

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

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

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

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

(5) EXEMPTIONS; ACCOUNT OF USE.—

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

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

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

- a. The name and address of the business claiming the refund.
- b. The identifying number assigned pursuant to s. 290.0065

57 | to the enterprise zone in which the business is located.

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

61 | d. The location of the property.

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

66 | f. Whether the business is a small business as defined by
67 | s. 288.703.

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

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

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

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

92 5. The amount refunded on purchases of business property
93 under this paragraph shall be the lesser of 97 percent of the
94 sales tax paid on such business property or \$5,000, or, if no
95 less than 20 percent of the employees of the business are
96 residents of an enterprise zone, excluding temporary and part-
97 time employees, the amount refunded on purchases of business
98 property under this paragraph shall be the lesser of 97 percent
99 of the sales tax paid on such business property or \$10,000. A
100 refund approved pursuant to this paragraph shall be made within
101 30 days after formal approval by the department of the
102 application for the refund. A refund may not be granted under
103 this paragraph unless the amount to be refunded exceeds \$100 in
104 sales tax paid on purchases made within a 60-day time period.

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

109 7. If the department determines that the business property
110 is used outside an enterprise zone within 3 years from the date
111 of purchase, the amount of taxes refunded to the business
112 purchasing such business property shall immediately be due and

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113 payable to the department by the business, together with the
114 appropriate interest and penalty, computed from the date of
115 purchase, in the manner provided by this chapter.

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

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

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122 that leave and return to a fixed location within an area
123 designated under s. 379.2353, Florida Statutes 2010, are
124 eligible for the exemption provided under this paragraph if all
125 requirements of this paragraph are met. Such vessels and boats
126 must be owned by a business that is eligible to receive the
127 exemption provided under this paragraph. This exemption does not
128 apply to the purchase of a vessel or boat.

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

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

- 138 a. Property classified as 3-year property under s.
139 168(c)(2)(A) of the Internal Revenue Code of 1954, as amended;
- 140 b. Industrial machinery and equipment as defined in sub-

141 subparagraph (b)6.a. and eligible for exemption under paragraph
 142 (b);

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

145 d. Business property having a sales price of under \$2,500
 146 ~~\$5,000~~ per unit.

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

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

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

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

158 (a) "Eligible business" means any sole proprietorship,
 159 firm, partnership, corporation, bank, savings association,
 160 estate, trust, business trust, receiver, syndicate, or other
 161 group or combination, or successor business, located in an
 162 enterprise zone. ~~The business must demonstrate to the department~~
 163 ~~that, on the date of application, the total number of full-time~~
 164 ~~jobs defined under paragraph (d) is greater than the total was~~
 165 ~~12 months prior to that date.~~ An eligible business does not
 166 include any business which has claimed the credit permitted
 167 under s. 220.181 for any new business employee first beginning
 168 employment with the business after July 1, 2013 ~~1995~~.

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169 (c) "New employee" means a person residing in an
170 enterprise zone or a participant in the welfare transition
171 program who begins employment with an eligible business after
172 July 1, 2013 ~~1995~~, and who has not been previously employed full
173 time within the preceding 12 months by the eligible business, or
174 a successor eligible business, claiming the credit allowed by
175 this section.

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

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

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

195 (b) The credit shall be computed as 20 percent of the
196 actual monthly wages paid in this state to each new employee

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

223 | (3) In order to claim this credit, an eligible business
224 | must file under oath with the governing body or enterprise zone

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225 development agency having jurisdiction over the enterprise zone
226 where the business is located, as applicable, a statement which
227 includes:

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

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

235 (f) ~~(g)~~ Whether the business is a small business as defined
236 by s. 288.703(6).

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

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

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

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

262 (9) Any business which has claimed this credit shall not
 263 be allowed any credit under the provisions of s. 220.181 for any
 264 new employee beginning employment after July 1, 2013 ~~1995~~.

