

1 A bill to be entitled
2 An act relating to economic development; amending s.
3 210.20, F.S.; revising the payment and distribution of
4 funds in the Cigarette Tax Collection Trust Fund;
5 providing specified purposes for the use of funds
6 appropriated out of the trust fund; amending s.
7 210.201, F.S.; authorizing moneys transferred to the
8 Board of Directors of the H. Lee Moffitt Cancer Center
9 and Research Institute to be used to secure financing
10 to pay costs for specified purposes at certain
11 facilities and other properties; amending s. 212.08,
12 F.S.; providing an exemption from the tax on sales,
13 use, and other transactions for electricity used by
14 packinghouses; defining the term "packinghouse";
15 expanding exemptions from the sales and use tax on
16 labor, parts, and equipment used in repairs of certain
17 aircraft; exempting certain items used to manufacture,
18 produce, or modify aircraft and gas turbine engines and
19 parts from the tax on sales, use, and other
20 transactions; revising a condition for an exemption for
21 machinery and equipment; amending s. 212.097, F.S.;
22 revising the eligibility criteria for tax credits
23 under the Urban High-Crime Area Job Tax Credit
24 Program; amending s. 220.14, F.S.; increasing the
25 amount of income that is exempt from the corporate
26 income tax under certain circumstances; requiring
27 taxpayers to submit certain sworn statements to the
28 Department of Revenue as a condition of receiving the

29 exemption; amending s. 220.63, F.S.; increasing the
30 amount of income that is exempt from the franchise tax
31 imposed on banks and savings associations under
32 certain circumstances; amending s. 288.1254, F.S.;

33 revising eligibility criteria for certain tax credits
34 authorized under the entertainment industry financial
35 incentive program; amending s. 288.9914, F.S.;

36 revising limits on tax credits that may be claimed by
37 qualified community development entities under the New
38 Markets Development Program; amending s. 288.9915,
39 F.S.; revising restrictions on a qualified community
40 development entity making cash interest payments on
41 certain long-term debt securities; creating s.
42 290.00729, F.S.; authorizing Charlotte County to apply
43 to the Department of Economic Opportunity for
44 designation of an enterprise zone; providing
45 application requirements; authorizing the Department
46 of Economic Opportunity to designate an enterprise
47 zone in Charlotte County; requiring that the
48 Department of Economic Opportunity establish the
49 initial effective date for the enterprise zone;

50 creating s. 290.00731, F.S.; authorizing Citrus County
51 to apply to the Department of Economic Opportunity for
52 designation of an enterprise zone; providing an
53 application deadline and requirements; authorizing the
54 Department of Economic Opportunity to designate an
55 enterprise zone in Citrus County; requiring the
56 Department of Economic Opportunity to establish the

57 | effective date of the enterprise zone; authorizing the
 58 | Department of Revenue to adopt emergency rules;
 59 | providing effective dates.

60 |

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

62 |

63 | Section 1. Paragraph (b) of subsection (2) of section
 64 | 210.20, Florida Statutes, is amended, and paragraph (c) is added
 65 | to subsection (2) of that section, to read:

66 | 210.20 Employees and assistants; distribution of funds.—

67 | (2) As collections are received by the division from such
 68 | cigarette taxes, it shall pay the same into a trust fund in the
 69 | State Treasury designated "Cigarette Tax Collection Trust Fund"
 70 | which shall be paid and distributed as follows:

71 | (b)1. Beginning January 1, 1999, and continuing for 10
 72 | years thereafter, the division shall from month to month certify
 73 | to the Chief Financial Officer the amount derived from the
 74 | cigarette tax imposed by s. 210.02, less the service charges
 75 | provided for in s. 215.20 and less 0.9 percent of the amount
 76 | derived from the cigarette tax imposed by s. 210.02, which shall
 77 | be deposited into the Alcoholic Beverage and Tobacco Trust Fund,
 78 | specifying an amount equal to 2.59 percent of the net
 79 | collections, and that amount shall be paid to the Board of
 80 | Directors of the H. Lee Moffitt Cancer Center and Research
 81 | Institute, established under s. 1004.43, by warrant drawn by the
 82 | Chief Financial Officer upon the State Treasury. These funds are
 83 | hereby appropriated monthly out of the Cigarette Tax Collection
 84 | Trust Fund, to be used for the purpose of constructing,

85 | furnishing, and equipping a cancer research facility at the
86 | University of South Florida adjacent to the H. Lee Moffitt
87 | Cancer Center and Research Institute. In fiscal years 1999-2000
88 | and thereafter with the exception of fiscal year 2008-2009, the
89 | appropriation to the H. Lee Moffitt Cancer Center and Research
90 | Institute authorized by this subparagraph shall not be less than
91 | the amount that would have been paid to the H. Lee Moffitt
92 | Cancer Center and Research Institute for fiscal year 1998-1999
93 | had payments been made for the entire fiscal year rather than
94 | for a 6-month period thereof.

