

1 A bill to be entitled
2 An act relating to economic development; providing a
3 short title; providing legislative findings and
4 intent; amending s. 220.03, F.S.; revising a
5 definition; defining the terms "tax haven" and
6 "water's edge group"; amending s. 220.13, F.S.;
7 conforming cross-references; redefining the term
8 "adjusted federal income" to limit the subtraction of
9 certain deductions and certain carryovers; requiring
10 the subtraction of certain dividends from taxable
11 income; creating s. 220.136, F.S.; providing rules and
12 criteria to determine if a corporation is a member of
13 a water's edge group; creating s. 220.1363, F.S.;
14 providing a reporting method for a water's edge group;
15 providing for the apportionment of income to the
16 state; requiring a member of a water's edge group
17 having nexus with this state to file a single return
18 for the water's edge group; providing for the
19 determination of income for a member of a water's edge
20 group having a different tax year than the water's
21 edge group; requiring a water's edge group return to
22 include a computational schedule; requiring a water's
23 edge group to file a domestic disclosure spreadsheet
24 along with its return; authorizing the Department of
25 Revenue to adopt rules; amending s. 220.14, F.S.;
26 providing for the proration of an exemption during a
27 leap year; limiting a water's edge group to a single
28 claim of a specified exemption; amending s. 220.15,

29 F.S.; revising criteria applicable to determining
30 whether a sale of tangible personal property occurs in
31 this state; deleting provisions relating to affiliated
32 groups with respect to certain sales of a financial
33 institution; amending s. 220.183, F.S.; deleting
34 provisions relating to affiliated groups with respect
35 to community contribution tax credits; amending s.
36 220.1845, F.S.; deleting provisions relating to
37 affiliated groups with respect to the contaminated
38 site rehabilitation tax credit; amending s. 220.1875,
39 F.S.; deleting provisions relating to affiliated
40 groups with respect to tax credits for contributions
41 to eligible nonprofit scholarship-funding
42 organizations; amending s. 220.191, F.S.; deleting
43 provisions relating to affiliated groups with respect
44 to the capital investment tax credit; amending s.
45 220.192, F.S.; deleting provisions relating to
46 affiliated groups with respect to the renewable energy
47 technologies investment tax credit; amending s.
48 220.193, F.S.; deleting provisions relating to
49 affiliated groups with respect to the Florida
50 renewable energy production tax credit; amending s.
51 220.51, F.S.; deleting provisions relating to the
52 rulemaking authority of the Department of Revenue with
53 respect to consolidated reporting for affiliated
54 groups; amending s. 220.64, F.S.; conforming cross-
55 references; deleting provisions relating to the filing
56 of consolidated returns by affiliated groups of

57 | corporations composed of banks or savings
58 | associations, their parent corporations, and certain
59 | subsidiaries of the parent corporation; amending s.
60 | 288.1254, F.S.; deleting provisions relating to
61 | affiliated groups with respect to tax credits awarded
62 | under the entertainment industry financial incentive
63 | program; amending s. 376.30781, F.S.; conforming
64 | cross-references; amending s. 627.6699, F.S.;
65 | conforming a provision to changes made by the act;
66 | providing transitional rules for corporate income tax
67 | returns filed by water's edge groups and affiliated
68 | groups of corporations; specifying the allocation of
69 | funds that are recaptured under the act; repealing s.
70 | 220.131, F.S., relating to adjusted federal income for
71 | affiliated groups; providing legislative findings and
72 | intent; creating part XIII of chapter 288, F.S.;
73 | defining terms; requiring the Department of Economic
74 | Opportunity, in cooperation with the Department of
75 | Revenue, to submit an annual report to the Governor
76 | and Legislature concerning state economic development
77 | incentives and state expenditures for economic
78 | development activities; providing for publication of
79 | the annual report; providing for the withholding of
80 | certain appropriations from property-taxing
81 | authorities that do not submit annual reports within
82 | the specified time; requiring granting authorities to
83 | use a unified application for the award of economic
84 | development incentives; specifying required content of

85 | the application; authorizing granting authorities to
86 | require applicants to submit supplemental
87 | applications; requiring granting authorities to submit
88 | approved applications to the Department of Economic
89 | Opportunity; requiring granting authorities to submit
90 | progress reports to the department on the economic
91 | development incentives that they grant; specifying the
92 | frequency and required content of the progress
93 | reports; requiring the department to submit a
94 | statewide report to the Governor and Legislature
95 | concerning the granting authority progress reports;
96 | providing for publication of the statewide report;
97 | requiring recipient corporations and their corporate
98 | parents to provide access to project sites and certain
99 | records; authorizing fines against recipient
100 | corporations that do not grant access to project sites
101 | and certain records or submit progress reports within
102 | the required time; limiting the authority of granting
103 | authorities to award economic development incentives
104 | with respect to job creation and average wages paid;
105 | providing for the recapture and repayment of economic
106 | development incentives from recipient corporations
107 | that do not meet certain job, wage, and employee
108 | benefit requirements or whose corporate parents do not
109 | maintain certain levels of employment in the state;
110 | providing for notice, repayment, and deposit of
111 | recaptured incentives; authorizing the Department of
112 | Economic Opportunity and the Department of Revenue to

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113 adopt rules; providing for applicability of specified
 114 provisions to collective bargaining agreements and
 115 prevailing wage laws; providing for severability;
 116 providing an effective date.

117
 118 Be It Enacted by the Legislature of the State of Florida:

119
 120 Section 1. This act may be cited as the "Fair Economy
 121 Act."

122 Section 2. Legislative findings and intent.—The
 123 Legislature finds that the separate accounting system used to
 124 measure the income of multistate and multinational corporations
 125 for tax purposes often places Florida corporations at a
 126 competitive disadvantage. Moreover, corporate business is
 127 increasingly conducted through groups of commonly owned
 128 corporations. Therefore, the Legislature intends to more
 129 accurately measure the business activities of corporations by
 130 adopting a combined system of income tax reporting.

131 Section 3. Paragraph (z) of subsection (1) of section
 132 220.03, Florida Statutes, is amended, and paragraphs (gg) and
 133 (hh) are added to that subsection, to read:

134 220.03 Definitions.—

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

139 (z) "Taxpayer" means any corporation subject to the tax
 140 imposed by this code, and includes all corporations that are

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141 ~~members of a water's edge group for which a consolidated return~~
142 ~~is filed under s. 220.131.~~ However, "taxpayer" does not include
143 a corporation having no individuals (including individuals
144 employed by an affiliate) receiving compensation in this state
145 as defined in s. 220.15 when the only property owned or leased
146 by said corporation (including an affiliate) in this state is
147 located at the premises of a printer with which it has
148 contracted for printing, if such property consists of the final
149 printed product, property which becomes a part of the final
150 printed product, or property from which the printed product is
151 produced.

152 (gg) "Tax haven" means a jurisdiction that, for a
153 particular tax year:

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

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

159 b. Has laws or practices that prevent the effective
160 exchange of information for tax purposes with other governments
161 regarding taxpayers who are subject to, or benefiting from, the
162 tax regime;

163 c. Lacks transparency;

164 d. Facilitates the establishment of foreign-owned entities
165 without the need for a local substantive presence or prohibits
166 these entities from having any commercial impact on the local
167 economy;

168 e. Explicitly or implicitly excludes the jurisdiction's

169 resident taxpayers from taking advantage of the tax regime's
 170 benefits or prohibits enterprises that benefit from the regime
 171 from operating in the jurisdiction's domestic market; or

172 f. Has created a tax regime that is favorable for tax
 173 avoidance, based upon an overall assessment of relevant factors,
 174 including whether the jurisdiction has a significant untaxed
 175 offshore financial or other services sector relative to its
 176 overall economy.

177
 178 For purposes of this paragraph, a tax regime lacks transparency
 179 if the details of legislative, legal, or administrative
 180 requirements are not open to public scrutiny and apparent, or
 181 are not consistently applied among similarly situated taxpayers.

182 As used in this paragraph, the term "tax regime" means a set or
 183 system of rules, laws, regulations, or practices by which taxes
 184 are imposed on any person, corporation, or entity, or on any
 185 income, property, incident, indicia, or activity pursuant to
 186 government authority.

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

191 Section 4. Subsection (1) and paragraph (f) of subsection
 192 (2) of section 220.13, Florida Statutes, are amended to read:

193 220.13 "Adjusted federal income" defined.—

194 (1) The term "adjusted federal income" means an amount
 195 equal to the taxpayer's taxable income as defined in subsection
 196 (2), or such taxable income of more than one taxpayer as

197 provided in s. 220.1363 ~~s. 220.131~~, for the taxable year,
 198 adjusted as follows:

199 (a) Additions.—There shall be added to such taxable
 200 income:

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

206 2. The amount of interest which is excluded from taxable
 207 income under s. 103(a) of the Internal Revenue Code or any other
 208 federal law, less the associated expenses disallowed in the
 209 computation of taxable income under s. 265 of the Internal
 210 Revenue Code or any other law, excluding 60 percent of any
 211 amounts included in alternative minimum taxable income, as
 212 defined in s. 55(b)(2) of the Internal Revenue Code, if the
 213 taxpayer pays tax under s. 220.11(3).

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

218 4. That portion of the wages or salaries paid or incurred
 219 for the taxable year which is equal to the amount of the credit
 220 allowable for the taxable year under s. 220.181. This
 221 subparagraph shall expire on the date specified in s. 290.016
 222 for the expiration of the Florida Enterprise Zone Act.

