

1                   A bill to be entitled  
2           An act relating to enterprise zone economic stimulus;  
3           amending s. 212.08, F.S.; revising an exception to the  
4           definition of the term "recovery property"; amending s.  
5           212.096, F.S.; renaming the enterprise zone jobs credit as  
6           the enterprise zone job stimulus credit; conforming  
7           definitions to changes made by the act; providing  
8           additional legislative intent; authorizing the enterprise  
9           zone job stimulus credit against the sales tax to be  
10          applied to new employees hired; revising criteria for  
11          claiming the credit; deleting the minimum threshold  
12          requirement for full-time jobs required to claim the  
13          credit; specifying an additional criterion for  
14          nonapplication of the credit to eligible businesses;  
15          amending s. 220.02, F.S.; conforming terminology to  
16          changes made by the act; amending s. 220.03, F.S.;  
17          conforming definitions to changes made by the act;  
18          amending s. 220.181, F.S.; renaming the enterprise zone  
19          jobs credit as the enterprise zone job stimulus credit;  
20          authorizing the enterprise zone job stimulus credit  
21          against the corporate income tax to be applied to new  
22          employees hired; revising criteria for claiming the  
23          credit; deleting the minimum threshold requirement for  
24          full-time jobs required to claim the credit; amending s.  
25          290.00677, F.S., relating to rural enterprise zones;  
26          conforming provisions to changes made by the act; amending  
27          s. 290.007, F.S.; conforming terminology to changes made  
28          by the act; providing an effective date.

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

Section 1. Paragraph (h) of subsection (5) of section 212.08, Florida Statutes, is amended to read:

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

(5) EXEMPTIONS; ACCOUNT OF USE.—

(h) Business property used in an enterprise zone.—

1. Business property purchased for use by businesses located in an enterprise zone which is subsequently used in an enterprise zone shall be exempt from the tax imposed by this chapter. This exemption inures to the business only through a refund of previously paid taxes. A refund shall be authorized upon an affirmative showing by the taxpayer to the satisfaction of the department that the requirements of this paragraph have been met.

2. To receive a refund, the business must file under oath with the governing body or enterprise zone development agency having jurisdiction over the enterprise zone where the business is located, as applicable, an application which includes:

a. The name and address of the business claiming the refund.

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56           b. The identifying number assigned pursuant to s. 290.0065  
57 to the enterprise zone in which the business is located.

58           c. A specific description of the property for which a  
59 refund is sought, including its serial number or other permanent  
60 identification number.

61           d. The location of the property.

62           e. The sales invoice or other proof of purchase of the  
63 property, showing the amount of sales tax paid, the date of  
64 purchase, and the name and address of the sales tax dealer from  
65 whom the property was purchased.

66           f. Whether the business is a small business as defined by  
67 s. 288.703(1).

68           g. If applicable, the name and address of each permanent  
69 employee of the business, including, for each employee who is a  
70 resident of an enterprise zone, the identifying number assigned  
71 pursuant to s. 290.0065 to the enterprise zone in which the  
72 employee resides.

73           3. Within 10 working days after receipt of an application,  
74 the governing body or enterprise zone development agency shall  
75 review the application to determine if it contains all the  
76 information required pursuant to subparagraph 2. and meets the  
77 criteria set out in this paragraph. The governing body or agency  
78 shall certify all applications that contain the information  
79 required pursuant to subparagraph 2. and meet the criteria set  
80 out in this paragraph as eligible to receive a refund. If  
81 applicable, the governing body or agency shall also certify if  
82 20 percent of the employees of the business are residents of an  
83 enterprise zone, excluding temporary and part-time employees.

84 The certification shall be in writing, and a copy of the  
85 certification shall be transmitted to the executive director of  
86 the Department of Revenue. The business shall be responsible for  
87 forwarding a certified application to the department within the  
88 time specified in subparagraph 4.

89 4. An application for a refund pursuant to this paragraph  
90 must be submitted to the department within 6 months after the  
91 tax is due on the business property that is purchased.

92 5. The amount refunded on purchases of business property  
93 under this paragraph shall be the lesser of 97 percent of the  
94 sales tax paid on such business property or \$5,000, or, if no  
95 less than 20 percent of the employees of the business are  
96 residents of an enterprise zone, excluding temporary and part-  
97 time employees, the amount refunded on purchases of business  
98 property under this paragraph shall be the lesser of 97 percent  
99 of the sales tax paid on such business property or \$10,000. A  
100 refund approved pursuant to this paragraph shall be made within  
101 30 days of formal approval by the department of the application  
102 for the refund. No refund shall be granted under this paragraph  
103 unless the amount to be refunded exceeds \$100 in sales tax paid  
104 on purchases made within a 60-day time period.

