a taxpayer, or deposited with or held by a
214 banking organization or any other person.

215 (11) "Person" means any individual, firm, partnership,
216 joint adventure, syndicate, or other group or combination acting
217 as a unit, association, corporation, estate, trust, business
218 trust, trustee, personal representative, receiver, or other
219 fiduciary and includes the plural as well as the singular.

220 (12) "Processing activity" means an activity undertaken to
221 administer or service intangible personal property in accordance
222 with such terms, guidelines, criteria, or directions as are
223 provided solely by the owner of the property. Methods, systems,
224 or techniques chosen by the processor to implement such terms,

225 guidelines, criteria, or directions are not considered the
 226 exercise of management or control.

227 (13) "Taxpayer" means any person liable for taxes imposed
 228 under this chapter and any heir, successor, assignee, and
 229 transferee of any such person.

230 199.0325 Levy of annual tax.—An annual tax of 2 mills is
 231 imposed on each dollar of the just valuation of all intangible
 232 personal property that has a taxable situs in this state, except
 233 for notes and other obligations for the payment of money, other
 234 than bonds, that are secured by a mortgage, deed of trust, or
 235 other lien upon real property situated in this state. This tax
 236 shall be assessed and collected as provided in this chapter.

237 199.0335 Securities in a Florida's Future Investment Fund;
 238 tax rate.—

239 (1) Notwithstanding the provisions of this chapter, the
 240 tax imposed under s. 199.0325 on securities in a Florida's
 241 Future Investment Fund applies at a rate of 0.85 mill when the
 242 average daily balance in such funds exceeds \$2 billion and at a
 243 rate of 0.70 mill when the average daily balance in such funds
 244 exceeds \$5 billion.

245 (2) This section shall not apply in any year in which the
 246 revenues of the foundation in the previous calendar year are
 247 less than the tax savings allowed by this section. The term "tax
 248 savings" means the difference between the tax that would be
 249 imposed pursuant to s. 199.0325 and the tax rate specified in
 250 subsection (1).

251 199.0425 Due date of annual tax.—

252 (1) The annual tax on intangible personal property shall

253 be due and payable on June 30 of each year. Payment of the tax
 254 shall be made to the department upon filing of the return
 255 required by s. 199.0525. A return mailed to the department shall
 256 be considered timely filed if the return bears a postmark no
 257 later than the due date.

258 (2) A discount for early payment of the annual tax shall
 259 be allowed as follows: for payment on or before the last day of
 260 February, 4 percent; for payment on or before March 31, 3
 261 percent; for payment on or before April 30, 2 percent; and for
 262 payment after April 30 but on or before May 31, 1 percent.

263 199.0525 Annual tax returns; payment of annual tax.-

264 (1) An annual intangible tax return must be filed with the
 265 department by each corporation authorized to do business in this
 266 state or doing business in this state and by each person,
 267 regardless of domicile, who on January 1 owns, controls, or
 268 manages intangible personal property which has a taxable situs
 269 in this state. For purposes of this chapter, the terms "control"
 270 or "manage" do not include any ministerial function or any
 271 processing activity. The return shall be due on June 30 of each
 272 year. It shall list separately the character, description, and
 273 just valuation of all such property.

274 (2) A person, corporation, agent, or fiduciary is not
 275 required to pay the annual tax in any year when the aggregate
 276 annual tax upon the intangible personal property, after
 277 exemptions but before application of any discount for early
 278 filing, would be less than \$60. In such case, an annual return
 279 is not required. Agents and fiduciaries shall report for each
 280 person for whom they hold intangible personal property if the

281 aggregate annual tax on such person is \$60 or more.

282 (3) A corporation having no intangible tax liability, and
 283 required to file an annual report pursuant to s. 607.1622, is
 284 not required to file the annual intangible tax return required
 285 by this section.

286 (4) A husband and wife may file a joint return with regard
 287 to all intangible personal property held jointly or individually
 288 by them. They shall then be jointly liable for the payment of
 289 the annual tax.

290 (5) A trustee of a trust is not responsible for filing
 291 returns for the trust's intangible personal property and is not
 292 required to pay any annual tax on such property, although the
 293 department may require the trustee to file an informational
 294 return.

295 (6) Each resident of this state with a beneficial interest
 296 as defined in s. 199.0235(4) in a trust is responsible for
 297 filing an annual return for the resident's equitable share of
 298 the trust's intangible personal property and paying the annual
 299 tax on such property. The trustee of a trust may file an annual
 300 return and pay the tax on the equitable shares of all residents
 301 of this state having beneficial interests, in which case the
 302 residents need not file an annual return for such property or
 303 pay such tax.

304 (7) The personal representative or curator of an estate in
 305 this state is primarily responsible for filing an annual return
 306 for the estate's intangible personal property and paying the
 307 annual tax on it. The heirs or devisees, however, may
 308 individually file an annual return for their equitable shares of

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309 the estate's intangible personal property and pay the tax on
310 such shares, in which case the personal representative or
311 curator need not file an annual return such property or pay such
312 tax, although the department may require the personal
313 representative or curator to file an informational return.

314 (8) The guardian of the property of an incompetent
315 resident of this state shall file an annual return for the
316 incompetent's intangible personal property and pay the annual
317 tax on such property. The custodian of a minor resident of this
318 state under a gifts-to-minors or similar act shall file an
319 annual return for the minor's intangible personal property which
320 is subject to the custodianship and pay the annual tax on such
321 property.

322 (9) If an agent other than a trustee has control or
323 management of intangible personal property, the principal is
324 primarily responsible for filing an annual return for such
325 property and paying the annual tax on such property, but the
326 agent shall file an annual return for property on behalf of the
327 principal and pay the annual tax on such property if the
328 principal fails to do so. The department may in any case require
329 the agent to file an informational return.

330 (10) An affiliated group may elect to file a consolidated
331 return for any year. The election shall be made by timely filing
332 a consolidated return. Once made, an election may not be revoked
333 and is binding for the tax year. The mere filing of a
334 consolidated return does not in itself provide a business situs
335 in this state for intangible personal property held by a
336 corporation. The fact that members of an affiliated group own

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337 stock in corporations or membership interest in limited
338 liability companies that do not qualify under the stock
339 ownership or membership interest in a limited liability company
340 requirements as members of an affiliated group shall not
341 preclude the filing of a consolidated return on behalf of the
342 qualified members. If a consolidated return is filed,
343 intercompany accounts, including the capital stock or membership
344 interest in a limited liability company of an includable
345 corporation or limited liability company, other than the parent,
346 owned by another includable corporation or limited liability
347 company, are not subject to the annual tax. However, capital
348 stock, or membership interest in a limited liability company,
349 and other intercompany accounts of a nonqualified member of the
350 affiliated group are subject to the annual tax. Each
351 consolidated return must be accompanied by documentation
352 identifying all intercompany accounts and containing such other
353 information as the department may require. Failure to timely
354 file a consolidated return shall not prejudice the taxpayer's
355 right to file a consolidated return, provided the failure to
356 file a consolidated return is limited to 1 year and the
357 taxpayer's intent to file a consolidated return is evidenced by
358 the taxpayer having filed a consolidated return for the 3 years
359 prior to the year the return was not timely filed.

360 (11) An annual return for securities held in margin
361 accounts by a security broker not acting as a fiduciary shall be
362 filed, and the annual tax on such securities shall be paid, by
363 the customer owning them. The security broker is not required to
364 file an annual return or pay the tax on such securities.

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365 (12) Except as otherwise provided in this section, the
366 owner of intangible personal property is liable for the payment
367 of annual tax on such property, and any other person required to
368 file an annual return for such property is liable for the tax if
369 the owner fails to pay the tax.

370 (13) If a bank or savings association, as defined in s.
371 220.62, acts as a fiduciary or agent of a trust other than as a
372 trustee, the bank or savings association is not responsible for
373 filing an annual return for the trust's intangible personal
374 property and is not required to pay any annual tax on such
375 property, and the management or control of the bank or savings
376 association shall not be used as the basis for imposing any
377 annual tax on any person or any assets of the trust. If a person
378 acts as a fiduciary or agent for purposes of managing intangible
379 assets owned by another person, such intangible assets shall not
380 have a taxable situs in this state pursuant to s. 199.1755
381 solely by virtue of the management or control of such assets by
382 the person who is not the owner of the assets.

383 (14) (a) Except as provided in paragraph (b), each bank and
384 financial organization filing annual intangible tax returns for
385 its customers shall file return information for taxes due
386 January 1, 2011, and thereafter using machine-sensible media.
387 The information required by this subsection must be reported by
388 banks or financial organizations on machine-sensible media,
389 using specifications and instructions of the department. A bank
390 or financial organization that demonstrates to the satisfaction
391 of the department that a hardship exists is not required to file
392 intangible tax returns for its customers using machine-sensible

393 media. The department shall adopt rules necessary to administer
 394 this paragraph.

395 (b) A taxpayer may choose to file an annual intangible
 396 personal property tax return in a form initiated through an
 397 electronic data interchange using an advanced encrypted
 398 transmission by means of the Internet or other suitable
 399 transmission. The department shall prescribe by rule the format
 400 and instructions necessary for such filing to ensure a full
 401 collection of taxes due. The acceptable method of transfer, the
 402 method, form, and content of the electronic data interchange,
 403 and the means, if any, by which the taxpayer will be provided
 404 with an acknowledgment shall be prescribed by the department.

405 199.0575 Corporate election to pay stockholders' annual
 406 tax.—

407 (1) Each corporation incorporated or qualified to do
 408 business in this state may elect each tax year to pay the annual
 409 tax on any class of its stock, as agent for its stockholders in
 410 this state holding such stock.

411 (2) To make the election, the corporation shall:

412 (a) File written notice with the department on or before
 413 June 30 of the year for which the election is made.

414 (b) File an annual return with respect to such stock and
 415 its own intangible personal property.

416 (c) Furnish its stockholders in this state with written
 417 notice, on or before April 1 of the year for which the election
 418 is made, that the election is being made, including a
 419 description of the class or classes of stock which are affected.

420 A corporation making the election under this subsection shall

421 certify on its notice to the department that its stockholders
422 were timely notified of the election.

423 (3) An election is not valid unless timely notice of the
424 election is given to the department under paragraph (2) (a). Once
425 made, an election may not be amended or revoked and is binding
426 for the tax year.

427 199.0625 Annual tax information reports.-

428 (1) (a) On or before June 30 of each year, each security
429 dealer and investment adviser registered under the laws of this
430 state shall file with the department a position statement as of
431 December 31 of the preceding year for each customer whose
432 mailing address is in this state or a statement that the
433 security dealer or investment adviser does not hold securities
434 on account for any customer whose mailing address is in this
435 state. The position statement shall include the customer's name,
436 address, social security number, or federal identification
437 number; the number of units, value, and description, including
438 the Committee on Uniform Security Identification Procedures
439 (CUSIP) number, if any, of all securities held by the dealer or
440 adviser for the customer; and such other information as the
441 department may reasonably require. The dealer or adviser shall
442 report the information required by this paragraph on magnetic
443 media, using specifications and instructions of the department,
444 unless the dealer or adviser demonstrates that an undue hardship
445 exists.

446 (b)1. The department may require security dealers and
447 investment advisers registered in this state to transmit once
448 every 2 years a copy of the department's intangible tax brochure

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449 to each customer of the dealer or advisor whose mailing address
450 is in this state.

451 2. The department may require property appraisers to send,
452 at such times and in such manner as the department and the
453 property appraisers jointly determine, a copy of the
454 department's intangible tax brochure to each owner of property
455 in this state.

456 (2) Each fiduciary shall serve the department with a copy
457 of each inventory required to be prepared or filed in the
458 circuit court under general law or rules adopted by the Supreme
459 Court relating to decedent's estates, trusts, or guardianships.
460 Any such inventory required to be filed in the circuit court may
461 not be approved by the court until such copy as required by this
462 subsection has been filed with the department. When an inventory
463 is not required to be filed in the circuit court, the personal
464 representative of a decedent's estate shall serve the department
465 with a copy of one inventory as provided in s. 733.604, and each
466 other fiduciary shall file a return relating to such information
467 as shall be prescribed by rule of the department.

468 199.1035 Basis of assessment; valuation.—All intangible
469 personal property shall be subject to the annual tax at its just
470 valuation as of January 1 of each year. Such property shall be
471 valued in the following manner:

472 (1) Shares of stock of corporations, or any interest of a
473 limited partner in any limited partnership, regularly listed on
474 any public stock exchange or regularly traded over-the-counter
475 shall be valued at their closing prices on the last business day
476 of the previous calendar year.

477 (2) Shares or units of companies or trusts registered
478 under the Investment Company Act of 1940, as amended, including
479 mutual funds, money market funds, and unit investment trusts
480 where such shares or units are not exempt under s. 199.1855,
481 shall be valued at the net asset value of such shares or units
482 on the last business day of the previous calendar year.

483 (3) Bonds regularly listed on any public stock exchange or
484 regularly traded over-the-counter shall be valued at their
485 closing bid prices on the last business day of the previous
486 calendar year.

487 (4) Shares of stocks, bonds, or similar instruments of
488 corporations not listed on any public stock exchange or not
489 regularly traded over-the-counter shall be valued as of January
490 1 of each year on the basis of those factors customarily
491 considered in determining fair market value.

492 (5) Accounts receivable shall be valued at their face
493 value as of January 1 of each year, less a reasonable allowance
494 for uncollectible accounts.

495 (6) All notes and other obligations shall have a value
496 equal to their unpaid balance as of January 1 of each year,
497 unless the taxpayer can establish a lesser value upon proof
498 satisfactory to the department.

499 (7) All other forms of intangible personal property shall
500 be valued on the basis of factors customarily considered in
501 determining fair market value.

502 (8) Stocks or shares of a savings association or middle
503 tier stock holding company, held by a parent mutual holding
504 company, the depositors of which are members of the mutual

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505 holding company, which converted from a mutual savings
506 association to a mutual holding company pursuant to 12 U.S.C. s.
507 1467a.(o), shall be valued as of January 1 each year on the same
508 basis as ownership in the mutual savings association was valued
509 for intangible tax purposes prior to the conversion. Stocks or
510 shares of such a converted association which are held by
511 individuals or entities other than the parent mutual holding
512 company shall be valued pursuant to subsection (1) or subsection
513 (4).

514 199.10555 Contaminated site rehabilitation tax credit.-

515 (1) AUTHORIZATION FOR TAX CREDIT; LIMITATIONS.-

516 (a) A credit equal to 35 percent of the costs of voluntary
517 cleanup activity that is integral to site rehabilitation at the
518 following sites is available against any tax due for a taxable
519 year under s. 199.0325, less any credit allowed by former s.
520 220.68 for that year:

521 1. A drycleaning-solvent-contaminated site eligible for
522 state-funded site rehabilitation under s. 376.3078;

523 2. A drycleaning-solvent-contaminated site at which
524 voluntary cleanup is undertaken by the real property owner
525 pursuant to s. 376.3078, if the real property owner is not also,
526 and has never been, the owner or operator of the drycleaning
527 facility where the contamination exists; or

528 3. A brownfield site in a designated brownfield area under
529 s. 376.80.

530 (b) A tax credit applicant, or multiple tax credit
531 applicants working jointly to clean up a single site, may not be
532 granted more than \$250,000 per year in tax credits for each site

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533 voluntarily rehabilitated. Multiple tax credit applicants shall
534 be granted tax credits in the same proportion as their
535 contribution to payment of cleanup costs. Subject to the same
536 conditions and limitations as provided in this section, a
537 municipality, county, or other tax credit applicant which
538 voluntarily rehabilitates a site may receive not more than
539 \$250,000 per year in tax credits which it can subsequently
540 transfer subject to the provisions in paragraph (g).

541 (c) If the credit granted under this section is not fully
542 used in any one year because of insufficient tax liability on
543 the part of the tax credit applicant, the unused amount may be
544 carried forward for a period not to exceed 5 years. Five years
545 after the date a credit is granted under this section, such
546 credit expires and may not be used. However, if during the 5-
547 year period the credit is transferred, in whole or in part,
548 pursuant to paragraph (g), each transferee has 5 years after the
549 date of transfer to use the transferred credit.

550 (d) A taxpayer that receives a credit under s. 220.1845 is
551 ineligible to receive credit under this section in a given tax
552 year.

553 (e) A tax credit applicant that receives state-funded site
554 rehabilitation pursuant to s. 376.3078 for rehabilitation of a
555 drycleaning-solvent-contaminated site is ineligible to receive
556 credit under this section for costs incurred by the tax credit
557 applicant in conjunction with the rehabilitation of that site
558 during the same time period that state-administered site
559 rehabilitation was underway.

560 (f) The total amount of the tax credits which may be

561 granted under this section and s. 220.1845 is \$2 million
562 annually.

563 (g)1. Tax credits that may be available under this section
564 to an entity eligible under s. 376.30781 may be transferred
565 after a merger or acquisition to the surviving or acquiring
566 entity and used in the same manner with the same limitations.