95 | 2. Beginning July 1, 2002, and continuing through June 30,
96 | 2004, the division shall, in addition to the distribution
97 | authorized in subparagraph 1., from month to month certify to
98 | the Chief Financial Officer the amount derived from the
99 | cigarette tax imposed by s. 210.02, less the service charges
100 | provided for in s. 215.20 and less 0.9 percent of the amount
101 | derived from the cigarette tax imposed by s. 210.02, which shall
102 | be deposited into the Alcoholic Beverage and Tobacco Trust Fund,
103 | specifying an amount equal to 0.2632 percent of the net
104 | collections, and that amount shall be paid to the Board of
105 | Directors of the H. Lee Moffitt Cancer Center and Research
106 | Institute, established under s. 1004.43, by warrant drawn by the
107 | Chief Financial Officer. Beginning July 1, 2004, and continuing
108 | through June 30, 2012 ~~2020~~, the division shall, in addition to
109 | the distribution authorized in subparagraph 1., from month to
110 | month certify to the Chief Financial Officer the amount derived
111 | from the cigarette tax imposed by s. 210.02, less the service
112 | charges provided for in s. 215.20 and less 0.9 percent of the

113 amount derived from the cigarette tax imposed by s. 210.02,
114 which shall be deposited into the Alcoholic Beverage and Tobacco
115 Trust Fund, specifying an amount equal to 1.47 percent of the
116 net collections, and that amount shall be paid to the Board of
117 Directors of the H. Lee Moffitt Cancer Center and Research
118 Institute, established under s. 1004.43, by warrant drawn by the
119 Chief Financial Officer. Beginning July 1, 2012, and continuing
120 through June 30, 2020, the division shall from month to month
121 certify to the Chief Financial Officer the amount derived from
122 the cigarette tax imposed by s. 210.02, less the service charges
123 provided for in s. 215.20 and less 0.9 percent of the amount
124 derived from the cigarette tax imposed by s. 210.02, which shall
125 be deposited into the Alcoholic Beverage and Tobacco Trust Fund,
126 specifying an amount equal to 2.75 percent of the net
127 collections, and that amount shall be paid to the Board of
128 Directors of the H. Lee Moffitt Cancer Center and Research
129 Institute, established under s. 1004.43, by warrant drawn by the
130 Chief Financial Officer. These funds are appropriated monthly
131 out of the Cigarette Tax Collection Trust Fund, to be used for
132 lawful purposes, including the purpose of constructing,
133 furnishing, ~~and~~ equipping, financing, operating, and maintaining
134 a cancer research and clinical and related facilities;
135 furnishing, equipping, operating, and maintaining other
136 properties owned or leased by facility at the University of
137 South Florida adjacent to the H. Lee Moffitt Cancer Center and
138 Research Institute; and paying costs incurred in connection with
139 purchasing, financing, operating, and maintaining such
140 equipment, facilities, and properties. In fiscal years 2004-2005

141 and thereafter, the appropriation to the H. Lee Moffitt Cancer
 142 Center and Research Institute authorized by this subparagraph
 143 shall not be less than the amount that would have been paid to
 144 the H. Lee Moffitt Cancer Center and Research Institute in
 145 fiscal year 2001-2002, had this subparagraph been in effect.