223 5. That portion of the ad valorem school taxes paid or
 224 incurred for the taxable year which is equal to the amount of

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225 the credit allowable for the taxable year under s. 220.182. This
 226 subparagraph shall expire on the date specified in s. 290.016
 227 for the expiration of the Florida Enterprise Zone Act.

228 6. The amount taken as a credit under s. 220.195 which is
 229 deductible from gross income in the computation of taxable
 230 income for the taxable year.

231 7. That portion of assessments to fund a guaranty
 232 association incurred for the taxable year which is equal to the
 233 amount of the credit allowable for the taxable year.

234 8. In the case of a nonprofit corporation which holds a
 235 pari-mutuel permit and which is exempt from federal income tax
 236 as a farmers' cooperative, an amount equal to the excess of the
 237 gross income attributable to the pari-mutuel operations over the
 238 attributable expenses for the taxable year.

239 9. The amount taken as a credit for the taxable year under
 240 s. 220.1895.

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

244 11. The amount taken as a credit for the taxable year
 245 under s. 220.1875. The addition in this subparagraph is intended
 246 to ensure that the same amount is not allowed for the tax
 247 purposes of this state as both a deduction from income and a
 248 credit against the tax. This addition is not intended to result
 249 in adding the same expense back to income more than once.

250 12. The amount taken as a credit for the taxable year
 251 under s. 220.192.

252 13. The amount taken as a credit for the taxable year

253 | under s. 220.193.

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

257 | 15. The costs to acquire a tax credit pursuant to s.
258 | 288.1254(5) that are deducted from or otherwise reduce federal
259 | taxable income for the taxable year.

260 | 16. The amount taken as a credit for the taxable year
261 | pursuant to s. 220.194.

262 | 17. The amount taken as a credit for the taxable year
263 | under s. 220.196. The addition in this subparagraph is intended
264 | to ensure that the same amount is not allowed for the tax
265 | purposes of this state as both a deduction from income and a
266 | credit against the tax. The addition is not intended to result
267 | in adding the same expense back to income more than once.

268 | (b) Subtractions.—

269 | 1. There shall be subtracted from such taxable income:

270 | a. The net operating loss deduction allowable for federal
271 | income tax purposes under s. 172 of the Internal Revenue Code
272 | for the taxable year, except that any net operating loss that is
273 | transferred pursuant to s. 220.194(6) may not be deducted by the
274 | seller,

275 | b. The net capital loss allowable for federal income tax
276 | purposes under s. 1212 of the Internal Revenue Code for the
277 | taxable year,

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

281 d. The excess contributions deductions allowable for
 282 federal income tax purposes under s. 404 of the Internal Revenue
 283 Code for the taxable year.

284
 285 However, a net operating loss and a capital loss shall never be
 286 carried back as a deduction to a prior taxable year, but all
 287 deductions attributable to such losses shall be deemed net
 288 operating loss carryovers and capital loss carryovers,
 289 respectively, and treated in the same manner, to the same
 290 extent, and for the same time periods as are prescribed for such
 291 carryovers in ss. 172 and 1212, respectively, of the Internal
 292 Revenue Code. A deduction is not allowed for net operating
 293 losses, net capital losses, or excess contribution deductions
 294 under 26 U.S.C. ss. 170(d)(2), 172, 1212, and 404 for a member
 295 of a water's edge group that is not a United States member.
 296 Carryovers of net operating losses, net capital losses, or
 297 excess contribution deductions under 26 U.S.C. ss. 170(d)(2),
 298 172, 1212, and 404 may be subtracted only by the member of the
 299 water's edge group that generates a carryover.

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

302 a. Dividends treated as received from sources without the
 303 United States, as determined under s. 862 of the Internal
 304 Revenue Code.

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

307
 308 However, as to any amount subtracted under this subparagraph,

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309 | there shall be added to such taxable income all expenses
310 | deducted on the taxpayer's return for the taxable year which are
311 | attributable, directly or indirectly, to such subtracted amount.
312 | Further, no amount shall be subtracted with respect to dividends
313 | paid or deemed paid by a Domestic International Sales
314 | Corporation.

315 | 3. Amounts received by a member of a water's edge group as
316 | dividends paid by another member of the water's edge group shall
317 | be subtracted from the taxable income to the extent that the
318 | dividends are included in the taxable income.

319 | ~~4.3.~~ In computing "adjusted federal income" for taxable
320 | years beginning after December 31, 1976, there shall be allowed
321 | as a deduction the amount of wages and salaries paid or incurred
322 | within this state for the taxable year for which no deduction is
323 | allowed pursuant to s. 280C(a) of the Internal Revenue Code
324 | (relating to credit for employment of certain new employees).

325 | ~~5.4.~~ There shall be subtracted from such taxable income
326 | any amount of nonbusiness income included therein.

327 | ~~6.5.~~ There shall be subtracted any amount of taxes of
328 | foreign countries allowable as credits for taxable years
329 | beginning on or after September 1, 1985, under s. 901 of the
330 | Internal Revenue Code to any corporation which derived less than
331 | 20 percent of its gross income or loss for its taxable year
332 | ended in 1984 from sources within the United States, as
333 | described in s. 861(a)(2)(A) of the Internal Revenue Code, not
334 | including credits allowed under ss. 902 and 960 of the Internal
335 | Revenue Code, withholding taxes on dividends within the meaning
336 | of sub-subparagraph 2.a., and withholding taxes on royalties,

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337 interest, technical service fees, and capital gains.

338 ~~7.6.~~ Notwithstanding any other provision of this code,
339 except with respect to amounts subtracted pursuant to
340 subparagraphs 1. and 4. 3., any increment of any apportionment
341 factor which is directly related to an increment of gross
342 receipts or income which is deducted, subtracted, or otherwise
343 excluded in determining adjusted federal income shall be
344 excluded from both the numerator and denominator of such
345 apportionment factor. Further, all valuations made for
346 apportionment factor purposes shall be made on a basis
347 consistent with the taxpayer's method of accounting for federal
348 income tax purposes.

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

350 1. In the case of any disposition made after October 19,
351 1980, the income from an installment sale shall be taken into
352 account for the purposes of this code in the same manner that
353 such income is taken into account for federal income tax
354 purposes.

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

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

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

367 (e) Adjustments related to the Federal Economic Stimulus
 368 Act of 2008, the American Recovery and Reinvestment Act of 2009,
 369 the Small Business Jobs Act of 2010, and the Tax Relief,
 370 Unemployment Insurance Reauthorization, and Job Creation Act of
 371 2010.—Taxpayers shall be required to make the adjustments
 372 prescribed in this paragraph for Florida tax purposes in
 373 relation to certain tax benefits received pursuant to the
 374 Economic Stimulus Act of 2008, the American Recovery and
 375 Reinvestment Act of 2009, the Small Business Jobs Act of 2010,
 376 and the Tax Relief, Unemployment Insurance Reauthorization, and
 377 Job Creation Act of 2010.

378 1. There shall be added to such taxable income an amount
 379 equal to 100 percent of any amount deducted for federal income
 380 tax purposes as bonus depreciation for the taxable year pursuant
 381 to ss. 167 and 168(k) of the Internal Revenue Code of 1986, as
 382 amended by s. 103 of Pub. L. No. 110-185, s. 1201 of Pub. L. No.
 383 111-5, s. 2022 of Pub. L. No. 111-240, and s. 401 of Pub. L. No.
 384 111-312, for property placed in service after December 31, 2007,
 385 and before January 1, 2013. For the taxable year and for each of
 386 the 6 subsequent taxable years, there shall be subtracted from
 387 such taxable income an amount equal to one-seventh of the amount
 388 by which taxable income was increased pursuant to this
 389 subparagraph, notwithstanding any sale or other disposition of
 390 the property that is the subject of the adjustments and
 391 regardless of whether such property remains in service in the
 392 hands of the taxpayer.

393 2. There shall be added to such taxable income an amount
394 equal to 100 percent of any amount in excess of \$128,000
395 deducted for federal income tax purposes for the taxable year
396 pursuant to s. 179 of the Internal Revenue Code of 1986, as
397 amended by s. 102 of Pub. L. No. 110-185, s. 1202 of Pub. L. No.
398 111-5, s. 2021 of Pub. L. No. 111-240, and s. 402 of Pub. L. No.
399 111-312, for taxable years beginning after December 31, 2007,
400 and before January 1, 2013. For the taxable year and for each of
401 the 6 subsequent taxable years, there shall be subtracted from
402 such taxable income one-seventh of the amount by which taxable
403 income was increased pursuant to this subparagraph,
404 notwithstanding any sale or other disposition of the property
405 that is the subject of the adjustments and regardless of whether
406 such property remains in service in the hands of the taxpayer.

407 3. There shall be added to such taxable income an amount
408 equal to the amount of deferred income not included in such
409 taxable income pursuant to s. 108(i)(1) of the Internal Revenue
410 Code of 1986, as amended by s. 1231 of Pub. L. No. 111-5. There
411 shall be subtracted from such taxable income an amount equal to
412 the amount of deferred income included in such taxable income
413 pursuant to s. 108(i)(1) of the Internal Revenue Code of 1986,
414 as amended by s. 1231 of Pub. L. No. 111-5.

415 4. Subtractions available under this paragraph may be
416 transferred to the surviving or acquiring entity following a
417 merger or acquisition and used in the same manner and with the
418 same limitations as specified by this paragraph.