567 2. The entity, or its surviving or acquiring entity as
568 described in subparagraph 1., may transfer any unused credit in
569 whole or in units of no less than 25 percent of the remaining
570 credit. The entity acquiring such credit may use it in the same
571 manner and with the same limitation as described in this
572 section. Such transferred credits may not be transferred again,
573 although such credits may succeed to a surviving or acquiring
574 entity subject to the same conditions and limitations as
575 described in this section.

576 3. If the credit provided for under this section is
577 reduced as a result of a determination by the Department of
578 Environmental Protection or an examination or audit by the
579 Department of Revenue, such tax deficiency shall be recovered
580 from the first entity, or the surviving or acquiring entity, to
581 have claimed such credit up to the amount of credit taken. Any
582 subsequent deficiencies shall be assessed against any entity
583 acquiring and claiming such credit or, in the case of multiple
584 succeeding entities, in the order of credit succession.

585 (h) In order to encourage completion of site
586 rehabilitation at contaminated sites being voluntarily cleaned
587 up and eligible for a tax credit under this section, the tax
588 credit applicant may claim an additional 10 percent of the total

589 cleanup costs, not to exceed \$50,000, in the final year of
 590 cleanup as evidenced by the Department of Environmental
 591 Protection issuing a "No Further Action" order for that site.

592 (2) FILING REQUIREMENTS.—Any taxpayer that wishes to
 593 obtain credit under this section must submit with the taxpayer's
 594 return a tax credit certificate approving partial tax credits
 595 issued by the Department of Environmental Protection under s.
 596 376.30781.

597 (3) ADMINISTRATION; AUDIT AUTHORITY; TAX CREDIT
 598 FORFEITURE.—

599 (a) The Department of Revenue may adopt rules to prescribe
 600 any necessary forms required to claim a tax credit under this
 601 section and to provide the administrative guidelines and
 602 procedures required to administer this section.

603 (b) In addition to its existing audit and investigation
 604 authority relating to chapters 199 and 220, the Department of
 605 Revenue may perform any additional financial and technical
 606 audits and investigations, including examining the accounts,
 607 books, or records of the tax credit applicant, which are
 608 necessary to verify the site rehabilitation costs included in a
 609 tax credit return and to ensure compliance with this section.
 610 The Department of Environmental Protection shall provide
 611 technical assistance, when requested by the Department of
 612 Revenue, on any technical audits performed under this section.

613 (c) It is grounds for forfeiture of previously claimed and
 614 received tax credits if the Department of Revenue determines, as
 615 a result of either an audit or information received from the
 616 Department of Environmental Protection, that a taxpayer received

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617 tax credits under this section to which the taxpayer was not
618 entitled. In the case of fraud, the taxpayer shall be prohibited
619 from claiming any future tax credits under this section or s.
620 220.1845.

621 1. The taxpayer is responsible for returning forfeited tax
622 credits to the Department of Revenue, and such funds shall be
623 paid into the General Revenue Fund of the state.

624 2. The taxpayer shall file with the Department of Revenue
625 an amended tax return or such other report as the Department of
626 Revenue prescribes by rule and shall pay any required tax within
627 60 days after the taxpayer receives notification from the
628 Department of Environmental Protection pursuant to s. 376.30781
629 that previously approved tax credits have been revoked or
630 modified, if uncontested, or within 60 days after a final order
631 is issued following proceedings involving a contested revocation
632 or modification order.

633 3. A notice of deficiency may be issued by the Department
634 of Revenue at any time within 5 years after the date the
635 taxpayer receives notification from the Department of
636 Environmental Protection pursuant to s. 376.30781 that
637 previously approved tax credits have been revoked or modified.
638 If a taxpayer fails to notify the Department of Revenue of any
639 change in its tax credit claimed, a notice of deficiency may be
640 issued at any time. In either case, the amount of any proposed
641 assessment set forth in such notice of deficiency shall be
642 limited to the amount of any deficiency resulting under this
643 section from the recomputation of the taxpayer's tax for the
644 taxable year.

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645 4. Any taxpayer that fails to report and timely pay any
646 tax due as a result of the forfeiture of its tax credit is in
647 violation of this section and is subject to applicable penalty
648 and interest.

649 199.1065 Credit for taxes imposed by other states.—

650 (1) For intangible personal property that has been deemed
651 to have a taxable situs in this state solely pursuant to s.
652 199.1755(2) or any similar predecessor statute, a credit against
653 the tax imposed by s. 199.0325 is allowed to a taxpayer in an
654 amount equal to a like tax lawfully imposed and paid by that
655 taxpayer on the same property in another state, territory of the
656 United States, or the District of Columbia. For purposes of this
657 subsection, the term "like tax" means an ad valorem tax on
658 intangible personal property that is also subject to tax under
659 s. 199.0325. The credit may not exceed the tax imposed on the
660 property under s. 199.0325. Proof of entitlement to such a
661 credit must be made pursuant to rules and forms adopted by the
662 department.

663 (2) For intangible personal property that has a taxable
664 situs in this state under s. 199.1755(1) or any similar
665 predecessor statute, a credit against the tax imposed by s.
666 199.0325 is allowed to a taxpayer in an amount equal to a like
667 tax lawfully imposed and paid by that taxpayer on the same
668 property in another state, territory of the United States, or
669 the District of Columbia when the other taxing authority is also
670 claiming situs under provisions similar or identical to those in
671 s. 199.1755(1) or any similar predecessor statute. For purposes
672 of this subsection, the term "like tax" means an ad valorem tax

673 on intangible personal property which is also subject to tax
 674 under s. 199.0325. The credit may not exceed the tax imposed on
 675 the property under s. 199.0325. Proof of entitlement to such a
 676 credit must be made pursuant to rules and forms adopted by the
 677 department.

678 (3) The credits provided by this section apply
 679 retroactively. However, notwithstanding the retroactivity of
 680 these credit provisions, this section does not reopen a closed
 681 period of nonclaim under s. 215.26 or any other statute or
 682 extend the period of nonclaim under s. 215.26 or any other
 683 statute.

684 199.1755 Taxable situs.—For purposes of the annual tax
 685 imposed under this chapter:

686 (1) Intangible personal property has a taxable situs in
 687 this state when it is owned, managed, or controlled by any
 688 person domiciled in this state on January 1 of the tax year.
 689 Such intangibles shall be subject to annual taxation under this
 690 chapter, unless the person who owns, manages, or controls them
 691 is specifically exempt or unless the property is specifically
 692 exempt. This provision applies regardless of where the evidence
 693 of the intangible property is kept; where the intangible is
 694 created, approved, or paid; or where business may be conducted
 695 from which the intangible arises. The fact that a corporation in
 696 this state owns the stock of an out-of-state corporation and
 697 manages and controls such corporation from a location in this
 698 state shall not operate to give a taxable situs in this state to
 699 the intangibles owned by the out-of-state corporation, which
 700 intangibles arise out of business transacted outside this state.

701 (a) For the purposes of this chapter, the term "any person
702 domiciled in this state" means:

703 1. Any natural person who is a legal resident of this
704 state;

705 2. Any business, business trust as described in chapter
706 609, company, corporation, partnership, or other artificial
707 entity organized or created under the law of this state, except
708 a trust; or

709 3. Any person, including a business trust, that has
710 established a commercial domicile in this state.

711 (b) A business or other artificial entity acquires its
712 commercial domicile in this state when it maintains its chief or
713 principal office in this state where executive or management
714 functions are performed or where the course of business
715 operations is determined.

716 (c) Notwithstanding the provisions of this subsection,
717 intangibles that are credit card receivables or charge card
718 receivables or related lines of credit or loans that would
719 otherwise be deemed to have taxable situs in this state solely
720 because they are owned, managed, or controlled by a bank or
721 savings association as defined in s. 220.62, or an affiliate or
722 subsidiary thereof, which is domiciled in this state shall be
723 treated as having a taxable situs in this state only when the
724 debt represented by the intangible is owed by a customer who is
725 domiciled in this state. As used in this paragraph, the terms
726 "credit card receivables" and "charge card receivables" do not
727 include trade or service receivables as defined in s. 864 of the
728 Internal Revenue Code of 1986, as amended.

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729 (2) Intangible personal property has a taxable situs in
730 this state when it is deemed to have a business situs in this
731 state and it is owned, managed, or controlled by a person
732 transacting business in this state, even though the owner may
733 claim a domicile elsewhere. This provision applies regardless of
734 where the evidence of the intangible is kept or where the
735 intangible is created, approved, or paid.

736 (a) Intangibles shall be deemed to have a business situs
737 in this state when the intangibles receive the benefit and
738 protection of the laws and courts of this state and are derived
739 from, arise out of, or are issued in connection with the
740 business transacted in this state with a customer in this state.
741 For purposes of this paragraph:

742 1. Business is transacted in this state when any
743 occupation, profession, or commercial activity, including
744 financing, leasing, selling, or servicing activities, is
745 regularly conducted with customers in this state from an office,
746 plant, home, or any other business location in this state.

747 2. Business is transacted in this state when any
748 occupation, profession, or commercial activity, including, but
749 not limited to, financing, leasing, selling, or servicing
750 activities, is regularly conducted with customers in this state
751 by or through agents, employees, or representatives of any kind
752 in this state, whether or not such persons are vested with
753 discretionary authority.

754 (b) Notwithstanding the provisions of this subsection:

755 1.a. Intangible personal property that is credit card or
756 charge card receivables or related lines of credit or loans

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757 shall be deemed to have business situs in this state only when
758 the debt represented by such intangible property is owed by a
759 customer who is domiciled in this state.

760 b. The performance of ministerial functions relating to,
761 or the processing of, credit card or charge card receivables in
762 this state for the owner of such receivables is not sufficient
763 to support a finding that the owner is transacting business in
764 this state.

765 c. The term "credit card or charge card receivables" does
766 not include trade or service receivables as defined in s. 864 of
767 the Internal Revenue Code of 1986, as amended.

768 2. Intangible personal property owned by a real estate
769 mortgage investment conduit, a real estate investment trust, or
770 a regulated investment company, as those terms are defined in
771 the United States Internal Revenue Code of 1986, as amended,
772 shall not be deemed to have a taxable situs in this state unless
773 such entity has its legal or commercial domicile in this state.

774 3. The ownership of any interest in a participation or
775 syndication loan or pool of loans, notes, or receivables is not
776 sufficient to support a finding that the owner of such interest
777 is transacting business in this state. For purposes of this
778 subparagraph, a participation or syndication loan is a loan in
779 which more than one lender is a creditor to a common borrower,
780 and a participation or syndication interest in a pool of loans,
781 notes, or receivables is an interest acquired from the
782 originator or initial creditor with respect to the loans, notes,
783 or receivables constituting the pool.

784 (c) It is the intent of this subsection that a nonresident

785 may not transact business in this state without paying the same
 786 tax which the state imposes on residents transacting the same
 787 business.

788 199.1855 Property exempted from annual and nonrecurring
 789 taxes.—

790 (1) The following intangible personal property is exempt
 791 from the annual and nonrecurring taxes imposed by this chapter:

792 (a) Money.

793 (b) Franchises.

794 (c) Any interest as a partner in a partnership, general or
 795 limited, other than any interest as a limited partner in a
 796 limited partnership registered with the Securities and Exchange
 797 Commission pursuant to the Securities Act of 1933, as amended.

798 (d) Notes, bonds, and other obligations issued by the
 799 State of Florida or its municipalities, counties, and other
 800 taxing districts, or by the United States Government and its
 801 agencies.

802 (e) Intangible personal property held in trust pursuant to
 803 any stock bonus, pension, or profit-sharing plan or any
 804 individual retirement account which is qualified under s. 530,
 805 s. 401, s. 408, or s. 408A of the United States Internal Revenue
 806 Code, 26 U.S.C. ss. 530, 401, 408, and 408A, as amended.

807 (f) Intangible personal property held under a retirement
 808 plan of a Florida-based corporation exempt from federal income
 809 tax under s. 501(c)(6) of the United States Internal Revenue
 810 Code, 26 U.S.C., if the primary purpose of the corporation is to
 811 support the promotion of professional sports and the retirement
 812 plan is either a qualified plan under s. 457 of the United

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813 States Internal Revenue Code or the contributions to the plan,
814 pursuant to a ruling by the United States Internal Revenue
815 Service, are not taxable to plan participants until actual
816 receipt or withdrawal by the participant.

817 (g) Notes and other obligations, except bonds, to the
818 extent that such notes and obligations are secured by mortgage,
819 deed of trust, or other lien upon real property situated outside
820 the state.

821 (h) The assets of a corporation registered under the
822 Investment Company Act of 1940, 15 U.S.C. s. 80a-1-52, as
823 amended.

824 (i) All intangible personal property issued in or arising
825 out of any international banking transaction and owned by a
826 banking organization.

827 (j) Units of a unit investment trust and shares or units
828 of, or other undivided interest in, a business trust organized
829 under an agreement, indenture, or declaration of trust and
830 registered under the Investment Company Act of 1940, as amended,
831 shall be exempt if at least 90 percent of the net asset value of
832 the portfolio of assets corresponding to such shares, units, or
833 undivided interests is invested in assets that are exempt from
834 the tax imposed by s. 199.0325.

835 (k) Interests in real estate securitizations, including,
836 but not limited to, real estate mortgage investment conduits
837 (REMIC) and financial asset securitization trusts (FASITS),
838 which are directly or indirectly secured by or payable from
839 notes and obligations that are in turn secured solely by a
840 mortgage, deed of trust, or other lien upon real property

841 situated in or outside the state, including, but not limited to,
842 mortgage pools, participations, and derivatives.

843 (l) All accounts receivable arising or acquired in the
844 ordinary course of a trade or business which are owned,
845 controlled, or managed by a taxpayer. This exemption does not
846 apply to accounts receivable that arise outside the taxpayer's
847 ordinary course of trade or business. For the purposes of this
848 chapter, the term "accounts receivable" means a business debt
849 that is owed by another to the taxpayer or the taxpayer's
850 assignee in the ordinary course of trade or business and is not
851 supported by negotiable instruments. Accounts receivable
852 include, but are not limited to, credit card receivables, charge
853 card receivables, credit receivables, margin receivables,
854 inventory or other floor plan financing, lease payments past
855 due, conditional sales contracts, retail installment sales
856 agreements, financing lease contracts, and a claim against a
857 debtor usually arising from sales or services rendered and which
858 is not necessarily due or past due. The examples specified in
859 this paragraph shall be deemed not to be supported by negotiable
860 instruments. The term "negotiable instrument" means a written
861 document that is legally capable of being transferred by
862 endorsement or delivery. The term "endorsement" means the act of
863 a payee or holder in writing his or her name on the back of an
864 instrument without further qualifying words other than "pay to
865 the order of" or "pay to" whereby the property is assigned and
866 transferred to another.

867 (m) Stock options granted to employees by their employer
868 pursuant to an incentive plan, if the employees cannot transfer,

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869 sell, or mortgage the options. Stock purchased by an employee
870 from an employer pursuant to an incentive plan shall be treated
871 as a nontaxable stock option if part of the purchase price of
872 the stock is nonrecourse debt secured by the stock and the stock
873 cannot be sold, transferred, or assigned by the employee until
874 the nonrecourse debt is discharged. Such stock becomes taxable
875 stock when it can be sold, transferred, or assigned by the
876 employee.

877 (n)1. A leasehold estate in governmental property in which
878 the lessee is required to furnish space on the leasehold estate
879 for public use by governmental agencies at no charge to the
880 governmental agencies.

881 2. The provisions of this exemption apply retroactively.
882 However, notwithstanding the retroactivity of the exemption, it
883 does not reopen a closed period of nonclaim under s. 215.26 or
884 any other law or extend the period of nonclaim under s. 215.26
885 or any other statute.

886 (2) (a) Each natural person is entitled each year to an
887 exemption of the first \$1 million of the value of property
888 otherwise subject to the annual tax. A husband and wife filing
889 jointly shall have an exemption of \$2 million. Every taxpayer
890 that is not a natural person is entitled each year to an
891 exemption of the first \$250,000 of the value of property
892 otherwise subject to the tax. Agents and fiduciaries, other than
893 guardians and custodians under a gifts-to-minors act, filing as
894 such may not claim this exemption on behalf of their principals
895 or beneficiaries; however, if the principal or beneficiary
896 returns the property held by the agent or fiduciary and is a

897 natural person, the principal or beneficiary may claim the
 898 exemption. A taxpayer is not entitled to more than one exemption
 899 under this subsection. This exemption shall not apply to
 900 intangible personal property described in s. 199.0235(6)(d).

901 (b) For purposes of this chapter, a resident shall be
 902 deemed to have a beneficial interest in a trust if the resident
 903 is the grantor of an irrevocable trust formed under any
 904 arrangement, verbal or written, that provides for more than 25
 905 per cent of the assets of the trust to be transferred within 10
 906 years after the agreement is executed back to the grantor or to
 907 the beneficiary other than as a result of the death of the
 908 grantor. Assets in any trust designated as a Florida Intangible
 909 Tax Exempt Trust or a similar arrangement are considered
 910 beneficial interests.