146 (c) Beginning July 1, 2012, and continuing through June
 147 30, 2020, the division shall from month to month certify to the
 148 Chief Financial Officer the amount derived from the cigarette
 149 tax imposed by s. 210.02, less the service charges provided for
 150 in s. 215.20 and less 0.9 percent of the amount derived from the
 151 cigarette tax imposed by s. 210.02, which shall be deposited
 152 into the Alcoholic Beverage and Tobacco Trust Fund, specifying
 153 an amount equal to 1 percent of the net collections, and that
 154 amount shall be deposited into the Biomedical Research Trust
 155 Fund in the Department of Health. These funds are appropriated
 156 annually in an amount not to exceed \$3 million from the
 157 Biomedical Research Trust Fund for the Department of Health and
 158 the Sanford-Burnham Medical Research Institute to work in
 159 conjunction for the purpose of establishing activities and grant
 160 opportunities in relation to biomedical research.

161 Section 2. Section 210.201, Florida Statutes, is amended
 162 to read:

163 210.201 H. Lee Moffitt Cancer Center and Research
 164 Institute facilities ~~Cancer research facility at the University~~
 165 ~~of South Florida;~~ establishment; funding.—The Board of Directors
 166 of the H. Lee Moffitt Cancer Center and Research Institute shall
 167 construct, furnish, and equip, and shall covenant to complete,
 168 the cancer research and clinical and related facilities of

169 ~~facility at the University of South Florida adjacent to the H.~~
 170 Lee Moffitt Cancer Center and Research Institute funded with
 171 proceeds from the Cigarette Tax Collection Trust Fund pursuant
 172 to s. 210.20. Moneys transferred to the Board of Directors of
 173 the H. Lee Moffitt Cancer Center and Research Institute pursuant
 174 to s. 210.20 may ~~shall~~ be used to secure financing to pay costs
 175 related to constructing, furnishing, ~~and~~ equipping, operating,
 176 and maintaining the cancer research and clinical and related
 177 facilities; furnishing, equipping, operating, and maintaining
 178 other leased or owned properties; and paying costs incurred in
 179 connection with purchasing, financing, operating, and
 180 maintaining such equipment, facilities, and properties as
 181 provided in s. 210.20 ~~facility~~. Such financing may include the
 182 issuance of tax-exempt bonds or other forms of indebtedness by a
 183 local authority, municipality, or county pursuant to parts II
 184 and III of chapter 159. Such bonds shall not constitute state
 185 bonds for purposes of s. 11, Art. VII of the State Constitution,
 186 but shall constitute bonds of a "local agency," as defined in s.
 187 159.27(4). The cigarette tax dollars pledged to facilities ~~this~~
 188 ~~facility~~ pursuant to s. 210.20 may be replaced annually by the
 189 Legislature from tobacco litigation settlement proceeds.

190 Section 3. Paragraph (e) of subsection (5) and paragraphs
 191 (ee) and (rr) of subsection (7) of section 212.08, Florida
 192 Statutes, are amended, and paragraph (hhh) is added to
 193 subsection (7) of that section, to read:

194 212.08 Sales, rental, use, consumption, distribution, and
 195 storage tax; specified exemptions.—The sale at retail, the
 196 rental, the use, the consumption, the distribution, and the

197 storage to be used or consumed in this state of the following
198 are hereby specifically exempt from the tax imposed by this
199 chapter.

200 (5) EXEMPTIONS; ACCOUNT OF USE.—

201 (e) Gas or electricity used for certain agricultural
202 purposes.—

203 1. Butane gas, propane gas, natural gas, and all other
204 forms of liquefied petroleum gases are exempt from the tax
205 imposed by this chapter if used in any tractor, vehicle, or
206 other farm equipment which is used exclusively on a farm or for
207 processing farm products on the farm and no part of which gas is
208 used in any vehicle or equipment driven or operated on the
209 public highways of this state. This restriction does not apply
210 to the movement of farm vehicles or farm equipment between
211 farms. The transporting of bees by water and the operating of
212 equipment used in the apiary of a beekeeper is also deemed an
213 exempt use.

214 2. Electricity used directly or indirectly for production,
215 packing, or processing of agricultural products on the farm, or
216 used directly or indirectly in a packinghouse, is exempt from
217 the tax imposed by this chapter. As used in this subsection, the
218 term "packinghouse" means any building or structure where fruits
219 and vegetables are packed or otherwise prepared for market or
220 shipment in fresh form for wholesale distribution. The exemption
221 does not apply to electricity used in buildings or structures
222 where agricultural products are sold at retail. This exemption
223 applies only if the electricity used for the exempt purposes is
224 separately metered. If the electricity is not separately

225 metered, it is conclusively presumed that some portion of the
 226 electricity is used for a nonexempt purpose, and all of the
 227 electricity used for such purposes is taxable.

