

By the Committee on Commerce and Tourism

577-02086A-14

20141640\_\_

1                                   A bill to be entitled  
2       An act relating to the entertainment industry;  
3       amending s. 288.125, F.S.; specifying the application  
4       of the term "entertainment industry"; transferring,  
5       renumbering, and amending s. 288.1251, F.S.; renaming  
6       the Office of Film and Entertainment within the  
7       Department of Economic Opportunity as the Division of  
8       Film and Entertainment and housing the division within  
9       Enterprise Florida, Inc.; requiring Enterprise  
10      Florida, Inc., to conduct a national search for a film  
11      commissioner; requiring the president of Enterprise  
12      Florida, Inc., to hire the film commissioner; revising  
13      the requirements of the division's 5-year plan;  
14      authorizing the board of directors of Enterprise  
15      Florida, Inc., to establish a council to serve as an  
16      advisory body to the division for matters relating to  
17      the entertainment industry; conforming provisions to  
18      changes made by the act; repealing s. 288.1252, F.S.,  
19      relating to the Florida Film and Entertainment  
20      Advisory Council and its creation, purpose,  
21      membership, powers, and duties; transferring,  
22      renumbering, and amending s. 288.1253, F.S.;  
23      conforming provisions to changes made by the act;  
24      amending s. 288.1254, F.S.; redefining and deleting  
25      terms; requiring the department, rather than the  
26      Office of Film and Entertainment, to be responsible  
27      for applications for the entertainment industry  
28      financial incentive program; revising provisions  
29      relating to the application process, tax credit

577-02086A-14

20141640\_\_

30 eligibility, election and distribution of tax credits,  
 31 annual allocation of tax credits, forfeiture of tax  
 32 credits, and annual report; extending the repeal date;  
 33 conforming provisions to changes made by the act;  
 34 specifying a date on which the applications on file  
 35 with the department and not yet certified are deemed  
 36 denied; amending s. 288.1258, F.S.; conforming  
 37 provisions to changes made by the act; requiring the  
 38 department to develop a standardized application form  
 39 in cooperation with the division and other agencies;  
 40 amending s. 288.92, F.S.; requiring Enterprise  
 41 Florida, Inc., to have a division relating to film and  
 42 entertainment; amending ss. 212.08, 220.1899, and  
 43 477.0135, F.S.; conforming cross-references and  
 44 provisions to changes made by the act; providing an  
 45 effective date.

46  
 47 Be It Enacted by the Legislature of the State of Florida:

48  
 49 Section 1. Section 288.125, Florida Statutes, is amended to  
 50 read:

51 288.125 Definition of "entertainment industry".—For the  
 52 purposes of ss. 288.1254, 288.1258, 288.924, and 288.9241 ~~ss.~~  
 53 ~~288.1251–288.1258~~, the term "entertainment industry" means those  
 54 persons or entities engaged in the operation of motion picture  
 55 or television studios or recording studios; those persons or  
 56 entities engaged in the preproduction, production, or  
 57 postproduction of motion pictures, made-for-television movies,  
 58 television programming, digital media projects, commercial

577-02086A-14

20141640\_\_

59 advertising, music videos, or sound recordings; and those  
60 persons or entities providing products or services directly  
61 related to the preproduction, production, or postproduction of  
62 motion pictures, made-for-television movies, television  
63 programming, digital media projects, commercial advertising,  
64 music videos, or sound recordings, including, but not limited  
65 to, the broadcast industry.

66 Section 2. Section 288.1251, Florida Statutes, is  
67 transferred, renumbered as section 288.924, Florida Statutes,  
68 and amended to read:

69 288.924 ~~288.1251~~ Promotion and development of entertainment  
70 industry; Division ~~Office~~ of Film and Entertainment; creation;  
71 purpose; powers and duties.—

72 (1) CREATION.—

73 ~~(a)~~ The Division of Film and Entertainment is ~~There is~~  
74 ~~hereby~~ created within Enterprise Florida, Inc., ~~the department~~  
75 ~~the Office of Film and Entertainment~~ for the purpose of  
76 developing, marketing, promoting, and providing services to the  
77 state's entertainment industry. The division shall serve as a  
78 liaison between the entertainment industry and other state and  
79 local governmental agencies, local film commissions, and labor  
80 organizations.

81 (2) ~~(b)~~ COMMISSIONER.—Enterprise Florida, Inc., ~~The~~  
82 ~~department~~ shall conduct a national search for a qualified  
83 person to fill the position of Commissioner of Film and  
84 Entertainment when the position is vacant. The president of  
85 Enterprise Florida, Inc., ~~executive director of the department~~  
86 has the responsibility to hire the film commissioner.  
87 Qualifications for the film commissioner include, but are not

577-02086A-14

20141640\_\_

88 limited to, the following:

89 (a)1. A working knowledge of the equipment, personnel,  
90 financial, and day-to-day production operations of the  
91 industries to be served by the division ~~Office of Film and~~  
92 ~~Entertainment~~;

93 (b)2. Marketing and promotion experience related to the  
94 film and entertainment industries to be served;

95 (c)3. Experience working with a variety of individuals  
96 representing large and small entertainment-related businesses,  
97 industry associations, local community entertainment industry  
98 liaisons, and labor organizations; and

99 (d)4. Experience working with a variety of state and local  
100 governmental agencies.

101 (3)2. POWERS AND DUTIES.—

102 (a) The Division ~~Office~~ of Film and Entertainment, in  
103 performance of its duties, shall develop and÷

104 ~~1. In consultation with the Florida Film and Entertainment~~  
105 ~~Advisory Council,~~ update a 5-year the strategic plan ~~every 5~~  
106 ~~years~~ to guide the activities of the division ~~Office of Film and~~  
107 ~~Entertainment~~ in the areas of entertainment industry  
108 development, marketing, promotion, liaison services, field  
109 office administration, and information. The plan shall÷

110 ~~a.~~ be annual in construction and ongoing in nature.

111 1. At a minimum, the plan must discuss the following:

112 ~~a.b.~~ Include recommendations relating to The organizational  
113 structure of the division, including any field offices outside  
114 the state.

115 b. The coordination of the division with local or regional  
116 offices maintained by counties and regions of the state, local

577-02086A-14

20141640\_\_

117 film commissions, and labor organizations, and the coordination  
118 of such entities with each other to facilitate a working  
119 relationship office.

120 c. Strategies to identify, solicit, and recruit  
121 entertainment production opportunities for the state, including  
122 implementation of programs for rural and urban areas designed to  
123 develop and promote the state's entertainment industry.

124 ~~d.e. Include~~ An annual budget projection for the division  
125 ~~office~~ for each year of the plan.

126 ~~d. Include an operational model for the office to use in~~  
127 ~~implementing programs for rural and urban areas designed to:~~  
128 ~~(I) develop and promote the state's entertainment industry.~~  
129 ~~(II) Have the office serve as a liaison between the~~  
130 ~~entertainment industry and other state and local governmental~~  
131 ~~agencies, local film commissions, and labor organizations.~~  
132 ~~(III) Gather statistical information related to the state's~~  
133 ~~entertainment industry.~~

134 e.(IV) Provision of ~~Provide~~ information and service to  
135 businesses, communities, organizations, and individuals engaged  
136 in entertainment industry activities.

137 ~~(V) Administer field offices outside the state and~~  
138 ~~coordinate with regional offices maintained by counties and~~  
139 ~~regions of the state, as described in sub-sub-subparagraph (II),~~  
140 ~~as necessary.~~

141 ~~f.e. Include~~ Performance standards and measurable outcomes  
142 for the programs to be implemented by the division office.

143 2. The plan shall be annually reviewed and approved by the  
144 board of directors of Enterprise Florida, Inc.

145 ~~f. Include an assessment of, and make recommendations on,~~

577-02086A-14

20141640\_\_

146 ~~the feasibility of creating an alternative public private~~  
147 ~~partnership for the purpose of contracting with such a~~  
148 ~~partnership for the administration of the state's entertainment~~  
149 ~~industry promotion, development, marketing, and service~~  
150 ~~programs.~~

151 ~~2. Develop, market, and facilitate a working relationship~~  
152 ~~between state agencies and local governments in cooperation with~~  
153 ~~local film commission offices for out-of-state and indigenous~~  
154 ~~entertainment industry production entities.~~

155 ~~3. Implement a structured methodology prescribed for~~  
156 ~~coordinating activities of local offices with each other and the~~  
157 ~~commissioner's office.~~

158 (b) The division shall also:

159 ~~1.4.~~ Represent the state's indigenous entertainment  
160 industry to key decisionmakers within the national and  
161 international entertainment industry, and to state and local  
162 officials.

163 ~~2.5.~~ Prepare an inventory and analysis of the state's  
164 entertainment industry, including, but not limited to,  
165 information on crew, related businesses, support services, job  
166 creation, talent, and economic impact and coordinate with local  
167 offices to develop an information tool for common use.

168 ~~6. Identify, solicit, and recruit entertainment production~~  
169 ~~opportunities for the state.~~

170 ~~3.7.~~ Assist rural communities and other small communities  
171 in the state in developing the expertise and capacity necessary  
172 for such communities to develop, market, promote, and provide  
173 services to the state's entertainment industry.