911 (3) Each natural person who is a widow or widower, or who
 912 is blind or totally and permanently disabled, is entitled each
 913 year to an additional exemption of \$500 of property otherwise
 914 subject to the annual or nonrecurring tax. This exemption is
 915 afforded by s. 3, Art. VII of the State Constitution and is
 916 available only to the extent not used against real property or
 917 tangible personal property taxes.

918 (4) Charitable trusts, 95 percent of the income of which
 919 is paid to organizations exempt from federal income tax pursuant
 920 to s. 501(c)3 of the Internal Revenue Code, are exempt from the
 921 tax imposed in s. 199.0325.

922 (5) Any organization defined in s. 220.62(1), (2), (3), or
 923 (4) is exempt from the tax imposed by s. 199.0325.

924 (6) Each liquor distributor that is domiciled in this

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925 state, that is authorized to do business under the Beverage Law,
926 and that has paid the license taxes required by s. 565.03(2) is
927 exempt from paying tax on accounts receivable owned by the
928 taxpayer which are derived from, arise out of, or are issued in
929 connection with a sale of alcoholic beverages transacted in
930 another state with a customer in another state.

931 (7) A national bank that has its principal place of
932 business in another state, processes credit card credit
933 applications in this state or performs customer service or
934 collection operations in this state, and is not a bank under 12
935 U.S.C. s. 1941(c) (2) (F), is exempt from paying tax on credit
936 card receivables owed to the bank by a credit card holder
937 domiciled outside this state.

938 (8) Each insurer, as defined in s. 624.03, whether the
939 insurer is authorized or unauthorized as defined in s. 624.09,
940 is exempt from the tax imposed by s. 199.0325.

941 Section 2. Effective January 1, 2011, paragraph (c) of
942 subsection (1) of section 28.35, Florida Statutes, is amended to
943 read:

944 28.35 Florida Clerks of Court Operations Corporation.—

945 (1)

946 (c) For purposes of s. 199.183(1), the corporation shall
947 be considered a political subdivision of the state and shall be
948 exempt from the corporate income tax. The corporation is not
949 subject to the procurement provisions of chapter 287, and
950 policies and decisions of the corporation relating to incurring
951 debt, levying assessments, and the sale, issuance, continuation,
952 terms, and claims under corporation policies, and all services

953 relating thereto, are not subject to the provisions of chapter
 954 120.

955 Section 3. Effective January 1, 2011, paragraph (a) of
 956 subsection (4) of section 192.0105, Florida Statutes, is amended
 957 to read:

958 192.0105 Taxpayer rights.—There is created a Florida
 959 Taxpayer's Bill of Rights for property taxes and assessments to
 960 guarantee that the rights, privacy, and property of the
 961 taxpayers of this state are adequately safeguarded and protected
 962 during tax levy, assessment, collection, and enforcement
 963 processes administered under the revenue laws of this state. The
 964 Taxpayer's Bill of Rights compiles, in one document, brief but
 965 comprehensive statements that summarize the rights and
 966 obligations of the property appraisers, tax collectors, clerks
 967 of the court, local governing boards, the Department of Revenue,
 968 and taxpayers. Additional rights afforded to payors of taxes and
 969 assessments imposed under the revenue laws of this state are
 970 provided in s. 213.015. The rights afforded taxpayers to assure
 971 that their privacy and property are safeguarded and protected
 972 during tax levy, assessment, and collection are available only
 973 insofar as they are implemented in other parts of the Florida
 974 Statutes or rules of the Department of Revenue. The rights so
 975 guaranteed to state taxpayers in the Florida Statutes and the
 976 departmental rules include:

977 (4) THE RIGHT TO CONFIDENTIALITY.—

978 (a) The right to have information kept confidential,
 979 including federal tax information, ad valorem tax returns,
 980 social security numbers, all financial records produced by the

981 taxpayer, Form DR-219 returns for documentary stamp tax
 982 information, and sworn statements of gross income, copies of
 983 federal income tax returns for the prior year, wage and earnings
 984 statements (W-2 forms), and other documents (see ss. 192.105,
 985 193.074, 193.114~~(6)-(5)~~, 195.027(3) and (6), and 196.101(4)(c)).

986 Section 4. Effective January 1, 2011, subsections (5) and
 987 (6) of section 192.032, Florida Statutes, are renumbered as
 988 subsections (6) and (7), respectively, and a new subsection (5)
 989 is added to that section, to read:

990 192.032 Situs of property for assessment purposes.—All
 991 property shall be assessed according to its situs as follows:

992 (5) Intangible personal property, according to the rules
 993 laid down in chapter 199.

994 Section 5. Effective January 1, 2011, subsection (3) is
 995 added to section 192.042, Florida Statutes, to read:

996 192.042 Date of assessment.—All property shall be assessed
 997 according to its just value as follows:

998 (3) Intangible personal property, according to the rules
 999 laid down in chapter 199.

1000 Section 6. Effective January 1, 2011, subsection (5) of
 1001 section 192.091, Florida Statutes, is amended to read:

1002 192.091 Commissions of property appraisers and tax
 1003 collectors.—

1004 (5) The provisions of this section shall not apply to
 1005 commissions on intangible property taxes or drainage district or
 1006 drainage subdistrict taxes.

1007 Section 7. Effective January 1, 2011, subsections (4),
 1008 (5), and (6) of section 193.114, Florida Statutes, are

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1009 renumbered as subsections (5), (6), and (7), respectively, and a
 1010 new subsection (4) is added to that section to read:

1011 193.114 Preparation of assessment rolls.—

1012 (4) The department shall adopt regulations and forms for
 1013 the preparation of the intangible personal property tax roll to
 1014 comply with chapter 199.

1015 Section 8. Effective January 1, 2011, subsection (11) is
 1016 added to section 196.015, Florida Statutes, to read:

1017 196.015 Permanent residency; factual determination by
 1018 property appraiser.—Intention to establish a permanent residence
 1019 in this state is a factual determination to be made, in the
 1020 first instance, by the property appraiser. Although any one
 1021 factor is not conclusive of the establishment or
 1022 nonestablishment of permanent residence, the following are
 1023 relevant factors that may be considered by the property
 1024 appraiser in making his or her determination as to the intent of
 1025 a person claiming a homestead exemption to establish a permanent
 1026 residence in this state:

1027 (11) The previous filing of Florida intangible tax returns
 1028 by the applicant.

1029 Section 9. Effective January 1, 2011, paragraph (b) of
 1030 subsection (2) of section 196.199, Florida Statutes, is amended
 1031 to read:

1032 196.199 Government property exemption.—

1033 (2) Property owned by the following governmental units but
 1034 used by nongovernmental lessees shall only be exempt from
 1035 taxation under the following conditions:

1036 (b) Except as provided in paragraph (c), the exemption
 1037 provided by this subsection shall not apply to those portions of
 1038 a leasehold or other interest defined by s. 199.0235(6)(d)
 1039 ~~199.023(1)(d), Florida Statutes 2005~~, subject to the provisions
 1040 of subsection (7). Such leasehold or other interest shall be
 1041 taxed only as intangible personal property pursuant to chapter
 1042 199, ~~Florida Statutes 2005~~, if rental payments are due in
 1043 consideration of such leasehold or other interest. ~~All~~
 1044 ~~applicable collection, administration, and enforcement~~
 1045 ~~provisions of chapter 199, Florida Statutes 2005, shall apply to~~
 1046 ~~taxation of such leaseholds~~. If no rental payments are due
 1047 pursuant to the agreement creating such leasehold or other
 1048 interest, the leasehold or other interest shall be taxed as real
 1049 property. Nothing in this paragraph shall be deemed to exempt
 1050 personal property, buildings, or other real property
 1051 improvements owned by the lessee from ad valorem taxation.

1052 Section 10. Effective January 1, 2011, subsection (2) of
 1053 section 199.133, Florida Statutes, is amended to read:

1054 199.133 Levy of nonrecurring tax; relationship to annual
 1055 tax.—

1056 (2) The nonrecurring tax shall apply to a note, bond, or
 1057 other obligation for payment of money only to the extent it is
 1058 secured by mortgage, deed of trust, or other lien upon real
 1059 property situated in this state. Where a note, bond, or other
 1060 obligation is secured by personal property or by real property
 1061 situated outside this state, as well as by mortgage, deed of
 1062 trust, or other lien upon real property situated in this state,
 1063 then the nonrecurring tax shall apply to that portion of the

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1064 note, bond, or other obligation which bears the same ratio to
 1065 the entire principal balance of the note, bond, or other
 1066 obligation as the value of the real property situated in this
 1067 state bears to the value of all of the security; however, if the
 1068 security is solely made up of personal property and real
 1069 property situated in this state, the taxpayer may elect to
 1070 apportion the taxes based upon the value of the collateral, if
 1071 any, to which the taxpayer by law or contract must look first
 1072 for collection. In no event shall the portion of the note, bond,
 1073 or other obligation which is subject to the nonrecurring tax
 1074 exceed in value the value of the real property situated in this
 1075 state which is the security. The portion of a note, bond, or
 1076 other obligation that is not subject to the nonrecurring tax
 1077 shall be subject to the annual tax unless otherwise exempt.

1078 Section 11. Effective January 1, 2011, paragraph (a) of
 1079 subsection (1) of section 199.183, Florida Statutes, is amended,
 1080 and subsections (3) and (4) are added to that section, to read:

1081 199.183 Taxpayers exempt from annual and nonrecurring
 1082 taxes.—

1083 (1) Intangible personal property owned by this state or
 1084 any of its political subdivisions or municipalities shall be
 1085 exempt from taxation under this chapter. This exemption does not
 1086 apply to:

1087 (a) Any leasehold or other interest that is described in
 1088 s. 199.0235(6)(d) ~~199.023(1)(d)~~, Florida Statutes 2005; or

1089 (b) Property related to the provision of two-way
 1090 telecommunications services to the public for hire by the use of
 1091 a telecommunications facility, as defined in s. 364.02(15), and

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1092 for which a certificate is required under chapter 364, when the
1093 service is provided by any county, municipality, or other
1094 political subdivision of the state. Any immunity of any
1095 political subdivision of the state or other entity of local
1096 government from taxation of the property used to provide
1097 telecommunication services that is taxed as a result of this
1098 paragraph is hereby waived. However, intangible personal
1099 property related to the provision of telecommunications services
1100 provided by the operator of a public-use airport, as defined in
1101 s. 332.004, for the operator's provision of telecommunications
1102 services for the airport or its tenants, concessionaires, or
1103 licensees, and intangible personal property related to the
1104 provision of telecommunications services provided by a public
1105 hospital, are exempt from taxation under this chapter.

1106 (3) Every national bank having its principal place of
1107 business in another state, but operating a credit card credit
1108 application processing, customer service, or collection
1109 operation in this state, that is not considered a bank under the
1110 provisions of 12 U.S.C. s. 1841(c)(2)(F), is exempt from paying
1111 the tax imposed by this chapter on credit card receivables owed
1112 to the bank by credit card holders domiciled outside this state.

1113 (4) Intangible personal property that is owned, managed,
1114 or controlled by a trustee of a trust is exempt from annual tax
1115 under this chapter. This exemption does not exempt from annual
1116 tax a resident of this state who has a taxable beneficial
1117 interest, as defined in s. 199.0235(4), in a trust.

1118 Section 12. Effective January 1, 2011, section 199.218,
1119 Florida Statutes, is amended to read:

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1120 199.218 Books and records.—

1121 (1) Each taxpayer shall retain all books and other records
1122 necessary to identify the taxpayer's intangible personal
1123 property and to determine any tax due under this chapter, as
1124 well as all books and other records otherwise required by rule
1125 of the department with respect to any such tax, until the
1126 department's power to make an assessment with respect to such
1127 tax has terminated under s. 95.091(3).

1128 (2) Each broker subject to the provisions of s. 199.0625
1129 shall preserve all books and other records relating to the
1130 information reported under s. 199.0625 or otherwise required by
1131 rule of the department for a period of 3 years from the due date
1132 of the report.

1133 Section 13. Effective January 1, 2011, paragraph (a) of
1134 subsection (1) and subsection (3) of section 199.232, Florida
1135 Statutes, are amended to read:

1136 199.232 Powers of department.—

1137 (1) (a) The department may audit the books and records of
1138 any person to determine whether an annual tax or a nonrecurring
1139 tax has been properly paid.

1140 (3) With or without an audit, the department may assess
1141 any tax deficiency resulting from nonpayment or underpayment of
1142 the tax, as well as any applicable interest and penalties. The
1143 department shall assess on the basis of the best information
1144 available to it, including estimates based on the best
1145 information available to it if the taxpayer fails to permit
1146 inspection of the taxpayer's records, fails to file an annual

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1147 return, files a grossly incorrect return, or files a false and
 1148 fraudulent return.

1149 Section 14. Effective January 1, 2011, section 199.282,
 1150 Florida Statutes, is amended to read:

1151 199.282 Penalties for violation of this chapter.—

1152 (1) Any person willfully violating or failing to comply
 1153 with any of the provisions of this chapter shall be guilty of a
 1154 felony of the third degree, punishable as provided in s.
 1155 775.082, s. 775.083, or s. 775.084.

1156 (2) If any annual or nonrecurring tax is not paid by the
 1157 statutory due date, then despite any extension granted under s.
 1158 199.232(6), interest shall run on the unpaid balance from such
 1159 due date until paid at the rate of 12 percent per year.

1160 (3) (a) If any annual or nonrecurring tax is not paid by
 1161 the due date, a delinquency penalty shall be charged. The
 1162 delinquency penalty shall be 10 percent of the delinquent tax
 1163 for each calendar month or portion thereof from the due date
 1164 until paid, up to a limit of 50 percent of the total tax not
 1165 timely paid.

1166 (b) If any annual tax return required by this chapter is
 1167 not filed by the due date, a penalty of 10 percent of the tax
 1168 due with the return shall be charged for each calendar month or
 1169 portion thereof during which the return remains unfiled, up to a
 1170 limit of 50 percent of the total tax due.

1171
 1172 For any penalty assessed under this subsection, the combined
 1173 total for all penalties assessed under paragraphs (a) and (b)

1174 shall not exceed 10 percent per calendar month, up to a limit of
 1175 50 percent of the total tax due.

1176 (4) If an annual tax return is filed and property is
 1177 either omitted from it or undervalued, then a specific penalty
 1178 shall be charged. The specific penalty shall be 10 percent of
 1179 the tax attributable to each omitted item or to each
 1180 undervaluation. No delinquency or late filing penalty shall be
 1181 charged with respect to any undervaluation.

1182 (5)~~(4)~~ No mortgage, deed of trust, or other lien upon real
 1183 property situated in this state shall be enforceable in any
 1184 Florida court, nor shall any written evidence of such mortgage,
 1185 deed of trust, or other lien be recorded in any public record of
 1186 the state, until the nonrecurring tax imposed by this chapter,
 1187 including any taxes due on future advances, has been paid and
 1188 the clerk of circuit court collecting the tax has noted its
 1189 payment on the instrument or given other receipt for it.
 1190 However, failure to pay the correct amount of tax or failure of
 1191 the clerk to note payment of the tax on the instrument shall not
 1192 affect the constructive notice given by recording of the
 1193 instrument.

1194 (6) Late reporting penalties shall be imposed as follows:

1195 (a) A penalty of \$100 upon any corporation that does not
 1196 timely file a written notice required under s. 199.0575(2)(c).

1197 (b) An initial penalty of \$10 per customer position
 1198 statement, plus an additional penalty of the greater of 1
 1199 percent of the initial penalty or \$50 for each month or portion
 1200 of a month, from the date due until filing is made, upon any
 1201 security dealer or investment adviser who does not timely file

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1202 or fails to file the statements required by s. 199.0625(1). The
 1203 submission of a position statement that does not comply with the
 1204 department's specifications and instructions or the submission
 1205 of an inaccurate position statement is not a timely filing. The
 1206 department shall notify any security dealer or investment
 1207 adviser who fails to timely file the required statements. The
 1208 minimum penalty imposed upon a security dealer or investment
 1209 adviser under this paragraph is \$100.

1210 (7)~~(5)~~ Interest and penalties attributable to any tax
 1211 shall be deemed assessed when the tax is assessed. Interest and
 1212 penalties shall be assessed and collected by the department as
 1213 provided in this chapter. The department may settle or
 1214 compromise tax, interest, or penalties under the provisions of
 1215 s. 213.21.

1216 (8)~~(6)~~ Any person who fails or refuses to file an annual
 1217 return, or who fails or refuses to make records available for
 1218 inspection, when requested to do so by the department is guilty
 1219 of a misdemeanor of the first degree, punishable as provided in
 1220 s. 775.082 or s. 775.083.