105 6. The department shall adopt rules governing the manner  
106 and form of refund applications and may establish guidelines as  
107 to the requisites for an affirmative showing of qualification  
108 for exemption under this paragraph.

109 7. If the department determines that the business property  
110 is used outside an enterprise zone within 3 years from the date  
111 of purchase, the amount of taxes refunded to the business

112 purchasing such business property shall immediately be due and  
 113 payable to the department by the business, together with the  
 114 appropriate interest and penalty, computed from the date of  
 115 purchase, in the manner provided by this chapter.

116 Notwithstanding this subparagraph, business property used  
 117 exclusively in:

- 118 a. Licensed commercial fishing vessels,
- 119 b. Fishing guide boats, or
- 120 c. Ecotourism guide boats

121  
 122 that leave and return to a fixed location within an area  
 123 designated under s. 379.2353 are eligible for the exemption  
 124 provided under this paragraph if all requirements of this  
 125 paragraph are met. Such vessels and boats must be owned by a  
 126 business that is eligible to receive the exemption provided  
 127 under this paragraph. This exemption does not apply to the  
 128 purchase of a vessel or boat.

129 8. The department shall deduct an amount equal to 10  
 130 percent of each refund granted under the provisions of this  
 131 paragraph from the amount transferred into the Local Government  
 132 Half-cent Sales Tax Clearing Trust Fund pursuant to s. 212.20  
 133 for the county area in which the business property is located  
 134 and shall transfer that amount to the General Revenue Fund.

135 9. For the purposes of this exemption, "business property"  
 136 means new or used property defined as "recovery property" in s.  
 137 168(c) of the Internal Revenue Code of 1954, as amended, except:

- 138 a. Property classified as 3-year property under s.
- 139 168(c)(2)(A) of the Internal Revenue Code of 1954, as amended;

140           b. Industrial machinery and equipment as defined in sub-  
 141 subparagraph (b)6.a. and eligible for exemption under paragraph  
 142 (b);

143           c. Building materials as defined in sub-subparagraph  
 144 (g)8.a.; and

145           d. Business property having a sales price of under \$500  
 146 ~~\$5,000~~ per unit.

147           10. This paragraph expires on the date specified in s.  
 148 290.016 for the expiration of the Florida Enterprise Zone Act.

149           Section 2. Paragraphs (a), (c), and (e) of subsection (1),  
 150 subsection (2), paragraphs (e) through (i) of subsection (3),  
 151 and subsection (9) of section 212.096, Florida Statutes, are  
 152 amended, and paragraph (c) is added to subsection (6) of that  
 153 section, to read:

154           212.096 Sales, rental, storage, use tax; enterprise zone  
 155 job stimulus jobs credit against sales tax.-

156           (1) For the purposes of the credit provided in this  
 157 section:

158           (a) "Eligible business" means any sole proprietorship,  
 159 firm, partnership, corporation, bank, savings association,  
 160 estate, trust, business trust, receiver, syndicate, or other  
 161 group or combination, or successor business, located in an  
 162 enterprise zone. ~~The business must demonstrate to the department~~  
 163 ~~that, on the date of application, the total number of full-time~~  
 164 ~~jobs defined under paragraph (d) is greater than the total was~~  
 165 ~~12 months prior to that date.~~ An eligible business does not  
 166 include any business which has claimed the credit permitted

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167 under s. 220.181 for any new business employee first beginning  
168 employment with the business after July 1, 2010 ~~1995~~.

169 (c) "New employee" means a person residing in an  
170 enterprise zone or a participant in the welfare transition  
171 program who begins employment with an eligible business after  
172 July 1, 2010 ~~1995~~, and who has not been previously employed full  
173 time within the preceding 12 months by the eligible business, or  
174 a successor eligible business, claiming the credit allowed by  
175 this section.

176 ~~(e) "New job has been created" means that, on the date of~~  
177 ~~application, the total number of full-time jobs is greater than~~  
178 ~~the total was 12 months prior to that date, as demonstrated to~~  
179 ~~the department by a business located in the enterprise zone.~~

180  
181 A person shall be deemed to be employed if the person performs  
182 duties in connection with the operations of the business on a  
183 regular, full-time basis, provided the person is performing such  
184 duties for an average of at least 36 hours per week each month.  
185 The person must be performing such duties at a business site  
186 located in the enterprise zone.

