

By the Committee on Military and Veterans Affairs, Space, and Domestic Security; and Senators Soto, Sachs, and Abruzzo

583-00802-14

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1 A bill to be entitled
2 An act relating to taxes on businesses; creating s.
3 220.197, F.S.; providing a short title; establishing a
4 tax credit for the hiring of veterans; providing
5 eligibility requirements; establishing an additional
6 credit for the hiring of disabled veterans; providing
7 an application process; providing a cap on the total
8 amount of tax credits allowed per year; authorizing
9 the Department of Revenue to adopt rules; authorizing
10 the department to establish guidelines for qualifying
11 credits; providing for expiration of the tax credits;
12 providing applicability; amending s. 220.02, F.S.;
13 revising the order in which credits against the
14 corporate income tax or franchise tax may be taken to
15 include the hiring of veterans; amending s. 220.13,
16 F.S.; revising the term "adjusted federal income" to
17 include certain tax credits taken relating to the
18 hiring of veterans; authorizing the executive director
19 of the department to adopt emergency rules; providing
20 for time of effect of emergency rules and for the
21 expiration of such rule authority; providing an
22 effective date.

23
24 Be It Enacted by the Legislature of the State of Florida:

25
26 Section 1. Section 220.197, Florida Statutes, is created to
27 read:

28 220.197 Tax credit for employment of veterans.-

29 (1) This section may be cited as the "Florida Veterans

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30 Employment Act.”

31 (2) A business qualifies for a one-time credit against the
32 tax imposed by this chapter in the amount of \$5,000 per
33 individual for hiring a veteran, as defined in s. 1.01, after
34 the business has paid \$5,000 in gross salary to the veteran.
35 Veterans for whom the credit is claimed must first begin
36 employment in the operations of the qualifying business on or
37 after January 1, 2015, and perform duties in connection with the
38 operations of the business for an average of at least 36 hours
39 per week. Veterans who have been previously employed by the
40 qualifying business or any other member of the same controlled
41 group of corporations of which the qualifying business is a
42 member may not be claimed for the tax credit. As used in this
43 section, the term “controlled group of corporations” has the
44 same meaning as provided in 26 U.S.C. s. 1563(a).

45 (3) A qualifying business is eligible for an additional
46 one-time credit against the tax imposed by this chapter in the
47 amount of \$5,000 per individual for hiring a veteran, as defined
48 in s. 1.01, after the business has paid an additional \$5,000 in
49 gross salary to the veteran if such veteran has an official
50 letter from the United States Department of Veterans Affairs
51 stating that he or she has a service-connected disability.

52 (4) In order to claim a tax credit under this section, a
53 qualifying business must submit an application and receive
54 approval from the department to claim the credit. Applications
55 for credit under subsection (3) must include a copy of the
56 veteran’s official letter from the United States Department of
57 Veterans Affairs stating that the veteran has a service-
58 connected disability. Qualified applicants shall be approved on

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59 a first-come, first-served basis, based on the date the
60 completed application is received by the department. The
61 department may not accept an incomplete application as a
62 placeholder for the completed application, and the submission of
63 such incomplete application does not secure a place in the
64 first-come, first-served approval process.

65 (5) The department may not approve more than \$10 million in
66 tax credits per calendar year pursuant to this section.

67 (6) The department may adopt rules governing the manner and
68 form of application for the tax credits. The department may
69 establish guidelines for making an affirmative showing of
70 qualification for the tax credits under this section.

71 (5) This section expires December 31, 2019. However, a
72 qualifying business may carry forward any unused credit for up
73 to 2 taxable years after the year the credit is earned.

74 (6) This section applies to taxable years beginning on or
75 after January 1, 2015.

76 Section 2. Subsection (8) of section 220.02, Florida
77 Statutes, is amended to read:

78 220.02 Legislative intent.—

79 (8) It is the intent of the Legislature that credits
80 against ~~either~~ the corporate income tax or the franchise tax be
81 applied in the following order: those enumerated in s. 631.828,
82 those enumerated in s. 220.191, those enumerated in s. 220.181,
83 those enumerated in s. 220.183, those enumerated in s. 220.182,
84 those enumerated in s. 220.1895, those enumerated in s. 220.195,
85 those enumerated in s. 220.184, those enumerated in s. 220.186,
86 those enumerated in s. 220.1845, those enumerated in s. 220.19,
87 those enumerated in s. 220.185, those enumerated in s. 220.1875,

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88 those enumerated in s. 220.192, those enumerated in s. 220.193,
89 those enumerated in s. 288.9916, those enumerated in s.
90 220.1899, those enumerated in s. 220.194, ~~and~~ those enumerated
91 in s. 220.196, and those enumerated in s. 220.197.