1221 (9)~~(7)~~ Any officer or director of a corporation who has
 1222 administrative control over the filing of a return or payment of
 1223 any tax due under this chapter and who willfully directs any
 1224 employee of the corporation to fail to file the return or pay
 1225 the tax due or to evade, defeat, or improperly account for the
 1226 tax due, in addition to any other penalties provided by law,
 1227 shall be liable for a penalty equal to the amount of tax not
 1228 paid as required by this chapter. The filing of a protest based
 1229 upon doubt as to liability for the tax shall not be deemed an

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1230 attempt to evade or defeat the tax under this subsection. The
 1231 penalty imposed hereunder shall be abated to the extent the tax
 1232 is paid and may be compromised by the executive director of the
 1233 department as provided in s. 213.21. An assessment of penalty
 1234 made pursuant to this section shall be deemed prima facie
 1235 correct in any judicial or quasi-judicial proceeding brought to
 1236 collect this penalty.

1237 Section 15. Effective January 1, 2011, section 199.292,
 1238 Florida Statutes, is amended to read:

1239 199.292 Disposition of intangible personal property
 1240 taxes.—All intangible personal property taxes collected pursuant
 1241 to this chapter, except for revenues derived from the annual tax
 1242 on a leasehold described in s. 199.0235(6)(d) ~~199.023(1)(d)~~,
 1243 ~~Florida Statutes 2005~~, shall be deposited into the General
 1244 Revenue Fund. Revenues derived from the annual tax on a
 1245 leasehold described in s. 199.0235(6)(d) ~~199.023(1)(d)~~, ~~Florida~~
 1246 ~~Statutes 2005~~, shall be returned to the local school board for
 1247 the county in which the property subject to the leasehold is
 1248 situated.

1249 Section 16. Effective January 1, 2011, subsection (3) of
 1250 section 199.303, Florida Statutes, is amended to read:

1251 199.303 Declaration of legislative intent.—

1252 ~~(3) It is hereby declared to be the specific intent of the~~
 1253 ~~Legislature that all annual intangible personal property taxes~~
 1254 ~~imposed as provided by law for calendar years 2006 and prior~~
 1255 ~~shall remain in full force and effect during the period~~
 1256 ~~specified by s. 95.091 for the year in which the tax was due. It~~
 1257 ~~is further the intent of the Legislature that the department~~

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1258 ~~continue to assess and collect all taxes due to the state under~~
 1259 ~~such provisions for all periods available for assessment, as~~
 1260 ~~provided for the year in which tax was due by s. 95.091.~~

1261 Section 17. Effective January 1, 2011, subsection (19) of
 1262 section 212.02, Florida Statutes, is amended to read:

1263 212.02 Definitions.—The following terms and phrases when
 1264 used in this chapter have the meanings ascribed to them in this
 1265 section, except where the context clearly indicates a different
 1266 meaning:

1267 (19) "Tangible personal property" means and includes
 1268 personal property which may be seen, weighed, measured, or
 1269 touched or is in any manner perceptible to the senses, including
 1270 electric power or energy, boats, motor vehicles and mobile homes
 1271 as defined in s. 320.01(1) and (2), aircraft as defined in s.
 1272 330.27, and all other types of vehicles. The term "tangible
 1273 personal property" does not include stocks, bonds, notes,
 1274 insurance, or other obligations or securities; intangibles as
 1275 defined by the intangible tax law of the state; or pari-mutuel
 1276 tickets sold or issued under the racing laws of the state.

1277 Section 18. Effective January 1, 2011, paragraph (p) of
 1278 subsection (8) and paragraph (a) of subsection (15) of section
 1279 213.053, Florida Statutes, are amended to read:

1280 213.053 Confidentiality and information sharing.—

1281 (8) Notwithstanding any other provision of this section,
 1282 the department may provide:

1283 (p) Information relative to ss. 199.10555, 220.1845, and
 1284 376.30781 to the Department of Environmental Protection in the
 1285 conduct of its official business.

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1286
1287 Disclosure of information under this subsection shall be
1288 pursuant to a written agreement between the executive director
1289 and the agency. Such agencies, governmental or nongovernmental,
1290 shall be bound by the same requirements of confidentiality as
1291 the Department of Revenue. Breach of confidentiality is a
1292 misdemeanor of the first degree, punishable as provided by s.
1293 775.082 or s. 775.083.

1294 (15) (a) Notwithstanding any other provision of this
1295 section, the department shall, subject to the safeguards
1296 specified in paragraph (c), disclose to the Division of
1297 Corporations of the Department of State the name, address,
1298 federal employer identification number, and duration of tax
1299 filings with this state of all corporate or partnership entities
1300 which are not on file or have a dissolved status with the
1301 Division of Corporations and which have filed tax returns
1302 pursuant to chapter 199 or chapter 220.

1303 Section 19. Effective January 1, 2011, section 213.054,
1304 Florida Statutes, is amended to read:

1305 213.054 Persons claiming tax exemptions or deductions;
1306 annual report.—The Department of Revenue shall be responsible
1307 for monitoring the utilization of tax exemptions and tax
1308 deductions authorized pursuant to chapter 81-179, Laws of
1309 Florida. On or before September 1 of each year, the department
1310 shall report to the Chief Financial Officer the names and
1311 addresses of all persons who have claimed an exemption pursuant
1312 to s. 199.1855(1)(i) or a deduction pursuant to s. 220.63(5).

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1313 Section 20. Effective January 1, 2011, section 213.27,
 1314 Florida Statutes, is amended to read:

1315 213.27 Contracts with debt collection agencies and certain
 1316 vendors.—

1317 (1) The Department of Revenue may, for the purpose of
 1318 collecting any delinquent taxes due from a taxpayer, including
 1319 taxes for which a bill or notice has been generated, contract
 1320 with any debt collection agency or attorney doing business
 1321 within or without this state for the collection of such
 1322 delinquent taxes, including penalties and interest thereon. The
 1323 department may also share confidential information pursuant to
 1324 the contract necessary for the collection of delinquent taxes
 1325 and taxes for which a billing or notice has been generated.
 1326 Contracts will be made pursuant to chapter 287. The taxpayer
 1327 must be notified by mail by the department, its employees, or
 1328 its authorized representative at least 30 days prior to
 1329 commencing any litigation to recover any delinquent taxes. The
 1330 taxpayer must be notified by mail by the department at least 30
 1331 days prior to the initial assignment by the department of the
 1332 taxpayer's account for the collection of any taxes by the debt
 1333 collection agency.

1334 (2) The department may enter into contracts with any
 1335 individual or business for the purpose of identifying intangible
 1336 personal property tax liability. Contracts may provide for the
 1337 identification of assets subject to the tax on intangible
 1338 personal property, the determination of value of such property,
 1339 the requirement for filing a tax return and the collection of
 1340 taxes due, including applicable penalties and interest thereon.

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1341 The department may share confidential information pursuant to
 1342 the contract necessary for the identification of taxable
 1343 intangible personal property. Contracts shall be made pursuant
 1344 to chapter 287. The taxpayer must be notified by mail by the
 1345 department at least 30 days prior to the department assigning
 1346 identification of intangible personal property to an individual
 1347 or business.

1348 (3)~~(2)~~ Any contract may provide, in the discretion of the
 1349 executive director of the Department of Revenue, the manner in
 1350 which the compensation for such services will be paid. Under
 1351 standards established by the department, such compensation shall
 1352 be added to the amount of the tax and collected as a part
 1353 thereof by the agency or deducted from the amount of tax,
 1354 penalty, and interest actually collected.

1355 (4)~~(3)~~ All funds collected under the terms of the
 1356 contract, less the fees provided in the contract, shall be
 1357 remitted to the department within 30 days from the date of
 1358 collection from a taxpayer. Forms to be used for such purpose
 1359 shall be prescribed by the department.

1360 (5)~~(4)~~ The department shall require a bond from the debt
 1361 collection agency or the individual or business contracted with
 1362 under subsection (2) not in excess of \$100,000 guaranteeing
 1363 compliance with the terms of the contract. However, a bond of
 1364 \$10,000 is required from a debt collection agency if the agency
 1365 does not actually collect and remit delinquent funds to the
 1366 department.

1367 (6)~~(5)~~ The department may, for the purpose of ascertaining
 1368 the amount of or collecting any taxes due from a person doing

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1369 mail order business in this state, contract with any auditing
 1370 agency doing business within or without this state for the
 1371 purpose of conducting an audit of such mail order business;
 1372 however, such audit agency may not conduct an audit on behalf of
 1373 the department of any person domiciled in this state, person
 1374 registered for sales and use tax purposes in this state, or
 1375 corporation filing a Florida corporate tax return, if any such
 1376 person or corporation objects to such audit in writing to the
 1377 department and the auditing agency. The department shall notify
 1378 the taxpayer by mail at least 30 days before the department
 1379 assigns the collection of such taxes.

1380 ~~(7)(6)~~ Confidential information shared by the department
 1381 with debt collection or auditing agencies or individuals or
 1382 businesses with which the department has contracted under
 1383 subsection (2) is exempt from the provisions of s. 119.07(1),
 1384 and debt collection or auditing agencies and individuals or
 1385 businesses with which the department has contracted under
 1386 subsection (2) shall be bound by the same requirements of
 1387 confidentiality as the Department of Revenue. Breach of
 1388 confidentiality is a misdemeanor of the first degree, punishable
 1389 as provided by ss. 775.082 and 775.083.

1390 ~~(8)(7)~~(a) The executive director of the department may
 1391 enter into contracts with private vendors to develop and
 1392 implement systems to enhance tax collections where compensation
 1393 to the vendors is funded through increased tax collections. The
 1394 amount of compensation paid to a vendor shall be based on a
 1395 percentage of increased tax collections attributable to the
 1396 system after all administrative and judicial appeals are

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1397 exhausted, and the total amount of compensation paid to a vendor
 1398 shall not exceed the maximum amount stated in the contract.

1399 (b) A person acting on behalf of the department under a
 1400 contract authorized by this subsection does not exercise any of
 1401 the powers of the department, except that the person is an agent
 1402 of the department for the purposes of developing and
 1403 implementing a system to enhance tax collection.

1404 (c) Disclosure of information under this subsection shall
 1405 be pursuant to a written agreement between the executive
 1406 director and the private vendors. The vendors shall be bound by
 1407 the same requirements of confidentiality as the department.
 1408 Breach of confidentiality is a misdemeanor of the first degree,
 1409 punishable as provided in s. 775.082 or s. 775.083.

1410 Section 21. Effective January 1, 2011, paragraph (b) of
 1411 subsection (4) of section 650.05, Florida Statutes, is amended
 1412 to read:

1413 650.05 Plans for coverage of employees of political
 1414 subdivisions.—

1415 (4)

1416 (b) The grants-in-aid and other revenue referred to in
 1417 paragraph (a) specifically include, but are not limited to,
 1418 minimum foundation program grants to public school districts and
 1419 community colleges; gasoline, motor fuel, intangible, cigarette,
 1420 racing, and insurance premium taxes distributed to political
 1421 subdivisions; and amounts specifically appropriated as grants-
 1422 in-aid for mental health, mental retardation, and mosquito
 1423 control programs.

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1424 Section 22. Effective January 1, 2011, subsection (5) of
1425 section 733.702, Florida Statutes, is renumbered as subsection
1426 (6), and a new subsection (5) is added to that section to read:
1427 733.702 Limitations on presentation of claims.—

1428 (5) The Department of Revenue may file a claim against the
1429 estate of a decedent for taxes due under chapter 199 after the
1430 expiration of the time for filing claims provided in subsection
1431 (1), if the department files its claim within 30 days after the
1432 service of the inventory. Upon filing of the estate tax return
1433 with the department as provided in s. 198.13, or to the extent
1434 the inventory or estate tax return is amended or supplemented,
1435 the department has the right to file a claim or to amend its
1436 previously filed claim within 30 days after service of the
1437 estate tax return, or an amended or supplemented inventory or
1438 filing of an amended or supplemental estate tax return, as to
1439 the additional information disclosed.

1440 Section 23. Effective upon this act becoming a law, the
1441 executive director of the Department of Revenue may adopt
1442 emergency rules under ss. 120.536(1) and 120.54, Florida
1443 Statutes, to implement chapter 199, Florida Statutes, and all
1444 conditions are deemed met for the adoption of such rules.
1445 Notwithstanding any other provision of law, such emergency rules
1446 shall remain effective for 6 months after the date of adoption
1447 and may be renewed during the pendency of procedures to adopt
1448 rules addressing the subject of the emergency rules.

1449 Section 24. Legislative findings and intent.—The
1450 Legislature finds that the separate accounting system used to
1451 measure the income of multistate and multinational corporations

1452 for tax purposes often places corporations in this state at a
 1453 competitive disadvantage. Moreover, corporate business is
 1454 increasingly conducted through groups of commonly owned
 1455 corporations. Therefore, the Legislature intends to more
 1456 accurately measure the business activities of corporations by
 1457 adopting a combined system of income tax reporting.

1458 Section 25. Paragraph (z) of subsection (1) of section
 1459 220.03, Florida Statutes, is amended, and paragraphs (gg) and
 1460 (hh) are added to that subsection, to read:

1461 220.03 Definitions.—

1462 (1) SPECIFIC TERMS.—When used in this code, and when not
 1463 otherwise distinctly expressed or manifestly incompatible with
 1464 the intent thereof, the following terms shall have the following
 1465 meanings:

1466 (z) "Taxpayer" means any corporation subject to the tax
 1467 imposed by this code, and includes all corporations that are
 1468 members of a water's edge group ~~for which a consolidated return~~
 1469 ~~is filed under s. 220.131.~~ However, "taxpayer" does not include
 1470 a corporation having no individuals (including individuals
 1471 employed by an affiliate) receiving compensation in this state
 1472 as defined in s. 220.15 when the only property owned or leased
 1473 by said corporation (including an affiliate) in this state is
 1474 located at the premises of a printer with which it has
 1475 contracted for printing, if such property consists of the final
 1476 printed product, property which becomes a part of the final
 1477 printed product, or property from which the printed product is
 1478 produced.

1479 (gg) "Tax haven" means a jurisdiction that, for a

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1480 particular tax year:

1481 1. Is identified by the Organization for Economic Co-
1482 operation and Development as a tax haven or as having a harmful
1483 preferential tax regime; or

1484 2.a. Is a jurisdiction that does not impose or imposes
1485 only a nominal, effective tax on relevant income;

1486 b. Has laws or practices that prevent the effective
1487 exchange of information for tax purposes with other governments
1488 regarding taxpayers who are subject to, or benefiting from, the
1489 tax regime;

1490 c. Lacks transparency;

1491 d. Facilitates the establishment of foreign-owned entities
1492 without the need for a local substantive presence or prohibits
1493 these entities from having any commercial impact on the local
1494 economy;

1495 e. Explicitly or implicitly excludes the jurisdiction's
1496 resident taxpayers from taking advantage of the tax regime's
1497 benefits or prohibits enterprises that benefit from the regime
1498 from operating in the jurisdiction's domestic market; or

1499 f. Has created a tax regime that is favorable for tax
1500 avoidance, based upon an overall assessment of relevant factors,
1501 including whether the jurisdiction has a significant untaxed
1502 offshore financial or other services sector relative to its
1503 overall economy.

1504
1505 For purposes of this paragraph, a tax regime lacks
1506 transparency if the details of legislative, legal, or
1507 administrative requirements are not open to public scrutiny and

1508 apparent, or are not consistently applied among similarly
 1509 situated taxpayers. As used in this paragraph, the term "tax
 1510 regime" means a set or system of rules, laws, regulations, or
 1511 practices by which taxes are imposed on any person, corporation,
 1512 or entity, or on any income, property, incident, indicia, or
 1513 activity pursuant to government authority.

1514 (hh) "Water's edge group" means a group of corporations
 1515 related through common ownership whose business activities are
 1516 integrated with, dependent upon, or contribute to a flow of
 1517 value among members of the group.

1518 Section 26. Subsection (1) of section 220.13, Florida
 1519 Statutes, is amended to read:

1520 220.13 "Adjusted federal income" defined.—

1521 (1) The term "adjusted federal income" means an amount
 1522 equal to the taxpayer's taxable income as defined in subsection
 1523 (2), or such taxable income of more than one taxpayer as
 1524 provided in s. 220.1363 ~~s. 220.131~~, for the taxable year,
 1525 adjusted as follows:

1526 (a) Additions.—There shall be added to such taxable
 1527 income:

1528 1. The amount of any tax upon or measured by income,
 1529 excluding taxes based on gross receipts or revenues, paid or
 1530 accrued as a liability to the District of Columbia or any state
 1531 of the United States which is deductible from gross income in
 1532 the computation of taxable income for the taxable year.

1533 2. The amount of interest which is excluded from taxable
 1534 income under s. 103(a) of the Internal Revenue Code or any other
 1535 federal law, less the associated expenses disallowed in the

1536 computation of taxable income under s. 265 of the Internal
 1537 Revenue Code or any other law, excluding 60 percent of any
 1538 amounts included in alternative minimum taxable income, as
 1539 defined in s. 55(b)(2) of the Internal Revenue Code, if the
 1540 taxpayer pays tax under s. 220.11(3).

1541 3. In the case of a regulated investment company or real
 1542 estate investment trust, an amount equal to the excess of the
 1543 net long-term capital gain for the taxable year over the amount
 1544 of the capital gain dividends attributable to the taxable year.