228 (7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any
 229 entity by this chapter do not inure to any transaction that is
 230 otherwise taxable under this chapter when payment is made by a
 231 representative or employee of the entity by any means,
 232 including, but not limited to, cash, check, or credit card, even
 233 when that representative or employee is subsequently reimbursed
 234 by the entity. In addition, exemptions provided to any entity by
 235 this subsection do not inure to any transaction that is
 236 otherwise taxable under this chapter unless the entity has
 237 obtained a sales tax exemption certificate from the department
 238 or the entity obtains or provides other documentation as
 239 required by the department. Eligible purchases or leases made
 240 with such a certificate must be in strict compliance with this
 241 subsection and departmental rules, and any person who makes an
 242 exempt purchase with a certificate that is not in strict
 243 compliance with this subsection and the rules is liable for and
 244 shall pay the tax. The department may adopt rules to administer
 245 this subsection.

246 (ee) Aircraft repair and maintenance labor charges.—There
 247 shall be exempt from the tax imposed by this chapter all labor
 248 charges for the repair and maintenance of qualified aircraft,
 249 aircraft of more than 2,000 ~~15,000~~ pounds maximum certified
 250 takeoff weight, and rotary wing aircraft of more than 10,000
 251 pounds maximum certified takeoff weight. Except as otherwise
 252 provided in this chapter, charges for parts and equipment

253 furnished in connection with such labor charges are taxable.

254 (rr) Equipment used in aircraft repair and maintenance.—

255 There shall be exempt from the tax imposed by this chapter
 256 replacement engines, parts, and equipment used in the repair or
 257 maintenance of qualified aircraft, aircraft of more than 2,000
 258 ~~15,000~~ pounds maximum certified takeoff weight, and rotary wing
 259 aircraft of more than 10,300 pounds maximum certified takeoff
 260 weight, when such parts or equipment are installed on such
 261 aircraft that is being repaired or maintained in this state.

262 (hhh) Items used in manufacturing and fabricating aircraft
 263 and gas turbine engines.—Chemicals, machinery, parts, and
 264 equipment used and consumed in the manufacture or fabrication of
 265 aircraft engines and gas turbine engines, including cores,
 266 electrical discharge machining supplies, brass electrodes,
 267 ceramic guides, reamers, grinding and deburring wheels, Norton
 268 vortex wheels, argon, nitrogen, helium, fluid abrasive cutters,
 269 solvents and soaps, boroscopes, penetrants, patterns, dies, and
 270 molds consumed in the production of castings are exempt from the
 271 tax imposed by this chapter.

272 Section 4. Effective January 1, 2013, paragraph (b) of
 273 subsection (5) of section 212.08, Florida Statutes, is amended
 274 to read:

275 212.08 Sales, rental, use, consumption, distribution, and
 276 storage tax; specified exemptions.—The sale at retail, the
 277 rental, the use, the consumption, the distribution, and the
 278 storage to be used or consumed in this state of the following
 279 are hereby specifically exempt from the tax imposed by this
 280 chapter.

281 (5) EXEMPTIONS; ACCOUNT OF USE.—

282 (b) Machinery and equipment used to increase productive
283 output.—

284 1. Industrial machinery and equipment purchased for
285 exclusive use by a new business in spaceport activities as
286 defined by s. 212.02 or for use in new businesses that
287 manufacture, process, compound, or produce for sale items of
288 tangible personal property at fixed locations are exempt from
289 the tax imposed by this chapter upon an affirmative showing by
290 the taxpayer to the satisfaction of the department that such
291 items are used in a new business in this state. Such purchases
292 must be made before ~~prior to~~ the date the business first begins
293 its productive operations, and delivery of the purchased item
294 must be made within 12 months after that date.

295 2. Industrial machinery and equipment purchased for
296 exclusive use by an expanding facility which is engaged in
297 spaceport activities as defined by s. 212.02 or for use in
298 expanding manufacturing facilities or plant units which
299 manufacture, process, compound, or produce for sale items of
300 tangible personal property at fixed locations in this state are
301 exempt from any amount of tax imposed by this chapter upon an
302 affirmative showing by the taxpayer to the satisfaction of the
303 department that such items are used to increase the productive
304 output of such expanded facility or business by not less than 5
305 ~~10~~ percent.

