

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

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

41

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

43

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

46 (Substantial rewording of section. See
 47 s. 288.1254, F.S., for present text.)

48 288.1254 Entertainment industry financial incentive
 49 program.—

50 (1) DEFINITIONS.—As used in this section, the term:

51 (a) "Certified production" means a qualified production
 52 that has tax credits allocated to it by the Office of Tourism,
 53 Trade, and Economic Development based on the production's
 54 estimated qualified expenditures, up to the production's maximum
 55 certified amount of tax credits, by the Office of Tourism,
 56 Trade, and Economic Development. The term does not include a

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57 production if its first day of principal photography in this
58 state occurs before the production is certified by the Office of
59 Tourism, Trade, and Economic Development and does not include a
60 digital media project if its first day of production in this
61 state occurs before certification.

62 (b) "Digital media project" means a production of
63 interactive entertainment that is produced for distribution in
64 commercial or educational markets. The term includes a video
65 game or production intended for Internet or wireless
66 distribution. The term does not include a production deemed by
67 the Office of Film and Entertainment to contain obscene content
68 as defined in s. 847.001(10).

69 (c) "High-impact television series" means a production
70 created to run multiple production seasons and having an
71 estimated order of at least seven episodes per season and
72 qualified expenditures of at least \$625,000 per episode.

73 (d) "Off-season certified production" means a production,
74 other than a digital media project or an animated production,
75 commercial, music video, or documentary, which films 75 percent
76 or more of its principal photography days from June 1 through
77 November 30.

78 (e) "Principal photography" means the filming of major or
79 significant components of the qualified production which involve
80 lead actors.

81 (f) "Production" means a theatrical or direct-to-video
82 motion picture; a made-for-television motion picture; a
83 commercial; a music video; an industrial or educational film; an
84 infomercial; a documentary film; a television pilot program; a

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85 presentation for a television pilot program; a television
86 series, including, but not limited to, a drama, a reality show,
87 a comedy, a soap opera, a telenovela, a game show, or a
88 miniseries production; or a digital media project by the
89 entertainment industry. One season of a television series is
90 considered one production. The term does not include a weather
91 or market program; a sporting event; a sports show; a gala; a
92 production that solicits funds; a home shopping program; a
93 political program; a political documentary; political
94 advertising; a gambling-related project or production; a concert
95 production; or a local, regional, or Internet-distributed-only
96 news show, current-events show, pornographic production, or
97 current-affairs show. A production may be produced on or by
98 film, tape, or otherwise by means of a motion picture camera;
99 electronic camera or device; tape device; computer; any
100 combination of the foregoing; or any other means, method, or
101 device now used or later adopted.

102 (g) "Production expenditures" means the costs of tangible
103 and intangible property used for, and services performed
104 primarily and customarily in, production, including
105 preproduction and postproduction, but excluding costs for
106 development, marketing, and distribution. The term includes, but
107 is not limited to:

108 1. Wages, salaries, or other compensation paid to legal
109 residents of this state, including amounts paid through payroll
110 service companies, for technical and production crews,
111 directors, producers, and performers.

112 2. Expenditures for sound stages, backlots, production
 113 editing, digital effects, sound recordings, sets, and set
 114 construction.

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

117 4. Up to \$300,000 of the costs of newly purchased computer
 118 software and hardware unique to the project, including servers,
 119 data processing, and visualization technologies, which are
 120 located in and used exclusively in the state for the production
 121 of digital media.

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

123 (h) "Qualified expenditures" means production expenditures
 124 incurred in this state by a qualified production for:

125 1. Goods purchased or leased from, or services, including,
 126 but not limited to, insurance costs and bonding, payroll
 127 services, and legal fees, which are provided by, a vendor or
 128 supplier in this state that is registered with the Department of
 129 State or the Department of Revenue and doing business in the
 130 state and whose primary employees that facilitated the
 131 transaction are legal residents of and employed in this state.

132 2. Payments to legal residents of this state in the form
 133 of salary, wages, or other compensation up to a maximum of
 134 \$650,000 per resident unless otherwise specified in subsection
 135 (4).