187 (2) (a) It is the legislative intent to encourage the  
188 provision of meaningful employment opportunities that will  
189 improve the quality of life of those employed and to encourage  
190 economic expansion of enterprise zones and the state. Upon an  
191 affirmative showing by an eligible business to the satisfaction  
192 of the department that the requirements of this section have  
193 been met, the business shall be allowed a credit against the tax  
194 remitted under this chapter.

195           (b) The credit shall be computed as 20 percent of the  
 196 actual monthly wages paid in this state to each new employee  
 197 hired ~~when a new job has been created~~, unless the business is  
 198 located within a rural enterprise zone pursuant to s.  
 199 290.004(6), in which case the credit shall be 30 percent of the  
 200 actual monthly wages paid. If no less than 20 percent of the  
 201 employees of the business are residents of an enterprise zone,  
 202 excluding temporary and part-time employees, the credit shall be  
 203 computed as 30 percent of the actual monthly wages paid in this  
 204 state to each new employee hired ~~when a new job has been~~  
 205 ~~created~~, unless the business is located within a rural  
 206 enterprise zone, in which case the credit shall be 45 percent of  
 207 the actual monthly wages paid. If the new employee hired ~~when a~~  
 208 ~~new job is created~~ is a participant in the welfare transition  
 209 program, the following credit shall be a percent of the actual  
 210 monthly wages paid: 40 percent for \$4 above the hourly federal  
 211 minimum wage rate; 41 percent for \$5 above the hourly federal  
 212 minimum wage rate; 42 percent for \$6 above the hourly federal  
 213 minimum wage rate; 43 percent for \$7 above the hourly federal  
 214 minimum wage rate; and 44 percent for \$8 above the hourly  
 215 federal minimum wage rate. For purposes of this paragraph,  
 216 monthly wages shall be computed as one-twelfth of the expected  
 217 annual wages paid to such employee. The amount paid as wages to  
 218 a new employee is the compensation paid to such employee that is  
 219 subject to unemployment tax. The credit shall be allowed for up  
 220 to 24 consecutive months, beginning with the first tax return  
 221 due pursuant to s. 212.11 after approval by the department.



222 (3) In order to claim this credit, an eligible business  
 223 must file under oath with the governing body or enterprise zone  
 224 development agency having jurisdiction over the enterprise zone  
 225 where the business is located, as applicable, a statement which  
 226 includes:

227 ~~(e) Demonstration to the department that, on the date of~~  
 228 ~~application, the total number of full-time jobs defined under~~  
 229 ~~paragraph (1) (d) is greater than the total was 12 months prior~~  
 230 ~~to that date.~~

231 (e)~~(f)~~ The identifying number assigned pursuant to s.  
 232 290.0065 to the enterprise zone in which the business is  
 233 located.

234 (f)~~(g)~~ Whether the business is a small business as defined  
 235 by s. 288.703(1).

236 (g)~~(h)~~ Within 10 working days after receipt of an  
 237 application, the governing body or enterprise zone development  
 238 agency shall review the application to determine if it contains  
 239 all the information required pursuant to this subsection and  
 240 meets the criteria set out in this section. The governing body  
 241 or agency shall certify all applications that contain the  
 242 information required pursuant to this subsection and meet the  
 243 criteria set out in this section as eligible to receive a  
 244 credit. If applicable, the governing body or agency shall also  
 245 certify if 20 percent of the employees of the business are  
 246 residents of an enterprise zone, excluding temporary and part-  
 247 time employees. The certification shall be in writing, and a  
 248 copy of the certification shall be transmitted to the executive  
 249 director of the Department of Revenue. The business shall be

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250 responsible for forwarding a certified application to the  
 251 department within the time specified in paragraph (h) ~~(i)~~.

252 (h)~~(i)~~ All applications for a credit pursuant to this  
 253 section must be submitted to the department within 6 months  
 254 after the new employee is hired, except applications for credit  
 255 for leased employees. Applications for credit for leased  
 256 employees must be submitted to the department within 7 months  
 257 after the employee is leased.

258 (6) The credit provided in this section does not apply:

259 (c) For any eligible business that terminates employees  
 260 for the sole purpose of claiming the credit.

261 (9) Any business which has claimed this credit shall not  
 262 be allowed any credit under the provisions of s. 220.181 for any  
 263 new employee beginning employment after July 1, 2010 ~~1995~~.