306 3.a. To receive an exemption provided by subparagraph 1.
307 or subparagraph 2., a qualifying business entity shall apply to
308 the department for a temporary tax exemption permit. The

309 application shall state that a new business exemption or
310 expanded business exemption is being sought. Upon a tentative
311 affirmative determination by the department pursuant to
312 subparagraph 1. or subparagraph 2., the department shall issue
313 such permit.

314 b. The applicant shall maintain all necessary books and
315 records to support the exemption. Upon completion of purchases
316 of qualified machinery and equipment pursuant to subparagraph 1.
317 or subparagraph 2., the temporary tax permit shall be delivered
318 to the department or returned to the department by certified or
319 registered mail.

320 c. If, in a subsequent audit conducted by the department,
321 it is determined that the machinery and equipment purchased as
322 exempt under subparagraph 1. or subparagraph 2. did not meet the
323 criteria mandated by this paragraph or if commencement of
324 production did not occur, the amount of taxes exempted at the
325 time of purchase shall immediately be due and payable to the
326 department by the business entity, together with the appropriate
327 interest and penalty, computed from the date of purchase, in the
328 manner prescribed by this chapter.

329 d. If a qualifying business entity fails to apply for a
330 temporary exemption permit or if the tentative determination by
331 the department required to obtain a temporary exemption permit
332 is negative, a qualifying business entity shall receive the
333 exemption provided in subparagraph 1. or subparagraph 2. through
334 a refund of previously paid taxes. No refund may be made for
335 such taxes unless the criteria mandated by subparagraph 1. or
336 subparagraph 2. have been met and commencement of production has

337 | occurred.

338 | 4. The department shall adopt rules governing applications
339 | for, issuance of, and the form of temporary tax exemption
340 | permits; provisions for recapture of taxes; and the manner and
341 | form of refund applications, and may establish guidelines as to
342 | the requisites for an affirmative showing of increased
343 | productive output, commencement of production, and qualification
344 | for exemption.

345 | 5. The exemptions provided in subparagraphs 1. and 2. do
346 | not apply to machinery or equipment purchased or used by
347 | electric utility companies, communications companies, oil or gas
348 | exploration or production operations, publishing firms that do
349 | not export at least 50 percent of their finished product out of
350 | the state, any firm subject to regulation by the Division of
351 | Hotels and Restaurants of the Department of Business and
352 | Professional Regulation, or any firm that does not manufacture,
353 | process, compound, or produce for sale items of tangible
354 | personal property or that does not use such machinery and
355 | equipment in spaceport activities as required by this paragraph.
356 | The exemptions provided in subparagraphs 1. and 2. shall apply
357 | to machinery and equipment purchased for use in phosphate or
358 | other solid minerals severance, mining, or processing
359 | operations.

360 | 6. For the purposes of the exemptions provided in
361 | subparagraphs 1. and 2., these terms have the following
362 | meanings:

363 | a. "Industrial machinery and equipment" means tangible
364 | personal property or other property that has a depreciable life

365 of 3 years or more and that is used as an integral part in the
366 manufacturing, processing, compounding, or production of
367 tangible personal property for sale or is exclusively used in
368 spaceport activities. A building and its structural components
369 are not industrial machinery and equipment unless the building
370 or structural component is so closely related to the industrial
371 machinery and equipment that it houses or supports that the
372 building or structural component can be expected to be replaced
373 when the machinery and equipment are replaced. Heating and air-
374 conditioning systems are not industrial machinery and equipment
375 unless the sole justification for their installation is to meet
376 the requirements of the production process, even though the
377 system may provide incidental comfort to employees or serve, to
378 an insubstantial degree, nonproduction activities. The term
379 includes parts and accessories only to the extent that the
380 exemption thereof is consistent with the provisions of this
381 paragraph.

382 b. "Productive output" means the number of units actually
383 produced by a single plant, operation, or product line in a
384 single continuous 12-month period, irrespective of sales.
385 Increases in productive output shall be measured by the output
386 for 12 continuous months selected by the expanding business
387 after ~~following the~~ completion of the installation of such
388 machinery or equipment over the output for the 12 continuous
389 months immediately preceding such installation. However, in no
390 case may such time period begin later than 2 years after
391 ~~following the~~ completion of the installation of the new
392 machinery and equipment. The units used to measure productive

393 output shall be physically comparable between the two periods,
 394 irrespective of sales.