174 (c) ~~(b)~~ The division ~~Office of Film and Entertainment~~, in

577-02086A-14

20141640\_\_

175 the performance of its duties, may:

176 1. Conduct or contract for specific promotion and marketing  
177 functions, including, but not limited to, production of a  
178 statewide directory, production and maintenance of an Internet  
179 website, establishment and maintenance of a toll-free telephone  
180 number, organization of trade show participation, and  
181 appropriate cooperative marketing opportunities.

182 2. Conduct its affairs, carry on its operations, establish  
183 offices, and exercise the powers granted by this act in any  
184 state, territory, district, or possession of the United States.

185 3. Carry out any program of information, special events, or  
186 publicity designed to attract entertainment industry to Florida.

187 4. Develop relationships and leverage resources with other  
188 public and private organizations or groups in their efforts to  
189 publicize to the entertainment industry in this state, other  
190 states, and other countries the depth of Florida's entertainment  
191 industry talent, crew, production companies, production  
192 equipment resources, related businesses, and support services,  
193 including the establishment of and expenditure for a program of  
194 cooperative advertising with these public and private  
195 organizations and groups in accordance with the provisions of  
196 chapter 120.

197 5. Provide and arrange for reasonable and necessary  
198 promotional items and services for such persons as the division  
199 ~~office~~ deems proper in connection with the performance of the  
200 promotional and other duties of the division ~~office~~.

201 6. Prepare an ~~annual~~ economic impact analysis on  
202 entertainment industry-related activities in the state.

203 7. Request or accept any grant, payment, or gift of funds

577-02086A-14

20141640\_\_

204 or property made by this state, the United States, or any  
205 department or agency thereof, or by any individual, firm,  
206 corporation, municipality, county, or organization, for any or  
207 all of the purposes of the ~~Office of Film and Entertainment's~~ 5-  
208 year strategic plan or those permitted activities enumerated in  
209 this paragraph. ~~Such funds shall be deposited in the Grants and~~  
210 ~~Donations Trust Fund of the Executive Office of the Governor for~~  
211 ~~use by the Office of Film and Entertainment in carrying out its~~  
212 ~~responsibilities and duties as delineated in law. The division~~  
213 ~~office~~ may expend such funds in accordance with the terms and  
214 conditions of any such grant, payment, or gift in the pursuit of  
215 its administration or in support of fulfilling its duties and  
216 responsibilities. The division ~~office~~ shall separately account  
217 for the public funds and the private funds ~~deposited into the~~  
218 ~~trust fund.~~

219 (4) ADVISORY COUNCIL.—The board of directors of Enterprise  
220 Florida, Inc., may establish a council to serve as an advisory  
221 body to the division to provide industry insight and expertise  
222 related to developing, marketing, promoting, and providing  
223 service to the state's entertainment industry, including  
224 development of the 5-year strategic plan. The council must  
225 consist of individuals who are residents of the state; who are  
226 highly knowledgeable of, and active in, the motion picture,  
227 television, video, sound recording, or other entertainment  
228 industries; and who are recognized leaders in these industries  
229 in the state. These individuals may include representatives of  
230 local film commissions, representatives of entertainment  
231 associations, representatives of the broadcast industry,  
232 representatives of labor organizations in the entertainment



577-02086A-14

20141640\_\_

233 industry, and executives of leading or otherwise important  
234 entertainment industry businesses and offices.

235 Section 3. Section 288.1252, Florida Statutes, is repealed.

236 Section 4. Section 288.1253, Florida Statutes, is  
237 transferred, renumbered as section 288.9241, Florida Statutes,  
238 and amended to read:

239 288.9241 ~~288.1253~~ Travel and entertainment expenses.—

240 (1) As used in this section, the term "travel expenses"  
241 means the actual, necessary, and reasonable costs of  
242 transportation, meals, lodging, and incidental expenses normally  
243 incurred by an employee of the Division ~~Office~~ of Film and  
244 Entertainment, which costs are defined and prescribed by rules  
245 adopted by the department, subject to approval by the Chief  
246 Financial Officer.

247 (2) Notwithstanding ~~the provisions of~~ s. 112.061, the  
248 department shall adopt rules by which the Division of Film and  
249 Entertainment ~~it~~ may make expenditures by reimbursement to: the  
250 Governor, the Lieutenant Governor, security staff of the  
251 Governor or Lieutenant Governor, the Commissioner of Film and  
252 Entertainment, or staff of the Division ~~Office~~ of Film and  
253 Entertainment for travel expenses or entertainment expenses  
254 incurred by such individuals solely and exclusively in  
255 connection with the performance of the statutory duties of the  
256 division ~~Office of Film and Entertainment~~. The rules are subject  
257 to approval by the Chief Financial Officer before adoption. The  
258 rules shall require the submission of paid receipts, or other  
259 proof of expenditure prescribed by the Chief Financial Officer,  
260 with any claim for reimbursement.

261 (3) The Division ~~Office~~ of Film and Entertainment shall

577-02086A-14

20141640\_\_

262 include in the annual report for the entertainment industry  
263 financial incentive program required under s. 288.1254(10) a  
264 report of the division's ~~office's~~ expenditures for the previous  
265 fiscal year. The report must consist of a summary of all travel,  
266 entertainment, and incidental expenses incurred within the  
267 United States and all travel, entertainment, and incidental  
268 expenses incurred outside the United States, as well as a  
269 summary of all successful projects that developed from such  
270 travel.

271 (4) The Division ~~Office~~ of Film and Entertainment and its  
272 employees and representatives, when authorized, may accept and  
273 use complimentary travel, accommodations, meeting space, meals,  
274 equipment, transportation, and any other goods or services  
275 necessary for or beneficial to the performance of the division's  
276 ~~office's~~ duties and purposes, so long as such acceptance or use  
277 is not in conflict with part III of chapter 112. The department  
278 shall, by rule, develop internal controls to ensure that such  
279 goods or services accepted or used pursuant to this subsection  
280 are limited to those that will assist solely and exclusively in  
281 the furtherance of the division's ~~office's~~ goals and are in  
282 compliance with part III of chapter 112.

283 (5) Any claim submitted under this section is not required  
284 to be sworn to before a notary public or other officer  
285 authorized to administer oaths, but any claim authorized or  
286 required to be made under any provision of this section shall  
287 contain a statement that the expenses were actually incurred as  
288 necessary travel or entertainment expenses in the performance of  
289 official duties of the Division ~~Office~~ of Film and Entertainment  
290 and shall be verified by written declaration that it is true and

577-02086A-14

20141640\_\_

291 correct as to every material matter. Any person who willfully  
292 makes and subscribes to any claim which he or she does not  
293 believe to be true and correct as to every material matter or  
294 who willfully aids or assists in, procures, or counsels or  
295 advises with respect to, the preparation or presentation of a  
296 claim pursuant to this section that is fraudulent or false as to  
297 any material matter, whether such falsity or fraud is with the  
298 knowledge or consent of the person authorized or required to  
299 present the claim, commits a misdemeanor of the second degree,  
300 punishable as provided in s. 775.082 or s. 775.083. Whoever  
301 receives a reimbursement by means of a false claim is civilly  
302 liable, in the amount of the overpayment, for the reimbursement  
303 of the public fund from which the claim was paid.

304 Section 5. Section 288.1254, Florida Statutes, is amended  
305 to read:

306 288.1254 Entertainment industry financial incentive  
307 program.—

308 (1) DEFINITIONS.—As used in this section, the term:

309 (a) "Certified production" means a qualified production  
310 that has tax credits allocated to it by the department based on  
311 the production's estimated qualified expenditures, up to the  
312 production's maximum certified amount of tax credits, by the  
313 department. The term does not include a production if its first  
314 day of principal photography or project start date in this state  
315 occurs before the production is certified by the department,  
316 unless the production spans more than 1 fiscal year, was a  
317 certified production on its first day of principal photography  
318 or project start date in this state, and submits an application  
319 for continuing the same production for the subsequent fiscal

577-02086A-14

20141640\_\_

320 year.

321 (b) "Digital media project" means a production of  
322 interactive entertainment that is produced for distribution in  
323 commercial or educational markets. The term includes a video  
324 game or production intended for Internet or wireless  
325 distribution, an interactive website, digital animation, and  
326 visual effects, including, but not limited to, three-dimensional  
327 movie productions and movie conversions. The term does not  
328 include a production that contains content that is obscene as  
329 defined in s. 847.001.

330 (c) "High-impact digital media project" means a digital  
331 media project that has qualified expenditures greater than \$4.5  
332 million.

333 (d) "High-impact television series" means:

334 1. A production created to run multiple production seasons  
335 which has and having an estimated order of at least seven  
336 episodes per season and qualified expenditures of at least  
337 \$625,000 per episode; or

338 2. A telenovela that has qualified expenditures of more  
339 than \$4.5 million; a minimum of 45 principal photography days  
340 filmed in this state; a production cast, including background  
341 actors, and crew of which at least 90 percent are legal  
342 residents of this state; and at least 90 percent of its  
343 production occurring in this state.