419 5. The additions and subtractions specified in this
420 paragraph are intended to adjust taxable income for Florida tax

421 purposes, and, notwithstanding any other provision of this code,
 422 such additions and subtractions shall be permitted to change a
 423 taxpayer's net operating loss for Florida tax purposes.

424 (2) For purposes of this section, a taxpayer's taxable
 425 income for the taxable year means taxable income as defined in
 426 s. 63 of the Internal Revenue Code and properly reportable for
 427 federal income tax purposes for the taxable year, but subject to
 428 the limitations set forth in paragraph (1)(b) with respect to
 429 the deductions provided by ss. 172 (relating to net operating
 430 losses), 170(d)(2) (relating to excess charitable
 431 contributions), 404(a)(1)(D) (relating to excess pension trust
 432 contributions), 404(a)(3)(A) and (B) (to the extent relating to
 433 excess stock bonus and profit-sharing trust contributions), and
 434 1212 (relating to capital losses) of the Internal Revenue Code,
 435 except that, subject to the same limitations, the term:

436 (f) "Taxable income," in the case of a corporation which
 437 is a member of an affiliated group of corporations filing a
 438 consolidated income tax return for the taxable year for federal
 439 income tax purposes, means taxable income of such corporation
 440 for federal income tax purposes as if such corporation had filed
 441 a separate federal income tax return for the taxable year and
 442 each preceding taxable year for which it was a member of an
 443 affiliated group, ~~unless a consolidated return for the taxpayer~~
 444 ~~and others is required or elected under s. 220.131;~~

445 Section 5. Section 220.136, Florida Statutes, is created
 446 to read:

447 220.136 Determination of the members of a water's edge
 448 group.-

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449 (1) MEMBERSHIP RULES.—

450 (a) A corporation having 50 percent or more of its
451 outstanding voting stock directly or indirectly owned or
452 controlled by a water's edge group is presumed to be a member of
453 the group. A corporation having less than 50 percent of its
454 outstanding voting stock directly or indirectly controlled by a
455 water's edge group is a member of the group if the business
456 activities of the corporation show that the corporation is a
457 member of the group. All of the income of a corporation that is
458 a member of a water's edge group is presumed to be unitary.

459 (b) A corporation that conducts business outside the
460 United States is not a member of a water's edge group if 80
461 percent or more of the corporation's property and payroll, as
462 determined by the apportionment factors described in ss.
463 220.1363 and 220.15, may be assigned to locations outside the
464 United States. However, such corporations that are incorporated
465 in a tax haven may be a member of a water's edge group pursuant
466 to paragraph (a). This paragraph does not exempt a corporation
467 that is not a member of a water's edge group from the provisions
468 of this chapter.

469 (2) MEMBERSHIP EVALUATION CRITERIA.—

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

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

474 (c) The apportionment factors described in ss. 220.1363
475 and 220.15 shall be used to determine whether a special industry
476 corporation has engaged in a sufficient amount of activities

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477 outside the United States to exclude it from treatment as a
478 member of a water's edge group.

479 Section 6. Section 220.1363, Florida Statutes, is created
480 to read:

481 220.1363 Water's edge groups; special requirements.-

482 (1) All members of a water's edge group must use the
483 water's edge reporting method. Under the water's edge reporting
484 method:

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

488 (b) The numerators and denominators of the apportionment
489 factors shall be calculated for all members of the group
490 combined.

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

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

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

504 (f) The income attributable to the Florida activities of a

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505 corporation that is exempt from taxation under Pub. L. No. 86-
506 272 is excluded from the apportionment factor numerators in the
507 calculation of corporate income tax even if another member of
508 the water's edge group has nexus with Florida and is subject to
509 tax.

510 (g) For purposes of this section, the term "water's edge
511 reporting method" is a method to determine the taxable business
512 profits of a group of entities conducting a unitary business.
513 Under this method, the net income of the entities must be added
514 together along with the additions and subtractions under s.
515 220.13 and apportioned to this state as a single taxpayer under
516 ss. 220.15 and 220.151. However, each special industry member
517 included in a water's edge group return, which would otherwise
518 be permitted to use a special method of apportionment under s.
519 220.151, shall convert its single-factor apportionment to a
520 three-factor apportionment of property, payroll, and sales. The
521 special industry member shall calculate the denominator of its
522 property, payroll, and sales factors in the same manner as those
523 denominators are calculated by members that are not a special
524 industry member. The numerator of its sales, property, and
525 payroll factors is the product of the denominator of each factor
526 multiplied by the premiums or revenue-miles-factor ratio
527 otherwise applicable under s. 220.151.

528 (2) (a) A single water's edge group return must be filed in
529 the name and federal employer identification number of the
530 parent corporation if the parent is a member of the group and
531 has nexus with Florida. If the group does not have a parent
532 corporation, if the parent corporation is not a member of the

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533 group, or if the parent corporation does not have nexus with
534 Florida, the members of the group must choose a member subject
535 to the Florida corporate income tax to file the return. The
536 members of the group may not choose another member to file a
537 corporate income tax return in subsequent years unless the
538 filing member does not maintain nexus with Florida or remain a
539 member of that group. The return must be signed by an authorized
540 officer of the filing member as the agent for the group.

541 (b) If members of a water's edge group have different tax
542 years, the tax year of a majority of the members of the group is
543 the tax year of the group. If the tax years of a majority of the
544 members of a group do not correspond, the tax year of the member
545 that must file the return for the group is the tax year of the
546 group.

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

551 a. The precise amount of taxable income received during
552 the months corresponding to the tax year of the group, if the
553 precise amount can be readily determined from the member's books
554 and records.

555 b. The taxable income of the member converted to conform
556 to the tax year of the group on the basis of the number of
557 months falling within the tax year of the group. For example, if
558 the tax year of the water's edge group is a calendar year and a
559 member operates on a fiscal year ending on April 30, the income
560 of the member shall include 8/12 of the income from the current

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561 tax year and 4/12 of the income from the preceding tax year.
562 This method to determine the income of a member may be used only
563 if the return can be timely filed after the end of the tax year
564 of the group.

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

567 2. The method of determining the income of a member of a
568 group whose tax year does not correspond to the tax year of the
569 group may not change as long as the member remains a member of
570 the group. The apportionment factors for the member must be
571 applied to the income of the member for the tax year of the
572 group.

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

575 1. Combines the federal income of all members of the
576 water's edge group;

577 2. Shows all intercompany eliminations;

578 3. Shows Florida additions and subtractions under s.
579 220.13; and

580 4. Shows the calculation of the combined apportionment
581 factors.

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

585 1. The income reported to each state;

586 2. The state tax liability;

587 3. The method used for apportioning or allocating income
588 to the various states; and

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

592 (4) The department shall adopt rules and forms to
 593 administer this section. The Legislature intends to grant the
 594 department extensive authority to adopt rules and forms
 595 describing and defining principles for determining the existence
 596 of a water's edge business, definitions of common control,
 597 methods of reporting, and related forms, principles, and other
 598 definitions.

599 Section 7. Section 220.14, Florida Statutes, is amended to
 600 read:

601 220.14 Exemption.—

602 (1) In computing a taxpayer's liability for tax under this
 603 code, there shall be exempt from the tax \$25,000 of net income
 604 as defined in s. 220.12 or such lesser amount as will, without
 605 increasing the taxpayer's federal income tax liability, provide
 606 the state with an amount under this code which is equal to the
 607 maximum federal income tax credit which may be available from
 608 time to time under federal law.

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

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

615 (4) Notwithstanding any other provision of this code, not
 616 more than one exemption under this section may be allowed to the

617 Florida members of a controlled group of corporations, as
 618 defined in s. 1563 of the Internal Revenue Code with respect to
 619 taxable years ending on or after December 31, 1970, filing
 620 separate returns under this code. The exemption described in
 621 this section shall be divided equally among such Florida members
 622 of the group, unless all of such members consent, at such time
 623 and in such manner as the department shall by regulation
 624 prescribe, to an apportionment plan providing for an unequal
 625 allocation of such exemption.

626 Section 8. Subsection (5) of section 220.15, Florida
 627 Statutes, is amended to read:

628 220.15 Apportionment of adjusted federal income.—

629 (5) The sales factor is a fraction the numerator of which
 630 is the total sales of the taxpayer in this state during the
 631 taxable year or period and the denominator of which is the total
 632 sales of the taxpayer everywhere during the taxable year or
 633 period.

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

638 However:

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

642 2. Royalty income is included in the term if a significant
 643 portion of the taxpayer's business consists of dealing in or
 644 with the production, exploration, or development of minerals.

645 (b)1. Sales of tangible personal property occur in this
 646 state if:

647 a. The property is delivered or shipped to a purchaser
 648 other than the United States Government within this state,
 649 regardless of the f.o.b. point, other conditions of the sale, or
 650 ultimate destination of the property, unless shipment is made
 651 via a common or contract carrier; or

652 b. The property is shipped from an office, store,
 653 warehouse, factory, or other place of storage in this state and
 654 the purchaser is the United States Government or the taxpayer is
 655 not taxable in the state of the purchaser.

656
 657 However, for industries in NAICS National Number 311411, if the
 658 ultimate destination of the product is to a location outside
 659 this state, regardless of the method of shipment or f.o.b.
 660 point, or the taxability of the taxpayer in the state of the
 661 purchaser, the sale shall not be deemed to occur in this state.
 662 As used in this paragraph, "NAICS" means those classifications
 663 contained in the North American Industry Classification System,
 664 as published in 2007 by the Office of Management and Budget,
 665 Executive Office of the President.