265 Section 3. Paragraph (a) of subsection (6) of section
 266 220.02, Florida Statutes, is amended to read:

267 220.02 Legislative intent.—

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

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

278 220.03 Definitions.—

279 (1) SPECIFIC TERMS.—When used in this code, and when not
 280 otherwise distinctly expressed or manifestly incompatible with

281 | the intent thereof, the following terms shall have the following
 282 | meanings:

283 | (q) "New employee," for the purposes of the enterprise
 284 | zone job stimulus jobs credit, means a person residing in an
 285 | enterprise zone or a participant in the welfare transition
 286 | program who is employed at a business located in an enterprise
 287 | zone who begins employment in the operations of the business
 288 | after July 1, 2013 ~~1995~~, and who has not been previously
 289 | employed full time within the preceding 12 months by the
 290 | business or a successor business claiming the credit pursuant to
 291 | s. 220.181. A person shall be deemed to be employed by such a
 292 | business if the person performs duties in connection with the
 293 | operations of the business on a full-time basis, provided she or
 294 | he is performing such duties for an average of at least 36 hours
 295 | per week each month. The person must be performing such duties
 296 | at a business site located in an enterprise zone. This paragraph
 297 | expires on the date specified in s. 290.016 for the expiration
 298 | of the Florida Enterprise Zone Act.

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

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

306 | 220.181 Enterprise zone job stimulus jobs credit.—

307 | (1) (a) There shall be allowed a credit against the tax
 308 | imposed by this chapter to any business located in an enterprise

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309 | zone that employs one or more new employees ~~which demonstrates~~
310 | ~~to the department that, on the date of application, the total~~
311 | ~~number of full-time jobs is greater than the total was 12 months~~
312 | ~~before that date.~~ The credit shall be computed as 20 percent of
313 | the actual monthly wages paid in this state to each new employee
314 | hired ~~when a new job has been created, as defined under s.~~
315 | ~~220.03(1)(cc),~~ unless the business is located in a rural
316 | enterprise zone as defined in, ~~pursuant to~~ s. 290.004, in which
317 | case the credit shall be 30 percent of the actual monthly wages
318 | paid. If no less than 20 percent of the employees of the
319 | business are residents of an enterprise zone, excluding
320 | temporary and part-time employees, the credit shall be computed
321 | as 30 percent of the actual monthly wages paid in this state to
322 | each new employee hired ~~when a new job has been created,~~ unless
323 | the business is located in a rural enterprise zone, in which
324 | case the credit shall be 45 percent of the actual monthly wages
325 | paid, for a period of up to 24 consecutive months. If the new
326 | employee hired ~~when a new job is created~~ is a participant in the
327 | welfare transition program, the following credit shall be a
328 | percent of the actual monthly wages paid: 40 percent for \$4
329 | above the hourly federal minimum wage rate; 41 percent for \$5
330 | above the hourly federal minimum wage rate; 42 percent for \$6
331 | above the hourly federal minimum wage rate; 43 percent for \$7
332 | above the hourly federal minimum wage rate; and 44 percent for
333 | \$8 above the hourly federal minimum wage rate.

334 | (b) This credit applies only with respect to wages subject
335 | to reemployment assistance tax. The credit provided in this
336 | section does not apply:

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

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

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

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

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

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

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

361 (d) The identifying number assigned pursuant to s.
 362 290.0065 to the enterprise zone in which the eligible business
 363 is located.

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

365 | claimed.

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

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

371 | (7) Any business which has claimed this credit shall not
 372 | be allowed any credit under the provision of s. 212.096 for any
 373 | new employee beginning employment after July 1, 2013 ~~1995~~. The
 374 | provisions of this subsection shall not apply when a corporation
 375 | converts to an S corporation for purposes of compliance with the
 376 | Internal Revenue Code of 1986, as amended; however, no
 377 | corporation shall be allowed the benefit of this credit and the
 378 | credit under s. 212.096 either for the same new employee or for
 379 | the same taxable year. In addition, such a corporation shall not
 380 | be allowed any credit under s. 212.096 until it has filed notice
 381 | of its intent to change its status for tax purposes and until
 382 | its final return under this chapter for the taxable year prior
 383 | to such change has been filed.

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

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

395 290.00677 Rural enterprise zones; special qualifications.—

396 (1) Notwithstanding the enterprise zone residency
 397 requirements set out in s. 212.096(1)(c), eligible businesses as
 398 defined in s. 212.096(1)(a) located in rural enterprise zones as
 399 defined in s. 290.004 may receive the basic minimum credit
 400 provided under s. 212.096 for ~~creating a new job and~~ hiring a
 401 person residing within the jurisdiction of a rural community as
 402 defined in s. 288.106(2). All other provisions of s. 212.096,
 403 including, but not limited to, those relating to the award of
 404 enhanced credits, apply to such businesses.

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

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

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

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

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

423 Section 8. This act shall take effect July 1, 2013.