344 ~~(e) "Off-season certified production" means a feature film,~~  
345 ~~independent film, or television series or pilot that films 75~~  
346 ~~percent or more of its principal photography days from June 1~~  
347 ~~through November 30.~~

348 (e)-(f) "Principal photography" means the filming of major

577-02086A-14

20141640\_\_

349 or significant components of the qualified production which  
350 involve lead actors.

351 (f)~~(g)~~ "Production" means a theatrical, ~~or~~ direct-to-video,  
352 or direct-to-internet motion picture; a made-for-television  
353 motion picture; visual effects or digital animation sequences  
354 produced in conjunction with a motion picture; a commercial; a  
355 music video; an industrial or educational film; an infomercial;  
356 a documentary film; a television pilot program; a presentation  
357 for a television pilot program; a television series, including,  
358 but not limited to, a drama, a reality show, a comedy, a soap  
359 opera, a telenovela, a game show, an awards show, or a  
360 miniseries production; a direct-to-internet television series;  
361 or a digital media project by the entertainment industry. One  
362 season of a television series is considered one production. The  
363 term does not include a weather or market program; a sporting  
364 event or a sporting event broadcast; a gala; a production that  
365 solicits funds; a home shopping program; a political program; a  
366 political documentary; political advertising; a gambling-related  
367 project or production; a concert production; a local, regional,  
368 or Internet-distributed-only news show or current-events show; a  
369 sports news or sports recap show; a pornographic production; or  
370 any production deemed obscene under chapter 847. A production  
371 may be produced on or by film, tape, or otherwise by means of a  
372 motion picture camera; electronic camera or device; tape device;  
373 computer; any combination of the foregoing; or any other means,  
374 method, or device.

375 (g)~~(h)~~ "Production expenditures" means the costs of  
376 tangible and intangible property used for, and services  
377 performed primarily and customarily in, production, including

577-02086A-14

20141640\_\_

378 preproduction and postproduction, but excluding costs for  
379 development, marketing, and distribution. The term includes, but  
380 is not limited to:

381 1. Wages, salaries, or other compensation paid to legal  
382 residents of this state, including amounts paid through payroll  
383 service companies, for technical and production crews,  
384 directors, producers, and performers.

385 2. Net expenditures for sound stages, backlots, production  
386 editing, digital effects, sound recordings, sets, and set  
387 construction.

388 3. Net expenditures for rental equipment, including, but  
389 not limited to, cameras and grip or electrical equipment.

390 4. Up to \$300,000 of the costs of newly purchased computer  
391 software and hardware unique to the project, including servers,  
392 data processing, and visualization technologies, which are  
393 located in and used exclusively in the state for the production  
394 of digital media.

395 5. Expenditures for meals, travel, and accommodations. For  
396 purposes of this paragraph, the term "net expenditures" means  
397 the actual amount of money a qualified production spent for  
398 equipment or other tangible personal property, after subtracting  
399 any consideration received for reselling or transferring the  
400 item after the qualified production ends, if applicable.

401 (h)~~(i)~~ "Qualified expenditures" means production  
402 expenditures incurred in this state by a qualified production  
403 for:

404 1. Goods purchased or leased from, or services, including,  
405 but not limited to, insurance costs and bonding, payroll  
406 services, and legal fees, which are provided by, a vendor or

577-02086A-14

20141640\_\_

407 supplier in this state that is registered with the Department of  
408 State or the Department of Revenue, has a physical location in  
409 this state, and employs one or more legal residents of this  
410 state. This does not include rebilled goods or services provided  
411 by an in-state company from out-of-state vendors or suppliers.  
412 When services provided by the vendor or supplier include  
413 personal services or labor, only personal services or labor  
414 provided by residents of this state, evidenced by the required  
415 documentation of residency in this state, qualify.

416       2. Payments to legal residents of this state in the form of  
417 salary, wages, or other compensation up to a maximum of \$400,000  
418 per resident unless otherwise specified in subsection (4). A  
419 completed declaration of residency in this state must accompany  
420 the documentation submitted to the department ~~office~~ for  
421 reimbursement.

422  
423 For a qualified production involving an event, such as an awards  
424 show, the term does not include expenditures solely associated  
425 with the event itself and not directly required by the  
426 production. The term does not include expenditures incurred  
427 before certification, with the exception of those incurred for a  
428 commercial, a music video, or the pickup of additional episodes  
429 of a high-impact television series within a single season. Under  
430 no circumstances may the qualified production include in the  
431 calculation for qualified expenditures the original purchase  
432 price for equipment or other tangible property that is later  
433 sold or transferred by the qualified production for  
434 consideration. In such cases, the qualified expenditure is the  
435 net of the original purchase price minus the consideration

577-02086A-14

20141640\_\_

436 received upon sale or transfer.

437 (i)~~(j)~~ "Qualified production" means a production in this  
438 state meeting the requirements of this section. The term does  
439 not include a production:

440 1. In which, ~~for the first 2 years of the incentive~~  
441 ~~program, less than 50 percent, and thereafter, less than 70~~ 60  
442 percent, of the positions that make up its production cast and  
443 below-the-line production crew, or, in the case of digital media  
444 projects, less than 80 ~~75~~ percent of such positions, are filled  
445 by legal residents of this state, whose residency is  
446 demonstrated by a valid Florida driver ~~driver's~~ license or other  
447 state-issued identification confirming residency, or students  
448 enrolled full-time in a film-and-entertainment-related course of  
449 study at an institution of higher education in this state; or

450 2. That contains obscene content as defined in s.  
451 847.001(10).

452 (j)~~(k)~~ "Qualified production company" means a corporation,  
453 limited liability company, partnership, or other legal entity  
454 engaged in one or more productions in this state.

455 ~~(l) "Qualified digital media production facility" means a~~  
456 ~~building or series of buildings and their improvements in which~~  
457 ~~data processing, visualization, and sound synchronization~~  
458 ~~technologies are regularly applied for the production of~~  
459 ~~qualified digital media projects or the digital animation~~  
460 ~~components of qualified productions.~~

461 ~~(m) "Qualified production facility" means a building or~~  
462 ~~complex of buildings and their improvements and associated~~  
463 ~~backlot facilities in which regular filming activity for film or~~  
464 ~~television has occurred for a period of no less than 1 year and~~



577-02086A-14

20141640\_\_

465 ~~which contain at least one sound stage of at least 7,800 square~~  
466 ~~feet.~~

467 ~~(n) "Regional population ratio" means the ratio of the~~  
468 ~~population of a region to the population of this state. The~~  
469 ~~regional population ratio applicable to a given fiscal year is~~  
470 ~~the regional population ratio calculated by the Office of Film~~  
471 ~~and Entertainment using the latest official estimates of~~  
472 ~~population certified under s. 186.901, available on the first~~  
473 ~~day of that fiscal year.~~

474 ~~(o) "Regional tax credit ratio" means a ratio the numerator~~  
475 ~~of which is the sum of tax credits awarded to productions in a~~  
476 ~~region to date plus the tax credits certified, but not yet~~  
477 ~~awarded, to productions currently in that region and the~~  
478 ~~denominator of which is the sum of all tax credits awarded in~~  
479 ~~the state to date plus all tax credits certified, but not yet~~  
480 ~~awarded, to productions currently in the state. The regional tax~~  
481 ~~credit ratio applicable to a given year is the regional tax~~  
482 ~~credit ratio calculated by the Office of Film and Entertainment~~  
483 ~~using credit award and certification information available on~~  
484 ~~the first day of that fiscal year.~~

485 ~~(p) "Underutilized region" for a given state fiscal year~~  
486 ~~means a region with a regional tax credit ratio applicable to~~  
487 ~~that fiscal year that is lower than its regional population~~  
488 ~~ratio applicable to that fiscal year. The following regions are~~  
489 ~~established for purposes of making this determination:~~

490 ~~1. North Region, consisting of Alachua, Baker, Bay,~~  
491 ~~Bradford, Calhoun, Clay, Columbia, Dixie, Duval, Escambia,~~  
492 ~~Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Holmes, Jackson,~~  
493 ~~Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Nassau,~~

577-02086A-14

20141640\_\_

494 ~~Okaloosa, Putnam, Santa Rosa, St. Johns, Suwannee, Taylor,~~  
495 ~~Union, Wakulla, Walton, and Washington Counties.~~

496 ~~2. Central East Region, consisting of Brevard, Flagler,~~  
497 ~~Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St.~~  
498 ~~Lucie, and Volusia Counties.~~

499 ~~3. Central West Region, consisting of Citrus, Hernando,~~  
500 ~~Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota,~~  
501 ~~and Sumter Counties.~~

502 ~~4. Southwest Region, consisting of Charlotte, Collier,~~  
503 ~~DeSoto, Glades, Hardee, Hendry, Highlands, and Lee Counties.~~

504 ~~5. Southeast Region, consisting of Broward, Martin, Miami-~~  
505 ~~Dade, Monroe, and Palm Beach Counties.~~

506 ~~(k)(q)~~ "Interactive website" means a website or group of  
507 websites that includes interactive and downloadable content, and  
508 creates 25 new Florida full-time equivalent positions operating  
509 from a principal place of business located within Florida. An  
510 interactive website or group of websites must provide  
511 documentation that those jobs were created to the department  
512 ~~before Office of Film and Entertainment prior to~~ the award of  
513 tax credits. Each subsequent program application must provide  
514 proof that 25 Florida full-time equivalent positions are  
515 maintained.