264 Section 3. Paragraph (a) of subsection (6) of section  
 265 220.02, Florida Statutes, is amended to read:

266 220.02 Legislative intent.—

267 (6) (a) It is the intent of the Legislature that the  
 268 enterprise zone job stimulus jobs credit provided by s. 220.181  
 269 be applicable only to those businesses located in an enterprise  
 270 zone. It is further the intent of the Legislature to provide an  
 271 incentive for the increased provision of employment  
 272 opportunities leading to the improvement of the quality of life  
 273 of those employed and the positive expansion of the economy of  
 274 the state as well as the economy of present enterprise zones.

275 Section 4. Paragraphs (q) and (ee) of subsection (1) of  
 276 section 220.03, Florida Statutes, are amended to read:

277 220.03 Definitions.—

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

282 (q) "New employee," for the purposes of the enterprise  
 283 zone job stimulus jobs credit, means a person residing in an  
 284 enterprise zone or a participant in the welfare transition  
 285 program who is employed at a business located in an enterprise  
 286 zone who begins employment in the operations of the business  
 287 after July 1, 2010 ~~1995~~, and who has not been previously  
 288 employed full time within the preceding 12 months by the  
 289 business or a successor business claiming the credit pursuant to  
 290 s. 220.181. A person shall be deemed to be employed by such a  
 291 business if the person performs duties in connection with the  
 292 operations of the business on a full-time basis, provided she or  
 293 he is performing such duties for an average of at least 36 hours  
 294 per week each month. The person must be performing such duties  
 295 at a business site located in an enterprise zone. This paragraph  
 296 expires on the date specified in s. 290.016 for the expiration  
 297 of the Florida Enterprise Zone Act.

298 ~~(cc) "New job has been created" means that, on the date of~~  
 299 ~~application, the total number of full-time jobs is greater than~~  
 300 ~~the total was 12 months prior to that date, as demonstrated to~~  
 301 ~~the department by a business located in the enterprise zone.~~

302 Section 5. Paragraphs (a) and (b) of subsection (1) and  
 303 subsections (2), (7), and (9) of section 220.181, Florida  
 304 Statutes, are amended to read:

305 220.181 Enterprise zone job stimulus jobs credit.—

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306 (1) (a) There shall be allowed a credit against the tax  
307 imposed by this chapter to any business located in an enterprise  
308 zone that employs one or more new employees ~~which demonstrates~~  
309 ~~to the department that, on the date of application, the total~~  
310 ~~number of full-time jobs is greater than the total was 12 months~~  
311 ~~prior to that date.~~ The credit shall be computed as 20 percent  
312 of the actual monthly wages paid in this state to each new  
313 employee hired ~~when a new job has been created, as defined under~~  
314 ~~s. 220.03(1)(ee),~~ unless the business is located in a rural  
315 enterprise zone, pursuant to s. 290.004(6), in which case the  
316 credit shall be 30 percent of the actual monthly wages paid. If  
317 no less than 20 percent of the employees of the business are  
318 residents of an enterprise zone, excluding temporary and part-  
319 time employees, the credit shall be computed as 30 percent of  
320 the actual monthly wages paid in this state to each new employee  
321 hired ~~when a new job has been created,~~ unless the business is  
322 located in a rural enterprise zone, in which case the credit  
323 shall be 45 percent of the actual monthly wages paid, for a  
324 period of up to 24 consecutive months. If the new employee hired  
325 ~~when a new job is created~~ is a participant in the welfare  
326 transition program, the following credit shall be a percent of  
327 the actual monthly wages paid: 40 percent for \$4 above the  
328 hourly federal minimum wage rate; 41 percent for \$5 above the  
329 hourly federal minimum wage rate; 42 percent for \$6 above the  
330 hourly federal minimum wage rate; 43 percent for \$7 above the  
331 hourly federal minimum wage rate; and 44 percent for \$8 above  
332 the hourly federal minimum wage rate.

333 (b) This credit applies only with respect to wages subject

334 to unemployment tax. The credit provided in this section does  
 335 not apply:

336 1. For any employee who is an owner, partner, or majority  
 337 stockholder of an eligible business.

338 2. For any new employee who is employed for any period  
 339 less than 3 months.

340 3. For any eligible business that terminates employees for  
 341 the sole purpose of claiming the credit.