666 2. When citrus fruit is delivered by a cooperative for a
 667 grower-member, by a grower-member to a cooperative, or by a
 668 grower-participant to a Florida processor, the sales factor for
 669 the growers for such citrus fruit delivered to such processor
 670 shall be the same as the sales factor for the most recent
 671 taxable year of that processor. That sales factor, expressed
 672 only as a percentage and not in terms of the dollar volume of

673 sales, so as to protect the confidentiality of the sales of the
674 processor, shall be furnished on the request of such a grower
675 promptly after it has been determined for that taxable year.

676 3. Reimbursement of expenses under an agency contract
677 between a cooperative, a grower-member of a cooperative, or a
678 grower and a processor is not a sale within this state.

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

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

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

687 3. Interest received within this state, other than
688 interest from loans secured by mortgages, deeds of trust, or
689 other liens upon real or tangible personal property located
690 without this state, and dividends received within this state;

691 4. Interest charged to customers at places of business
692 maintained within this state for carrying debit balances of
693 margin accounts, without deduction of any costs incurred in
694 carrying such accounts;

695 5. Interest, fees, commissions, or other charges or gains
696 from loans secured by mortgages, deeds of trust, or other liens
697 upon real or tangible personal property located in this state or
698 from installment sale agreements originally executed by a
699 taxpayer or the taxpayer's agent to sell real or tangible
700 personal property located in this state;

701 6. Rents from real or tangible personal property located
702 in this state; or

703 7. Any other gross income, including other interest,
704 resulting from the operation as a financial organization within
705 this state.

706
707 ~~In computing the amounts under this paragraph, any amount~~
708 ~~received by a member of an affiliated group (determined under s.~~
709 ~~1504(a) of the Internal Revenue Code, but without reference to~~
710 ~~whether any such corporation is an "includable corporation"~~
711 ~~under s. 1504(b) of the Internal Revenue Code) from another~~
712 ~~member of such group shall be included only to the extent such~~
713 ~~amount exceeds expenses of the recipient directly related~~
714 ~~thereto.~~

715 Section 9. Subsection (1) of section 220.183, Florida
716 Statutes, is amended to read:

717 220.183 Community contribution tax credit.—

718 (1) AUTHORIZATION TO GRANT COMMUNITY CONTRIBUTION TAX
719 CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS AND PROGRAM
720 SPENDING.—

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

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

727 (c) The total amount of tax credit which may be granted
728 for all programs approved under this section, s. 212.08(5)(p),

729 and s. 624.5105 is \$10.5 million annually for projects that
 730 provide homeownership opportunities for low-income or very-low-
 731 income households as defined in s. 420.9071(19) and (28) and
 732 \$3.5 million annually for all other projects.

733 (d) All proposals for the granting of the tax credit shall
 734 require the prior approval of the Department of Economic
 735 Opportunity.

736 (e) If the credit granted pursuant to this section is not
 737 fully used in any one year because of insufficient tax liability
 738 on the part of the business firm, the unused amount may be
 739 carried forward for a period not to exceed 5 years. The
 740 carryover credit may be used in a subsequent year when the tax
 741 imposed by this chapter for such year exceeds the credit for
 742 such year under this section after applying the other credits
 743 and unused credit carryovers in the order provided in s.
 744 220.02(8).

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

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

751 Section 10. Subsection (2) of section 220.1845, Florida
 752 Statutes, is amended to read:

753 220.1845 Contaminated site rehabilitation tax credit.—

754 (2) AUTHORIZATION FOR TAX CREDIT; LIMITATIONS.—

755 (a) A credit in the amount of 50 percent of the costs of
 756 voluntary cleanup activity that is integral to site

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757 rehabilitation at the following sites is available against any
758 tax due for a taxable year under this chapter:

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

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

766 3. A brownfield site in a designated brownfield area under
767 s. 376.80.

768 (b) A tax credit applicant, or multiple tax credit
769 applicants working jointly to clean up a single site, may not be
770 granted more than \$500,000 per year in tax credits for each site
771 voluntarily rehabilitated. Multiple tax credit applicants shall
772 be granted tax credits in the same proportion as their
773 contribution to payment of cleanup costs. Subject to the same
774 conditions and limitations as provided in this section, a
775 municipality, county, or other tax credit applicant which
776 voluntarily rehabilitates a site may receive not more than
777 \$500,000 per year in tax credits which it can subsequently
778 transfer subject to the provisions in paragraph (f) ~~(g)~~.

779 (c) If the credit granted under this section is not fully
780 used in any one year because of insufficient tax liability on
781 the part of the corporation, the unused amount may be carried
782 forward for up to 5 years. The carryover credit may be used in a
783 subsequent year if the tax imposed by this chapter for that year
784 exceeds the credit for which the corporation is eligible in that

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785 year after applying the other credits and unused carryovers in
786 the order provided by s. 220.02(8). If during the 5-year period
787 the credit is transferred, in whole or in part, pursuant to
788 paragraph (f) ~~(g)~~, each transferee has 5 years after the date of
789 transfer to use its credit.

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

794 (d) ~~(e)~~ A tax credit applicant that receives state-funded
795 site rehabilitation under s. 376.3078(3) for rehabilitation of a
796 drycleaning-solvent-contaminated site is ineligible to receive
797 credit under this section for costs incurred by the tax credit
798 applicant in conjunction with the rehabilitation of that site
799 during the same time period that state-administered site
800 rehabilitation was underway.

801 (e) ~~(f)~~ The total amount of the tax credits which may be
802 granted under this section is \$5 million annually.

803 (f) ~~(g)~~1. Tax credits that may be available under this
804 section to an entity eligible under s. 376.30781 may be
805 transferred after a merger or acquisition to the surviving or
806 acquiring entity and used in the same manner and with the same
807 limitations.

808 2. The entity or its surviving or acquiring entity as
809 described in subparagraph 1., may transfer any unused credit in
810 whole or in units of at least 25 percent of the remaining
811 credit. The entity acquiring such credit may use it in the same
812 manner and with the same limitation as described in this

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813 section. Such transferred credits may not be transferred again
814 although they may succeed to a surviving or acquiring entity
815 subject to the same conditions and limitations as described in
816 this section.

817 3. If the credit is reduced due to a determination by the
818 Department of Environmental Protection or an examination or
819 audit by the Department of Revenue, the tax deficiency shall be
820 recovered from the first entity, or the surviving or acquiring
821 entity that claimed the credit up to the amount of credit taken.
822 Any subsequent deficiencies shall be assessed against the entity
823 acquiring and claiming the credit, or in the case of multiple
824 succeeding entities in the order of credit succession.

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

832 (h)~~(i)~~ In order to encourage the construction of housing
833 that meets the definition of affordable provided in s. 420.0004,
834 an applicant for the tax credit may claim an additional 25
835 percent of the total site rehabilitation costs that are eligible
836 for tax credits under this section, not to exceed \$500,000. In
837 order to receive this additional tax credit, the applicant must
838 provide a certification letter from the Florida Housing Finance
839 Corporation, the local housing authority, or other governmental
840 agency that is a party to the use agreement indicating that the

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841 construction on the brownfield site has received a certificate
842 of occupancy and the brownfield site has a properly recorded
843 instrument that limits the use of the property to housing that
844 meets the definition of affordable provided in s. 420.0004.

845 (i)~~(j)~~ In order to encourage the redevelopment of a
846 brownfield site, as defined in the brownfield site
847 rehabilitation agreement, that is hindered by the presence of
848 solid waste, as defined in s. 403.703, a tax credit applicant,
849 or multiple tax credit applicants working jointly to clean up a
850 single brownfield site, may also claim costs required to address
851 solid waste removal as defined in this paragraph in accordance
852 with rules of the Department of Environmental Protection.
853 Multiple tax credit applicants shall be granted tax credits in
854 the same proportion as each applicant's contribution to payment
855 of solid waste removal costs. These costs are eligible for a tax
856 credit provided the applicant submits an affidavit stating that,
857 after consultation with appropriate local government officials
858 and the Department of Environmental Protection, to the best of
859 the applicant's knowledge according to such consultation and
860 available historical records, the brownfield site was never
861 operated as a permitted solid waste disposal area or was never
862 operated for monetary compensation and the applicant submits all
863 other documentation and certifications required by this section.
864 Under this section, wherever reference is made to "site
865 rehabilitation," the Department of Environmental Protection
866 shall instead consider whether or not the costs claimed are for
867 solid waste removal. Tax credit applications claiming costs
868 pursuant to this paragraph shall not be subject to the calendar-

869 year limitation and January 31 annual application deadline, and
 870 the Department of Environmental Protection shall accept a one-
 871 time application filed subsequent to the completion by the tax
 872 credit applicant of the applicable requirements listed in this
 873 section. A tax credit applicant may claim 50 percent of the cost
 874 for solid waste removal, not to exceed \$500,000, after the
 875 applicant has determined solid waste removal is completed for
 876 the brownfield site. A solid waste removal tax credit
 877 application may be filed only once per brownfield site. For the
 878 purposes of this section, the term:

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

881 2. "Monetary compensation" means the fees that were
 882 charged or the assessments that were levied for the disposal of
 883 solid waste at a solid waste disposal area.

884 3. "Solid waste removal" means removal of solid waste from
 885 the land surface or excavation of solid waste from below the
 886 land surface and removal of the solid waste from the brownfield
 887 site. The term also includes:

888 a. Transportation of solid waste to a licensed or exempt
 889 solid waste management facility or to a temporary storage area.

