

By Senator Altman

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

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30 the department its eligibility to claim a tax credit;
31 requiring a business to submit an application to the
32 office for approval to earn credits; specifying the
33 required contents of the application; requiring the
34 office to approve or deny an application within 60
35 days after receipt; specifying the approval process;
36 requiring a spaceflight business to submit an
37 application for certification to the office;
38 specifying the required contents of an application for
39 certification; specifying the approval process;
40 requiring the office to submit a copy of an approved
41 certification to the department; providing procedures
42 for transferring a tax credit to a taxpayer;
43 authorizing the department to perform audits and
44 investigations necessary to verify the accuracy of
45 returns relating to the tax credit; specifying
46 circumstances under which the office may revoke or
47 modify a certification that grants eligibility for tax
48 credits; requiring a certified spaceflight business to
49 file an amended return and pay any required tax within
50 60 days after receiving notice that previously
51 approved tax credits have been revoked or modified;
52 authorizing the department to assess additional taxes,
53 interest, or penalties; authorizing the office and the
54 department to adopt rules; requiring the office to
55 submit an annual report to the Governor and
56 Legislature regarding the Florida Space Business
57 Incentives Act; providing for application; providing
58 an effective date.

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

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

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

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

(f)~~1.~~ Administer the Florida Enterprise Zone Act under ss. 290.001-290.016, the community contribution tax credit program under ss. 220.183 and 624.5105, the tax refund program for qualified target industry businesses under s. 288.106, the tax-refund program for qualified defense contractors and space flight business contractors under s. 288.1045, contracts for transportation projects under s. 288.063, the sports franchise facility programs under ss. 288.1162 and 288.11621, the professional golf hall of fame facility program under s. 288.1168, the expedited permitting process under s. 403.973, the Rural Community Development Revolving Loan Fund under s. 288.065, the Regional Rural Development Grants Program under s. 288.018, the Certified Capital Company Act under s. 288.99, the Florida State Rural Development Council, the Rural Economic

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88 Development Initiative, the corporate income tax credits for
89 spaceflight projects under s. 220.194, and other programs that
90 are specifically assigned to the office by law, by the
91 appropriations process, or by the Governor.

92 1. Notwithstanding any other provisions of law, the office
93 may expend interest earned from the investment of program funds
94 deposited in the Grants and Donations Trust Fund to contract for
95 the administration of the programs, or portions of the programs,
96 enumerated in this paragraph or assigned to the office by law,
97 by the appropriations process, or by the Governor. Such
98 expenditures are ~~shall be~~ subject to review under chapter 216.

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

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

113 213.053 Confidentiality and information sharing.—

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

116 (cc) Information relating to tax credits taken under s.

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117 220.194 to the Office of Tourism, Trade, and Economic
118 Development or to Space Florida.

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

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

129 220.02 Legislative intent.—

130 (8) It is the intent of the Legislature that credits
131 against ~~either~~ the corporate income tax or the franchise tax be
132 applied in the following order: those enumerated in s. 631.828,
133 those enumerated in s. 220.191, those enumerated in s. 220.181,
134 those enumerated in s. 220.183, those enumerated in s. 220.182,
135 those enumerated in s. 220.1895, those enumerated in s. 221.02,
136 those enumerated in s. 220.184, those enumerated in s. 220.186,
137 those enumerated in s. 220.1845, those enumerated in s. 220.19,
138 those enumerated in s. 220.185, those enumerated in s. 220.1875,
139 those enumerated in s. 220.192, those enumerated in s. 220.193,
140 those enumerated in s. 288.9916, those enumerated in s.
141 220.1899, ~~and~~ those enumerated in s. 220.1896, and those
142 enumerated in s. 220.194.

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

145 220.13 "Adjusted federal income" defined.—

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

151 (a) Additions.—~~The following~~ ~~There~~ shall be added to such
152 taxable income:

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

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

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

170 4. That portion of the wages or salaries paid or incurred
171 for the taxable year which is equal to ~~the amount of~~ the credit
172 allowable for the taxable year under s. 220.181. This
173 subparagraph expires ~~shall expire~~ on the date specified in s.
174 290.016 for the expiration of the Florida Enterprise Zone Act.

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175 5. That portion of the ad valorem school taxes paid or
176 incurred for the taxable year which is equal to ~~the amount of~~
177 the credit allowable for the taxable year under s. 220.182. This
178 subparagraph expires ~~shall expire~~ on the date specified in s.
179 290.016 for the expiration of the Florida Enterprise Zone Act.