395 Section 5. Subsection (5) of section 212.097, Florida
 396 Statutes, is amended to read:

397 212.097 Urban High-Crime Area Job Tax Credit Program.—

398 (5) To be eligible for a tax credit under subsection (3),
 399 the number of qualified employees employed 1 year before ~~prior~~
 400 ~~to~~ the application date must be no lower than the number of
 401 qualified employees on January 1, 2009, or on the application
 402 date on which a credit under this section was based for any
 403 previous application, including an application under subsection
 404 (2), whichever occurs later.

405 Section 6. Effective January 1, 2013, and applying to tax
 406 years beginning on or after January 1, 2013, subsection (1) of
 407 section 220.14, Florida Statutes, is amended to read:

408 220.14 Exemption.—

409 (1) In computing a taxpayer's liability for tax under this
 410 code, if the taxpayer submits to the department a statement
 411 sworn to or affirmed under penalty of perjury that the taxpayer
 412 does not transact business, directly or indirectly, with Cuba,
 413 Iran, Sudan, or Syria, which have been designated by the United
 414 States Secretary of State under 50 U.S.C. App. s. 2405(j), 22
 415 U.S.C. s. 2371(a), or 22 U.S.C. s. 2780(d) as countries that
 416 have repeatedly provided support for acts of international
 417 terrorism, and:

418 (a) If the taxpayer submits to the department a written
 419 certification that none of the taxpayer's employees are members
 420 of a labor organization as defined in s. 447.02, there shall be

421 exempt from the tax \$50,000 of net income as defined in s.
 422 220.12; or

423 (b) If the taxpayer does not submit the certification
 424 described in paragraph (a), there shall be exempt from the tax
 425 \$25,000 of net income as defined in s. 220.12 or such lesser
 426 amount as will, without increasing the taxpayer's federal income
 427 tax liability, provide the state with an amount under this code
 428 which is equal to the maximum federal income tax credit which
 429 may be available from time to time under federal law.

430 Section 7. Effective January 1, 2013, and applying to tax
 431 years beginning on or after January 1, 2013, subsection (3) of
 432 section 220.63, Florida Statutes, is amended to read:

433 220.63 Franchise tax imposed on banks and savings
 434 associations.—

435 (3) For purposes of this part, the franchise tax base
 436 shall be adjusted federal income, as defined in s. 220.13,
 437 apportioned to this state, plus nonbusiness income allocated to
 438 this state pursuant to s. 220.16, less the deduction allowed in
 439 subsection (5) and:

440 (a) If the taxpayer certifies to the department that none
 441 of the taxpayer's employees are members of a labor organization
 442 as defined in s. 447.02, less \$50,000; or

443 (b) If the taxpayer does not make the certification
 444 described in paragraph (a), less \$25,000.

445 Section 8. Paragraph (b) of subsection (4) of section
 446 288.1254, Florida Statutes, is amended to read:

447 288.1254 Entertainment industry financial incentive
 448 program.—

449 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;
450 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;
451 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND
452 ACQUISITIONS.—

453 (b) Tax credit eligibility.—

454 1. General production queue.—Ninety-four percent of tax
455 credits authorized pursuant to subsection (6) in any state
456 fiscal year must be dedicated to the general production queue.
457 The general production queue consists of all qualified
458 productions other than those eligible for the commercial and
459 music video queue or the independent and emerging media
460 production queue. A qualified production that demonstrates a
461 minimum of \$625,000 in qualified expenditures is eligible for
462 tax credits equal to 20 percent of its actual qualified
463 expenditures, up to a maximum of \$8 million. A qualified
464 production that incurs qualified expenditures during multiple
465 state fiscal years may combine those expenditures to satisfy the
466 \$625,000 minimum threshold. If a qualified production claims a
467 credit from this queue for principal-photography-related
468 qualified production expenditures, at least 50 percent of the
469 total principal photography shooting days spent in the
470 production of that qualified production must be within this
471 state or at least \$10 million must be spent on qualified
472 production expenditures within this state.