890 b. Sorting or screening of solid waste prior to removal
 891 from the site.

892 c. Deposition of solid waste at a permitted or exempt
 893 solid waste management facility, whether the solid waste is
 894 disposed of or recycled.

895 (j) ~~(k)~~ In order to encourage the construction and
 896 operation of a new health care facility as defined in s. 408.032

897 or s. 408.07, or a health care provider as defined in s. 408.07
 898 or s. 408.7056, on a brownfield site, an applicant for a tax
 899 credit may claim an additional 25 percent of the total site
 900 rehabilitation costs, not to exceed \$500,000, if the applicant
 901 meets the requirements of this paragraph. In order to receive
 902 this additional tax credit, the applicant must provide
 903 documentation indicating that the construction of the health
 904 care facility or health care provider by the applicant on the
 905 brownfield site has received a certificate of occupancy or a
 906 license or certificate has been issued for the operation of the
 907 health care facility or health care provider.

908 Section 11. Section 220.1875, Florida Statutes, is amended
 909 to read:

910 220.1875 Credit for contributions to eligible nonprofit
 911 scholarship-funding organizations.—

912 (1) There is allowed a credit of 100 percent of an
 913 eligible contribution made to an eligible nonprofit scholarship-
 914 funding organization under s. 1002.395 against any tax due for a
 915 taxable year under this chapter after the application of any
 916 other allowable credits by the taxpayer. The credit granted by
 917 this section shall be reduced by the difference between the
 918 amount of federal corporate income tax taking into account the
 919 credit granted by this section and the amount of federal
 920 corporate income tax without application of the credit granted
 921 by this section.

922 ~~(2) A taxpayer who files a Florida consolidated return as~~
 923 ~~a member of an affiliated group pursuant to s. 220.131(1) may be~~
 924 ~~allowed the credit on a consolidated return basis; however, the~~

925 ~~total credit taken by the affiliated group is subject to the~~
 926 ~~limitation established under subsection (1).~~

927 (2)~~(3)~~ The provisions of s. 1002.395 apply to the credit
 928 authorized by this section.

929 Section 12. Subsection (3) of section 220.191, Florida
 930 Statutes, is amended to read:

931 220.191 Capital investment tax credit.—

932 (3) (a) Notwithstanding subsection (2), an annual credit
 933 against the tax imposed by this chapter shall be granted to a
 934 qualifying business which establishes a qualifying project
 935 pursuant to subparagraph (1)(g)3., in an amount equal to the
 936 lesser of \$15 million or 5 percent of the eligible capital costs
 937 made in connection with a qualifying project, for a period not
 938 to exceed 20 years beginning with the commencement of operations
 939 of the project. The tax credit shall be granted against the
 940 corporate income tax liability of the qualifying business and as
 941 further provided in paragraph (c). The total tax credit provided
 942 pursuant to this subsection shall be equal to no more than 100
 943 percent of the eligible capital costs of the qualifying project.

944 (b) If the credit granted under this subsection is not
 945 fully used in any one year because of insufficient tax liability
 946 on the part of the qualifying business, the unused amount may be
 947 carried forward for a period not to exceed 20 years after the
 948 commencement of operations of the project. The carryover credit
 949 may be used in a subsequent year when the tax imposed by this
 950 chapter for that year exceeds the credit for which the
 951 qualifying business is eligible in that year under this
 952 subsection after applying the other credits and unused

953 carryovers in the order provided by s. 220.02(8).

954 (c) The credit granted under this subsection may be used
 955 in whole or in part by the qualifying business ~~or any~~
 956 ~~corporation that is either a member of that qualifying~~
 957 ~~business's affiliated group of corporations, is a related entity~~
 958 ~~taxable as a cooperative under subchapter T of the Internal~~
 959 ~~Revenue Code, or, if the qualifying business is an entity~~
 960 ~~taxable as a cooperative under subchapter T of the Internal~~
 961 ~~Revenue Code, is related to the qualifying business. Any entity~~
 962 ~~related to the qualifying business may continue to file as a~~
 963 ~~member of a Florida-nexus consolidated group pursuant to a prior~~
 964 ~~election made under s. 220.131(1), Florida Statutes (1985), even~~
 965 ~~if the parent of the group changes due to a direct or indirect~~
 966 ~~acquisition of the former common parent of the group. Any credit~~
 967 ~~can be used by any of the affiliated companies or related~~
 968 ~~entities referenced in this paragraph to the same extent as it~~
 969 ~~could have been used by the qualifying business. However, any~~
 970 ~~such use shall not operate to increase the amount of the credit~~
 971 ~~or extend the period within which the credit must be used.~~

972 Section 13. Subsection (2) of section 220.192, Florida
 973 Statutes, is amended to read:

974 220.192 Renewable energy technologies investment tax
 975 credit.—

976 (2) TAX CREDIT.—For tax years beginning on or after
 977 January 1, 2007, a credit against the tax imposed by this
 978 chapter shall be granted in an amount equal to the eligible
 979 costs. Credits may be used in tax years beginning January 1,
 980 2007, and ending December 31, 2010, after which the credit shall

981 expire. If the credit is not fully used in any one tax year
 982 because of insufficient tax liability on the part of the
 983 corporation, the unused amount may be carried forward and used
 984 in tax years beginning January 1, 2007, and ending December 31,
 985 2012, after which the credit carryover expires and may not be
 986 used. ~~A taxpayer that files a consolidated return in this state~~
 987 ~~as a member of an affiliated group under s. 220.131(1) may be~~
 988 ~~allowed the credit on a consolidated return basis up to the~~
 989 ~~amount of tax imposed upon the consolidated group.~~ Any eligible
 990 cost for which a credit is claimed and which is deducted or
 991 otherwise reduces federal taxable income shall be added back in
 992 computing adjusted federal income under s. 220.13.

993 Section 14. Subsection (3) of section 220.193, Florida
 994 Statutes, is amended to read:

995 220.193 Florida renewable energy production credit.—

996 (3) An annual credit against the tax imposed by this
 997 section shall be allowed to a taxpayer, based on the taxpayer's
 998 production and sale of electricity from a new or expanded
 999 Florida renewable energy facility. For a new facility, the
 1000 credit shall be based on the taxpayer's sale of the facility's
 1001 entire electrical production. For an expanded facility, the
 1002 credit shall be based on the increases in the facility's
 1003 electrical production that are achieved after May 1, 2006.

1004 (a) The credit shall be \$0.01 for each kilowatt-hour of
 1005 electricity produced and sold by the taxpayer to an unrelated
 1006 party during a given tax year.

1007 (b) The credit may be claimed for electricity produced and
 1008 sold on or after January 1, 2007. Beginning in 2008 and

1009 continuing until 2011, each taxpayer claiming a credit under
 1010 this section must first apply to the department by February 1 of
 1011 each year for an allocation of available credit. The department,
 1012 in consultation with the commission, shall develop an
 1013 application form. The application form shall, at a minimum,
 1014 require a sworn affidavit from each taxpayer certifying the
 1015 increase in production and sales that form the basis of the
 1016 application and certifying that all information contained in the
 1017 application is true and correct.

1018 (c) If the amount of credits applied for each year exceeds
 1019 \$5 million, the department shall award to each applicant a
 1020 prorated amount based on each applicant's increased production
 1021 and sales and the increased production and sales of all
 1022 applicants.

1023 (d) If the credit granted pursuant to this section is not
 1024 fully used in one year because of insufficient tax liability on
 1025 the part of the taxpayer, the unused amount may be carried
 1026 forward for a period not to exceed 5 years. The carryover credit
 1027 may be used in a subsequent year when the tax imposed by this
 1028 chapter for such year exceeds the credit for such year, after
 1029 applying the other credits and unused credit carryovers in the
 1030 order provided in s. 220.02(8).

1031 ~~(e) A taxpayer that files a consolidated return in this~~
 1032 ~~state as a member of an affiliated group under s. 220.131(1) may~~
 1033 ~~be allowed the credit on a consolidated return basis up to the~~
 1034 ~~amount of tax imposed upon the consolidated group.~~

1035 (e) ~~(f)~~1. Tax credits that may be available under this
 1036 section to an entity eligible under this section may be

1037 transferred after a merger or acquisition to the surviving or
 1038 acquiring entity and used in the same manner with the same
 1039 limitations.

1040 2. The entity or its surviving or acquiring entity as
 1041 described in subparagraph 1. may transfer any unused credit in
 1042 whole or in units of no less than 25 percent of the remaining
 1043 credit. The entity acquiring such credit may use it in the same
 1044 manner and with the same limitations under this section. Such
 1045 transferred credits may not be transferred again although they
 1046 may succeed to a surviving or acquiring entity subject to the
 1047 same conditions and limitations as described in this section.

1048 3. In the event the credit provided for under this section
 1049 is reduced as a result of an examination or audit by the
 1050 department, such tax deficiency shall be recovered from the
 1051 first entity or the surviving or acquiring entity to have
 1052 claimed such credit up to the amount of credit taken. Any
 1053 subsequent deficiencies shall be assessed against any entity
 1054 acquiring and claiming such credit, or in the case of multiple
 1055 succeeding entities in the order of credit succession.

1056 (f)~~(g)~~ Notwithstanding any other provision of this
 1057 section, credits for the production and sale of electricity from
 1058 a new or expanded Florida renewable energy facility may be
 1059 earned between January 1, 2007, and June 30, 2010. The combined
 1060 total amount of tax credits which may be granted for all
 1061 taxpayers under this section is limited to \$5 million per state
 1062 fiscal year.

