

By Senator Bullard

39-00516B-14

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1                   A bill to be entitled  
2           An act relating to food deserts; creating s. 220.197,  
3           F.S.; defining terms; providing an income tax credit  
4           for certain businesses that sell nutrient-dense food  
5           items in areas designated as food deserts; providing  
6           for the amount of the credit; requiring an  
7           application; requiring the Department of Revenue and  
8           the Department of Agriculture and Consumer Services to  
9           review and make recommendations to the Legislature  
10          regarding the continuation of the credit; providing  
11          penalties for fraudulent claims for the credit;  
12          authorizing rulemaking; providing applicability;  
13          providing an effective date.

14  
15 Be It Enacted by the Legislature of the State of Florida:

16  
17           Section 1. Section 220.197, Florida Statutes, is created to  
18           read:

19           220.197 Tax credit for grocery businesses operating in food  
20           deserts.

21           (1) As used in this section, the term:

22           (a) "Food desert business" means a taxpayer that:

23           1. Is in the trade or business of selling products at  
24           wholesale or retail and has total gross sales of less than \$15  
25           million per year;

26           2. Purchases at least 15 percent of its inventory from in-  
27           state companies;

28           3. Derives at least 20 percent of its gross receipts from  
29           the retail sale of nutrient-dense foods; and

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30 4. Operates the business in a food desert zone after July  
31 1, 2014.

32 (b) "Food desert zone" means a census tract that has been  
33 identified by the Economic Research Service of the United States  
34 Department of Agriculture as meeting the following criteria:

35 1. The tract has a poverty rate of 20 percent or greater or  
36 has a median family income at or below 80 percent of the median  
37 family income for the state; and

38 2. The tract has at least 500 persons or at least 33  
39 percent of the population of the tract lives more than 1 mile in  
40 an urban area, or 10 miles in a rural area, from a supermarket.

41 (c) "Nutrient-dense food" means a food that has high levels  
42 of nutrients in relationship to the number of calories the food  
43 contains. The term includes fresh vegetables and fruits, whole  
44 grains, nuts, seeds, beans and legumes, and low-fat dairy  
45 products.

46 (d) "Supermarket" means a food store that has at least \$2  
47 million in annual sales and contains all the major food  
48 departments found in a large retail grocery store.

49 (2) Each food desert business is eligible for a tax credit  
50 of 20 percent of the annual gross sales of the business against  
51 its corporate annual income tax liability under this chapter,  
52 not to exceed the total state tax liability of the business  
53 under s. 220.11.

54 (a) The credit provided shall be earned on the last day of  
55 each taxable year and may be claimed against the income tax for  
56 the taxable year that includes the day on which the credit is  
57 earned.

58 (b) The credit earned under this section may not be sold or

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59 transferred.

60 (c) If the credit earned under this section is not fully  
61 taken in any single year because of insufficient tax liability  
62 on the part of the business, the unused amount may be carried  
63 forward for up to 2 years.

64 (3) In order to claim the tax credit under this section,  
65 the taxpayer must first submit an application and receive  
66 approval to claim the credit from the department.

67 (4) The tax credit allowed pursuant to this section shall  
68 be reviewed by the department together with the Department of  
69 Agriculture and Consumer Services after it has been in place for  
70 3 taxable years. At such time, the departments shall make a  
71 recommendation to the Legislature for the elimination or  
72 continuance of the credit. Such recommendation shall be based on  
73 the success of the credit in bringing and maintaining food  
74 desert businesses in food desert zones.

75 (5) A taxpayer that fraudulently claims to be qualified for  
76 the tax credits under this section commits a misdemeanor of the  
77 second degree, punishable as provided in s. 775.082 or s.  
78 775.083. The taxpayer is also administratively liable for  
79 repayment of a tax credit fraudulently taken plus a mandatory  
80 penalty of 100 percent of the tax credit plus interest at the  
81 rate provided under this chapter.

82 (6) The department, in consultation with the Department of  
83 Agriculture and Consumer Services, shall adopt rules as  
84 necessary to administer this section. Such rules may identify  
85 the areas of the state designated as food deserts, provide an  
86 application process and forms for applying for the tax credit,  
87 and require the retention of records and the submission of

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88 specific documents by a taxpayer applying for and claiming the  
89 tax credit.

90 (7) This section applies to taxable years beginning on or  
91 after January 1, 2015.

92 Section 2. This act shall take effect July 1, 2014.