516 (2) CREATION AND PURPOSE OF PROGRAM.—The entertainment  
517 industry financial incentive program is created ~~within the~~  
518 ~~Office of Film and Entertainment. The purpose of this program is~~  
519 to encourage the use of this state as a site for entertainment  
520 production, for filming, and for the digital production of  
521 entertainment films, and to develop and sustain the workforce  
522 and infrastructure for film, digital media, and entertainment

577-02086A-14

20141640\_\_

523 production.

524 (3) APPLICATION PROCEDURE; APPROVAL PROCESS.—

525 (a) *Program application.*—A qualified production company  
526 producing a qualified production in this state may submit a  
527 program application to the department ~~Office of Film and~~  
528 ~~Entertainment~~ for the purpose of determining qualification for  
529 an award of tax credits authorized by this section no earlier  
530 than 150 ~~180~~ days before the first day of principal photography  
531 or project start date in this state. The applicant shall provide  
532 the department ~~Office of Film and Entertainment~~ with information  
533 required to determine whether the production is a qualified  
534 production and to determine the qualified expenditures and other  
535 information necessary for the department ~~office~~ to determine  
536 eligibility for the tax credit.

537 (b) *Required documentation.*—The department ~~Office of Film~~  
538 ~~and Entertainment~~ shall develop an application form for  
539 qualifying an applicant as a qualified production. The form must  
540 include, but need not be limited to, production-related  
541 information concerning employment of residents in this state, a  
542 detailed budget of planned qualified expenditures and aggregate  
543 nonqualified expenditures in this state, proof of financing for  
544 the production, and the applicant's signed affirmation that the  
545 information on the form has been verified and is correct. The  
546 Division ~~Office~~ of Film and Entertainment of Enterprise Florida,  
547 Inc., and local film commissions shall distribute the form.

548 (c) *Application process.*—The department ~~Office of Film and~~  
549 ~~Entertainment~~ shall establish a process by which an application  
550 is accepted and reviewed and by which tax credit eligibility and  
551 award amount are determined. The department may consult with the

577-02086A-14

20141640\_\_

552 Division ~~Office~~ of Film and Entertainment of Enterprise Florida,  
553 Inc., ~~or may request assistance from~~ a duly appointed local film  
554 commission in determining compliance with this section.

555 1. Applications may be accepted until, and shall include,  
556 the application that causes the amount of tax credit eligibility  
557 requested to exceed 125 percent of tax credits allocated for the  
558 fiscal year under paragraph (7) (a). Applications received after  
559 all tax credits allocated for the fiscal year have been  
560 certified shall be assigned a queue number that is determined by  
561 the date and time the application was received by the  
562 department. Applications in the queue are deemed denied on June  
563 30 of each year.

564 2. A ~~certified~~ high-impact television series may submit an  
565 initial application for no more than two successive seasons,  
566 notwithstanding the fact that the second season has ~~successive~~  
567 ~~seasons have~~ not been ordered. The ~~successive season's~~ qualified  
568 expenditure amounts for the second season shall be based on the  
569 current season's estimated qualified expenditures. Upon the  
570 completion of production of each season, a high-impact  
571 television series may submit an application for no more than one  
572 additional season. To be certified for credits, the applicant  
573 must provide proof that the additional season has been ordered  
574 as part of the application for the additional season.

575 (d) *Certification.*—

576 1. The ~~department~~ Office of Film and Entertainment shall  
577 review the application within 15 business days after receipt.  
578 Upon the department's ~~its~~ determination, in consultation with  
579 the Division of Film and Entertainment of Enterprise Florida,  
580 Inc., that the application contains all the information required

577-02086A-14

20141640\_\_

581 by this subsection and meets the criteria set out in this  
582 section, the department ~~Office of Film and Entertainment~~ shall  
583 deny ~~qualify the applicant and recommend to the department that~~  
584 ~~the applicant be certified for the maximum tax credit award~~  
585 ~~amount. Within 5 business days after receipt of the~~  
586 ~~recommendation, the department shall reject the~~ application  
587 ~~recommendation~~ or certify the maximum ~~recommended~~ tax credit  
588 award, if any funds are available, to the applicant and to the  
589 executive director of the Department of Revenue.

590 2. In a fiscal year, the department may certify only the  
591 amount of tax credits allocated for that fiscal year, as  
592 provided under subsection (7). However, the department may  
593 certify a high-impact television series for additional tax  
594 credits allocated in a future fiscal year if the high-impact  
595 television series has an executed contract or order for season  
596 renewal effective for the future fiscal year from which tax  
597 credits would be allocated. The department may certify one  
598 additional ordered season per future fiscal year in which the  
599 qualified production would occur.

600 (e) Employment.—Upon certification by the department, the  
601 production must provide the department and the Division of Film  
602 and Entertainment of Enterprise Florida, Inc., with a single  
603 point of contact and information related to the production's  
604 needs for cast, crew, contractors, and vendors. The division  
605 shall publish this information online, including the type of  
606 production, the projected start date of the production, the  
607 locations in this state for such production, and the e-mail or  
608 other contact information for the production's point of contact.  
609 The department, in consultation with the division, may adopt

577-02086A-14

20141640\_\_

610 procedures for a production to post such information itself  
611 within 7 days after certification.

612 (f)(e) Grounds for denial.-

613 1. The department Office of Film and Entertainment shall  
614 deny an application if it determines that the application is not  
615 complete, or the production or application does not meet the  
616 requirements of this section, or there are no additional credits  
617 for certification as provided under paragraph (c). Within 90  
618 days after submitting a program application, except with respect  
619 to applications in the independent and emerging media queue, a  
620 production must provide proof of project financing to the Office  
621 of Film and Entertainment, otherwise the project is deemed  
622 denied and withdrawn. A project that has been denied withdrawn  
623 may submit a new application upon providing the Office of Film  
624 and Entertainment proof of financing.

625 2. The department shall deny a certified production upon  
626 any circumstance affecting the reasonable schedule or timely  
627 completion of the certified production, including a break in  
628 production, change in the production schedule, or loss of  
629 financing for the production. A certified production must notify  
630 the department within 5 days after any circumstance affecting  
631 its timely completion. A certified production may not be denied  
632 if it provides the department with proof of replacement  
633 financing within 10 days after the loss of financing for the  
634 production. To keep a reasonable schedule, the certified  
635 production must begin principal photography or the production  
636 project in this state no more than 45 calendar days before or  
637 after the principal photography or project start date provided  
638 in the production's program application.

577-02086A-14

20141640\_\_

- 639        (g) ~~(f)~~ *Verification of actual qualified expenditures.*—
- 640        1. The department, in consultation with the Division of
- 641 Film and Entertainment, ~~Office of Film and Entertainment~~ shall
- 642 develop a process to verify the actual qualified expenditures of
- 643 a certified production. The process must require:
- 644        a. A certified production to submit, within 180 days ~~in a~~
- 645 ~~timely manner~~ after production ends in this state and after
- 646 making all of its qualified expenditures in this state, data
- 647 substantiating each qualified expenditure, including
- 648 documentation on the net expenditure on equipment and other
- 649 tangible personal property by the qualified production, to an
- 650 independent certified public accountant licensed in this state;
- 651        b. Such accountant to conduct a compliance audit, at the
- 652 certified production's expense, to substantiate each qualified
- 653 expenditure and submit the results as a report, along with the
- 654 required substantiating data, to the department ~~Office of Film~~
- 655 ~~and Entertainment~~; and
- 656        c. The department ~~Office of Film and Entertainment~~ to
- 657 review the accountant's submittal and verify ~~report to the~~
- 658 ~~department~~ the final ~~verified~~ amount of actual qualified
- 659 expenditures made by the certified production.
- 660        2. The department shall determine and approve the final tax
- 661 credit award amount to each certified applicant based on the
- 662 final verified amount of actual qualified expenditures and shall
- 663 notify the executive director of the Department of Revenue in
- 664 writing that the certified production has met the requirements
- 665 of the incentive program and of the final amount of the tax
- 666 credit award. The final tax credit award amount may not exceed
- 667 the maximum tax credit award amount certified under paragraph

577-02086A-14

20141640\_\_

668 (d).