1063 (g)~~(h)~~ A taxpayer claiming a credit under this section
 1064 shall be required to add back to net income that portion of its

1065 business deductions claimed on its federal return paid or
 1066 incurred for the taxable year which is equal to the amount of
 1067 the credit allowable for the taxable year under this section.

1068 (h)~~(i)~~ A taxpayer claiming credit under this section may
 1069 not claim a credit under s. 220.192. A taxpayer claiming credit
 1070 under s. 220.192 may not claim a credit under this section.

1071 (i)~~(j)~~ When an entity treated as a partnership or a
 1072 disregarded entity under this chapter produces and sells
 1073 electricity from a new or expanded renewable energy facility,
 1074 the credit earned by such entity shall pass through in the same
 1075 manner as items of income and expense pass through for federal
 1076 income tax purposes. When an entity applies for the credit and
 1077 the entity has received the credit by a pass-through, the
 1078 application must identify the taxpayer that passed the credit
 1079 through, all taxpayers that received the credit, and the
 1080 percentage of the credit that passes through to each recipient
 1081 and must provide other information that the department requires.

1082 (j)~~(k)~~ A taxpayer's use of the credit granted pursuant to
 1083 this section does not reduce the amount of any credit available
 1084 to such taxpayer under s. 220.186.

1085 Section 15. Section 220.51, Florida Statutes, is amended
 1086 to read:

1087 220.51 Promulgation of rules and regulations.—In
 1088 accordance with the Administrative Procedure Act, chapter 120,
 1089 the department is authorized to make, promulgate, and enforce
 1090 such reasonable rules and regulations, and to prescribe such
 1091 forms relating to the administration and enforcement of the
 1092 provisions of this code, as it may deem appropriate, including:

1093 (1) Rules for initial implementation of this code and for
 1094 taxpayers' transitional taxable years commencing before and
 1095 ending after January 1, 1972.†

1096 (2) Rules or regulations to clarify whether certain
 1097 groups, organizations, or associations formed under the laws of
 1098 this state or any other state, country, or jurisdiction shall be
 1099 deemed "taxpayers" for the purposes of this code, in accordance
 1100 with the legislative declarations of intent in s. 220.02.† and

1101 ~~(3) Regulations relating to consolidated reporting for~~
 1102 ~~affiliated groups of corporations, in order to provide for an~~
 1103 ~~equitable and just administration of this code with respect to~~
 1104 ~~multicorporate taxpayers.~~

1105 Section 16. Section 220.64, Florida Statutes, is amended
 1106 to read:

1107 220.64 Other provisions applicable to franchise tax.—To
 1108 the extent that they are not manifestly incompatible with the
 1109 provisions of this part, parts I, III, IV, V, VI, VIII, IX, and
 1110 X of this code and ss. 220.12, 220.13, 220.136, 220.1363,
 1111 220.15, and 220.16 apply to the franchise tax imposed by this
 1112 part. ~~Under rules prescribed in s. 220.131, a consolidated~~
 1113 ~~return may be filed by any affiliated group of corporations~~
 1114 ~~composed of one or more banks or savings associations, its or~~
 1115 ~~their Florida parent corporation, and any nonbank or nonsavings~~
 1116 ~~subsidiaries of such parent corporation.~~

1117 Section 17. Present paragraphs (g) and (h) of subsection
 1118 (4) of section 288.1254, Florida Statutes, are redesignated as
 1119 paragraphs (f) and (g), respectively, and present paragraph (f)

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1120 of subsection (4) and paragraph (a) of subsection (5) of that
 1121 section are amended to read:

1122 288.1254 Entertainment industry financial incentive
 1123 program.—

1124 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;
 1125 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;
 1126 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND
 1127 ACQUISITIONS.—

1128 ~~(f) Consolidated returns. A certified production company~~
 1129 ~~that files a Florida consolidated return as a member of an~~
 1130 ~~affiliated group under s. 220.131(1) may be allowed the credit~~
 1131 ~~on a consolidated return basis up to the amount of the tax~~
 1132 ~~imposed upon the consolidated group under chapter 220.~~

1133 (5) TRANSFER OF TAX CREDITS.—

1134 (a) Authorization.—Upon application to the Office of Film
 1135 and Entertainment and approval by the department, a certified
 1136 production company, or a partner or member that has received a
 1137 distribution under paragraph (4) (f) ~~(4) (g)~~, may elect to
 1138 transfer, in whole or in part, any unused credit amount granted
 1139 under this section. An election to transfer any unused tax
 1140 credit amount under chapter 212 or chapter 220 must be made no
 1141 later than 5 years after the date the credit is awarded, after
 1142 which period the credit expires and may not be used. The
 1143 department shall notify the Department of Revenue of the
 1144 election and transfer.

1145 Section 18. Subsections (9) and (10) of section 376.30781,
 1146 Florida Statutes, are amended to read:

1147 376.30781 Tax credits for rehabilitation of drycleaning-

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1148 solvent-contaminated sites and brownfield sites in designated
 1149 brownfield areas; application process; rulemaking authority;
 1150 revocation authority.-

1151 (9) On or before May 1, the Department of Environmental
 1152 Protection shall inform each tax credit applicant that is
 1153 subject to the January 31 annual application deadline of the
 1154 applicant's eligibility status and the amount of any tax credit
 1155 due. The department shall provide each eligible tax credit
 1156 applicant with a tax credit certificate that must be submitted
 1157 with its tax return to the Department of Revenue to claim the
 1158 tax credit or be transferred pursuant to s. 220.1845(2)(f) ~~s.~~
 1159 ~~220.1845(2)(g)~~. The May 1 deadline for annual site
 1160 rehabilitation tax credit certificate awards shall not apply to
 1161 any tax credit application for which the department has issued a
 1162 notice of deficiency pursuant to subsection (8). The department
 1163 shall respond within 90 days after receiving a response from the
 1164 tax credit applicant to such a notice of deficiency. Credits may
 1165 not result in the payment of refunds if total credits exceed the
 1166 amount of tax owed.

1167 (10) For solid waste removal, new health care facility or
 1168 health care provider, and affordable housing tax credit
 1169 applications, the Department of Environmental Protection shall
 1170 inform the applicant of the department's determination within 90
 1171 days after the application is deemed complete. Each eligible tax
 1172 credit applicant shall be informed of the amount of its tax
 1173 credit and provided with a tax credit certificate that must be
 1174 submitted with its tax return to the Department of Revenue to
 1175 claim the tax credit or be transferred pursuant to s.

1176 220.1845(2)(f) ~~s. 220.1845(2)(g)~~. Credits may not result in the
 1177 payment of refunds if total credits exceed the amount of tax
 1178 owed.

1179 Section 19. Paragraph (b) of subsection (4) of section
 1180 627.6699, Florida Statutes, is amended to read:

1181 627.6699 Employee Health Care Access Act.—

1182 (4) APPLICABILITY AND SCOPE.—

1183 (b) With respect to a group of affiliated carriers or a
 1184 group of carriers that is eligible to file a consolidated
 1185 federal tax return, any restrictions, limitations, or
 1186 requirements of this section that apply to one of the carriers
 1187 applies to all of the carriers as if they were one carrier.
 1188 However, with respect to affiliated companies, all of which are
 1189 in existence and affiliated on January 1, 1992, the group of
 1190 affiliated companies is considered one carrier only after one
 1191 member of the group transfers any small employer business to
 1192 another member of the group.

1193 Section 20. Transitional rules.—

1194 (1) For the first tax year beginning on or after January
 1195 1, 2013, a taxpayer that filed a Florida corporate income tax
 1196 return in the preceding tax year that is a member of a water's
 1197 edge group shall compute its income together with all members of
 1198 its water's edge group and file a combined Florida corporate
 1199 income tax return with all members of its water's edge group.

1200 (2) An affiliated group of corporations that filed a
 1201 Florida consolidated corporate income tax return pursuant to an
 1202 election provided in s. 220.131, Florida Statutes, shall cease
 1203 filing a Florida consolidated corporate income tax return for

1204 tax years beginning on or after January 1, 2013, and shall file
 1205 a combined Florida corporate income tax return with all members
 1206 of its water's edge group.

1207 (3) An affiliated group of corporations that filed a
 1208 Florida consolidated corporate income tax return pursuant to the
 1209 election in s. 220.131(1), Florida Statutes (1985), which
 1210 allowed the affiliated group to make an election within 90 days
 1211 after December 20, 1984, or upon filing the taxpayer's first
 1212 return after December 20, 1984, whichever is later, shall cease
 1213 filing a Florida consolidated corporate income tax return using
 1214 that method for tax years beginning on or after January 1, 2013,
 1215 and shall file a combined Florida corporate income tax return
 1216 with all members of its water's edge group.

1217 (4) Taxpayers that are not members of a water's edge group
 1218 remain subject to chapter 220, Florida Statutes, and shall file
 1219 a separate Florida corporate income tax return as previously
 1220 required.

1221 (5) For the tax years beginning on or after January 1,
 1222 2013, a tax return for a member of a water's edge group must be
 1223 a combined Florida corporate income tax return that includes tax
 1224 information for all members of the water's edge group. The tax
 1225 return must be filed by a member that has a nexus with Florida.

1226 Section 21. Except as otherwise provided in this act,
 1227 funds recaptured under this act shall be deposited into the
 1228 General Revenue Fund.