136
 137 For a qualified production involving an event, such as an awards
 138 show, the term does not include expenditures solely associated
 139 with the event itself and not directly required by the

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140 production. The term does not include expenditures incurred
141 before certification, with the exception of those incurred for
142 the pickup of additional episodes of a high-impact television
143 series within a single season.

144 (i) "Qualified production" means a production in this
145 state meeting the requirements of this section. The term does
146 not include a production:

147 1. In which, for the first 2 years, less than 50 percent,
148 and thereafter, less than 60 percent, of the positions that make
149 up its production cast and below-the-line production crew, or,
150 in the case of digital media projects, less than 75 percent of
151 such positions, are filled by legal residents of this state,
152 whose residency is demonstrated by a valid Florida driver's
153 license or other state-issued identification confirming
154 residency, or students enrolled full-time in a film-and-
155 entertainment-related course of study at an institution of
156 higher education in this state; or

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

159 (j) "Qualified production company" means a corporation,
160 limited liability company, partnership, or other legal entity
161 engaged in one or more productions in this state.

162 (2) CREATION AND PURPOSE OF PROGRAM.—The entertainment
163 industry financial incentive program is created within the
164 Office of Film and Entertainment. The purpose of this program is
165 to encourage the use of this state as a site for filming and to
166 develop and sustain the workforce and infrastructure for film,
167 digital media, and entertainment production.

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168 (3) APPLICATION PROCEDURE; APPROVAL PROCESS.—

169 (a) Program application.—A qualified production company
170 producing a qualified production in this state may submit a
171 program application to the Office of Film and Entertainment for
172 the purpose of determining qualification for an award of tax
173 credits authorized by this section no earlier than 6 months
174 before the stated principal photography or digital media project
175 start date. The applicant shall provide the Office of Film and
176 Entertainment with information required to determine whether the
177 production is a qualified production and to determine the
178 qualified expenditures and other information necessary for the
179 office to determine eligibility for the tax credit.

180 (b) Required documentation.—The Office of Film and
181 Entertainment shall develop an application form for qualifying
182 an applicant as a qualified production. The form must include,
183 but need not be limited to, production-related information
184 concerning employment of residents in this state, a detailed
185 budget of planned qualified expenditures, and the applicant's
186 signed affirmation that the information on the form has been
187 verified and is correct. The Office of Film and Entertainment
188 and local film commissions shall distribute the form.

189 (c) Application process.—The Office of Film and
190 Entertainment shall establish a process by which an application
191 is accepted and reviewed and by which tax credit eligibility and
192 award amount are determined. The Office of Film and
193 Entertainment may request assistance from a duly appointed local
194 film commission in determining compliance with this section.

195 (d) Certification.—The Office of Film and Entertainment
 196 shall review the application within 15 business days after
 197 receipt. Upon its determination that the application contains
 198 all the information required by this subsection and meets the
 199 criteria set out in this section, the Office of Film and
 200 Entertainment shall qualify the applicant and recommend to the
 201 Office of Tourism, Trade, and Economic Development that the
 202 applicant be certified for the maximum tax credit award amount.
 203 Within 5 business days after receipt of the recommendation, the
 204 Office of Tourism, Trade, and Economic Development shall reject
 205 the recommendation or certify the maximum recommended tax credit
 206 award, if any, to the applicant and to the executive director of
 207 the Department of Revenue.

208 (e) Grounds for denial.—The Office of Film and
 209 Entertainment shall deny an application if it determines that
 210 the application is not complete or the production or application
 211 does not meet the requirements of this section.

212 (f) Verification of actual qualified expenditures.—

213 1. The Office of Film and Entertainment shall develop a
 214 process to verify the actual qualified expenditures of a
 215 certified production. The process must require:

216 a. A certified production to submit, in a timely manner
 217 after principal photography or the digital media project ends
 218 and after making all of its qualified expenditures, data
 219 substantiating each qualified expenditure to an independent
 220 certified public accountant licensed in this state;

221 b. Such accountant to conduct a compliance audit, at the
 222 certified production's expense, to substantiate each qualified

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223 expenditure and submit the results as a report, along with the
224 required substantiating data, to the Office of Film and
225 Entertainment; and

226 c. The Office of Film and Entertainment to review the
227 accountant's submittal and report to the Office of Tourism,
228 Trade, and Economic Development the final verified amount of
229 actual qualified expenditures made by the certified production.