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

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

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

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

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

197 11. The amount taken as a credit for the taxable year under
198 s. 220.1875. The addition in this subparagraph is intended to
199 ensure that the same amount is not allowed for the tax purposes
200 of this state as both a deduction from income and a credit
201 against the tax. This addition is not intended to result in
202 adding the same expense back to income more than once.

203 12. The amount taken as a credit for the taxable year under

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204 s. 220.192.

205 13. The amount taken as a credit for the taxable year under
206 s. 220.193.

207 14. Any portion of a qualified investment, as defined in s.
208 288.9913, which is claimed as a deduction by the taxpayer and
209 taken as a credit against income tax pursuant to s. 288.9916.

210 15. The costs to acquire a tax credit pursuant to s.
211 288.1254(5) which ~~that~~ are deducted from or otherwise reduce
212 federal taxable income for the taxable year.

213 16. The amount taken as a credit for the taxable year
214 pursuant to s. 220.194.

215 (b) *Subtractions.*—

216 1. The following ~~There~~ shall be subtracted from such
217 taxable income:

218 a. The net operating loss deduction allowable for federal
219 income tax purposes under s. 172 of the Internal Revenue Code
220 for the taxable year, except that any net operating loss that is
221 taken as a credit to corporate income taxes owed or that is
222 transferred pursuant to s. 220.194(3) (b) may not be deducted by
223 the seller;

224 b. The net capital loss allowable for federal income tax
225 purposes under s. 1212 of the Internal Revenue Code for the
226 taxable year;~~;~~

227 c. The excess charitable contribution deduction allowable
228 for federal income tax purposes under s. 170(d) (2) of the
229 Internal Revenue Code for the taxable year;~~;~~ and

230 d. The excess contributions deductions allowable for
231 federal income tax purposes under s. 404 of the Internal Revenue
232 Code for the taxable year.

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234 However, a net operating loss and a capital loss may not ~~shall~~
235 ~~never~~ be carried back as a deduction to a prior taxable year,
236 but all deductions attributable to such losses shall be deemed
237 net operating loss carryovers and capital loss carryovers,
238 respectively, and treated in the same manner, to the same
239 extent, and for the same time periods as are prescribed for such
240 carryovers in ss. 172 and 1212, respectively, of the Internal
241 Revenue Code.

242 2. The following ~~There~~ shall be subtracted from such
243 taxable income ~~any amount~~ to the extent included therein ~~the~~
244 ~~following~~:

245 a. Dividends treated as received from sources without the
246 United States, as determined under s. 862 of the Internal
247 Revenue Code.

248 b. All amounts included in taxable income under s. 78 or s.
249 951 of the Internal Revenue Code.

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251 However, as to any amount subtracted under this subparagraph,
252 there shall be added to such taxable income all expenses
253 deducted on the taxpayer's return for the taxable year which are
254 attributable, directly or indirectly, to such subtracted amount.
255 Further, no amount may ~~shall~~ be subtracted with respect to
256 dividends paid or deemed paid by a Domestic International Sales
257 Corporation.

258 3. In computing "adjusted federal income" for taxable years
259 beginning after December 31, 1976, ~~there shall be allowed as a~~
260 ~~deduction~~ the amount of wages and salaries paid or incurred
261 within this state for the taxable year for which no deduction is

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262 allowed pursuant to s. 280C(a) of the Internal Revenue Code,
263 ~~(relating to credit for employment of certain new employees,~~
264 shall be allowed as a deduction).

265 4. ~~There shall be subtracted from such taxable income~~ Any
266 amount of nonbusiness income included therein shall be
267 subtracted from such taxable income.

268 5. ~~There shall be subtracted~~ Any amount of taxes of foreign
269 countries allowable as credits for taxable years beginning on or
270 after September 1, 1985, under s. 901 of the Internal Revenue
271 Code to any corporation that ~~which~~ derived less than 20 percent
272 of its gross income or loss for its taxable year ended in 1984
273 shall be subtracted from sources within the United States, as
274 described in s. 861(a)(2)(A) of the Internal Revenue Code, not
275 including credits allowed under ss. 902 and 960 of the Internal
276 Revenue Code, withholding taxes on dividends within the meaning
277 of sub-subparagraph 2.a., and withholding taxes on royalties,
278 interest, technical service fees, and capital gains.