669 (h) ~~(g)~~ *Promoting Florida.*—The department ~~Office of Film and~~  
670 ~~Entertainment~~ shall ensure that, as a condition of receiving a  
671 tax credit under this section, marketing materials promoting  
672 this state as a tourist destination or film and entertainment  
673 production destination are included, when appropriate, at no  
674 cost to the state, which must, at a minimum, include placement  
675 of a “Filmed in Florida” or “Produced in Florida” logo in the  
676 opening titles and end credits. The placement of a “Filmed in  
677 Florida” or “Produced in Florida” logo on all packaging material  
678 and hard media is also required, unless such placement is  
679 prohibited by licensing or other contractual obligations. The  
680 size and placement of such logo shall be commensurate to other  
681 logos used. If no logos are used, the statement “Filmed in  
682 Florida using Florida’s Entertainment Industry Financial  
683 Incentive,” or a similar statement approved by the Division  
684 ~~Office~~ of Film and Entertainment of Enterprise Florida, Inc.,  
685 shall be used. The Division ~~Office~~ of Film and Entertainment of  
686 Enterprise Florida, Inc., shall provide a logo and supply it for  
687 the purposes specified in this paragraph. A 30-second “Visit  
688 Florida” promotional video must also be included on all optical  
689 disc formats of a film, unless such placement is prohibited by  
690 licensing or other contractual obligations. The 30-second  
691 promotional video shall be approved and provided by the Florida  
692 Tourism Industry Marketing Corporation in consultation with the  
693 Division ~~Commissioner~~ of Film and Entertainment of Enterprise  
694 Florida, Inc.

695 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;  
696 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;



577-02086A-14

20141640\_\_

697 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND  
698 ACQUISITIONS.—

699 (a) *Priority for tax credit award.*—The priority of a  
700 qualified production for tax credit awards must be determined on  
701 a first-come, first-served basis within its appropriate queue.  
702 Each qualified production must be placed into the appropriate  
703 queue and is subject to the requirements of that queue.

704 (b) *Tax credit eligibility.*—

705 1. General production queue.—Ninety-four percent of tax  
706 credits authorized pursuant to subsection (7) ~~(6)~~ in any state  
707 fiscal year must be dedicated to the general production queue.  
708 The general production queue consists of all qualified  
709 productions other than those eligible for the commercial and  
710 music video queue or the independent and emerging media  
711 production queue. A qualified production that demonstrates a  
712 minimum of \$625,000 in qualified expenditures is eligible for  
713 tax credits equal to 20 percent of its actual qualified  
714 expenditures, up to a maximum of \$8 million. A qualified  
715 production that incurs qualified expenditures during multiple  
716 state fiscal years may combine those expenditures to satisfy the  
717 \$625,000 minimum threshold.

718 a. For the first 10 months of each fiscal year, 20 percent  
719 of the credits in the general production queue shall be set  
720 aside for qualified productions in underutilized counties. A  
721 qualified production eligible for these funds is a production  
722 for which at least 70 percent of its principal photography days  
723 occur within an underutilized county designated as an  
724 underutilized county at the time that the production is  
725 certified. The term "underutilized county" means a county in

577-02086A-14

20141640\_\_

726 which less than \$500,000 in qualified expenditures were made in  
727 the last 2 fiscal years. Any funds not yet certified from this  
728 set-aside at the end of the 10-month period may be certified to  
729 qualified productions pursuant to this section ~~An off-season~~  
730 ~~certified production that is a feature film, independent film,~~  
731 ~~or television series or pilot is eligible for an additional 5~~  
732 ~~percent tax credit on actual qualified expenditures. An off-~~  
733 ~~season certified production that does not complete 75 percent of~~  
734 ~~principal photography due to a disruption caused by a hurricane~~  
735 ~~or tropical storm may not be disqualified from eligibility for~~  
736 ~~the additional 5 percent credit as a result of the disruption.~~

737 ~~b. If more than 45 percent of the sum of total tax credits~~  
738 ~~initially certified and awarded after April 1, 2012, total tax~~  
739 ~~credits initially certified after April 1, 2012, but not yet~~  
740 ~~awarded, and total tax credits available for certification after~~  
741 ~~April 1, 2012, but not yet certified has been awarded for high-~~  
742 ~~impact television series, then no high-impact television series~~  
743 ~~is eligible for tax credits under this subparagraph. Tax credits~~  
744 ~~initially certified for a high-impact television series after~~  
745 ~~April 1, 2012, may not be awarded if the award will cause the~~  
746 ~~percentage threshold in this sub-subparagraph to be exceeded.~~  
747 ~~This sub-subparagraph does not prohibit the award of tax credits~~  
748 ~~certified before April 1, 2012, for high-impact television~~  
749 ~~series.~~

750 ~~b.c.~~ Subject to ~~sub-subparagraph b.~~, First priority in the  
751 queue for tax credit awards not yet certified shall be given to  
752 high-impact television series and high-impact digital media  
753 projects. For the purposes of determining priority between a  
754 high-impact television series and a high-impact digital media

577-02086A-14

20141640\_\_

755 project, the first position must go to the first application  
756 received. Thereafter, priority shall be determined by  
757 ~~alternating between a high-impact television series and a high-~~  
758 ~~impact digital media project~~ on a first-come, first-served  
759 basis. ~~However, if the Office of Film and Entertainment receives~~  
760 ~~an application for a high-impact television series or high-~~  
761 ~~impact digital media project that would be certified but for the~~  
762 ~~alternating priority, the office may certify the project as~~  
763 ~~being in the priority position if an application that would~~  
764 ~~normally be the priority position is not received within 5~~  
765 ~~business days.~~

766 d. ~~A qualified production for which at least 67 percent of~~  
767 ~~its principal photography days occur within a region designated~~  
768 ~~as an underutilized region at the time that the production is~~  
769 ~~certified is eligible for an additional 5 percent tax credit.~~

770 c.e. A qualified production is eligible for an additional  
771 15 percent tax credit on qualified expenditures that are wages,  
772 salaries, or other compensation paid to the following  
773 individuals employed by the qualified production: that employs  
774 students enrolled full-time in a film and entertainment-related  
775 or digital media-related course of study at an institution of  
776 higher education in this state, individuals participating in the  
777 Road-to-Independence Program under s. 409.1451, individuals with  
778 developmental disabilities as defined under s. 393.063 residing  
779 in this state, veterans residing in this state, and individuals  
780 ~~is eligible for an additional 15 percent tax credit on qualified~~  
781 ~~expenditures that are wages, salaries, or other compensation~~  
782 ~~paid to such students. The additional 15 percent tax credit is~~  
783 ~~also applicable to persons hired within 12 months after~~

577-02086A-14

20141640\_\_

784 graduating from a film and entertainment-related or digital  
785 media-related course of study at an institution of higher  
786 education in this state. ~~The additional 15 percent tax credit~~  
787 ~~applies to qualified expenditures that are wages, salaries, or~~  
788 ~~other compensation paid to such recent graduates for 1 year~~  
789 ~~after the date of hiring.~~

790 ~~f. A qualified production for which 50 percent or more of~~  
791 ~~its principal photography occurs at a qualified production~~  
792 ~~facility, or a qualified digital media project or the digital~~  
793 ~~animation component of a qualified production for which 50~~  
794 ~~percent or more of the project's or component's qualified~~  
795 ~~expenditures are related to a qualified digital media production~~  
796 ~~facility, is eligible for an additional 5 percent tax credit on~~  
797 ~~actual qualified expenditures for production activity at that~~  
798 ~~facility.~~

799 d. A qualified production that completes a capital  
800 investment of at least \$2 million before the completion of the  
801 qualified production is eligible for an additional 5 percent tax  
802 credit. The capital investment must be permanent and must remain  
803 in this state after the production ends in this state.

804 ~~e.g.~~ A qualified production is not eligible for tax credits  
805 provided under this paragraph totaling more than 25 percent ~~30~~  
806 ~~percent~~ of its actual qualified expenses.

807 2. Commercial and music video queue.—Three percent of tax  
808 credits authorized pursuant to subsection (7) ~~(6)~~ in any state  
809 fiscal year must be dedicated to the commercial and music video  
810 queue. A qualified production company that produces national or  
811 regional commercials or music videos may be eligible for a tax  
812 credit award if it demonstrates a minimum of \$100,000 in

577-02086A-14

20141640\_\_

813 qualified expenditures per national or regional commercial or  
814 music video and exceeds a combined threshold of \$500,000 after  
815 combining actual qualified expenditures from qualified  
816 commercials and music videos during a single state fiscal year.  
817 After a qualified production company that produces commercials,  
818 music videos, or both reaches the threshold of \$500,000, it is  
819 eligible to apply for certification for a tax credit award. The  
820 maximum credit award shall be equal to 20 percent of its actual  
821 qualified expenditures up to a maximum of \$500,000. If there is  
822 a surplus at the end of a fiscal year after the department  
823 ~~Office of Film and Entertainment~~ certifies and determines the  
824 tax credits for all qualified commercial and video projects,  
825 such surplus tax credits shall be carried forward to the  
826 following fiscal year and are available to any eligible  
827 qualified productions under the general production queue.