1229 Section 22. Section 220.131, Florida Statutes, is
 1230 repealed.

1231 Section 23. Legislative findings and intent.—

1232 (1) The Legislature finds that:
 1233 (a) Although the state and local governments have provided
 1234 many economic development incentives for the past 25 years,
 1235 working families have experienced declines in real wages and
 1236 health care coverage.
 1237 (b) When workers receive low wages and poor benefits,
 1238 hidden costs are imposed upon the state's taxpayers to fund
 1239 various forms of public assistance for these workers and their
 1240 families, including, but not limited to, Medicaid, food stamps,
 1241 and earned income tax credits.
 1242 (c) Citizen participation in economic development has been
 1243 impeded by a lack of readily accessible information concerning
 1244 government expenditures for, and the outcomes of, economic
 1245 development incentives.
 1246 (2) To improve the effectiveness of economic development
 1247 incentives and ensure that those incentives achieve the goal of
 1248 increasing the standard of living for working families, the
 1249 Legislature finds that it is necessary to collect, analyze, and
 1250 make publicly available information concerning government
 1251 expenditures for economic development incentives and establish
 1252 safeguards for the use of those incentives.

1253 Section 24. Part XIII of chapter 288, Florida Statutes,
 1254 consisting of sections 288.9931, 288.9932, 288.9933, 288.9934,
 1255 288.9935, 288.9936, 288.9937, 288.9938, and 288.9939, is created
 1256 to read:

1257 PART XIII

1258 ECONOMIC DEVELOPMENT INCENTIVES

1259 288.9931 Definitions.—As used in this part, the term:

1260 (1) "Corporate parent" means a person, association,
 1261 corporation, joint venture, partnership, or other entity that
 1262 owns or controls at least 50 percent of a recipient corporation.

1263 (2) "Date of incentive" means the date that a granting
 1264 authority provides the initial monetary value of an economic
 1265 development incentive to a recipient corporation, except that:

1266 (a) If the incentive is for installation of new equipment,
 1267 the term means the date that the recipient corporation puts the
 1268 equipment into service.

1269 (b) If the incentive is for improvements to real property,
 1270 the term means the date that the improvements are completed or
 1271 the date the recipient corporation occupies the real property,
 1272 whichever occurs first.

1273 (3) "Economic development incentive" means an expenditure
 1274 of at least \$25,000 of public funds for the purpose of
 1275 stimulating economic development in the state, including, but
 1276 not limited to, bonds, grants, loans, loan guarantees,
 1277 enterprise zones, empowerment zones, tax increment financing,
 1278 grants, fee waivers, land price incentives, matching funds, tax
 1279 exemptions, tax refunds, and tax credits.

1280 (4) "Full-time job" means a job for which an individual is
 1281 employed by a recipient corporation for at least 35 hours per
 1282 week.

1283 (5) "Granting authority" means a department, agency,
 1284 board, commission, office, public-private partnership, or
 1285 economic development agency of the state, or a local
 1286 governmental unit, that grants an economic development
 1287 incentive.

1288 (6) "Incentive value" means the face value of all economic
 1289 development incentives provided to a recipient corporation.

1290 (7) "Local governmental unit" means the governing body or
 1291 a department, agency, board, commission, office, or economic
 1292 development agency of a county or municipality.

1293 (8) "New job" means full-time employment that represents a
 1294 net increase in the number of individuals employed in the state
 1295 by a recipient corporation. The term does not include the
 1296 employment of an individual performing a job that was previously
 1297 performed by another individual if such job existed for at least
 1298 6 months before the new individual is hired.

1299 (9) "Part-time job" means a job for which an individual is
 1300 employed by a recipient corporation for less than 35 hours per
 1301 week.

1302 (10) "Project site" means the site of a project for which
 1303 an economic development incentive is provided.

1304 (11) "Property-taxing authority" means any governmental
 1305 unit that levies ad valorem taxes upon real or tangible personal
 1306 property.

1307 (12) "Recipient corporation" means a person, association,
 1308 corporation, joint venture, partnership, or other entity that
 1309 receives an economic development incentive.

1310 (13) "Small business" means a recipient corporation whose
 1311 corporate parent and all subsidiaries thereof employ fewer than
 1312 20 full-time employees or earn less than \$1 million in total
 1313 gross receipts during the calendar year.

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1314 (14) "State" includes a department, agency, board,
1315 commission, office, public-private partnership, or economic
1316 development agency of the state.

1317 (15) "Temporary job" means a job for which an individual
1318 is hired for a season or a limited period of time.

1319 288.9932 Unified economic development report.—By October 1
1320 of each year, beginning in 2013, the department, in cooperation
1321 with the Department of Revenue, shall annually submit a unified
1322 economic development report to the Governor, the President of
1323 the Senate, and the Speaker of the House of Representatives. The
1324 report must include for the previous fiscal year:

1325 (1) The amount of uncollected state tax revenues resulting
1326 from each tax exemption, tax refund, or tax credit provided by
1327 the state or a local governmental unit from sales and use taxes,
1328 corporate income taxes, intangible personal property taxes,
1329 excise taxes on documents, ad valorem taxes, state
1330 communications services taxes, insurance premium taxes, or any
1331 other taxes that generate state tax revenues.

1332 (2) The name of each business that claimed a tax
1333 exemption, tax refund, or tax credit described in subsection (1)
1334 of at least \$5,000, together with the dollar amount of such tax
1335 exemption, tax refund, or tax credit received by the business.

1336 (3) The aggregate dollar amount of the tax exemptions, tax
1337 refunds, and tax credits of less than \$5,000 and the number of
1338 businesses that received such tax exemptions, tax refunds, or
1339 tax credits.

1340 (4) All expenditures from any legislative appropriations
1341 for economic development activities by each state department or

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1342 agency, public-private partnership, economic development agency,
 1343 state university, Florida college system institution, or school
 1344 district, including, but not limited to, economic development
 1345 programs, workforce education and training, and the promotion of
 1346 tourism, sports, and the entertainment industry.

1347 288.9933 Unified reporting of economic development ad
 1348 valorem tax exemptions.-

1349 (1) By October 1 of each year, beginning in 2013, each
 1350 property-taxing authority shall submit an annual report to the
 1351 Department of Revenue of property for which economic development
 1352 tax exemptions were granted against ad valorem taxes levied by
 1353 the authority. The report must include for the previous fiscal
 1354 year:

- 1355 (a) For each economic development tax exemption granted:
 1356 1. The property owner's name.
 1357 2. The street address of the property.
 1358 3. The start and end dates of the tax exemption.
 1359 4. The schedule of the tax exemption, if applicable.
 1360 5. The amount of uncollected ad valorem tax revenues
 1361 resulting from the tax exemption.

1362 (b) The total uncollected ad valorem tax revenues
 1363 resulting from all economic development tax exemptions granted
 1364 against ad valorem taxes levied by the authority.

1365 (2) Each property-taxing authority must submit the annual
 1366 reports of economic development ad valorem tax exemptions in the
 1367 format prescribed by the Department of Revenue.

1368 (3) The Department of Revenue shall annually compile and
 1369 submit to the Governor, the President of the Senate, and the

1370 Speaker of the House of Representatives a statewide report of
 1371 data submitted in the annual reports of the property-taxing
 1372 authorities. The Department of Revenue shall publish the
 1373 statewide report in written and electronic formats and include a
 1374 copy of the statewide report on its Internet website.

1375 (4) If a property-taxing authority does not submit its
 1376 annual report to the Department of Revenue within the prescribed
 1377 time, the Department of Revenue shall notify the Chief Financial
 1378 Officer who shall withhold disbursement of any legislative
 1379 appropriations for economic development activities to the
 1380 delinquent authority until the authority submits the annual
 1381 report to the Department of Revenue.

1382 288.9934 Unified application for economic development
 1383 incentives.-

1384 (1) The department shall establish a unified application
 1385 that each granting authority in the state must use for the award
 1386 of economic development incentives. The application must, at a
 1387 minimum, include:

1388 (a) An application tracking number for the granting
 1389 authority and the project.

1390 (b) The name, street and mailing addresses, and telephone
 1391 number of the granting authority's chief officer.

1392 (c) The name, street and mailing addresses, and telephone
 1393 phone number of the applicant's chief officer.

1394 (d) The name, street and mailing addresses, and telephone
 1395 number of the chief officer of the applicant's corporate parent.

1396 (e) The street address of the project site.

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1397 (f) The project site's three-digit industry code as
1398 classified by the North American Industry Classification System
1399 published in 2007 by the United States Office of Management and
1400 Budget of the Executive Office of the President.

1401 (g) The total number of individuals employed by the
1402 applicant at the project site on the date of the application,
1403 enumerated by full-time, part-time, and temporary jobs.

1404 (h) The total number of individuals employed in the state
1405 by the applicant's corporate parent and all subsidiaries thereof
1406 as of December 31 of the previous calendar year, enumerated by
1407 full-time, part-time, and temporary jobs.

1408 (i) A description of the economic development incentive
1409 for which the applicant is applying to the granting authority
1410 and its incentive value.

1411 (j) The number of new jobs to be created by the applicant
1412 at the project site, enumerated by full-time, part-time, and
1413 temporary jobs.

1414 (k) The average hourly wage to be paid to all current and
1415 new employees at the project site, enumerated by full-time,
1416 part-time, and temporary jobs and according to the following
1417 wage groups: less than \$6.00 per hour, \$6.01 to \$7.00 per hour,
1418 \$7.01 to \$8.00 per hour, \$8.01 to \$9.00 per hour, \$9.01 to
1419 \$10.00 per hour, \$10.01 to \$11.00 per hour, \$11.01 to \$12.00 per
1420 hour, \$12.01 to \$13.00 per hour, \$13.01 to \$14.00 per hour, and
1421 \$14.01 or more per hour.