279 6. Notwithstanding any other provision of this code, except
280 with respect to amounts subtracted pursuant to subparagraphs 1.
281 and 3., any increment of any apportionment factor which is
282 directly related to an increment of gross receipts or income
283 which is deducted, subtracted, or otherwise excluded in
284 determining adjusted federal income shall be excluded from both
285 the numerator and denominator of such apportionment factor.
286 Further, all valuations made for apportionment factor purposes
287 shall be made on a basis consistent with the taxpayer's method
288 of accounting for federal income tax purposes.

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

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291 220.16 Allocation of nonbusiness income.—Nonbusiness income
292 shall be allocated as follows:

293 (5) The amount of payments received in exchange for
294 transferring a net operating loss authorized by s. 220.194 is
295 allocable to the state.

296 Section 6. Section 220.194, Florida Statutes, is created to
297 read:

298 220.194 Corporate income tax credits for spaceflight
299 projects.—

300 (1) SHORT TITLE.—This section may be cited as the “Florida
301 Space Business Incentives Act.”

302 (2) PURPOSE.—The purpose of this section is to create
303 incentives to attract launch, payload, research and development,
304 and other space business to this state.

305 (3) DEFINITIONS.—As used in this section, the term:

306 (a) “Administrative support” means that 51 percent or more
307 of an activity supports a certified spaceflight business.

308 (b) “Certified” means that a spaceflight business has been
309 certified by the office as meeting all of the requirements
310 necessary to obtain at least one of the approved tax credits
311 available under this section, including approval to transfer a
312 credit.

313 (c) “Department” means the Department of Revenue.

314 (d) “New employee” means a state resident who begins or
315 maintains full-time employment in this state with a spaceflight
316 business on or after October 1, 2011. The term does not include
317 a person who is a partner, majority stockholder, or owner of the
318 business or a person who is employed in a temporary construction
319 job or primarily involved with the construction of real

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320 property.

321 (e) "New job" means the full-time employment of an employee
322 in a manner that is consistent with terms used by the Agency for
323 Workforce Innovation and the United States Department of Labor
324 for purposes of unemployment compensation tax administration and
325 employment estimation. In order to meet the requirement for
326 certification specified in paragraph (5) (b), a new job must:

327 1. Pay new employees at least 115 percent of the statewide
328 or countywide average annual private-sector wage for the 3
329 taxable years immediately preceding filing an application for
330 certification;

331 2. Require a new employee to perform duties on a regular
332 full-time basis in this state for an average of at least 36
333 hours per week each month for the 3 taxable years immediately
334 preceding filing an application for certification; and

335 3. Not be held by a person who has previously been included
336 as a new employee on an application for any credit authorized
337 under this section.

338 (f) "Office" means the Office of Tourism, Trade, and
339 Economic Development.

340 (g) "Payload" means an object built or assembled in this
341 state to be placed into earth's upper atmospheres or space.

342 (h) "Reentry" means to return or attempt to return an
343 object from earth's upper atmospheres or space.

344 (i) "Reentry service" means an activity conducted in this
345 state related to preparing a reentry vehicle and any payload for
346 reentry and the reentry.

347 (j) "Space vehicle" means any spacecraft, satellite, space
348 station, upper-stage, launch vehicle, reentry vehicle, and

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349 related ground-support systems and equipment.

350 (k) "Spaceflight business" means a business that:

351 1. Is registered with the Secretary of State to do business
352 in this state; and

353 2. Is currently engaged in a spaceflight project. A
354 spaceflight business may participate in more than one
355 spaceflight project at a time and may conduct work on a
356 commercial, governmental, or United States defense-related
357 spaceflight project.

358 (l) "Spaceflight project" means any of the following
359 activities performed in this state:

360 1. Designing, manufacturing, testing, or assembling a space
361 vehicle or components thereof;

362 2. Providing a launch service, payload processing service,
363 or reentry service; or

364 3. Providing the payload for a launch vehicle or reentry
365 space vehicle, administrative support, and tourism activities
366 related to these activities.

367 (m) "Taxpayer" has the same meaning as provided in s.
368 220.03.

369 (n) "Total tax credits" means, for any state fiscal year,
370 the sum of the tax credits approved for taxpayers whose taxable
371 year begins on or after January 1 of the calendar year preceding
372 the start of the applicable state fiscal year.

373 (4) TAX CREDITS.—

374 (a) If approved and certified pursuant to subsection (5),
375 the following tax credits may be taken on a final return for a
376 taxable year beginning on or after October 1, 2014:

377 1. A certified spaceflight business may take a

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378 nontransferable corporate income tax credit tax credit for up to
379 50 percent of the business's tax liability under this chapter
380 for the taxable year in which the credit is taken. The maximum
381 nontransferable tax credit amount that may be approved per
382 taxpayer for a taxable year is \$1 million, and the total tax
383 credits that may be approved for any state fiscal year pursuant
384 to this subparagraph may not exceed \$10 million.