828 3. Independent and emerging media production queue.—Three  
829 percent of tax credits authorized pursuant to subsection (7) ~~(6)~~  
830 in any state fiscal year must be dedicated to the independent  
831 and emerging media production queue. This queue is intended to  
832 encourage independent film and emerging media production in this  
833 state. Any qualified production, excluding commercials,  
834 infomercials, or music videos, which demonstrates at least  
835 \$100,000, but not more than \$625,000, in total qualified  
836 expenditures is eligible for tax credits equal to 20 percent of  
837 its actual qualified expenditures. If a surplus exists at the  
838 end of a fiscal year after the department ~~Office of Film and~~  
839 ~~Entertainment~~ certifies and determines the tax credits for all  
840 qualified independent and emerging media production projects,  
841 such surplus tax credits shall be carried forward to the

577-02086A-14

20141640\_\_

842 following fiscal year and are available to any eligible  
843 qualified productions under the general production queue.

844 ~~4. Family-friendly productions.—A certified theatrical or~~  
845 ~~direct-to-video motion picture production or video game~~  
846 ~~determined by the Commissioner of Film and Entertainment, with~~  
847 ~~the advice of the Florida Film and Entertainment Advisory~~  
848 ~~Council, to be family-friendly, based on review of the script~~  
849 ~~and review of the final release version, is eligible for an~~  
850 ~~additional tax credit equal to 5 percent of its actual qualified~~  
851 ~~expenditures. Family-friendly productions are those that have~~  
852 ~~cross-generational appeal; would be considered suitable for~~  
853 ~~viewing by children age 5 or older; are appropriate in theme,~~  
854 ~~content, and language for a broad family audience; embody a~~  
855 ~~responsible resolution of issues; and do not exhibit or imply~~  
856 ~~any act of smoking, sex, nudity, or vulgar or profane language.~~

857 ~~(c) Withdrawal of tax credit eligibility.—A qualified or~~  
858 ~~certified production must continue on a reasonable schedule,~~  
859 ~~which includes beginning principal photography or the production~~  
860 ~~project in this state no more than 45 calendar days before or~~  
861 ~~after the principal photography or project start date provided~~  
862 ~~in the production's program application. The department shall~~  
863 ~~withdraw the eligibility of a qualified or certified production~~  
864 ~~that does not continue on a reasonable schedule.~~

865 ~~(c)-(d) Election and distribution of tax credits.—~~

866 1. A certified production company receiving a tax credit  
867 award under this section shall, at the time the credit is  
868 awarded by the department after production is completed and all  
869 requirements to receive a credit award have been met, make an  
870 irrevocable election to apply the credit against taxes due under

577-02086A-14

20141640\_\_

871 chapter 220, against state taxes collected or accrued under  
872 chapter 212, or against a stated combination of the two taxes.  
873 The election is binding upon any distributee, successor,  
874 transferee, or purchaser. The department shall notify the  
875 Department of Revenue of any election made pursuant to this  
876 paragraph.

877 2. A qualified production company is eligible for tax  
878 credits against its sales and use tax liabilities and corporate  
879 income tax liabilities as provided in this section. However, tax  
880 credits awarded under this section may not be claimed against  
881 sales and use tax liabilities or corporate income tax  
882 liabilities for any tax period beginning before July 1, 2011,  
883 regardless of when the credits are applied for or awarded.

884 (d)~~(e)~~ *Tax credit carryforward.*—If the certified production  
885 company cannot use the entire tax credit in the taxable year or  
886 reporting period in which the credit is awarded, any excess  
887 amount may be carried forward to a succeeding taxable year or  
888 reporting period. A tax credit applied against taxes imposed  
889 under chapter 212 or ~~may be carried forward for a maximum of 5~~  
890 ~~years after the date the credit is awarded. A tax credit applied~~  
891 ~~against taxes imposed under~~ chapter 220 may be carried forward  
892 for a maximum of 5 years after the date the credit is awarded,  
893 after which the credit expires and may not be used.

894 (e)~~(f)~~ *Consolidated returns.*—A certified production company  
895 that files a Florida consolidated return as a member of an  
896 affiliated group under s. 220.131(1) may be allowed the credit  
897 on a consolidated return basis up to the amount of the tax  
898 imposed upon the consolidated group under chapter 220.

899 (f)~~(g)~~ *Partnership and noncorporate distributions.*—A

577-02086A-14

20141640\_\_

900 qualified production company that is not a corporation as  
901 defined in s. 220.03 may elect to distribute tax credits awarded  
902 under this section to its partners or members in proportion to  
903 their respective distributive income or loss in the taxable year  
904 in which the tax credits were awarded.

905 (g) ~~(h)~~ *Mergers or acquisitions.*—Tax credits available under  
906 this section to a certified production company may succeed to a  
907 surviving or acquiring entity subject to the same conditions and  
908 limitations as described in this section; however, they may not  
909 be transferred again by the surviving or acquiring entity.

910 (5) TRANSFER OF TAX CREDITS.—

911 (a) *Authorization.*—Upon application to ~~the Office of Film~~  
912 ~~and Entertainment~~ and approval by the department, a certified  
913 production company, or a partner or member that has received a  
914 distribution under paragraph (4) (f) ~~(4) (g)~~, may elect to  
915 transfer, in whole or in part, any unused credit amount granted  
916 under this section. An election to transfer any unused tax  
917 credit amount under chapter 212 or chapter 220 must be made no  
918 later than 5 years after the date the credit is awarded, after  
919 which period the credit expires and may not be used. The  
920 department shall notify the Department of Revenue of the  
921 election and transfer.

922 (b) *Number of transfers permitted.*—A certified production  
923 company that elects to apply a credit amount against taxes  
924 remitted under chapter 212 is permitted a one-time transfer of  
925 unused credits to one transferee. A certified production company  
926 that elects to apply a credit amount against taxes due under  
927 chapter 220 is permitted a one-time transfer of unused credits  
928 to no more than four transferees, and such transfers must occur



577-02086A-14

20141640\_\_

929 in the same taxable year.

930 (c) *Transferee rights and limitations.*—The transferee is  
931 subject to the same rights and limitations as the certified  
932 production company awarded the tax credit, except that the  
933 initial transferee shall be permitted a one-time transfer of  
934 unused credits to no more than two subsequent transferees, and  
935 such transfers must occur in the same taxable year as the  
936 credits were received by the initial transferee, after which the  
937 subsequent transferees may not sell or otherwise transfer the  
938 tax credit.

939 (6) RELINQUISHMENT OF TAX CREDITS.—

940 (a) Beginning July 1, 2011, a certified production company,  
941 or any person who has acquired a tax credit from a certified  
942 production company pursuant to subsections (4) and (5), may  
943 elect to relinquish the tax credit to the Department of Revenue  
944 in exchange for 90 percent of the amount of the relinquished tax  
945 credit.

946 (b) The Department of Revenue may approve payments to  
947 persons relinquishing tax credits pursuant to this subsection.

948 (c) Subject to legislative appropriation, the Department of  
949 Revenue shall request the Chief Financial Officer to issue  
950 warrants to persons relinquishing tax credits. Payments under  
951 this subsection shall be made from the funds from which the  
952 proceeds from the taxes against which the tax credits could have  
953 been applied pursuant to the irrevocable election made by the  
954 certified production company under subsection (4) are deposited.

955 (7) ANNUAL ALLOCATION OF TAX CREDITS.—

956 (a) The aggregate amount of the tax credits that may be  
957 certified pursuant to paragraph (3) (d) may not exceed:

577-02086A-14

20141640\_\_

958 1. For fiscal year 2010-2011, \$53.5 million.

959 2. For fiscal year 2011-2012, \$74.5 million.

960 3. For fiscal years 2012-2013, 2013-2014, 2014-2015, and  
961 2015-2016, \$42 million per fiscal year.

962 4. Beginning July 1, 2014, for fiscal years 2014-2015 and  
963 2015-2016, an additional \$50 million per fiscal year.

964 5. Beginning July 1, 2016, for fiscal years 2016-2017,  
965 2017-2018, 2018-2019, and 2019-2020, \$50 million per fiscal  
966 year.

967 (b) Any portion of the maximum amount of tax credits  
968 established per fiscal year in paragraph (a) that is not  
969 certified as of the end of a fiscal year shall be carried  
970 forward and made available for certification during the  
971 following 2 fiscal years in addition to the amounts available  
972 for certification under paragraph (a) for those fiscal years.

973 (c) Upon approval of the final tax credit award amount  
974 pursuant to subparagraph (3)(g)2. ~~(3)(f)2.~~, an amount equal to  
975 the difference between the maximum tax credit award amount  
976 previously certified under paragraph (3)(d) and the approved  
977 final tax credit award amount shall immediately be available for  
978 recertification during the current and following fiscal years in  
979 addition to the amounts available for certification under  
980 paragraph (a) for those fiscal years.

981 (d) Amounts available on and after July 1, 2014, for  
982 certification may not be certified before the fiscal year in  
983 which the amounts are listed in paragraph (a), except as  
984 provided in subparagraph (3)(d)2. ~~If, during a fiscal year, the~~  
985 ~~total amount of credits applied for, pursuant to paragraph~~  
986 ~~(3)(a), exceeds the amount of credits available for~~

577-02086A-14

20141640\_\_

987 ~~certification in that fiscal year, such excess shall be treated~~  
988 ~~as having been applied for on the first day of the next fiscal~~  
989 ~~year in which credits remain available for certification.~~

990 (8) RULES, POLICIES, AND PROCEDURES.—

991 (a) The department may adopt rules pursuant to ss.  
992 120.536(1) and 120.54 and develop policies and procedures to  
993 implement and administer this section, including, but not  
994 limited to, rules specifying requirements for the application  
995 and approval process, records required for substantiation for  
996 tax credits, procedures for making the election in paragraph  
997 (4) (c) ~~(4) (d)~~, the manner and form of documentation required to  
998 claim tax credits awarded or transferred under this section, and  
999 marketing requirements for tax credit recipients.