342 (2) When filing for an enterprise zone job stimulus jobs  
 343 credit, a business must file under oath with the governing body  
 344 or enterprise zone development agency having jurisdiction over  
 345 the enterprise zone where the business is located, as  
 346 applicable, a statement which includes:

347 (a) For each new employee for whom this credit is claimed,  
 348 the employee's name and place of residence during the taxable  
 349 year, including the identifying number assigned pursuant to s.  
 350 290.0065 to the enterprise zone in which the new employee  
 351 resides if the new employee is a person residing in an  
 352 enterprise zone, and, if applicable, documentation that the  
 353 employee is a welfare transition program participant.

354 (b) If applicable, the name and address of each permanent  
 355 employee of the business, including, for each employee who is a  
 356 resident of an enterprise zone, the identifying number assigned  
 357 pursuant to s. 290.0065 to the enterprise zone in which the  
 358 employee resides.

359 (c) The name and address of the business.

360 (d) The identifying number assigned pursuant to s.  
 361 290.0065 to the enterprise zone in which the eligible business

362 is located.

363 (e) The salary or hourly wages paid to each new employee  
364 claimed.

365 ~~(f) Demonstration to the department that, on the date of~~  
366 ~~application, the total number of full-time jobs is greater than~~  
367 ~~the total was 12 months prior to that date.~~

368 (f)~~(g)~~ Whether the business is a small business as defined  
369 by s. 288.703(1).

370 (7) Any business which has claimed this credit shall not  
371 be allowed any credit under the provision of s. 212.096 for any  
372 new employee beginning employment after July 1, 2010 ~~1995~~. The  
373 provisions of this subsection shall not apply when a corporation  
374 converts to an S corporation for purposes of compliance with the  
375 Internal Revenue Code of 1986, as amended; however, no  
376 corporation shall be allowed the benefit of this credit and the  
377 credit under s. 212.096 either for the same new employee or for  
378 the same taxable year. In addition, such a corporation shall not  
379 be allowed any credit under s. 212.096 until it has filed notice  
380 of its intent to change its status for tax purposes and until  
381 its final return under this chapter for the taxable year prior  
382 to such change has been filed.

383 (9) This section, except paragraph (1)(c) and subsection  
384 (8), expires on the date specified in s. 290.016 for the  
385 expiration of the Florida Enterprise Zone Act, and a business  
386 may not begin claiming the enterprise zone job stimulus ~~jobs~~  
387 credit after that date; however, the expiration of this section  
388 does not affect the operation of any credit for which a business  
389 has qualified under this section before that date, or any

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390 carryforward of unused credit amounts as provided in paragraph  
 391 (1) (c).

392 Section 6. Section 290.00677, Florida Statutes, is amended  
 393 to read:

394 290.00677 Rural enterprise zones; special qualifications.—

395 (1) Notwithstanding the enterprise zone residency  
 396 requirements set out in s. 212.096(1) (c), eligible businesses as  
 397 defined by s. 212.096(1) (a), located in rural enterprise zones  
 398 as defined by s. 290.004, may receive the basic minimum credit  
 399 provided under s. 212.096 for ~~creating a new job and hiring a~~  
 400 person residing within the jurisdiction of a rural county, as  
 401 defined by s. 288.106(1) (r). All other provisions of s. 212.096,  
 402 including, but not limited to, those relating to the award of  
 403 enhanced credits, apply to such businesses.

404 (2) Notwithstanding the enterprise zone residency  
 405 requirements set out in s. 220.03(1) (q), businesses as defined  
 406 by s. 220.03(1) (c), located in rural enterprise zones as defined  
 407 in s. 290.004, may receive the basic minimum credit provided  
 408 under s. 220.181 for ~~creating a new job and hiring a person~~  
 409 residing within the jurisdiction of a rural county, as defined  
 410 by s. 288.106(1) (r). All other provisions of s. 220.181,  
 411 including, but not limited to, those relating to the award of  
 412 enhanced credits apply to such businesses.

413 Section 7. Subsections (1) and (7) of section 290.007,  
 414 Florida Statutes, are amended to read:

415 290.007 State incentives available in enterprise zones.—  
 416 The following incentives are provided by the state to encourage  
 417 the revitalization of enterprise zones:

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418 |           (1) The enterprise zone job stimulus ~~jobs~~ credit provided  
419 | in s. 220.181.

420 |           (7) The enterprise zone job stimulus ~~jobs~~ credit against  
421 | the sales tax provided in s. 212.096.

422 |           Section 8. This act shall take effect July 1, 2010.