385 2. A certified spaceflight business may transfer, in whole
386 or in part, its Florida net operating loss that would otherwise
387 be available to be taken on a return filed under this chapter.
388 The maximum transferable tax credit amount that may be approved
389 per taxpayer for a taxable year is \$2.5 million; the total tax
390 credits that may be approved for any state fiscal year pursuant
391 to this subparagraph may not exceed \$25 million. However, any
392 outstanding credit that is carried forward by a transferee may
393 not be used to calculate the annual limit.

394 a. In order to transfer the credit, the business must:

395 (I) Have been approved to transfer the tax credit for the
396 taxable year in which it is transferred;

397 (II) Have incurred a qualifying net operating loss on
398 activity in this state directly associated with one or more
399 space flight projects in any of its 3 previous taxable years;

400 (III) Not be 50 percent or more owned or controlled,
401 directly or indirectly, by another corporation that has
402 demonstrated positive net income in any of the 3 previous
403 taxable years of ongoing operations; and

404 (IV) Not be part of a consolidated group of affiliated
405 corporations, as filed for federal income tax purposes, which in
406 the aggregate demonstrated positive net income in any of the 3

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407 previous taxable years.

408 b. The amount that may be claimed and transferred by a
409 business is equal to:

410 (I) One hundred percent of the net operating loss that
411 could otherwise be claimed on a return filed under this chapter
412 during its first full year of operations in this state.

413 (II) One hundred percent of the net operating loss that
414 could otherwise be claimed on a return filed under this chapter
415 during its second full year of operations in this state.

416 (III) One hundred percent of the net operating loss that
417 could otherwise be claimed on a return filed under this chapter
418 during its third full year of operations in this state.

419 (b) Each business may be approved for only one credit per
420 state fiscal year and may not claim any credit more than once.

421 (c) Unless transferred pursuant to this section, credits
422 may be granted only against the corporate income tax liability
423 generated by or arising out of a spaceflight project in this
424 state, as documented in the certified spaceflight business's
425 annual audit prepared by a certified public accountant licensed
426 to do business in this state and as verified by the office.

427 (d) A certified spaceflight business may not file a
428 consolidated return in order to claim the tax incentives
429 described in this subsection.

430 (e) The certified spaceflight business or transferee must
431 demonstrate to the satisfaction of the office and the department
432 that it is eligible to take the credits approved under this
433 section.

434 (5) APPLICATION AND CERTIFICATION.—

435 (a) In order to claim a tax credit under this section, a

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436 spaceflight business must first submit an application to the
437 office for approval to earn credits. The application must be
438 filed by the date established by the office. In addition to any
439 information that the office may require, the applicant must
440 provide a complete description of the activity in this state
441 which demonstrates to the office the applicant's likelihood to
442 be certified to take or transfer a credit. The applicant must
443 also provide a description of the total amount and type of
444 credits for which approval is sought. The office may consult
445 with Space Florida regarding the qualifications of an applicant.
446 The applicant shall provide an affidavit certifying that all
447 information contained in the application is true and correct.

448 1. Approval of the credits shall be provided on a first-
449 come, first-served basis, based on the date the completed
450 applications are received by the office. A taxpayer may not
451 submit more than one completed application per state fiscal
452 year. The office may not accept an incomplete placeholder
453 application, and the submission of such an application will not
454 secure a place in the first-come, first-served application line.

455 2. The office has 60 days after the receipt of a completed
456 application within which to issue a notice of intent to deny or
457 approve an application for credits. If a business does not
458 receive approval for a tax credit due to the exhaustion of the
459 annual total tax credit authorizations, the business may reapply
460 the following year and shall have priority over other applicants
461 notwithstanding the first-come, first-served policy. The office
462 shall determine the eligibility of an applicant and approve the
463 credits that the applicant may later be certified to take. The
464 office must ensure that the corporate income tax credits

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465 approved each fiscal year for all applicants does not exceed the
466 limits provided in this section.

467 (b) In order to take, and thereafter, if applicable, to
468 transfer an approved credit, a spaceflight business must submit
469 an application for certification to the office along with a
470 nonrefundable \$250 fee.

471 1. The application must include:

472 a. The name and physical in-state address of the taxpayer.