1000 (b) The Department of Revenue may adopt rules pursuant to  
1001 ss. 120.536(1) and 120.54 to administer this section, including  
1002 rules governing the examination and audit procedures required to  
1003 administer this section and the manner and form of documentation  
1004 required to claim tax credits awarded, transferred, or  
1005 relinquished under this section.

1006 (9) AUDIT AUTHORITY; REVOCATION AND FORFEITURE OF TAX  
1007 CREDITS; FRAUDULENT CLAIMS.—

1008 (a) *Audit authority*.—The Department of Revenue may conduct  
1009 examinations and audits as provided in s. 213.34 to verify that  
1010 tax credits under this section are received, transferred, and  
1011 applied according to the requirements of this section. If the  
1012 Department of Revenue determines that tax credits are not  
1013 received, transferred, or applied as required by this section,  
1014 it may, in addition to the remedies provided in this subsection,  
1015 pursue recovery of such funds pursuant to the laws and rules

577-02086A-14

20141640\_\_

1016 governing the assessment of taxes.

1017 (b) *Revocation of tax credits.*—The department may revoke or  
1018 modify any written decision qualifying, certifying, or otherwise  
1019 granting eligibility for tax credits under this section if it is  
1020 discovered that the tax credit applicant submitted any false  
1021 statement, representation, or certification in any application,  
1022 record, report, plan, or other document filed in an attempt to  
1023 receive tax credits under this section. The department shall  
1024 immediately notify the Department of Revenue of any revoked or  
1025 modified orders affecting previously granted tax credits.  
1026 Additionally, the applicant must notify the Department of  
1027 Revenue of any change in its tax credit claimed.

1028 (c) *Forfeiture of tax credits.*—A determination by the  
1029 Department of Revenue, as a result of an audit pursuant to  
1030 paragraph (a) or from information received from the department  
1031 or the Division Office of Film and Entertainment of Enterprise  
1032 Florida, Inc., that an applicant received tax credits pursuant  
1033 to this section to which the applicant was not entitled is  
1034 grounds for forfeiture of previously claimed and received tax  
1035 credits. The applicant is responsible for returning forfeited  
1036 tax credits to the Department of Revenue, and such funds shall  
1037 be paid into the General Revenue Fund of the state. Tax credits  
1038 purchased in good faith are not subject to forfeiture unless the  
1039 transferee submitted fraudulent information in the purchase or  
1040 failed to meet the requirements in subsection (5).

1041 (d) *Fraudulent claims.*—Any applicant that submits  
1042 fraudulent information under this section is liable for  
1043 reimbursement of the reasonable costs and fees associated with  
1044 the review, processing, investigation, and prosecution of the

577-02086A-14

20141640\_\_

1045 fraudulent claim. An applicant that obtains a credit payment  
 1046 under this section through a claim that is fraudulent is liable  
 1047 for reimbursement of the credit amount plus a penalty in an  
 1048 amount double the credit amount. The penalty is in addition to  
 1049 any criminal penalty to which the applicant is liable for the  
 1050 same acts. The applicant is also liable for costs and fees  
 1051 incurred by the state in investigating and prosecuting the  
 1052 fraudulent claim.

1053 (10) ANNUAL REPORT.—Each November 1, the department ~~Office~~  
 1054 ~~of Film and Entertainment~~ shall submit an annual report for the  
 1055 previous fiscal year to the Governor, the President of the  
 1056 Senate, and the Speaker of the House of Representatives which  
 1057 outlines the incentive program's return on investment and  
 1058 economic benefits to the state. The report must also include an  
 1059 estimate of the full-time equivalent positions created by each  
 1060 production that received tax credits under this section and  
 1061 information relating to the distribution of productions  
 1062 receiving credits by geographic region and type of production.  
 1063 The report must also include the expenditures report required  
 1064 under s. 288.9241 ~~s. 288.1253(3)~~ and the information describing  
 1065 the relationship between tax exemptions and incentives to  
 1066 industry growth required under s. 288.1258(5). The department  
 1067 may work with the Division of Film and Entertainment of  
 1068 Enterprise Florida, Inc., to develop the annual report.

1069 (11) REPEAL.—This section is repealed July 1, 2020 ~~July 1,~~  
 1070 ~~2016~~, except that:

1071 (a) Tax credits certified under paragraph (3) (d) before  
 1072 July 1, 2020 ~~July 1, 2016~~, may be awarded under paragraph (3) (g)  
 1073 ~~(3) (f)~~ on or after July 1, 2020 ~~July 1, 2016~~, if the other

577-02086A-14

20141640\_\_

1074 requirements of this section are met.

1075 (b) Tax credits carried forward under paragraph (4) (d)  
1076 ~~(4) (e)~~ remain valid for the period specified.

1077 (c) Subsections (5), (8), and (9) shall remain in effect  
1078 until July 1, 2025 ~~July 1, 2021~~.

1079 Section 6. Beginning July 1, 2014, applications on file  
1080 with the Department of Economic Opportunity to receive a tax  
1081 credit through the entertainment industry financial incentive  
1082 program under s. 288.1254, Florida Statutes, which are not yet  
1083 certified are deemed denied.

1084 Section 7. Section 288.1258, Florida Statutes, is amended  
1085 to read:

1086 288.1258 Entertainment industry qualified production  
1087 companies; application procedure; categories; duties of the  
1088 Department of Revenue; records and reports.—

1089 (1) PRODUCTION COMPANIES AUTHORIZED TO APPLY.—

1090 (a) Any production company engaged in this state in the  
1091 production of motion pictures, made-for-TV motion pictures,  
1092 television series, commercial advertising, music videos, or  
1093 sound recordings may submit an application to the Department of  
1094 Revenue to be approved by the department ~~Office of Film and~~  
1095 ~~Entertainment~~ as a qualified production company for the purpose  
1096 of receiving a sales and use tax certificate of exemption from  
1097 the Department of Revenue.

1098 (b) As used in ~~For the purposes of~~ this section, the term  
1099 "qualified production company" means any production company that  
1100 has submitted a properly completed application to the Department  
1101 of Revenue and that is subsequently qualified by the department  
1102 ~~Office of Film and Entertainment~~.

577-02086A-14

20141640\_\_

1103 (2) APPLICATION PROCEDURE.—

1104 (a) The Department of Revenue will review all submitted  
1105 applications for the required information. Within 10 working  
1106 days after the receipt of a properly completed application, the  
1107 Department of Revenue will forward the completed application to  
1108 the department ~~Office of Film and Entertainment~~ for approval.

1109 (b)1. The department ~~Office of Film and Entertainment~~ shall  
1110 establish a process by which an entertainment industry  
1111 production company may be approved by the department ~~office~~ as a  
1112 qualified production company and may receive a certificate of  
1113 exemption from the Department of Revenue for the sales and use  
1114 tax exemptions under ss. 212.031, 212.06, and 212.08.

1115 2. Upon determination by the department ~~Office of Film and~~  
1116 ~~Entertainment~~ that a production company meets the established  
1117 approval criteria and qualifies for exemption, the department  
1118 ~~Office of Film and Entertainment~~ shall return the approved  
1119 application or application renewal or extension to the  
1120 Department of Revenue, which shall issue a certificate of  
1121 exemption.

1122 3. The department ~~Office of Film and Entertainment~~ shall  
1123 deny an application or application for renewal or extension from  
1124 a production company if it determines that the production  
1125 company does not meet the established approval criteria.

1126 (c) The department ~~Office of Film and Entertainment~~ shall  
1127 develop, with the cooperation of the Department of Revenue, the  
1128 Division of Film and Entertainment of Enterprise Florida, Inc.,  
1129 and local government entertainment industry promotion agencies,  
1130 a standardized application form for use in approving qualified  
1131 production companies.

577-02086A-14

20141640\_\_

1132 1. The application form shall include, but not be limited  
1133 to, production-related information on employment, proposed  
1134 budgets, planned purchases of items exempted from sales and use  
1135 taxes under ss. 212.031, 212.06, and 212.08, a signed  
1136 affirmation from the applicant that any items purchased for  
1137 which the applicant is seeking a tax exemption are intended for  
1138 use exclusively as an integral part of entertainment industry  
1139 preproduction, production, or postproduction activities engaged  
1140 in primarily in this state, and a signed affirmation from the  
1141 department ~~Office of Film and Entertainment~~ that the information  
1142 on the application form has been verified and is correct. In  
1143 lieu of information on projected employment, proposed budgets,  
1144 or planned purchases of exempted items, a production company  
1145 seeking a 1-year certificate of exemption may submit summary  
1146 historical data on employment, production budgets, and purchases  
1147 of exempted items related to production activities in this  
1148 state. Any information gathered from production companies for  
1149 the purposes of this section shall be considered confidential  
1150 taxpayer information and shall be disclosed only as provided in  
1151 s. 213.053.