1422 (l) For a project site located in a metropolitan
1423 statistical area defined by the federal Office of Management and
1424 Budget, the average hourly wage paid in the state to

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1425 nonmanagerial employees for the industries involved in the
1426 project, as established by the Bureau of Labor Statistics of the
1427 United States Department of Labor.

1428 (m) For a project site located outside of a metropolitan
1429 statistical area, the average weekly wage paid to nonmanagerial
1430 employees in the county for the industries involved in the
1431 project, as established by the United States Department of
1432 Commerce.

1433 (n) The type and amount of health care coverage to be
1434 provided by the applicant within 90 days after the commencement
1435 of employment at the project site, including any costs to be
1436 paid by employees.

1437 (o) A list of all economic development incentives for
1438 which the applicant is applying during the state fiscal year and
1439 the name of any other granting authority from which an incentive
1440 is sought.

1441 (p) A statement of whether the economic development
1442 incentive may reduce employment at any other site owned or
1443 controlled by the applicant or its corporate parent inside or
1444 outside of the state, which may result from automation, merger,
1445 acquisition, corporate restructuring, or another business
1446 activity.

1447 (q) A signed certification by the applicant's chief
1448 officer as to the accuracy of the application.

1449 (2) This section does not prohibit a granting authority
1450 from requiring an applicant to submit a supplemental application
1451 that solicits information beyond the information collected in
1452 the unified application.

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1453 (3) If a granting authority approves an application,
1454 within 15 days after such approval, the authority must submit
1455 the application to the department in the format prescribed by
1456 the department. If the granting authority does not approve the
1457 application, the authority shall maintain the application in its
1458 records.

1459 288.9935 Economic incentive progress reports.-

1460 (1) (a) By February 1 of each year, each granting authority
1461 shall submit an annual progress report to the department for
1462 each project for which an economic development incentive is
1463 granted. The progress report must include:

1464 1. The application tracking number.

1465 2. The name, street and mailing addresses, and telephone
1466 number of the granting authority's chief officer.

1467 3. The name, street and mailing addresses, and telephone
1468 number of the recipient corporation's chief officer.

1469 4. A summary of the number of jobs required, created, and
1470 lost, enumerated by full-time, part-time, and temporary jobs and
1471 by the wage groups described in s. 288.9934(1)(k).

1472 5. The type and amount of health care coverage provided to
1473 the employees at the project site, including any costs paid by
1474 the employees.

1475 6. A comparison between the total number of individuals
1476 employed in the state by the recipient's corporate parent and
1477 all subsidiaries thereof on the date of the application and the
1478 date of the progress report, enumerated by full-time, part-time,
1479 and temporary jobs.

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1480 7. A statement of whether the economic development
1481 incentive reduced employment during the previous state fiscal
1482 year at any other site owned or controlled by the recipient
1483 corporation or its corporate parent inside or outside of the
1484 state, which resulted from automation, merger, acquisition,
1485 corporate restructuring, or another business activity.

1486 (b) The progress report must also include a statement by
1487 the granting authority of whether the recipient corporation
1488 remains in compliance with any targets for job creation and
1489 employee wages and benefits and whether the recipient's
1490 corporate parent, since the date of incentive, has maintained
1491 the total number of individuals that it employed in the state.

1492 (c) The granting authority must submit annual progress
1493 reports for an economic development incentive for at least 5
1494 years after the date of incentive and for each state fiscal year
1495 that the recipient corporation receives monetary value from the
1496 incentive.

1497 (2) In addition to the annual reports submitted under
1498 subsection (1), within 15 days after a recipient corporation's
1499 second anniversary of the date of incentive, the granting
1500 authority shall submit a progress report to the department that
1501 includes the information required under subsection (1) for the
1502 annual report and a statement by the granting authority of
1503 whether the recipient corporation has achieved any targets for
1504 job creation and employee wages and benefits and whether the
1505 recipient's corporate parent has, since the date of incentive,
1506 maintained the required percentage of individuals employed in
1507 the state as provided in s. 288.9936(2).

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1508 (3) Each progress report submitted under this section must
1509 include a signed certification by the recipient corporation's
1510 chief officer as to the accuracy of the report.

1511 (4) The department shall annually compile and submit to
1512 the Governor, the President of the Senate, and the Speaker of
1513 the House of Representatives a statewide report of data
1514 submitted in the progress reports submitted by the granting
1515 authorities. The department shall publish the statewide report
1516 in written and electronic formats and include a copy of the
1517 statewide report on its Internet website.

1518 (5) Each recipient corporation and its corporate parent
1519 must provide the department and the respective granting
1520 authority access at all reasonable times to the project site and
1521 to the recipient corporation's records in order to monitor the
1522 project and prepare the progress reports.

1523 (6) The department may impose a fine of up to \$500 per day
1524 against a recipient corporation that does not submit a progress
1525 report within 10 working days after the required submission date
1526 or give the department or the respective granting authority the
1527 access required under subsection (5). The department may impose
1528 a fine of up to \$1,000 per day against a recipient corporation
1529 that does not submit the progress report within 20 working days
1530 after the required submission date specified in paragraph (1) (a)
1531 or subsection (2).

1532 288.9936 Limits on economic development incentives and
1533 employment requirements.—A granting authority may not grant an
1534 economic development incentive:

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1535 (1) If the project's cost per job is greater than \$35,000.
1536 Such cost per job shall be calculated by dividing the incentive
1537 value by the number of full-time jobs required under the
1538 application approved by the granting authority.

1539 (2) Unless the average wage paid to employees at the
1540 project site meets or exceeds 85 percent, or, if the recipient
1541 corporation is a small business, meets or exceeds 75 percent, of
1542 the average wage described in s. 288.9934(1)(l) or (m), as
1543 applicable. The calculation of wages under this subsection
1544 applies only to a recipient corporation that provides health
1545 care coverage in accordance with its application approved by the
1546 granting authority.

1547 288.9937 Recapture of economic development incentives;
1548 repayments.—

1549 (1) A recipient corporation must achieve its job creation,
1550 wage, health care coverage, and other employee benefit
1551 requirements for the project site within 2 years after the date
1552 of incentive. The recipient corporation must also maintain its
1553 wage and benefit targets for at least 5 years after the date of
1554 incentive and for each state fiscal year that the recipient
1555 corporation receives monetary value from the incentive.

1556 (2) A recipient's corporate parent must maintain at least
1557 90 percent of the total number of individuals that it employed
1558 in the state on the date of the application for at least 5 years
1559 after the date of incentive and for each state fiscal year that
1560 the recipient corporation receives monetary value from the
1561 incentive.

1562 (3) If a recipient corporation or its corporate parent
1563 does not meet the requirements of subsection (1) or subsection
1564 (2), the granting authority must recapture the economic
1565 development incentive from the recipient corporation as follows:

1566 (a) If the recipient corporation does not achieve its job
1567 creation, wage, health care coverage, or other employee benefit
1568 requirements, the granting authority must recapture a portion of
1569 the total incentive that is proportionate to the percentage of
1570 unfulfilled jobs, wages, or benefits.

1571 (b) If the recipient's corporate parent does not maintain
1572 at least 90 percent of the total number of individuals that it
1573 employed in the state for the period required in subsection (2),
1574 the granting authority must recapture a portion of the total
1575 incentive that is proportionate to twice the number of
1576 percentage points below 90 percent.

1577 (4) The granting authority must notify the recipient
1578 corporation of its intent to recapture an economic development
1579 incentive and provide the recipient corporation with written
1580 justification for the amount to be recaptured. The recipient
1581 corporation must repay the amount to be recaptured within 60
1582 days after the date of the notice.

1583 (5) If a recipient corporation is subject to recapture and
1584 repayment of an economic development incentive for 3 consecutive
1585 years:

1586 (a) The granting authority shall void the incentive and
1587 notify the department and the recipient corporation; and

1588 (b) The recipient corporation must, within 180 days after
1589 receipt of the notice, repay to the granting authority all

1590 remaining value of the economic development incentive that has
 1591 not previously been repaid.

1592 (6) The granting authority must remit to the department
 1593 any recaptured economic development incentives that were
 1594 provided from legislative appropriations or that resulted in
 1595 uncollected state tax revenues. The department shall deposit the
 1596 recaptured funds into the fund from which the appropriation was
 1597 made or, for uncollected state tax revenues, into the fund into
 1598 which the revenues would have been deposited if the state taxes
 1599 had been collected.

1600 288.9938 Rulemaking.—The Department of Economic
 1601 Opportunity and the Department of Revenue may adopt rules to
 1602 administer the provisions of this part conferring duties upon
 1603 the respective department.

1604 288.9939 Application of part to collective bargaining
 1605 agreements and prevailing wage laws.—This part does not require
 1606 or authorize a recipient corporation to reduce wages or benefits
 1607 established under a collective bargaining agreement or state or
 1608 federal prevailing wage law.

1609 Section 25. If any provision of this act or its
 1610 application to any person or circumstance is held invalid, the
 1611 invalidity does not affect other provisions or applications of
 1612 the act which can be given effect without the invalid provision
 1613 or application, and to this end the provisions of this act are
 1614 declared severable.

1615 Section 26. This act shall take effect July 1, 2012.