230 2. The Office of Tourism, Trade, and Economic Development
231 shall determine and approve the final tax credit award amount to
232 each certified applicant based on the final verified amount of
233 actual qualified expenditures and shall notify the executive
234 director of the Department of Revenue in writing that the
235 certified production has met the requirements of the incentive
236 program and of the final amount of the tax credit award.

237 (g) Promoting Florida.—The Office of Film and
238 Entertainment shall ensure that, as a condition of receiving a
239 tax credit under this section, marketing materials promoting
240 this state as a tourist destination or film and entertainment
241 production destination are included, when appropriate, at no
242 cost to the state, which must, at a minimum, include placement
243 of a "Filmed in Florida" or "Produced in Florida" logo in the
244 opening credits and end credits and on all packaging material
245 and hard media, unless prohibited by licensing or other
246 contractual obligations. The size and placement of such logo
247 shall be commensurate to other logos used. If no logos are used,
248 the statement "Filmed in Florida using Florida's Entertainment
249 Industry Financial Incentive," or a similar statement approved
250 by the Office of Film and Entertainment, shall be used. The

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251 Office of Film and Entertainment shall provide a logo and supply
252 it for the purposes specified in this paragraph.

253 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;
254 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;
255 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND
256 ACQUISITIONS.—

257 (a) Priority for tax credit award.—The priority of a
258 qualified production for tax credit awards must be determined on
259 a first-come, first-served basis within its appropriate queue.
260 Each qualified production must be placed into the appropriate
261 queue and is subject to the requirements of that queue.

262 (b) Tax credit eligibility.—

263 1. General production queue.—Ninety-four percent of tax
264 credits authorized in any state fiscal year must be dedicated to
265 the general production queue. A qualified production, excluding
266 a commercial, music video, or independent Florida film, that
267 demonstrates a minimum of \$625,000 in qualified expenditures is
268 eligible for tax credits equal to 20 percent of its actual
269 qualified expenditures.

270 a. An off-season certified production that is a feature
271 film, independent film, commercial, or television series or
272 pilot is eligible for an additional 5-percent tax credit on
273 actual qualified expenditures. An off-season certified
274 production that does not complete 75 percent of principal
275 photography due to a disruption caused by a hurricane or
276 tropical storm may not be disqualified from eligibility for the
277 additional 5-percent credit as a result of the disruption.

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278 b. A qualified high-impact television series shall be
279 allowed first position in this queue for tax credit awards not
280 yet certified.

281 2. Commercial and music video queue.—Three percent of tax
282 credits authorized in any state fiscal year must be dedicated to
283 the commercial and music video queue. A qualified production
284 company that produces national or regional commercials or music
285 videos may be eligible for a tax credit award if it demonstrates
286 a minimum of \$100,000 in qualified expenditures per national or
287 regional commercial or music video and exceeds a combined
288 threshold of \$500,000 after combining actual qualified
289 expenditures from qualified commercials and music videos during
290 a single state fiscal year. After a qualified production company
291 that produces commercials, music videos, or both reaches the
292 threshold of \$500,000, it is eligible to apply for certification
293 for a tax credit award. The maximum credit award shall be equal
294 to 20 percent of its actual qualified expenditures up to a
295 maximum of \$500,000. If there is a surplus of such tax credits
296 remaining after the Office of Film and Entertainment certifies
297 and determines the tax credits for all qualified commercial and
298 video projects for which applications are made within 270 days
299 after the opening of the application process, such surplus tax
300 credits shall be available to any eligible qualified productions
301 under the general production queue.

302 3. Independent production queue.—Three percent of tax
303 credits authorized in any state fiscal year must be dedicated to
304 the independent production queue. An independent Florida film or
305 digital media project that meets the criteria of this

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306 subparagraph and demonstrates a minimum of \$100,000, but not
307 more than \$625,000, in total qualified expenditures is eligible
308 for tax credits equal to 20 percent of its actual qualified
309 expenditures. To qualify for this tax credit, a qualified
310 production must:

311 a. Be planned as a feature film or documentary of at least
312 70 minutes in length.