1152 2. The application form may be distributed to applicants by  
1153 the department, the Division ~~Office~~ of Film and Entertainment of  
1154 Enterprise Florida, Inc., or local film commissions.

1155 (d) All applications, renewals, and extensions for  
1156 designation as a qualified production company shall be processed  
1157 by the department ~~Office of Film and Entertainment~~.

1158 (e) If ~~In the event that~~ the Department of Revenue  
1159 determines that a production company no longer qualifies for a  
1160 certificate of exemption, or has used a certificate of exemption



577-02086A-14

20141640\_\_

1161 for purposes other than those authorized by this section and  
1162 chapter 212, the Department of Revenue shall revoke the  
1163 certificate of exemption of that production company, and any  
1164 sales or use taxes exempted on items purchased or leased by the  
1165 production company during the time such company did not qualify  
1166 for a certificate of exemption or improperly used a certificate  
1167 of exemption shall become immediately due to the Department of  
1168 Revenue, along with interest and penalty as provided by s.  
1169 212.12. In addition to the other penalties imposed by law, any  
1170 person who knowingly and willfully falsifies an application, or  
1171 uses a certificate of exemption for purposes other than those  
1172 authorized by this section and chapter 212, commits a felony of  
1173 the third degree, punishable as provided in ss. 775.082,  
1174 775.083, and 775.084.

1175 (3) CATEGORIES.—

1176 (a)1. A production company may be qualified for designation  
1177 as a qualified production company for a period of 1 year if the  
1178 company has operated a business in Florida at a permanent  
1179 address for a period of 12 consecutive months. Such a qualified  
1180 production company shall receive a single 1-year certificate of  
1181 exemption from the Department of Revenue for the sales and use  
1182 tax exemptions under ss. 212.031, 212.06, and 212.08, which  
1183 certificate shall expire 1 year after issuance or upon the  
1184 cessation of business operations in the state, at which time the  
1185 certificate shall be surrendered to the Department of Revenue.

1186 2. The department ~~Office of Film and Entertainment~~ shall  
1187 develop a method by which a qualified production company may  
1188 annually renew a 1-year certificate of exemption for a period of  
1189 up to 5 years without requiring the production company to

577-02086A-14

20141640\_\_

1190 resubmit a new application during that 5-year period.

1191 3. Any qualified production company may submit a new  
1192 application for a 1-year certificate of exemption upon the  
1193 expiration of that company's certificate of exemption.

1194 (b)1. A production company may be qualified for designation  
1195 as a qualified production company for a period of 90 days. Such  
1196 production company shall receive a single 90-day certificate of  
1197 exemption from the Department of Revenue for the sales and use  
1198 tax exemptions under ss. 212.031, 212.06, and 212.08, which  
1199 certificate shall expire 90 days after issuance, with extensions  
1200 contingent upon approval of the department ~~Office of Film and~~  
1201 ~~Entertainment~~. The certificate shall be surrendered to the  
1202 Department of Revenue upon its expiration.

1203 2. Any production company may submit a new application for  
1204 a 90-day certificate of exemption upon the expiration of that  
1205 company's certificate of exemption.

1206 (4) DUTIES OF THE DEPARTMENT OF REVENUE.—

1207 (a) The Department of Revenue shall review the initial  
1208 application and notify the applicant of any omissions and  
1209 request additional information if needed. An application shall  
1210 be complete upon receipt of all requested information. The  
1211 Department of Revenue shall forward all complete applications to  
1212 the department ~~Office of Film and Entertainment~~ within 10  
1213 working days.

1214 (b) The Department of Revenue shall issue a numbered  
1215 certificate of exemption to a qualified production company  
1216 within 5 working days of the receipt of an approved application,  
1217 application renewal, or application extension from the  
1218 department ~~Office of Film and Entertainment~~.

577-02086A-14

20141640\_\_

1219 (c) The Department of Revenue may adopt ~~promulgate~~ such  
1220 rules and shall prescribe and publish such forms as may be  
1221 necessary to effectuate the purposes of this section or any of  
1222 the sales tax exemptions which are reasonably related to the  
1223 provisions of this section.

1224 (d) The Department of Revenue may ~~is authorized to~~  
1225 establish audit procedures in accordance with the provisions of  
1226 ss. 212.12, 212.13, and 213.34 which relate to the sales tax  
1227 exemption provisions of this section.

1228 (5) RELATIONSHIP OF TAX EXEMPTIONS AND INCENTIVES TO  
1229 INDUSTRY GROWTH; REPORT TO THE LEGISLATURE.—The department  
1230 ~~Office of Film and Entertainment~~ shall keep annual records from  
1231 the information provided on taxpayer applications for tax  
1232 exemption certificates ~~beginning January 1, 2001~~. These records  
1233 also must reflect a ratio of the annual amount of sales and use  
1234 tax exemptions under this section, plus the incentives awarded  
1235 pursuant to s. 288.1254 to the estimated amount of funds  
1236 expended by certified productions. In addition, the department  
1237 ~~office~~ shall maintain data showing annual growth in Florida-  
1238 based entertainment industry companies and entertainment  
1239 industry employment and wages. The employment information must  
1240 include an estimate of the full-time equivalent positions  
1241 created by each production that received tax credits pursuant to  
1242 s. 288.1254. The department ~~Office of Film and Entertainment~~  
1243 shall include this information in the annual report for the  
1244 entertainment industry financial incentive program required  
1245 under s. 288.1254(10).

1246 Section 8. Subsection (1) of section 288.92, Florida  
1247 Statutes, is amended to read:

577-02086A-14

20141640\_\_

1248 288.92 Divisions of Enterprise Florida, Inc.—

1249 (1) Enterprise Florida, Inc., may create and dissolve  
1250 divisions as necessary to carry out its mission. Each division  
1251 shall have distinct responsibilities and complementary missions.  
1252 At a minimum, Enterprise Florida, Inc., shall have divisions  
1253 related to the following areas:

1254 (a) International Trade and Business Development;

1255 (b) Business Retention and Recruitment;

1256 (c) Tourism Marketing;

1257 (d) Minority Business Development; ~~and~~

1258 (e) Sports Industry Development; and

1259 (f) Film and Entertainment.

1260 Section 9. Paragraph (q) of subsection (5) of section  
1261 212.08, Florida Statutes, is amended to read:

1262 212.08 Sales, rental, use, consumption, distribution, and  
1263 storage tax; specified exemptions.—The sale at retail, the  
1264 rental, the use, the consumption, the distribution, and the  
1265 storage to be used or consumed in this state of the following  
1266 are hereby specifically exempt from the tax imposed by this  
1267 chapter.

1268 (5) EXEMPTIONS; ACCOUNT OF USE.—

1269 (q) *Entertainment industry tax credit; authorization;*  
1270 *eligibility for credits.*—The credits against the state sales tax  
1271 authorized pursuant to s. 288.1254 shall be deducted from any  
1272 sales and use tax remitted by the dealer to the department by  
1273 electronic funds transfer and may only be deducted on a sales  
1274 and use tax return initiated through electronic data  
1275 interchange. The dealer shall separately state the credit on the  
1276 electronic return. The net amount of tax due and payable must be

577-02086A-14

20141640\_\_

1277 remitted by electronic funds transfer. If the credit for the  
1278 qualified expenditures is larger than the amount owed on the  
1279 sales and use tax return that is eligible for the credit, the  
1280 unused amount of the credit may be carried forward to a  
1281 succeeding reporting period as provided in s. 288.1254(4)(d) ~~s.~~  
1282 ~~288.1254(4)(e)~~. A dealer may only obtain a credit using the  
1283 method described in this subparagraph. A dealer is not  
1284 authorized to obtain a credit by applying for a refund.

1285 Section 10. Subsection (3) of section 220.1899, Florida  
1286 Statutes, is amended to read:

1287 220.1899 Entertainment industry tax credit.—

1288 (3) To the extent that the amount of a tax credit exceeds  
1289 the amount due on a return, the balance of the credit may be  
1290 carried forward to a succeeding taxable year pursuant to s.  
1291 288.1254(4)(d) ~~s. 288.1254(4)(e)~~.

1292 Section 11. Subsection (5) of section 477.0135, Florida  
1293 Statutes, is amended to read:

1294 477.0135 Exemptions.—

1295 (5) A license is not required of any individual providing  
1296 makeup, special effects, or cosmetology services to an actor,  
1297 stunt person, musician, extra, or other talent during a  
1298 production recognized by the Department of Economic Opportunity  
1299 ~~the Office of Film and Entertainment~~ as a qualified production  
1300 as defined in s. 288.1254(1). Such services are not required to  
1301 be performed in a licensed salon. Individuals exempt under this  
1302 subsection may not provide such services to the general public.

1303 Section 12. This act shall take effect July 1, 2014.