473 b. Documentation demonstrating to the satisfaction of the
474 office that:

475 (I) The taxpayer is a spaceflight business.

476 (II) The business has engaged in a qualifying spaceflight
477 project before taking a credit under this section.

478 c. In addition to any requirement specific to a credit,
479 documentation that the business has:

480 (I) Created 35 new jobs in this state directly associated
481 with spaceflight projects during its immediately preceding 3
482 taxable years. The business shall be deemed to have created new
483 jobs if the number of jobs on the application for certification
484 is greater than the total number of full-time jobs located in
485 this state as stated on an application for approval to earn
486 credits;

487 (II) Invested a total of at least \$15 million in this state
488 on a spaceflight project during its immediately preceding 3
489 taxable years; and

490 d. The total amount and types of credits sought.

491 e. An acknowledgment that a transfer of a tax credit is to
492 be accomplished pursuant to subsection (5).

493 f. A copy of an audit or audits of the preceding 3 taxable

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494 years, prepared by a certified public accountant licensed to
495 practice in this state, which identifies that portion of the
496 business's activities in this state related to spaceflight
497 projects in this state.

498 g. An acknowledgement that the business must file an annual
499 report on the spaceflight project's progress with the office.

500 h. Any other information necessary to demonstrate that the
501 applicant meets the job creation, investment, and other
502 requirements of this section.

503 2. Within 60 days after receipt of the application for
504 certification, the office shall evaluate the application and
505 recommend the business for certification or denial. The
506 executive director of the office must approve or deny the
507 application within 30 days after receiving the recommendation.
508 If approved, the office must provide a letter of certification
509 to the applicant consistent with any restrictions imposed. If
510 the office denies any part of the requested credit, the office
511 must inform the applicant of the grounds for the denial. A copy
512 of the certification shall be submitted to the department within
513 10 days after the executive director's approval.

514 (6) TRANSFERABILITY OF CREDIT.—

515 (a) A certified spaceflight business allowed to transfer an
516 approved credit, in whole or in part, to a taxpayer by written
517 agreement may do so without transferring any ownership interest
518 in the property generating the credit or any interest in the
519 entity owning such property. The transferee may apply the
520 credits against the tax with the same effect as if the
521 transferee had incurred the eligible costs.

522 (b) In order to perfect the transfer, the transferor shall

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523 provide the department with a written transfer statement that
524 has been approved by the office notifying the department of the
525 transferor's intent to transfer the tax credits to the
526 transferee; the date that the transfer is effective; the
527 transferee's name, address, and federal taxpayer identification
528 number; the tax period; and the amount of tax credits to be
529 transferred. Upon receipt of the approved transfer statement,
530 the department shall provide the transferee and the office with
531 a certificate reflecting the tax credit amounts transferred. A
532 copy of the certificate must be attached to each tax return for
533 which the transferee seeks to apply the credits.

534 (7) AUDIT AUTHORITY; RECAPTURE OF CREDITS.-

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

544 (b) Grounds for forfeiture of previously claimed tax
545 credits approved under this section exist if the department
546 determines, as a result of an audit or examination, or from
547 information received from the office, that a certified
548 spaceflight business, or in the case of transferred tax credits,
549 a taxpayer received tax credits for which the certified
550 spaceflight business or taxpayer was not entitled. The
551 spaceflight business or transferee must file an amended return

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552 reflecting the disallowed credits and paying any tax due as a
553 result of the amendment.

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

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

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

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581 the office that previously approved tax credits have been
582 revoked or modified. If the revocation or modification order is
583 contested, the spaceflight business must file the amended return
584 or other report within 60 days after a final order is issued.

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

587 (8) RULES.—

588 (a) The office, in consultation with Space Florida, shall
589 adopt rules to administer this section, including rules relating
590 to application forms for credit approval and certification, and
591 the application and certification procedures, guidelines, and
592 requirements necessary to administer this section.

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

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

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

604 3. The minimum portion of the credit which is available for
605 transfer.

606 (9) ANNUAL REPORT.—Beginning in 2014, the office, in
607 cooperation with Space Florida and the department, shall submit
608 an annual report summarizing activities relating to the Florida
609 Space Business Incentives Act established under this section to

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610 the Governor, the President of the Senate, and the Speaker of
611 the House of Representatives by each November 30.

612 Section 7. This act shall take effect upon becoming a law,
613 except that the tax credits authorized by this act may not be
614 applied to returns filed for any tax period before October 1,
615 2015.