

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

577-01604-14

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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.

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

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 this state in the operations of the qualifying  
37 business on or after January 1, 2015, and perform duties in  
38 connection with the operations of the business for an average of  
39 at least 36 hours per week. Veterans who have been previously  
40 employed by the qualifying business or any other member of the  
41 same controlled group of corporations of which the qualifying  
42 business is a member may not be claimed for the tax credit. As  
43 used in this section, the term “controlled group of  
44 corporations” has the same meaning as provided in 26 U.S.C. s.  
45 1563(a).

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

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

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

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

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

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

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

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

79 220.02 Legislative intent.—

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

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88 those enumerated in s. 220.185, those enumerated in s. 220.1875,  
89 those enumerated in s. 220.192, those enumerated in s. 220.193,  
90 those enumerated in s. 288.9916, those enumerated in s.  
91 220.1899, those enumerated in s. 220.194, ~~and~~ those enumerated  
92 in s. 220.196, and those enumerated in s. 220.197.

93 Section 3. Paragraph (a) of subsection (1) of section  
94 220.13, Florida Statutes, is amended to read:

95 220.13 "Adjusted federal income" defined.—

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

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

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

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

115 3. In the case of a regulated investment company or real  
116 estate investment trust, an amount equal to the excess of the

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117 net long-term capital gain for the taxable year over the amount  
118 of the capital gain dividends attributable to the taxable year.

119 4. That portion of the wages or salaries paid or incurred  
120 for the taxable year which is equal to the amount of the credit  
121 allowable for the taxable year under s. 220.181. This  
122 subparagraph expires ~~shall expire~~ on the date specified in s.  
123 290.016 for the expiration of the Florida Enterprise Zone Act.

124 5. That portion of the ad valorem school taxes paid or  
125 incurred for the taxable year which is equal to the amount of  
126 the credit allowable for the taxable year under s. 220.182. This  
127 subparagraph expires ~~shall expire~~ on the date specified in s.  
128 290.016 for the expiration of the Florida Enterprise Zone Act.

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

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

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

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

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

145 11. The amount taken as a credit for the taxable year under

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146 s. 220.1875. The addition in this subparagraph is intended to  
147 ensure that the same amount is not allowed for the tax purposes  
148 of this state as both a deduction from income and a credit  
149 against the tax. This addition is not intended to result in  
150 adding the same expense back to income more than once.

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

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

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

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

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

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

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

171 Section 4. Emergency rules.—

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

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175 Florida Statutes, for the purpose of implementing this act.

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

181 (3) This section expires July 1, 2017.

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