92 Section 3. Paragraph (a) of subsection (1) of section
93 220.13, Florida Statutes, is amended to read:

94 220.13 "Adjusted federal income" defined.—

95 (1) The term "adjusted federal income" means an amount
96 equal to the taxpayer's taxable income as defined in subsection
97 (2), or such taxable income of more than one taxpayer as
98 provided in s. 220.131, for the taxable year, adjusted as
99 follows:

100 (a) *Additions.*—There shall be added to such taxable income:

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

106 2. The amount of interest which is excluded from taxable
107 income under s. 103(a) of the Internal Revenue Code or any other
108 federal law, less the associated expenses disallowed in the
109 computation of taxable income under s. 265 of the Internal
110 Revenue Code or any other law, excluding 60 percent of any
111 amounts included in alternative minimum taxable income, as
112 defined in s. 55(b)(2) of the Internal Revenue Code, if the
113 taxpayer pays tax under s. 220.11(3).

114 3. In the case of a regulated investment company or real
115 estate investment trust, an amount equal to the excess of the
116 net long-term capital gain for the taxable year over the amount

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117 of the capital gain dividends attributable to the taxable year.

118 4. That portion of the wages or salaries paid or incurred
119 for the taxable year which is equal to the amount of the credit
120 allowable for the taxable year under s. 220.181. This
121 subparagraph expires ~~shall expire~~ on the date specified in s.
122 290.016 for the expiration of the Florida Enterprise Zone Act.

123 5. That portion of the ad valorem school taxes paid or
124 incurred for the taxable year which is equal to the amount of
125 the credit allowable for the taxable year under s. 220.182. This
126 subparagraph expires ~~shall expire~~ on the date specified in s.
127 290.016 for the expiration of the Florida Enterprise Zone Act.

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

131 7. That portion of assessments to fund a guaranty
132 association incurred for the taxable year which is equal to the
133 amount of the credit allowable for the taxable year.

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

139 9. The amount taken as a credit for the taxable year under
140 s. 220.1895.

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

144 11. The amount taken as a credit for the taxable year under
145 s. 220.1875. The addition in this subparagraph is intended to

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146 ensure that the same amount is not allowed for the tax purposes
147 of this state as both a deduction from income and a credit
148 against the tax. This addition is not intended to result in
149 adding the same expense back to income more than once.

150 12. The amount taken as a credit for the taxable year under
151 s. 220.192.

152 13. The amount taken as a credit for the taxable year under
153 s. 220.193.

154 14. Any portion of a qualified investment, as defined in s.
155 288.9913, which is claimed as a deduction by the taxpayer and
156 taken as a credit against income tax pursuant to s. 288.9916.

157 15. The costs to acquire a tax credit pursuant to s.
158 288.1254(5) which ~~that~~ are deducted from or otherwise reduce
159 federal taxable income for the taxable year.

160 16. The amount taken as a credit for the taxable year under
161 ~~pursuant to~~ s. 220.194.

162 17. The amount taken as a credit for the taxable year under
163 s. 220.196. The addition in this subparagraph is intended to
164 ensure that the same amount is not allowed for the tax purposes
165 of this state as both a deduction from income and a credit
166 against the tax. The addition is not intended to result in
167 adding the same expense back to income more than once.

168 18. The amount taken as a credit for the taxable year under
169 s. 220.197.

170 Section 4. Emergency rules.—

171 (1) The executive director of the Department of Revenue is
172 authorized, and all conditions are deemed to be met, to adopt
173 emergency rules pursuant to ss. 120.536(1) and 120.54(4),
174 Florida Statutes, for the purpose of implementing this act.

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175 (2) Notwithstanding any other provision of law, the
176 emergency rules adopted pursuant to subsection (1) remain in
177 effect for 6 months after adoption and may be renewed during the
178 pendency of procedures to adopt permanent rules addressing the
179 subject of the emergency rules.

180 (3) This section expires July 1, 2015.

181 Section 5. This act shall take effect July 1, 2014.