1545 4. That portion of the wages or salaries paid or incurred
 1546 for the taxable year which is equal to the amount of the credit
 1547 allowable for the taxable year under s. 220.181. This
 1548 subparagraph shall expire on the date specified in s. 290.016
 1549 for the expiration of the Florida Enterprise Zone Act.

1550 5. That portion of the ad valorem school taxes paid or
 1551 incurred for the taxable year which is equal to the amount of
 1552 the credit allowable for the taxable year under s. 220.182. This
 1553 subparagraph shall expire on the date specified in s. 290.016
 1554 for the expiration of the Florida Enterprise Zone Act.

1555 6. The amount of emergency excise tax paid or accrued as a
 1556 liability to this state under chapter 221 which tax is
 1557 deductible from gross income in the computation of taxable
 1558 income for the taxable year.

1559 7. That portion of assessments to fund a guaranty
 1560 association incurred for the taxable year which is equal to the
 1561 amount of the credit allowable for the taxable year.

1562 8. In the case of a nonprofit corporation which holds a
 1563 pari-mutuel permit and which is exempt from federal income tax

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1564 as a farmers' cooperative, an amount equal to the excess of the
 1565 gross income attributable to the pari-mutuel operations over the
 1566 attributable expenses for the taxable year.

1567 9. The amount taken as a credit for the taxable year under
 1568 s. 220.1895.

1569 10. Up to nine percent of the eligible basis of any
 1570 designated project which is equal to the credit allowable for
 1571 the taxable year under s. 220.185.

1572 11. The amount taken as a credit for the taxable year
 1573 under s. 220.187.

1574 12. The amount taken as a credit for the taxable year
 1575 under s. 220.192.

1576 13. The amount taken as a credit for the taxable year
 1577 under s. 220.193.

1578 14. Any portion of a qualified investment, as defined in
 1579 s. 288.9913, which is claimed as a deduction by the taxpayer and
 1580 taken as a credit against income tax pursuant to s. 288.9916.

1581 (b) Subtractions.—

1582 1. There shall be subtracted from such taxable income:

1583 a. The net operating loss deduction allowable for federal
 1584 income tax purposes under s. 172 of the Internal Revenue Code
 1585 for the taxable year,

1586 b. The net capital loss allowable for federal income tax
 1587 purposes under s. 1212 of the Internal Revenue Code for the
 1588 taxable year,

1589 c. The excess charitable contribution deduction allowable
 1590 for federal income tax purposes under s. 170(d)(2) of the
 1591 Internal Revenue Code for the taxable year, and

1592 d. The excess contributions deductions allowable for
 1593 federal income tax purposes under s. 404 of the Internal Revenue
 1594 Code for the taxable year.

1595
 1596 However, a net operating loss and a capital loss shall never be
 1597 carried back as a deduction to a prior taxable year, but all
 1598 deductions attributable to such losses shall be deemed net
 1599 operating loss carryovers and capital loss carryovers,
 1600 respectively, and treated in the same manner, to the same
 1601 extent, and for the same time periods as are prescribed for such
 1602 carryovers in ss. 172 and 1212, respectively, of the Internal
 1603 Revenue Code. A deduction is not allowed for net operating
 1604 losses, net capital losses, or excess contribution deductions
 1605 under 26 U.S.C. ss. 170(d)(2), 172, 1212, and 404 for a member
 1606 of a water's edge group that is not a United States member.
 1607 Carryovers of net operating losses, net capital losses, or
 1608 excess contribution deductions under 26 U.S.C. ss. 170(d)(2),
 1609 172, 1212, and 404 may be subtracted only by the member of the
 1610 water's edge group that generates a carryover.

1611 2. There shall be subtracted from such taxable income any
 1612 amount to the extent included therein the following:

1613 a. Dividends treated as received from sources without the
 1614 United States, as determined under s. 862 of the Internal
 1615 Revenue Code.

1616 b. All amounts included in taxable income under s. 78 or
 1617 s. 951 of the Internal Revenue Code.

1618
 1619 However, as to any amount subtracted under this subparagraph,

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1620 there shall be added to such taxable income all expenses
1621 deducted on the taxpayer's return for the taxable year which are
1622 attributable, directly or indirectly, to such subtracted amount.
1623 Further, no amount shall be subtracted with respect to dividends
1624 paid or deemed paid by a Domestic International Sales
1625 Corporation.

1626 3. Amounts received by a member of a water's edge group as
1627 dividends paid by another member of the water's edge group shall
1628 be subtracted from the taxable income to the extent that the
1629 dividends are included in the taxable income.

1630 ~~4.3.~~ In computing "adjusted federal income" for taxable
1631 years beginning after December 31, 1976, there shall be allowed
1632 as a deduction the amount of wages and salaries paid or incurred
1633 within this state for the taxable year for which no deduction is
1634 allowed pursuant to s. 280C(a) of the Internal Revenue Code
1635 (relating to credit for employment of certain new employees).

1636 ~~5.4.~~ There shall be subtracted from such taxable income
1637 any amount of nonbusiness income included therein.

1638 ~~6.5.~~ There shall be subtracted any amount of taxes of
1639 foreign countries allowable as credits for taxable years
1640 beginning on or after September 1, 1985, under s. 901 of the
1641 Internal Revenue Code to any corporation which derived less than
1642 20 percent of its gross income or loss for its taxable year
1643 ended in 1984 from sources within the United States, as
1644 described in s. 861(a)(2)(A) of the Internal Revenue Code, not
1645 including credits allowed under ss. 902 and 960 of the Internal
1646 Revenue Code, withholding taxes on dividends within the meaning
1647 of sub-subparagraph 2.a., and withholding taxes on royalties,

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1648 interest, technical service fees, and capital gains.

1649 ~~7.6.~~ Notwithstanding any other provision of this code,
1650 except with respect to amounts subtracted pursuant to
1651 subparagraphs 1. and 4. ~~3.~~, any increment of any apportionment
1652 factor which is directly related to an increment of gross
1653 receipts or income which is deducted, subtracted, or otherwise
1654 excluded in determining adjusted federal income shall be
1655 excluded from both the numerator and denominator of such
1656 apportionment factor. Further, all valuations made for
1657 apportionment factor purposes shall be made on a basis
1658 consistent with the taxpayer's method of accounting for federal
1659 income tax purposes.

1660 (c) Installment sales occurring after October 19, 1980.—

1661 1. In the case of any disposition made after October 19,
1662 1980, the income from an installment sale shall be taken into
1663 account for the purposes of this code in the same manner that
1664 such income is taken into account for federal income tax
1665 purposes.

1666 2. Any taxpayer who regularly sells or otherwise disposes
1667 of personal property on the installment plan and reports the
1668 income therefrom on the installment method for federal income
1669 tax purposes under s. 453(a) of the Internal Revenue Code shall
1670 report such income in the same manner under this code.

1671 (d) Nonallowable deductions.—A deduction for net operating
1672 losses, net capital losses, or excess contributions deductions
1673 under ss. 170(d)(2), 172, 1212, and 404 of the Internal Revenue
1674 Code which has been allowed in a prior taxable year for Florida
1675 tax purposes shall not be allowed for Florida tax purposes,

1676 notwithstanding the fact that such deduction has not been fully
 1677 utilized for federal tax purposes.

1678 (e) Adjustments related to the Federal Economic Stimulus
 1679 Act of 2008 and the American Recovery and Reinvestment Act of
 1680 2009.—Taxpayers shall be required to make the adjustments
 1681 prescribed in this paragraph for Florida tax purposes in
 1682 relation to certain tax benefits received pursuant to the
 1683 Economic Stimulus Act of 2008 and the American Recovery and
 1684 Reinvestment Act of 2009.

1685 1. There shall be added to such taxable income an amount
 1686 equal to 100 percent of any amount deducted for federal income
 1687 tax purposes as bonus depreciation for the taxable year pursuant
 1688 to ss. 167 and 168(k) of the Internal Revenue Code of 1986, as
 1689 amended by s. 103 of Pub. L. No. 110-185 and s. 1201 of Pub. L.
 1690 No. 111-5, for property placed in service after December 31,
 1691 2007, and before January 1, 2010. For the taxable year and for
 1692 each of the 6 subsequent taxable years, there shall be
 1693 subtracted from such taxable income an amount equal to one-
 1694 seventh of the amount by which taxable income was increased
 1695 pursuant to this subparagraph, notwithstanding any sale or other
 1696 disposition of the property that is the subject of the
 1697 adjustments and regardless of whether such property remains in
 1698 service in the hands of the taxpayer.

1699 2. There shall be added to such taxable income an amount
 1700 equal to 100 percent of any amount in excess of \$128,000
 1701 deducted for federal income tax purposes for the taxable year
 1702 pursuant to s. 179 of the Internal Revenue Code of 1986, as
 1703 amended by s. 102 of Pub. L. No. 110-185 and s. 1202 of Pub. L.

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1704 No. 111-5, for taxable years beginning after December 31, 2007,
1705 and before January 1, 2010. For the taxable year and for each of
1706 the 6 subsequent taxable years, there shall be subtracted from
1707 such taxable income one-seventh of the amount by which taxable
1708 income was increased pursuant to this subparagraph,
1709 notwithstanding any sale or other disposition of the property
1710 that is the subject of the adjustments and regardless of whether
1711 such property remains in service in the hands of the taxpayer.

1712 3. There shall be added to such taxable income an amount
1713 equal to the amount of deferred income not included in such
1714 taxable income pursuant to s. 108(i)(1) of the Internal Revenue
1715 Code of 1986, as amended by s. 1231 of Pub. L. No. 111-5. There
1716 shall be subtracted from such taxable income an amount equal to
1717 the amount of deferred income included in such taxable income
1718 pursuant to s. 108(i)(1) of the Internal Revenue Code of 1986,
1719 as amended by s. 1231 of Pub. L. No. 111-5.

1720 4. Subtractions available under this paragraph may be
1721 transferred to the surviving or acquiring entity following a
1722 merger or acquisition and used in the same manner and with the
1723 same limitations as specified by this paragraph.

1724 5. The additions and subtractions specified in this
1725 paragraph are intended to adjust taxable income for Florida tax
1726 purposes, and, notwithstanding any other provision of this code,
1727 such additions and subtractions shall be permitted to change a
1728 taxpayer's net operating loss for Florida tax purposes.

1729 Section 27. Section 220.136, Florida Statutes, is created
1730 to read:

1731 220.136 Determination of the members of a water's edge

1732 group.—

1733 (1) MEMBERSHIP RULES.—

1734 (a) A corporation having 50 percent or more of its
 1735 outstanding voting stock directly or indirectly owned or
 1736 controlled by a water's edge group is presumed to be a member of
 1737 the group. A corporation having less than 50 percent of its
 1738 outstanding voting stock directly or indirectly controlled by a
 1739 water's edge group is a member of the group if the businesses
 1740 activities of the corporation show that the corporation is a
 1741 member of the group. All of the income of a corporation that is
 1742 a member of a water's edge group is presumed to be unitary.

1743 (b) A corporation that conducts business outside the
 1744 United States is not a member of a water's edge group if 80
 1745 percent or more of the corporation's property and payroll, as
 1746 determined by the apportionment factors described in ss. 220.15
 1747 and 220.1363, may be assigned to locations outside the United
 1748 States. However, such corporations that are incorporated in a
 1749 tax haven may be a member of a water's edge group pursuant to
 1750 paragraph (a). This paragraph does not exempt a corporation that
 1751 is not a member of a water's edge group from the provisions of
 1752 this chapter.

1753 (2) MEMBERSHIP EVALUATION CRITERIA.—

1754 (a) The attribution rules of 26 U.S.C. 318 shall be used
 1755 to determine whether voting stock is owned indirectly.

1756 (b) As used in this paragraph, the term "United States"
 1757 means the 50 states, the District of Columbia, and Puerto Rico.

1758 (c) The apportionment factors described in ss. 220.15 and
 1759 220.1363 shall be used to determine whether a special industry

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1760 corporation has engaged in a sufficient amount of activities
1761 outside the United States to exclude it from treatment as a
1762 member of a water's edge group.

1763 Section 28. Section 220.1363, Florida Statutes, is created
1764 to read:

1765 220.1363 Water's edge groups; special requirements.-

1766 (1) All members of a water's edge group must use the
1767 water's edge reporting method. Under the water's edge reporting
1768 method:

1769 (a) Adjusted federal income for purposes of s. 220.12
1770 means the sum of adjusted federal income for all members of the
1771 group as determined for a concurrent tax year.

1772 (b) The numerators and denominators of the apportionment
1773 factors shall be calculated for all members of the group
1774 combined.

1775 (c) Intercompany sales transactions between members of the
1776 group are not included in the numerator or denominator of the
1777 sales factor pursuant to ss. 220.15 and 220.151, regardless of
1778 whether indicia of a sale exist. As used in this subsection, the
1779 term "sale" includes, but is not limited to, loans, payments for
1780 the use of intangibles, dividends, and management fees.

1781 (d) For sales of intangibles, including, but not limited
1782 to, accounts receivable, notes, bonds, and stock, which are made
1783 to entities outside of the group, only the net proceeds are
1784 included in the numerator and denominator of the sales factor.

1785 (e) Sales that are not allocated or apportioned to any
1786 taxing jurisdiction, otherwise known as "nowhere sales," may not
1787 be included in the numerator or denominator of the sales factor.

1788 (f) The income attributable to the activities in this
 1789 state of a corporation that is exempt from taxation under Pub.
 1790 L. No. 86-272 is excluded from the apportionment factor
 1791 numerators in the calculation of corporate income tax even if
 1792 another member of the water's edge group has nexus with this
 1793 state and is subject to tax.

1794 (g) For purposes of this section, the term "water's edge
 1795 reporting method" is a method to determine the taxable business
 1796 profits of a group of entities conducting a unitary business.
 1797 Under this method, the net income of the entities must be added
 1798 together along with the additions and subtractions under s.
 1799 220.13 and apportioned to this state as a single taxpayer under
 1800 s. 220.15 and 220.151. However, each special industry member
 1801 included in a water's edge group return, which would otherwise
 1802 be permitted to use a special method of apportionment under s.
 1803 220.151, shall convert its single-factor apportionment to a
 1804 three-factor apportionment of property, payroll, and sales. The
 1805 special industry member shall calculate the denominator of its
 1806 property, payroll, and sales factors in the same manner as those
 1807 denominators are calculated by members that are not a special
 1808 industry member. The numerator of its sales, property, and
 1809 payroll factors is the product of the denominator of each factor
 1810 multiplied by the premiums or revenue-miles-factor ratio
 1811 otherwise applicable under s. 220.151.

1812 (2) (a) A single water's edge group return must be filed in
 1813 the name and federal employer identification number of the
 1814 parent corporation if the parent is a member of the group and
 1815 has nexus with this state. If the group does not have a parent

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1816 corporation, if the parent corporation is not a member of the
1817 group, or if the parent corporation does not have nexus with
1818 this state, the members of the group must choose a member
1819 subject to the Florida corporate income tax to file the return.
1820 The members of the group may not choose another member to file a
1821 corporate income tax return in subsequent years unless the
1822 filing member does not maintain nexus with this state or remain
1823 a member of that group. The return must be signed by an
1824 authorized officer of the filing member as the agent for the
1825 group.

1826 (b) If members of a water's edge group have different tax
1827 years, the tax year of a majority of the members of the group is
1828 the tax year of the group. If the tax years of a majority of the
1829 members of a group do not correspond, the tax year of the member
1830 that must file the return for the group is the tax year of the
1831 group.

1832 (c)1. A member of a water's edge group having a tax year
1833 that does not correspond to the tax year of the group shall
1834 determine its income for inclusion on the tax return for the
1835 group. The member shall use:

1836 a. The precise amount of taxable income received during
1837 the months corresponding to the tax year of the group, if the
1838 precise amount can be readily determined from the member's books
1839 and records.

1840 b. The taxable income of the member converted to conform
1841 to the tax year of the group on the basis of the number of
1842 months falling within the tax year of the group. For example, if
1843 the tax year of the water's edge group is a calendar year and a

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1844 member operates on a fiscal year ending on April 30, the income
1845 of the member shall include 8/12 of the income from the current
1846 tax year and 4/12 of the income from the preceding tax year.

1847 This method to determine the income of a member may be used only
1848 if the return can be timely filed after the end of the tax year
1849 of the group.

1850 c. The taxable income of the member during its tax year
1851 that ends within the tax year of the group.

1852 2. The method of determining the income of a member of a
1853 group whose tax year does not correspond to the tax year of the
1854 group may not change as long as the member remains a member of
1855 the group. The apportionment factors for the member must be
1856 applied to the income of the member for the tax year of the
1857 group.

1858 (3) (a) A water's edge group return shall include a
1859 computational schedule that:

1860 1. Combines the federal income of all members of the
1861 water's edge group;

1862 2. Shows all intercompany eliminations;

1863 3. Shows Florida additions and subtractions under s.
1864 220.13; and

1865 4. Shows the calculation of the combined apportionment
1866 factors.