473 a. An off-season certified production that is a feature
474 film, independent film, or television series or pilot is
475 eligible for an additional 5-percent tax credit on actual
476 qualified expenditures. An off-season certified production that

477 does not complete 75 percent of principal photography due to a
478 disruption caused by a hurricane or tropical storm may not be
479 disqualified from eligibility for the additional 5-percent
480 credit as a result of the disruption.

481 b. If more than 25 percent of the sum of total tax credits
482 awarded to productions after July 1, 2010, and total tax credits
483 certified, but not yet awarded, to productions currently in this
484 state has been awarded for television series, then no television
485 series ~~or pilot~~ shall be eligible for tax credits under this
486 subparagraph.

487 c. The calculations required by this sub-subparagraph
488 shall use only credits available to be certified and awarded on
489 or after July 1, 2011.

490 (I) If the provisions of sub-subparagraph b. are not
491 applicable and less than 25 percent of the sum of the total tax
492 credits awarded to productions and the total tax credits
493 certified, but not yet awarded, to productions currently in this
494 state has been to high-impact television series, any qualified
495 high-impact television series shall be allowed first position in
496 this queue for tax credit awards not yet certified.

497 (II) If less than 20 percent of the sum of the total tax
498 credits awarded to productions and the total tax credits
499 certified, but not yet awarded, to productions currently in this
500 state has been to digital media projects, any digital media
501 project with qualified expenditures of greater than \$4,500,000
502 shall be allowed first position in this queue for tax credit
503 awards not yet certified.

504 (III) For the purposes of determining position between a

505 high-impact television series allowed first position and a
506 digital media project allowed first position under this sub-
507 subparagraph, tax credits shall be awarded on a first-come,
508 first-served basis.

509 d. A qualified production that incurs at least 85 percent
510 of its qualified expenditures within a region designated as an
511 underutilized region at the time that the production is
512 certified is eligible for an additional 5-percent tax credit.

513 e. Any qualified production that employs students enrolled
514 full-time in a film and entertainment-related or digital media-
515 related course of study at an institution of higher education in
516 this state is eligible for an additional 15-percent tax credit
517 on qualified expenditures that are wages, salaries, or other
518 compensation paid to such students. The additional 15-percent
519 tax credit shall also be applicable to persons hired within 12
520 months of graduating from a film and entertainment-related or
521 digital media-related course of study at an institution of
522 higher education in this state. The additional 15-percent tax
523 credit shall apply to qualified expenditures that are wages,
524 salaries, or other compensation paid to such recent graduates
525 for 1 year from the date of hiring.

526 f. A qualified production for which 50 percent or more of
527 its principal photography occurs at a qualified production
528 facility, or a qualified digital media project or the digital
529 animation component of a qualified production for which 50
530 percent or more of the project's or component's qualified
531 expenditures are related to a qualified digital media production
532 facility, shall be eligible for an additional 5-percent tax

533 credit on actual qualified expenditures for production activity
534 at that facility.

535 g. No qualified production shall be eligible for tax
536 credits provided under this paragraph totaling more than 30
537 percent of its actual qualified expenses.

538 2. Commercial and music video queue.—Three percent of tax
539 credits authorized pursuant to subsection (6) in any state
540 fiscal year must be dedicated to the commercial and music video
541 queue. A qualified production company that produces national or
542 regional commercials or music videos may be eligible for a tax
543 credit award if it demonstrates a minimum of \$100,000 in
544 qualified expenditures per national or regional commercial or
545 music video and exceeds a combined threshold of \$500,000 after
546 combining actual qualified expenditures from qualified
547 commercials and music videos during a single state fiscal year.
548 After a qualified production company that produces commercials,
549 music videos, or both reaches the threshold of \$500,000, it is
550 eligible to apply for certification for a tax credit award. The
551 maximum credit award shall be equal to 20 percent of its actual
552 qualified expenditures up to a maximum of \$500,000. If there is
553 a surplus at the end of a fiscal year after the Office of Film
554 and Entertainment certifies and determines the tax credits for
555 all qualified commercial and video projects, such surplus tax
556 credits shall be carried forward to the following fiscal year
557 and be available to any eligible qualified productions under the
558 general production queue.