313 b. Employ legal residents of this state in at least two of
314 the following key positions: writer, director, producer, star,
315 or composer.

316 4. Family-friendly productions.—A certified production
317 determined by the Commissioner of Film and Entertainment, with
318 the advice of the Florida Film and Entertainment Advisory
319 Council, to be family-friendly, based on the review of the
320 script and the review of the final release version, is eligible
321 for an additional tax credit equal to 5 percent of its actual
322 qualified expenditures. Family-friendly productions are those
323 that have cross-generational appeal; would be considered
324 suitable for viewing by children age 5 or older; are appropriate
325 in theme, content, and language for a broad family audience;
326 embody a responsible resolution of issues; and do not exhibit or
327 imply any act of smoking, sex, nudity, nontraditional family
328 values, gratuitous violence, or vulgar or profane language.

329 (c) Withdrawal of tax credit eligibility.—A qualified or
330 certified production must continue on a reasonable schedule,
331 which means beginning principal photography, or, in the case of
332 a digital media project, the start date of the production, in
333 this state no more than 45 calendar days before or after the

334 date provided in the production's program application. The
335 Office of Tourism, Trade, and Economic Development shall
336 withdraw the eligibility of a qualified or certified production
337 that does not continue on a reasonable schedule.

338 (d) Election and distribution of tax credits.—A certified
339 production company receiving a tax credit award under this
340 section shall, at the time the credit is awarded by the Office
341 of Tourism, Trade, and Economic Development after production is
342 completed and all requirements to receive a credit award have
343 been met, make an irrevocable election to apply the credit
344 against taxes due under chapter 220, against taxes collected or
345 accrued under chapter 212, or against a stated combination of
346 the two taxes. The election is binding upon any distributee,
347 successor, transferee, or purchaser. The Office of Tourism,
348 Trade, and Economic Development shall notify the Department of
349 Revenue of any election made pursuant to this paragraph.

350 (e) Tax credit carryforward.—If the certified production
351 company cannot use the entire tax credit in the taxable year or
352 reporting period in which the credit is awarded, any excess
353 amount may be carried forward to a succeeding taxable year or
354 reporting period. A tax credit applied against taxes imposed
355 under chapter 212 may be carried forward for a maximum of 5
356 years after the date the credit is awarded. A tax credit applied
357 against taxes imposed under chapter 220 may be carried forward
358 for a maximum of 5 years after the date the credit is awarded,
359 after which the credit expires and may not be used.

360 (f) Consolidated returns.—A certified production company
361 that files a Florida consolidated return as a member of an

362 affiliated group under s. 220.131(1) may be allowed the credit
 363 on a consolidated return basis up to the amount of the tax
 364 imposed upon the consolidated group under chapter 220.

365 (g) Partnership and noncorporate distributions.—A
 366 qualified production company that is not a corporation as
 367 defined in s. 220.03 may elect to distribute tax credits awarded
 368 under this section to its partners or members in proportion to
 369 their respective distributive income or loss in the taxable
 370 fiscal year in which the tax credits were awarded.

371 (h) Mergers or acquisitions.—Tax credits available under
 372 this section to a certified production company may succeed to a
 373 surviving or acquiring entity subject to the same conditions and
 374 limitations as described in this section; however, they may not
 375 be transferred again by the surviving or acquiring entity.

376 (5) TRANSFER OF TAX CREDITS.—

377 (a) Authorization.—Upon application to the Office of Film
 378 and Entertainment and approval by the Office of Tourism, Trade,
 379 and Economic Development, a certified production company, or a
 380 partner or member that has received a distribution under
 381 paragraph (4) (g), may elect to transfer, in whole or in part,
 382 any unused credit amount granted under this section. An election
 383 to transfer any unused tax credit amount under chapter 212 or
 384 chapter 220 must be made no later than 5 years after the date
 385 the credit is awarded, after which period the credit expires and
 386 may not be used. The Office of Tourism, Trade, and Economic
 387 Development shall notify the Department of Revenue of the
 388 election and transfer.