1867 (b) A water's edge group shall also file a domestic
1868 disclosure spreadsheet in addition to its return. The
1869 spreadsheet shall fully disclose:

1870 1. The income reported to each state.

1871 2. The state tax liability.

1872 3. The method used for apportioning or allocating income
 1873 to the various states.

1874 4. Other information required by the department by rule in
 1875 order to determine the proper amount of tax due to each state
 1876 and to identify the water's edge group.

1877 (4) The department may adopt rules and forms to administer
 1878 this section. The Legislature intends to grant the department
 1879 extensive authority to adopt rules and forms describing and
 1880 defining principles for determining the existence of a water's
 1881 edge business, definitions of common control, methods of
 1882 reporting, and related forms, principles, and other definitions.

1883 Section 29. Section 220.14, Florida Statutes, is amended
 1884 to read:

1885 220.14 Exemption.—

1886 (1) In computing a taxpayer's liability for tax under this
 1887 code, there shall be exempt from the tax \$5,000 of net income as
 1888 defined in s. 220.12 or such lesser amount as will, without
 1889 increasing the taxpayer's federal income tax liability, provide
 1890 the state with an amount under this code which is equal to the
 1891 maximum federal income tax credit which may be available from
 1892 time to time under federal law.

1893 (2) In the case of a taxable year for a period of less
 1894 than 12 months, the exemption allowed by this section shall be
 1895 prorated on the basis of the number of days in such year to 365,
 1896 or in the case of a leap year, to 366.

1897 (3) Only one exemption shall be allowed to taxpayers
 1898 filing a water's edge group ~~a consolidated~~ return under this
 1899 code.

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1900 (4) Notwithstanding any other provision of this code, not
 1901 more than one exemption under this section may be allowed to the
 1902 Florida members of a controlled group of corporations, as
 1903 defined in s. 1563 of the Internal Revenue Code with respect to
 1904 taxable years ending on or after December 31, 1970, filing
 1905 separate returns under this code. The exemption described in
 1906 this section shall be divided equally among such Florida members
 1907 of the group, unless all of such members consent, at such time
 1908 and in such manner as the department shall by regulation
 1909 prescribe, to an apportionment plan providing for an unequal
 1910 allocation of such exemption.

1911 Section 30. Subsection (5) of section 220.15, Florida
 1912 Statutes, is amended to read:

1913 220.15 Apportionment of adjusted federal income.—

1914 (5) The sales factor is a fraction the numerator of which
 1915 is the total sales of the taxpayer in this state during the
 1916 taxable year or period and the denominator of which is the total
 1917 sales of the taxpayer everywhere during the taxable year or
 1918 period.

1919 (a) As used in this subsection, the term "sales" means all
 1920 gross receipts of the taxpayer except interest, dividends,
 1921 rents, royalties, and gross receipts from the sale, exchange,
 1922 maturity, redemption, or other disposition of securities.

1923 However:

1924 1. Rental income is included in the term if a significant
 1925 portion of the taxpayer's business consists of leasing or
 1926 renting real or tangible personal property; and

1927 2. Royalty income is included in the term if a significant

1928 | portion of the taxpayer's business consists of dealing in or
 1929 | with the production, exploration, or development of minerals.

1930 | (b)1. Sales of tangible personal property occur in this
 1931 | state if the property is delivered or shipped to a purchaser
 1932 | within this state, regardless of the f.o.b. point, other
 1933 | conditions of the sale, or ultimate destination of the property,
 1934 | unless shipment is made via a common or contract carrier.
 1935 | However, for industries in NAICS National Number 311411, if the
 1936 | ultimate destination of the product is to a location outside
 1937 | this state, regardless of the method of shipment or f.o.b.
 1938 | point, the sale shall not be deemed to occur in this state. As
 1939 | used in this paragraph, "NAICS" means those classifications
 1940 | contained in the North American Industry Classification System,
 1941 | as published in 2007 by the Office of Management and Budget,
 1942 | Executive Office of the President.

1943 | 2. When citrus fruit is delivered by a cooperative for a
 1944 | grower-member, by a grower-member to a cooperative, or by a
 1945 | grower-participant to a Florida processor, the sales factor for
 1946 | the growers for such citrus fruit delivered to such processor
 1947 | shall be the same as the sales factor for the most recent
 1948 | taxable year of that processor. That sales factor, expressed
 1949 | only as a percentage and not in terms of the dollar volume of
 1950 | sales, so as to protect the confidentiality of the sales of the
 1951 | processor, shall be furnished on the request of such a grower
 1952 | promptly after it has been determined for that taxable year.

1953 | 3. Reimbursement of expenses under an agency contract
 1954 | between a cooperative, a grower-member of a cooperative, or a
 1955 | grower and a processor is not a sale within this state.

1956 (c) Sales of a financial organization, including, but not
 1957 limited to, banking and savings institutions, investment
 1958 companies, real estate investment trusts, and brokerage
 1959 companies, occur in this state if derived from:

1960 1. Fees, commissions, or other compensation for financial
 1961 services rendered within this state;

1962 2. Gross profits from trading in stocks, bonds, or other
 1963 securities managed within this state;

1964 3. Interest received within this state, other than
 1965 interest from loans secured by mortgages, deeds of trust, or
 1966 other liens upon real or tangible personal property located
 1967 without this state, and dividends received within this state;

1968 4. Interest charged to customers at places of business
 1969 maintained within this state for carrying debit balances of
 1970 margin accounts, without deduction of any costs incurred in
 1971 carrying such accounts;

1972 5. Interest, fees, commissions, or other charges or gains
 1973 from loans secured by mortgages, deeds of trust, or other liens
 1974 upon real or tangible personal property located in this state or
 1975 from installment sale agreements originally executed by a
 1976 taxpayer or the taxpayer's agent to sell real or tangible
 1977 personal property located in this state;

1978 6. Rents from real or tangible personal property located
 1979 in this state; or

1980 7. Any other gross income, including other interest,
 1981 resulting from the operation as a financial organization within
 1982 this state.

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1984 ~~In computing the amounts under this paragraph, any amount~~
 1985 ~~received by a member of an affiliated group (determined under s.~~
 1986 ~~1504(a) of the Internal Revenue Code, but without reference to~~
 1987 ~~whether any such corporation is an "includable corporation"~~
 1988 ~~under s. 1504(b) of the Internal Revenue Code) from another~~
 1989 ~~member of such group shall be included only to the extent such~~
 1990 ~~amount exceeds expenses of the recipient directly related~~
 1991 ~~thereto.~~

1992 Section 31. Subsection (1) of section 220.183, Florida
 1993 Statutes, is amended to read:

1994 220.183 Community contribution tax credit.—

1995 (1) AUTHORIZATION TO GRANT COMMUNITY CONTRIBUTION TAX
 1996 CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS AND PROGRAM
 1997 SPENDING.—

1998 (a) There shall be allowed a credit of 50 percent of a
 1999 community contribution against any tax due for a taxable year
 2000 under this chapter.

2001 (b) No business firm shall receive more than \$200,000 in
 2002 annual tax credits for all approved community contributions made
 2003 in any one year.

2004 (c) The total amount of tax credit which may be granted
 2005 for all programs approved under this section, s. 212.08(5)(p),
 2006 and s. 624.5105 is \$10.5 million annually for projects that
 2007 provide homeownership opportunities for low-income or very-low-
 2008 income households as defined in s. 420.9071(19) and (28) and
 2009 \$3.5 million annually for all other projects.

2010 (d) All proposals for the granting of the tax credit shall
 2011 require the prior approval of the Office of Tourism, Trade, and

2012 Economic Development.

2013 (e) If the credit granted pursuant to this section is not
 2014 fully used in any one year because of insufficient tax liability
 2015 on the part of the business firm, the unused amount may be
 2016 carried forward for a period not to exceed 5 years. The
 2017 carryover credit may be used in a subsequent year when the tax
 2018 imposed by this chapter for such year exceeds the credit for
 2019 such year under this section after applying the other credits
 2020 and unused credit carryovers in the order provided in s.
 2021 220.02(8).

2022 ~~(f) A taxpayer who files a Florida consolidated return as~~
 2023 ~~a member of an affiliated group pursuant to s. 220.131(1) may be~~
 2024 ~~allowed the credit on a consolidated return basis.~~

2025 (f)~~(g)~~ A taxpayer who is eligible to receive the credit
 2026 provided for in s. 624.5105 is not eligible to receive the
 2027 credit provided by this section.

2028 (g)~~(h)~~ Notwithstanding paragraph (c), and for the 2008-
 2029 2009 fiscal year only, the total amount of tax credit which may
 2030 be granted for all programs approved under this section, s.
 2031 212.08(5)(p), and s. 624.5105 is \$13 million annually for
 2032 projects that provide homeownership opportunities for low-income
 2033 or very-low-income households as defined in s. 420.9071(19) and
 2034 (28) and \$3.5 million annually for all other projects. This
 2035 paragraph expires June 30, 2009.

2036 Section 32. Subsection (1) of section 220.1845, Florida
 2037 Statutes, is amended to read:

2038 220.1845 Contaminated site rehabilitation tax credit.—
 2039 (1) AUTHORIZATION FOR TAX CREDIT; LIMITATIONS.—

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2040 (a) A credit in the amount of 50 percent of the costs of
2041 voluntary cleanup activity that is integral to site
2042 rehabilitation at the following sites is available against any
2043 tax due for a taxable year under this chapter:

2044 1. A drycleaning-solvent-contaminated site eligible for
2045 state-funded site rehabilitation under s. 376.3078(3);

2046 2. A drycleaning-solvent-contaminated site at which site
2047 rehabilitation is undertaken by the real property owner pursuant
2048 to s. 376.3078(11), if the real property owner is not also, and
2049 has never been, the owner or operator of the drycleaning
2050 facility where the contamination exists; or

2051 3. A brownfield site in a designated brownfield area under
2052 s. 376.80.

2053 (b) A tax credit applicant, or multiple tax credit
2054 applicants working jointly to clean up a single site, may not be
2055 granted more than \$500,000 per year in tax credits for each site
2056 voluntarily rehabilitated. Multiple tax credit applicants shall
2057 be granted tax credits in the same proportion as their
2058 contribution to payment of cleanup costs. Subject to the same
2059 conditions and limitations as provided in this section, a
2060 municipality, county, or other tax credit applicant which
2061 voluntarily rehabilitates a site may receive not more than
2062 \$500,000 per year in tax credits which it can subsequently
2063 transfer subject to the provisions in paragraph (f) ~~(g)~~.

2064 (c) If the credit granted under this section is not fully
2065 used in any one year because of insufficient tax liability on
2066 the part of the corporation, the unused amount may be carried
2067 forward for up to 5 years. The carryover credit may be used in a

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2068 subsequent year if the tax imposed by this chapter for that year
 2069 exceeds the credit for which the corporation is eligible in that
 2070 year after applying the other credits and unused carryovers in
 2071 the order provided by s. 220.02(8). If during the 5-year period
 2072 the credit is transferred, in whole or in part, pursuant to
 2073 paragraph (f) ~~(g)~~, each transferee has 5 years after the date of
 2074 transfer to use its credit.

2075 ~~(d) A taxpayer that files a consolidated return in this~~
 2076 ~~state as a member of an affiliated group under s. 220.131(1) may~~
 2077 ~~be allowed the credit on a consolidated return basis up to the~~
 2078 ~~amount of tax imposed upon the consolidated group.~~

2079 (d) ~~(e)~~ A tax credit applicant that receives state-funded
 2080 site rehabilitation under s. 376.3078(3) for rehabilitation of a
 2081 drycleaning-solvent-contaminated site is ineligible to receive
 2082 credit under this section for costs incurred by the tax credit
 2083 applicant in conjunction with the rehabilitation of that site
 2084 during the same time period that state-administered site
 2085 rehabilitation was underway.

2086 (e) ~~(f)~~ The total amount of the tax credits which may be
 2087 granted under this section is \$2 million annually.

2088 (f) ~~(g)~~ 1. Tax credits that may be available under this
 2089 section to an entity eligible under s. 376.30781 may be
 2090 transferred after a merger or acquisition to the surviving or
 2091 acquiring entity and used in the same manner and with the same
 2092 limitations.

2093 2. The entity or its surviving or acquiring entity as
 2094 described in subparagraph 1., may transfer any unused credit in
 2095 whole or in units of at least 25 percent of the remaining

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2096 credit. The entity acquiring such credit may use it in the same
2097 manner and with the same limitation as described in this
2098 section. Such transferred credits may not be transferred again
2099 although they may succeed to a surviving or acquiring entity
2100 subject to the same conditions and limitations as described in
2101 this section.

2102 3. If the credit is reduced due to a determination by the
2103 Department of Environmental Protection or an examination or
2104 audit by the Department of Revenue, the tax deficiency shall be
2105 recovered from the first entity, or the surviving or acquiring
2106 entity that claimed the credit up to the amount of credit taken.
2107 Any subsequent deficiencies shall be assessed against the entity
2108 acquiring and claiming the credit, or in the case of multiple
2109 succeeding entities in the order of credit succession.

2110 (g)~~(h)~~ In order to encourage completion of site
2111 rehabilitation at contaminated sites being voluntarily cleaned
2112 up and eligible for a tax credit under this section, the tax
2113 credit applicant may claim an additional 25 percent of the total
2114 cleanup costs, not to exceed \$500,000, in the final year of
2115 cleanup as evidenced by the Department of Environmental
2116 Protection issuing a "No Further Action" order for that site.

2117 (h)~~(i)~~ In order to encourage the construction of housing
2118 that meets the definition of affordable provided in s. 420.0004,
2119 an applicant for the tax credit may claim an additional 25
2120 percent of the total site rehabilitation costs that are eligible
2121 for tax credits under this section, not to exceed \$500,000. In
2122 order to receive this additional tax credit, the applicant must
2123 provide a certification letter from the Florida Housing Finance

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2124 Corporation, the local housing authority, or other governmental
2125 agency that is a party to the use agreement indicating that the
2126 construction on the brownfield site has received a certificate
2127 of occupancy and the brownfield site has a properly recorded
2128 instrument that limits the use of the property to housing that
2129 meets the definition of affordable provided in s. 420.0004.

2130 (i)~~(j)~~ In order to encourage the redevelopment of a
2131 brownfield site, as defined in the brownfield site
2132 rehabilitation agreement, that is hindered by the presence of
2133 solid waste, as defined in s. 403.703, a tax credit applicant,
2134 or multiple tax credit applicants working jointly to clean up a
2135 single brownfield site, may also claim costs required to address
2136 solid waste removal as defined in this paragraph in accordance
2137 with rules of the Department of Environmental Protection.
2138 Multiple tax credit applicants shall be granted tax credits in
2139 the same proportion as each applicant's contribution to payment
2140 of solid waste removal costs. These costs are eligible for a tax
2141 credit provided the applicant submits an affidavit stating that,
2142 after consultation with appropriate local government officials
2143 and the Department of Environmental Protection, to the best of
2144 the applicant's knowledge according to such consultation and
2145 available historical records, the brownfield site was never
2146 operated as a permitted solid waste disposal area or was never
2147 operated for monetary compensation and the applicant submits all
2148 other documentation and certifications required by this section.
2149 Under this section, wherever reference is made to "site
2150 rehabilitation," the Department of Environmental Protection
2151 shall instead consider whether or not the costs claimed are for

2152 solid waste removal. Tax credit applications claiming costs
 2153 pursuant to this paragraph shall not be subject to the calendar-
 2154 year limitation and January 31 annual application deadline, and
 2155 the Department of Environmental Protection shall accept a one-
 2156 time application filed subsequent to the completion by the tax
 2157 credit applicant of the applicable requirements listed in this
 2158 section. A tax credit applicant may claim 50 percent of the cost
 2159 for solid waste removal, not to exceed \$500,000, after the
 2160 applicant has determined solid waste removal is completed for
 2161 the brownfield site. A solid waste removal tax credit
 2162 application may be filed only once per brownfield site. For the
 2163 purposes of this section, the term:

2164 1. "Solid waste disposal area" means a landfill, dump, or
 2165 other area where solid waste has been disposed of.

2166 2. "Monetary compensation" means the fees that were
 2167 charged or the assessments that were levied for the disposal of
 2168 solid waste at a solid waste disposal area.

2169 3. "Solid waste removal" means removal of solid waste from
 2170 the land surface or excavation of solid waste from below the
 2171 land surface and removal of the solid waste from the brownfield
 2172 site. The term also includes:

2173 a. Transportation of solid waste to a licensed or exempt
 2174 solid waste management facility or to a temporary storage area.

2175 b. Sorting or screening of solid waste prior to removal
 2176 from the site.

2177 c. Deposition of solid waste at a permitted or exempt
 2178 solid waste management facility, whether the solid waste is
 2179 disposed of or recycled.