559 3. Independent and emerging media production queue.—Three
560 percent of tax credits authorized pursuant to subsection (6) in

561 any state fiscal year must be dedicated to the independent and
562 emerging media production queue. This queue is intended to
563 encourage Florida independent film and emerging media
564 production. Any qualified production, excluding commercials,
565 infomercials, or music videos, that demonstrates at least
566 \$100,000, but not more than \$625,000, in total qualified
567 expenditures is eligible for tax credits equal to 20 percent of
568 its actual qualified expenditures. If a surplus exists at the
569 end of a fiscal year after the Office of Film and Entertainment
570 certifies and determines the tax credits for all qualified
571 independent and emerging media production projects, such surplus
572 tax credits shall be carried forward to the following fiscal
573 year and be available to any eligible qualified productions
574 under the general production queue.

575 4. Family-friendly productions.—A certified theatrical or
576 direct-to-video motion picture production or video game
577 determined by the Commissioner of Film and Entertainment, with
578 the advice of the Florida Film and Entertainment Advisory
579 Council, to be family-friendly, based on the review of the
580 script and the review of the final release version, is eligible
581 for an additional tax credit equal to 5 percent of its actual
582 qualified expenditures. Family-friendly productions are those
583 that have cross-generational appeal; would be considered
584 suitable for viewing by children age 5 or older; are appropriate
585 in theme, content, and language for a broad family audience;
586 embody a responsible resolution of issues; and do not exhibit or
587 imply any act of smoking, sex, nudity, or vulgar or profane
588 language.

589 Section 9. Paragraph (c) of subsection (3) of section
 590 288.9914, Florida Statutes, is amended to read:

591 288.9914 Certification of qualified investments;
 592 investment issuance reporting.—

593 (3) REVIEW.—

594 (c) The department may not approve a cumulative amount of
 595 qualified investments that may result in the claim of more than
 596 \$195 ~~\$97.5~~ million in tax credits during the existence of the
 597 program or more than \$40 ~~\$20~~ million in tax credits in a single
 598 state fiscal year. However, the potential for a taxpayer to
 599 carry forward an unused tax credit may not be considered in
 600 calculating the annual limit.

601 Section 10. Subsection (1) of section 288.9915, Florida
 602 Statutes, is amended to read:

603 288.9915 Use of proceeds from qualified investments;
 604 recordkeeping.—

605 (1) A qualified community development entity may not make
 606 cash interest payments on a long-term debt security that is a
 607 qualified investment in excess of the entity's cumulative
 608 operating income earned during the 7 ~~for 6~~ years after following
 609 ~~the~~ issuance of the security. For purposes of calculating
 610 operating income, the interest expense on the security is
 611 disregarded.

612 Section 11. Section 290.00729, Florida Statutes, is
 613 created to read:

614 290.00729 Enterprise zone designation for Charlotte
 615 County.—Charlotte County may apply to the Department of Economic
 616 Opportunity for designation of one enterprise zone encompassing

617 an area not to exceed 20 square miles within Charlotte County.
618 The application must be submitted by December 31, 2012, and must
619 comply with the requirements in s. 290.0055. Notwithstanding s.
620 290.0065 limiting the total number of enterprise zones
621 designated and the number of enterprise zones within a
622 population category, the department may designate one enterprise
623 zone under this section. The department shall establish the
624 initial effective date of the enterprise zone designated under
625 this section.

626 Section 12. Section 290.00731, Florida Statutes, is
627 created to read:

628 290.00731 Enterprise zone designation for Citrus County.—
629 Citrus County may apply to the department for designation of one
630 enterprise zone for an area within Citrus County. The
631 application must be submitted by December 31, 2012, and must
632 comply with the requirements of s. 290.0055. Notwithstanding s.
633 290.0065 limiting the total number of enterprise zones
634 designated and the number of enterprise zones within a
635 population category, the department may designate one enterprise
636 zone under this section. The department shall establish the
637 initial effective date of the enterprise zone designated under
638 this section.

639 Section 13. (1) The executive director of the Department
640 of Revenue is authorized, and all conditions are deemed met, to
641 adopt emergency rules under ss. 120.536(1) and 120.54(4),
642 Florida Statutes, for the purpose of implementing this act.

643 (2) Notwithstanding any provision of law, such emergency
644 rules shall remain in effect for 6 months after the date adopted

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645 and may be renewed during the pendency of procedures to adopt
646 permanent rules addressing the subject of the emergency rules.

647 Section 14. Except as otherwise expressly provided in this
648 act, this act shall take effect July 1, 2012.