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389 (b) Number of transfers permitted.—A certified production
390 company that elects to apply a credit amount against taxes
391 remitted under chapter 212 is permitted a one-time transfer of
392 unused credits to one transferee. A certified production company
393 that elects to apply a credit amount against taxes due under
394 chapter 220 is permitted a one-time transfer of unused credits
395 to no more than four transferees, and such transfers must occur
396 in the same taxable year.

397 (c) Transferee rights and limitations.—The transferee is
398 subject to the same rights and limitations as the certified
399 production company awarded the tax credit, except that the
400 transferee may not sell or otherwise transfer the tax credit.

401 (d) Rulemaking.—The Department of Revenue may adopt rules
402 to administer this subsection, as provided in subsection (7).

403 (6) ANNUAL ALLOCATION OF CREDITS.—The aggregate amount of
404 tax credits authorized under this section is \$75 million per
405 year. Any unused tax credits at the end of a fiscal year shall
406 be carried forward and made available for award during the
407 following 2 fiscal years. If the total amount of allocated
408 credits applied for in any particular fiscal year exceeds the
409 aggregate amount of credits authorized annually under this
410 section, such excess shall be treated as having been applied for
411 on the first day of the next fiscal year in which credits remain
412 available for allocation.

413 (7) RULES, POLICIES, AND PROCEDURES.—

414 (a) The Office of Tourism, Trade, and Economic Development
415 may adopt rules pursuant to ss. 120.536(1) and 120.54 and
416 develop policies and procedures to implement and administer this

417 section, including, but not limited to, rules specifying
418 requirements for the application and approval process, records
419 required for substantiation for tax credits, procedures for
420 making the election in paragraph (4)(d), the manner and form of
421 documentation required to claim tax credits awarded or
422 transferred under this section, and marketing requirements for
423 tax credit recipients.

424 (b) The Department of Revenue may adopt rules pursuant to
425 ss. 120.536(1) and 120.54 to administer this section, including
426 rules governing the examination and audit procedures required to
427 administer this section and the manner and form of documentation
428 required to claim tax credits awarded or transferred under this
429 section.

430 (8) AUDIT AUTHORITY; REVOCATION AND FORFEITURE OF TAX
431 CREDITS; FRAUDULENT CLAIMS.—

432 (a) Audit authority.—The Department of Revenue may conduct
433 examinations and audits as provided in s. 213.34 to verify that
434 tax credits under this section are received, transferred, and
435 applied according to the requirements of this section. If the
436 Department of Revenue determines that tax credits are not
437 received, transferred, or applied as required by this section,
438 it may, in addition to the remedies provided in this subsection,
439 pursue recovery of such funds pursuant to the laws and rules
440 governing the assessment of taxes.

441 (b) Revocation of tax credits.—The Office of Tourism,
442 Trade, and Economic Development may revoke or modify any written
443 decision qualifying, certifying, or otherwise granting
444 eligibility for tax credits under this section if it is

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445 discovered that the tax credit applicant submitted any false
446 statement, representation, or certification in any application,
447 record, report, plan, or other document filed in an attempt to
448 receive tax credits under this section. The Office of Tourism,
449 Trade, and Economic Development shall immediately notify the
450 Department of Revenue of any revoked or modified orders
451 affecting previously granted tax credits. Additionally, the
452 applicant must notify the Department of Revenue of any change in
453 its tax credit claimed.

454 (c) Forfeiture of tax credits.—A determination by the
455 Department of Revenue, as a result of an audit or examination by
456 the Department of Revenue or from information received from the
457 Office of Film and Entertainment, that an applicant received tax
458 credits pursuant to this section to which the applicant was not
459 entitled is grounds for forfeiture of previously claimed and
460 received tax credits. The applicant is responsible for returning
461 forfeited tax credits to the Department of Revenue, and such
462 funds shall be paid into the General Revenue Fund of the state.
463 Tax credits purchased in good faith are not subject to
464 forfeiture unless the transferee submitted fraudulent
465 information in the purchase or failed to meet the requirements
466 in subsection (5).