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2180 (j)~~(k)~~ In order to encourage the construction and
 2181 operation of a new health care facility as defined in s. 408.032
 2182 or s. 408.07, or a health care provider as defined in s. 408.07
 2183 or s. 408.7056, on a brownfield site, an applicant for a tax
 2184 credit may claim an additional 25 percent of the total site
 2185 rehabilitation costs, not to exceed \$500,000, if the applicant
 2186 meets the requirements of this paragraph. In order to receive
 2187 this additional tax credit, the applicant must provide
 2188 documentation indicating that the construction of the health
 2189 care facility or health care provider by the applicant on the
 2190 brownfield site has received a certificate of occupancy or a
 2191 license or certificate has been issued for the operation of the
 2192 health care facility or health care provider.

2193 Section 33. Effective January 1, 2011, subsection (1) of
 2194 section 220.1845, Florida Statutes, as amended by this act, and
 2195 subsection (3) of that section, are amended to read:

2196 220.1845 Contaminated site rehabilitation tax credit.—

2197 (1) AUTHORIZATION FOR TAX CREDIT; LIMITATIONS.—

2198 (a) A credit in the amount of 50 percent of the costs of
 2199 voluntary cleanup activity that is integral to site
 2200 rehabilitation at the following sites is available against any
 2201 tax due for a taxable year under this chapter:

2202 1. A drycleaning-solvent-contaminated site eligible for
 2203 state-funded site rehabilitation under s. 376.3078(3);

2204 2. A drycleaning-solvent-contaminated site at which site
 2205 rehabilitation is undertaken by the real property owner pursuant
 2206 to s. 376.3078(11), if the real property owner is not also, and
 2207 has never been, the owner or operator of the drycleaning

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2208 facility where the contamination exists; or

2209 3. A brownfield site in a designated brownfield area under
2210 s. 376.80.

2211 (b) A tax credit applicant, or multiple tax credit
2212 applicants working jointly to clean up a single site, may not be
2213 granted more than \$500,000 per year in tax credits for each site
2214 voluntarily rehabilitated. Multiple tax credit applicants shall
2215 be granted tax credits in the same proportion as their
2216 contribution to payment of cleanup costs. Subject to the same
2217 conditions and limitations as provided in this section, a
2218 municipality, county, or other tax credit applicant which
2219 voluntarily rehabilitates a site may receive not more than
2220 \$500,000 per year in tax credits which it can subsequently
2221 transfer subject to the provisions in paragraph (g) ~~(f)~~.

2222 (c) If the credit granted under this section is not fully
2223 used in any one year because of insufficient tax liability on
2224 the part of the corporation, the unused amount may be carried
2225 forward for up to 5 years. The carryover credit may be used in a
2226 subsequent year if the tax imposed by this chapter for that year
2227 exceeds the credit for which the corporation is eligible in that
2228 year after applying the other credits and unused carryovers in
2229 the order provided by s. 220.02(8). If during the 5-year period
2230 the credit is transferred, in whole or in part, pursuant to
2231 paragraph (g) ~~(f)~~, each transferee has 5 years after the date of
2232 transfer to use its credit.

2233 (d) A taxpayer that receives credit under s. 199.10555 is
2234 ineligible to receive credit under this section in a given tax
2235 year.

2236 (e)~~(d)~~ A tax credit applicant that receives state-funded
 2237 site rehabilitation under s. 376.3078(3) for rehabilitation of a
 2238 drycleaning-solvent-contaminated site is ineligible to receive
 2239 credit under this section for costs incurred by the tax credit
 2240 applicant in conjunction with the rehabilitation of that site
 2241 during the same time period that state-administered site
 2242 rehabilitation was underway.

2243 (f)~~(e)~~ The total amount of the tax credits which may be
 2244 granted under this section and s. 199.10555 is \$2 million
 2245 annually.

2246 (g)~~(f)~~1. Tax credits that may be available under this
 2247 section to an entity eligible under s. 376.30781 may be
 2248 transferred after a merger or acquisition to the surviving or
 2249 acquiring entity and used in the same manner and with the same
 2250 limitations.

2251 2. The entity or its surviving or acquiring entity as
 2252 described in subparagraph 1., may transfer any unused credit in
 2253 whole or in units of at least 25 percent of the remaining
 2254 credit. The entity acquiring such credit may use it in the same
 2255 manner and with the same limitation as described in this
 2256 section. Such transferred credits may not be transferred again
 2257 although they may succeed to a surviving or acquiring entity
 2258 subject to the same conditions and limitations as described in
 2259 this section.

2260 3. If the credit is reduced due to a determination by the
 2261 Department of Environmental Protection or an examination or
 2262 audit by the Department of Revenue, the tax deficiency shall be
 2263 recovered from the first entity, or the surviving or acquiring

2264 entity that claimed the credit up to the amount of credit taken.
 2265 Any subsequent deficiencies shall be assessed against the entity
 2266 acquiring and claiming the credit, or in the case of multiple
 2267 succeeding entities in the order of credit succession.

2268 (h)~~(g)~~ In order to encourage completion of site
 2269 rehabilitation at contaminated sites being voluntarily cleaned
 2270 up and eligible for a tax credit under this section, the tax
 2271 credit applicant may claim an additional 25 percent of the total
 2272 cleanup costs, not to exceed \$500,000, in the final year of
 2273 cleanup as evidenced by the Department of Environmental
 2274 Protection issuing a "No Further Action" order for that site.

2275 (i)~~(h)~~ In order to encourage the construction of housing
 2276 that meets the definition of affordable provided in s. 420.0004,
 2277 an applicant for the tax credit may claim an additional 25
 2278 percent of the total site rehabilitation costs that are eligible
 2279 for tax credits under this section, not to exceed \$500,000. In
 2280 order to receive this additional tax credit, the applicant must
 2281 provide a certification letter from the Florida Housing Finance
 2282 Corporation, the local housing authority, or other governmental
 2283 agency that is a party to the use agreement indicating that the
 2284 construction on the brownfield site has received a certificate
 2285 of occupancy and the brownfield site has a properly recorded
 2286 instrument that limits the use of the property to housing that
 2287 meets the definition of affordable provided in s. 420.0004.

2288 (j)~~(i)~~ In order to encourage the redevelopment of a
 2289 brownfield site, as defined in the brownfield site
 2290 rehabilitation agreement, that is hindered by the presence of
 2291 solid waste, as defined in s. 403.703, a tax credit applicant,

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2292 or multiple tax credit applicants working jointly to clean up a
2293 single brownfield site, may also claim costs required to address
2294 solid waste removal as defined in this paragraph in accordance
2295 with rules of the Department of Environmental Protection.
2296 Multiple tax credit applicants shall be granted tax credits in
2297 the same proportion as each applicant's contribution to payment
2298 of solid waste removal costs. These costs are eligible for a tax
2299 credit provided the applicant submits an affidavit stating that,
2300 after consultation with appropriate local government officials
2301 and the Department of Environmental Protection, to the best of
2302 the applicant's knowledge according to such consultation and
2303 available historical records, the brownfield site was never
2304 operated as a permitted solid waste disposal area or was never
2305 operated for monetary compensation and the applicant submits all
2306 other documentation and certifications required by this section.
2307 Under this section, wherever reference is made to "site
2308 rehabilitation," the Department of Environmental Protection
2309 shall instead consider whether or not the costs claimed are for
2310 solid waste removal. Tax credit applications claiming costs
2311 pursuant to this paragraph shall not be subject to the calendar-
2312 year limitation and January 31 annual application deadline, and
2313 the Department of Environmental Protection shall accept a one-
2314 time application filed subsequent to the completion by the tax
2315 credit applicant of the applicable requirements listed in this
2316 section. A tax credit applicant may claim 50 percent of the cost
2317 for solid waste removal, not to exceed \$500,000, after the
2318 applicant has determined solid waste removal is completed for
2319 the brownfield site. A solid waste removal tax credit

2320 application may be filed only once per brownfield site. For the
 2321 purposes of this section, the term:

2322 1. "Solid waste disposal area" means a landfill, dump, or
 2323 other area where solid waste has been disposed of.

2324 2. "Monetary compensation" means the fees that were
 2325 charged or the assessments that were levied for the disposal of
 2326 solid waste at a solid waste disposal area.

2327 3. "Solid waste removal" means removal of solid waste from
 2328 the land surface or excavation of solid waste from below the
 2329 land surface and removal of the solid waste from the brownfield
 2330 site. The term also includes:

2331 a. Transportation of solid waste to a licensed or exempt
 2332 solid waste management facility or to a temporary storage area.

2333 b. Sorting or screening of solid waste prior to removal
 2334 from the site.

2335 c. Deposition of solid waste at a permitted or exempt
 2336 solid waste management facility, whether the solid waste is
 2337 disposed of or recycled.

2338 (k)~~(j)~~ In order to encourage the construction and
 2339 operation of a new health care facility as defined in s. 408.032
 2340 or s. 408.07, or a health care provider as defined in s. 408.07
 2341 or s. 408.7056, on a brownfield site, an applicant for a tax
 2342 credit may claim an additional 25 percent of the total site
 2343 rehabilitation costs, not to exceed \$500,000, if the applicant
 2344 meets the requirements of this paragraph. In order to receive
 2345 this additional tax credit, the applicant must provide
 2346 documentation indicating that the construction of the health
 2347 care facility or health care provider by the applicant on the

2348 brownfield site has received a certificate of occupancy or a
 2349 license or certificate has been issued for the operation of the
 2350 health care facility or health care provider.

2351 (3) ADMINISTRATION; AUDIT AUTHORITY; TAX CREDIT
 2352 FORFEITURE.—

2353 (a) The Department of Revenue may adopt rules to prescribe
 2354 any necessary forms required to claim a tax credit under this
 2355 section and to provide the administrative guidelines and
 2356 procedures required to administer this section.

2357 (b) In addition to its existing audit and investigation
 2358 authority relating to chapter 199 and this chapter, the
 2359 Department of Revenue may perform any additional financial and
 2360 technical audits and investigations, including examining the
 2361 accounts, books, or records of the tax credit applicant, which
 2362 are necessary to verify the site rehabilitation costs included
 2363 in a tax credit return and to ensure compliance with this
 2364 section. The Department of Environmental Protection shall
 2365 provide technical assistance, when requested by the Department
 2366 of Revenue, on any technical audits performed pursuant to this
 2367 section.

2368 (c) It is grounds for forfeiture of previously claimed and
 2369 received tax credits if the Department of Revenue determines, as
 2370 a result of either an audit or information received from the
 2371 Department of Environmental Protection, that a taxpayer received
 2372 tax credits pursuant to this section to which the taxpayer was
 2373 not entitled. In the case of fraud, the taxpayer shall be
 2374 prohibited from claiming any future tax credits under this
 2375 section or s. 199.10555.

2376 1. The taxpayer is responsible for returning forfeited tax
 2377 credits to the Department of Revenue, and such funds shall be
 2378 paid into the General Revenue Fund of the state.

2379 2. The taxpayer shall file with the Department of Revenue
 2380 an amended tax return or such other report as the Department of
 2381 Revenue prescribes by rule and shall pay any required tax within
 2382 60 days after the taxpayer receives notification from the
 2383 Department of Environmental Protection pursuant to s. 376.30781
 2384 that previously approved tax credits have been revoked or
 2385 modified, if uncontested, or within 60 days after a final order
 2386 is issued following proceedings involving a contested revocation
 2387 or modification order.

2388 3. A notice of deficiency may be issued by the Department
 2389 of Revenue at any time within 5 years after the date the
 2390 taxpayer receives notification from the Department of
 2391 Environmental Protection pursuant to s. 376.30781 that
 2392 previously approved tax credits have been revoked or modified.
 2393 If a taxpayer fails to notify the Department of Revenue of any
 2394 change in its tax credit claimed, a notice of deficiency may be
 2395 issued at any time. In either case, the amount of any proposed
 2396 assessment set forth in such notice of deficiency shall be
 2397 limited to the amount of any deficiency resulting under this
 2398 section from the recomputation of the taxpayer's tax for the
 2399 taxable year.

2400 4. Any taxpayer that fails to report and timely pay any
 2401 tax due as a result of the forfeiture of its tax credit is in
 2402 violation of this section and is subject to applicable penalty
 2403 and interest.

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2404 Section 34. Subsection (5) of section 220.187, Florida
 2405 Statutes, is amended to read:

2406 220.187 Credits for contributions to nonprofit
 2407 scholarship-funding organizations.—

2408 (5) AUTHORIZATION TO GRANT SCHOLARSHIP FUNDING TAX
 2409 CREDITS; LIMITATIONS ON INDIVIDUAL AND TOTAL CREDITS.—

2410 (a) There is allowed a credit of 100 percent of an
 2411 eligible contribution against any tax due for a taxable year
 2412 under this chapter. However, such a credit may not exceed 75
 2413 percent of the tax due under this chapter for the taxable year,
 2414 after the application of any other allowable credits by the
 2415 taxpayer. The credit granted by this section shall be reduced by
 2416 the difference between the amount of federal corporate income
 2417 tax taking into account the credit granted by this section and
 2418 the amount of federal corporate income tax without application
 2419 of the credit granted by this section.

2420 (b) For each state fiscal year, the total amount of tax
 2421 credits and carryforward of tax credits which may be granted
 2422 under this section and s. 624.51055 is \$118 million.

2423 ~~(c) A taxpayer who files a Florida consolidated return as~~
 2424 ~~a member of an affiliated group pursuant to s. 220.131(1) may be~~
 2425 ~~allowed the credit on a consolidated return basis; however, the~~
 2426 ~~total credit taken by the affiliated group is subject to the~~
 2427 ~~limitation established under paragraph (a).~~

2428 (c) ~~(d)~~ Effective for tax years beginning January 1, 2006,
 2429 a taxpayer may rescind all or part of its allocated tax credit
 2430 under this section. The amount rescinded shall become available
 2431 for purposes of the cap for that state fiscal year under this

2432 section to an eligible taxpayer as approved by the department if
 2433 the taxpayer receives notice from the department that the
 2434 rescindment has been accepted by the department and the taxpayer
 2435 has not previously rescinded any or all of its tax credit
 2436 allocation under this section more than once in the previous 3
 2437 tax years. Any amount rescinded under this paragraph shall
 2438 become available to an eligible taxpayer on a first-come, first-
 2439 served basis based on tax credit applications received after the
 2440 date the rescindment is accepted by the department.

2441 (d)~~(e)~~ A taxpayer who is eligible to receive the credit
 2442 provided for in s. 624.51055 is not eligible to receive the
 2443 credit provided by this section.

2444 Section 35. Subsection (3) of section 220.191, Florida
 2445 Statutes, is amended to read:

2446 220.191 Capital investment tax credit.—

2447 (3) (a) Notwithstanding subsection (2), an annual credit
 2448 against the tax imposed by this chapter shall be granted to a
 2449 qualifying business which establishes a qualifying project
 2450 pursuant to subparagraph (1) (h) 3., in an amount equal to the
 2451 lesser of \$15 million or 5 percent of the eligible capital costs
 2452 made in connection with a qualifying project, for a period not
 2453 to exceed 20 years beginning with the commencement of operations
 2454 of the project. The tax credit shall be granted against the
 2455 corporate income tax liability of the qualifying business and as
 2456 further provided in paragraph (c). The total tax credit provided
 2457 pursuant to this subsection shall be equal to no more than 100
 2458 percent of the eligible capital costs of the qualifying project.

2459 (b) If the credit granted under this subsection is not

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2460 fully used in any one year because of insufficient tax liability
 2461 on the part of the qualifying business, the unused amount may be
 2462 carried forward for a period not to exceed 20 years after the
 2463 commencement of operations of the project. The carryover credit
 2464 may be used in a subsequent year when the tax imposed by this
 2465 chapter for that year exceeds the credit for which the
 2466 qualifying business is eligible in that year under this
 2467 subsection after applying the other credits and unused
 2468 carryovers in the order provided by s. 220.02(8).

2469 (c) The credit granted under this subsection may be used
 2470 in whole or in part by the qualifying business ~~or any~~
 2471 ~~corporation that is either a member of that qualifying~~
 2472 ~~business's affiliated group of corporations, is a related entity~~
 2473 ~~taxable as a cooperative under subchapter T of the Internal~~
 2474 ~~Revenue Code, or, if the qualifying business is an entity~~
 2475 ~~taxable as a cooperative under subchapter T of the Internal~~
 2476 ~~Revenue Code, is related to the qualifying business. Any entity~~
 2477 ~~related to the qualifying business may continue to file as a~~
 2478 ~~member of a Florida nexus consolidated group pursuant to a prior~~
 2479 ~~election made under s. 220.131(1), Florida Statutes (1985), even~~
 2480 ~~if the parent of the group changes due to a direct or indirect~~
 2481 ~~acquisition of the former common parent of the group. Any credit~~
 2482 ~~can be used by any of the affiliated companies or related~~
 2483 ~~entities referenced in this paragraph to the same extent as it~~
 2484 ~~could have been used by the qualifying business. However, any~~
 2485 ~~such use shall not operate to increase the amount of the credit~~
 2486 ~~or extend the period within which the credit must be used.~~

2487 Section 36. Subsection (2) of section 220.192, Florida

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2488 Statutes, is amended to read:

2489 220.192 Renewable energy technologies investment tax
2490 credit.—

2491 (2) TAX CREDIT.—For tax years beginning on or after
2492 January 1, 2007, a credit against the tax imposed by this
2493 chapter shall be granted in an amount equal to the eligible
2494 costs. Credits may be used in tax years beginning January 1,
2495 2007, and ending December 31, 2010, after which the credit shall
2496 expire. If the credit is not fully used in any one tax year
2497 because of insufficient tax liability on the part of the
2498 corporation, the unused amount may be carried forward and used
2499 in tax years beginning January 1, 2007, and ending December 31,
2500 2012, after which the credit carryover expires and may not be
2501 used. ~~A taxpayer that files a consolidated return in this state~~
2502 ~~as a member of an affiliated group under s. 220.131(1) may be~~
2503 ~~allowed the credit on a consolidated return basis up to the~~
2504 ~~amount of tax imposed upon the consolidated group.~~ Any eligible
2505 cost for which a credit is claimed and which is deducted or
2506 otherwise reduces federal taxable income shall be added back in
2507 computing adjusted federal income under s. 220.13.