467 (d) Fraudulent claims.—Any applicant that submits
468 fraudulent information under this section is liable for
469 reimbursement of the reasonable costs and fees associated with
470 the review, processing, investigation, and prosecution of the
471 fraudulent claim. An applicant that obtains a credit payment
472 under this section through a claim that is fraudulent is liable

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473 for reimbursement of the credit amount plus a penalty in an
474 amount double the credit amount. The penalty is in addition to
475 any criminal penalty to which the applicant is liable for the
476 same acts. The applicant is also liable for costs and fees
477 incurred by the state in investigating and prosecuting the
478 fraudulent claim.

479 (9) ANNUAL REPORT.—Each October 1, the Office of Film and
480 Entertainment shall provide an annual report for the previous
481 fiscal year to the Governor, the President of the Senate, and
482 the Speaker of the House of Representatives which outlines the
483 return on investment and economic benefits to the state.

484 (10) REPEAL.—This section is repealed July 1, 2015, except
485 that the tax credit carryforward provided in this section shall
486 continue to be valid for the period specified.

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

489 220.02 Legislative intent.—

490 (8) It is the intent of the Legislature that credits
491 against either the corporate income tax or the franchise tax be
492 applied in the following order: those enumerated in s. 631.828,
493 those enumerated in s. 220.191, those enumerated in s. 220.181,
494 those enumerated in s. 220.183, those enumerated in s. 220.182,
495 those enumerated in s. 220.1895, those enumerated in s. 221.02,
496 those enumerated in s. 220.184, those enumerated in s. 220.186,
497 those enumerated in s. 220.1845, those enumerated in s. 220.19,
498 those enumerated in s. 220.185, those enumerated in s. 220.187,
499 those enumerated in s. 220.192, those enumerated in s. 220.193,

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500 ~~and~~ those enumerated in s. 288.9916, and those enumerated in s.
 501 288.1254.

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

504 213.053 Confidentiality and information sharing.—

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

507 (z) Information relative to tax credits taken under s.
 508 288.1254 to the Office of Film and Entertainment and the Office
 509 of Tourism, Trade, and Economic Development.

510
 511 Disclosure of information under this subsection shall be
 512 pursuant to a written agreement between the executive director
 513 and the agency. Such agencies, governmental or nongovernmental,
 514 shall be bound by the same requirements of confidentiality as
 515 the Department of Revenue. Breach of confidentiality is a
 516 misdemeanor of the first degree, punishable as provided by s.
 517 775.082 or s. 775.083.

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

520 212.08 Sales, rental, use, consumption, distribution, and
 521 storage tax; specified exemptions.—The sale at retail, the
 522 rental, the use, the consumption, the distribution, and the
 523 storage to be used or consumed in this state of the following
 524 are hereby specifically exempt from the tax imposed by this
 525 chapter.

526 (5) EXEMPTIONS; ACCOUNT OF USE.—

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527 (g) Entertainment industry tax credit; authorization;
528 eligibility for credits.—

529 1. For the fiscal years beginning July 1, 2010, and ending
530 June 30, 2015, a qualified production company, as defined in s.
531 288.1254(1)(j), is eligible for tax credits against its sales
532 and use tax liabilities as provided in s. 288.1254. However, tax
533 credits may not be applied, regardless of when the credits are
534 awarded, to returns filed for any tax period beginning before
535 July 1, 2011.

536 2. The credit shall be deducted from any sales and use tax
537 remitted by the dealer to the department by electronic funds
538 transfer and may only be deducted on a sales and use tax return
539 initiated through electronic data interchange. The dealer shall
540 separately state the credit on the electronic return. The net
541 amount of tax due and payable must be remitted by electronic
542 funds transfer. If the credit for the qualified expenditures is
543 larger than the amount owed on the sales and use tax return, the
544 amount of the credit may be carried forward to a succeeding
545 reporting period. A dealer may only obtain a credit using the
546 method described in this subparagraph. A dealer is not
547 authorized to obtain a credit by applying for a refund.

548 Section 5. If any provision of this act or the application
549 thereof to any person or circumstance is held invalid, the
550 invalidity shall not affect other provisions or applications of
551 the act which can be given effect without the invalid provision
552 or application, and to this end the provisions of this act are
553 declared severable.

554 Section 6. This act shall take effect July 1, 2010.