2508 Section 37. Subsection (3) of section 220.193, Florida
2509 Statutes, is amended to read:

2510 220.193 Florida renewable energy production credit.—

2511 (3) An annual credit against the tax imposed by this
2512 section shall be allowed to a taxpayer, based on the taxpayer's
2513 production and sale of electricity from a new or expanded
2514 Florida renewable energy facility. For a new facility, the
2515 credit shall be based on the taxpayer's sale of the facility's

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2516 entire electrical production. For an expanded facility, the
2517 credit shall be based on the increases in the facility's
2518 electrical production that are achieved after May 1, 2006.

2519 (a) The credit shall be \$0.01 for each kilowatt-hour of
2520 electricity produced and sold by the taxpayer to an unrelated
2521 party during a given tax year.

2522 (b) The credit may be claimed for electricity produced and
2523 sold on or after January 1, 2007. Beginning in 2008 and
2524 continuing until 2011, each taxpayer claiming a credit under
2525 this section must first apply to the department by February 1 of
2526 each year for an allocation of available credit. The department,
2527 in consultation with the commission, shall develop an
2528 application form. The application form shall, at a minimum,
2529 require a sworn affidavit from each taxpayer certifying the
2530 increase in production and sales that form the basis of the
2531 application and certifying that all information contained in the
2532 application is true and correct.

2533 (c) If the amount of credits applied for each year exceeds
2534 \$5 million, the department shall award to each applicant a
2535 prorated amount based on each applicant's increased production
2536 and sales and the increased production and sales of all
2537 applicants.

2538 (d) If the credit granted pursuant to this section is not
2539 fully used in one year because of insufficient tax liability on
2540 the part of the taxpayer, the unused amount may be carried
2541 forward for a period not to exceed 5 years. The carryover credit
2542 may be used in a subsequent year when the tax imposed by this
2543 chapter for such year exceeds the credit for such year, after

2544 applying the other credits and unused credit carryovers in the
 2545 order provided in s. 220.02(8).

2546 ~~(e) A taxpayer that files a consolidated return in this~~
 2547 ~~state as a member of an affiliated group under s. 220.131(1) may~~
 2548 ~~be allowed the credit on a consolidated return basis up to the~~
 2549 ~~amount of tax imposed upon the consolidated group.~~

2550 (e)~~(f)~~1. Tax credits that may be available under this
 2551 section to an entity eligible under this section may be
 2552 transferred after a merger or acquisition to the surviving or
 2553 acquiring entity and used in the same manner with the same
 2554 limitations.

2555 2. The entity or its surviving or acquiring entity as
 2556 described in subparagraph 1. may transfer any unused credit in
 2557 whole or in units of no less than 25 percent of the remaining
 2558 credit. The entity acquiring such credit may use it in the same
 2559 manner and with the same limitations under this section. Such
 2560 transferred credits may not be transferred again although they
 2561 may succeed to a surviving or acquiring entity subject to the
 2562 same conditions and limitations as described in this section.

2563 3. In the event the credit provided for under this section
 2564 is reduced as a result of an examination or audit by the
 2565 department, such tax deficiency shall be recovered from the
 2566 first entity or the surviving or acquiring entity to have
 2567 claimed such credit up to the amount of credit taken. Any
 2568 subsequent deficiencies shall be assessed against any entity
 2569 acquiring and claiming such credit, or in the case of multiple
 2570 succeeding entities in the order of credit succession.

2571 (f)~~(g)~~ Notwithstanding any other provision of this

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2572 section, credits for the production and sale of electricity from
2573 a new or expanded Florida renewable energy facility may be
2574 earned between January 1, 2007, and June 30, 2010. The combined
2575 total amount of tax credits which may be granted for all
2576 taxpayers under this section is limited to \$5 million per state
2577 fiscal year.

2578 (g)~~(h)~~ A taxpayer claiming a credit under this section
2579 shall be required to add back to net income that portion of its
2580 business deductions claimed on its federal return paid or
2581 incurred for the taxable year which is equal to the amount of
2582 the credit allowable for the taxable year under this section.

2583 (h)~~(i)~~ A taxpayer claiming credit under this section may
2584 not claim a credit under s. 220.192. A taxpayer claiming credit
2585 under s. 220.192 may not claim a credit under this section.

2586 (i)~~(j)~~ When an entity treated as a partnership or a
2587 disregarded entity under this chapter produces and sells
2588 electricity from a new or expanded renewable energy facility,
2589 the credit earned by such entity shall pass through in the same
2590 manner as items of income and expense pass through for federal
2591 income tax purposes. When an entity applies for the credit and
2592 the entity has received the credit by a pass-through, the
2593 application must identify the taxpayer that passed the credit
2594 through, all taxpayers that received the credit, and the
2595 percentage of the credit that passes through to each recipient
2596 and must provide other information that the department requires.

2597 (j)~~(k)~~ A taxpayer's use of the credit granted pursuant to
2598 this section does not reduce the amount of any credit available
2599 to such taxpayer under s. 220.186.

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2600 Section 38. Section 220.51, Florida Statutes, is amended
 2601 to read:

2602 220.51 Promulgation of rules and regulations.—In
 2603 accordance with the Administrative Procedure Act, chapter 120,
 2604 the department is authorized to make, promulgate, and enforce
 2605 such reasonable rules and regulations, and to prescribe such
 2606 forms relating to the administration and enforcement of the
 2607 provisions of this code, as it may deem appropriate, including:

2608 (1) Rules for initial implementation of this code and for
 2609 taxpayers' transitional taxable years commencing before and
 2610 ending after January 1, 1972; and

2611 (2) Rules or regulations to clarify whether certain
 2612 groups, organizations, or associations formed under the laws of
 2613 this state or any other state, country, or jurisdiction shall be
 2614 deemed "taxpayers" for the purposes of this code, in accordance
 2615 with the legislative declarations of intent in s. 220.02. ~~;~~ and

2616 ~~(3) Regulations relating to consolidated reporting for~~
 2617 ~~affiliated groups of corporations, in order to provide for an~~
 2618 ~~equitable and just administration of this code with respect to~~
 2619 ~~multicorporate taxpayers.~~

2620 Section 39. Section 220.64, Florida Statutes, is amended
 2621 to read:

2622 220.64 Other provisions applicable to franchise tax.—To
 2623 the extent that they are not manifestly incompatible with the
 2624 provisions of this part, parts I, III, IV, V, VI, VIII, IX, and
 2625 X of this code and ss. 220.12, 220.13, 220.136, 220.1363,
 2626 220.15, and 220.16 ~~ss. 220.12, 220.13, 220.15, and 220.16~~ apply
 2627 to the franchise tax imposed by this part. Under rules

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2628 | prescribed in s. 220.131, a consolidated return may be filed by
 2629 | any affiliated group of corporations composed of one or more
 2630 | banks or savings associations, its or their Florida parent
 2631 | corporation, and any nonbank or nonsavings subsidiaries of such
 2632 | parent corporation.

2633 | Section 40. Subsections (9) and (10) of section 376.30781,
 2634 | Florida Statutes, are amended to read:

2635 | 376.30781 Tax credits for rehabilitation of drycleaning-
 2636 | solvent-contaminated sites and brownfield sites in designated
 2637 | brownfield areas; application process; rulemaking authority;
 2638 | revocation authority.-

2639 | (9) On or before May 1, the Department of Environmental
 2640 | Protection shall inform each tax credit applicant that is
 2641 | subject to the January 31 annual application deadline of the
 2642 | applicant's eligibility status and the amount of any tax credit
 2643 | due. The department shall provide each eligible tax credit
 2644 | applicant with a tax credit certificate that must be submitted
 2645 | with its tax return to the Department of Revenue to claim the
 2646 | tax credit or be transferred pursuant to s. 220.1845(1) (f) ~~(g)~~.
 2647 | The May 1 deadline for annual site rehabilitation tax credit
 2648 | certificate awards shall not apply to any tax credit application
 2649 | for which the department has issued a notice of deficiency
 2650 | pursuant to subsection (8). The department shall respond within
 2651 | 90 days after receiving a response from the tax credit applicant
 2652 | to such a notice of deficiency. Credits may not result in the
 2653 | payment of refunds if total credits exceed the amount of tax
 2654 | owed.

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2655 (10) For solid waste removal, new health care facility or
 2656 health care provider, and affordable housing tax credit
 2657 applications, the Department of Environmental Protection shall
 2658 inform the applicant of the department's determination within 90
 2659 days after the application is deemed complete. Each eligible tax
 2660 credit applicant shall be informed of the amount of its tax
 2661 credit and provided with a tax credit certificate that must be
 2662 submitted with its tax return to the Department of Revenue to
 2663 claim the tax credit or be transferred pursuant to s.
 2664 220.1845(1) (f) ~~(g)~~. Credits may not result in the payment of
 2665 refunds if total credits exceed the amount of tax owed.

2666 Section 41. Effective January 1, 2011, paragraph (a) of
 2667 subsection (3), subsection (4), and paragraph (a) of subsection
 2668 (14) of section 376.30781, Florida Statutes, are amended, and
 2669 subsections (9) and (10) of that section, as amended by this
 2670 act, are amended, to read:

2671 376.30781 Tax credits for rehabilitation of drycleaning-
 2672 solvent-contaminated sites and brownfield sites in designated
 2673 brownfield areas; application process; rulemaking authority;
 2674 revocation authority.—

2675 (3) (a) A credit in the amount of 50 percent of the costs
 2676 of voluntary cleanup activity that is integral to site
 2677 rehabilitation at the following sites is allowed pursuant to ss.
 2678 199.10555 and ~~s.~~ 220.1845:

2679 1. A drycleaning-solvent-contaminated site eligible for
 2680 state-funded site rehabilitation under s. 376.3078(3);

2681 2. A drycleaning-solvent-contaminated site at which site
 2682 rehabilitation is undertaken by the real property owner pursuant

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2683 to s. 376.3078(11), if the real property owner is not also, and
 2684 has never been, the owner or operator of the drycleaning
 2685 facility where the contamination exists; or

2686 3. A brownfield site in a designated brownfield area under
 2687 s. 376.80.

2688 (4) The Department of Environmental Protection is
 2689 responsible for allocating the tax credits provided for in ss.
 2690 199.10555 and ~~s.~~ 220.1845, which may not exceed a total of \$2
 2691 million in tax credits annually.

2692 (9) On or before May 1, the Department of Environmental
 2693 Protection shall inform each tax credit applicant that is
 2694 subject to the January 31 annual application deadline of the
 2695 applicant's eligibility status and the amount of any tax credit
 2696 due. The department shall provide each eligible tax credit
 2697 applicant with a tax credit certificate that must be submitted
 2698 with its tax return to the Department of Revenue to claim the
 2699 tax credit or be transferred pursuant to s. 199.10555(1)(g) or
 2700 s. 220.1845(1)(g) ~~(f)~~. The May 1 deadline for annual site
 2701 rehabilitation tax credit certificate awards shall not apply to
 2702 any tax credit application for which the department has issued a
 2703 notice of deficiency pursuant to subsection (8). The department
 2704 shall respond within 90 days after receiving a response from the
 2705 tax credit applicant to such a notice of deficiency. Credits may
 2706 not result in the payment of refunds if total credits exceed the
 2707 amount of tax owed.

2708 (10) For solid waste removal, new health care facility or
 2709 health care provider, and affordable housing tax credit
 2710 applications, the Department of Environmental Protection shall

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2711 inform the applicant of the department's determination within 90
2712 days after the application is deemed complete. Each eligible tax
2713 credit applicant shall be informed of the amount of its tax
2714 credit and provided with a tax credit certificate that must be
2715 submitted with its tax return to the Department of Revenue to
2716 claim the tax credit or be transferred pursuant to s.
2717 199.10555(1)(g) or s. 220.1845(1)(g)~~(f)~~. Credits may not result
2718 in the payment of refunds if total credits exceed the amount of
2719 tax owed.

2720 (14) (a) A tax credit applicant who receives state-funded
2721 site rehabilitation under s. 376.3078(3) for rehabilitation of a
2722 drycleaning-solvent-contaminated site is ineligible to receive a
2723 tax credit under s. 199.10555 or s. 220.1845 for costs incurred
2724 by the tax credit applicant in conjunction with the
2725 rehabilitation of that site during the same time period that
2726 state-administered site rehabilitation was underway.

2727 Section 42. Transitional rules.—

2728 (1) For the first tax year beginning on or after January
2729 1, 2011, a taxpayer that filed a Florida corporate income tax
2730 return in the preceding tax year and is a member of a water's
2731 edge group shall compute its income together with all members of
2732 its water's edge group and file a combined Florida corporate
2733 income tax return with all members of its water's edge group.

2734 (2) An affiliated group of corporations that filed a
2735 Florida consolidated corporate income tax return pursuant to an
2736 election provided in s. 220.131, Florida Statutes, shall cease
2737 filing a Florida consolidated return for tax years beginning on
2738 or after January 1, 2011, and shall file a combined Florida

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2739 corporate income tax return with all members of its water's edge
2740 group.

2741 (3) An affiliated group of corporations that filed a
2742 Florida consolidated corporate income tax return pursuant to the
2743 election in s. 220.131(1), Florida Statutes (1985), which
2744 allowed the affiliated group to make an election within 90 days
2745 after December 20, 1984, or upon filing the taxpayer's first
2746 return after December 20, 1984, whichever is later, shall cease
2747 filing a Florida consolidated corporate income tax return using
2748 that method for tax years beginning on or after January 1, 2011,
2749 and shall file a combined Florida corporate income tax return
2750 with all members of its water's edge group.

2751 (4) Taxpayers that are not members of a water's edge group
2752 remain subject to chapter 220, Florida Statutes, and shall file
2753 a separate Florida corporate income tax return as previously
2754 required.

2755 (5) For the tax years beginning on or after January 1,
2756 2011, a tax return for a member of a water's edge group must be
2757 a combined Florida corporate income tax return that includes tax
2758 information for all members of the water's edge group. The tax
2759 return must be filed by a member that has a nexus with this
2760 state.

2761 Section 43. Of the funds recaptured pursuant to this act,
2762 the sum of \$50 million is appropriated from the General Revenue
2763 Fund to the State University System for workforce education, to
2764 be allocated by the Board of Governors; the sum of \$50 million
2765 is appropriated from the General Revenue Fund to community
2766 colleges for workforce education, to be allocated by the State

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2767 Board of Education; and the remainder of such funds, as
2768 determined by the Revenue Estimating Conference, shall be
2769 appropriated from the General Revenue Fund and allocated as
2770 provided in the General Appropriations Act to the various school
2771 districts to reduce the required local effort millage.

2772 Section 44. Section 220.131, Florida Statutes, is
2773 repealed.

2774 Section 45. (1) The funds provided from the
2775 implementation of this act shall be deposited annually into the
2776 Educational Enhancement Trust Fund and appropriated from the
2777 fund as follows:

2778 (a) Twenty-five percent to the Board of Governors of the
2779 State University System for allocation to state universities.

2780 (b) Twenty-five percent to the Department of Education for
2781 allocation to community colleges.

2782 (c) Twenty-five percent to the Department of Education for
2783 allocation to school districts for K-12 education.

2784 (d) Twenty-five percent to the Agency for Workforce
2785 Innovation for allocation to early learning coalitions under the
2786 Voluntary Prekindergarten Education Program.

2787 (2) It is the intent of the Legislature that the revenue
2788 generated from collections derived from the Millionaire's Tax
2789 Act shall be used specifically for enhancements to higher
2790 education, K-12 education, and prekindergarten education in this
2791 state and shall not supplant any general revenue appropriations
2792 for such higher education, K-12 education, and prekindergarten
2793 education.

2794 (3) Each entity allocated funds pursuant to this section

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2795 | shall determine how best to expend the additional enhancement
2796 | funds appropriated to such entity pursuant to this section.

2797 | Section 46. Except as otherwise expressly provided in this
2798 | act, this act shall take effect July 1, 2010.