



411656

576-03661-14

Proposed Committee Substitute by the Committee on Appropriations
(Appropriations Subcommittee on Finance and Tax)

A bill to be entitled

An act relating to the community contribution tax credit program; amending ss. 212.08, 220.183, and 624.5105, F.S.; postponing the expiration date applicable to the granting of the community contribution tax credit against the sales and use tax, corporate income tax, and insurance premium tax for contributions and donations to eligible sponsors of revitalization and housing projects approved by the Department of Economic Opportunity; providing an effective date.

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

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

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

(5) EXEMPTIONS; ACCOUNT OF USE.—

(p) *Community contribution tax credit for donations.*—

1. Authorization.—Persons who are registered with the department under s. 212.18 to collect or remit sales or use tax and who make donations to eligible sponsors are eligible for tax



411656

576-03661-14

28 credits against their state sales and use tax liabilities as
29 provided in this paragraph:

30 a. The credit shall be computed as 50 percent of the
31 person's approved annual community contribution.

32 b. The credit shall be granted as a refund against state
33 sales and use taxes reported on returns and remitted in the 12
34 months preceding the date of application to the department for
35 the credit as required in sub-subparagraph 3.c. If the annual
36 credit is not fully used through such refund because of
37 insufficient tax payments during the applicable 12-month period,
38 the unused amount may be included in an application for a refund
39 made pursuant to sub-subparagraph 3.c. in subsequent years
40 against the total tax payments made for such year. Carryover
41 credits may be applied for a 3-year period without regard to any
42 time limitation that would otherwise apply under s. 215.26.

43 c. A person may not receive more than \$200,000 in annual
44 tax credits for all approved community contributions made in any
45 one year.

46 d. All proposals for the granting of the tax credit require
47 the prior approval of the Department of Economic Opportunity.

48 e. The total amount of tax credits which may be granted for
49 all programs approved under this paragraph, s. 220.183, and s.
50 624.5105 is \$10.5 million annually for projects that provide
51 homeownership opportunities for low-income households or very-
52 low-income households as those terms are defined in s.
53 420.9071-~~(19)~~ and ~~(28)~~ and \$3.5 million annually for all other
54 projects.

55 f. A person who is eligible to receive the credit provided
56 ~~for~~ in this paragraph, s. 220.183, or s. 624.5105 may receive



411656

576-03661-14

57 the credit only under ~~the~~ one section of the person's choice.

58 2. Eligibility requirements.—

59 a. A community contribution by a person must be in the
60 following form:

61 (I) Cash or other liquid assets;

62 (II) Real property;

63 (III) Goods or inventory; or

64 (IV) Other physical resources ~~as~~ identified by the
65 Department of Economic Opportunity.

66 b. All community contributions must be reserved exclusively
67 for use in a project. As used in this sub-subparagraph, the term
68 "project" means ~~any~~ activity undertaken by an eligible sponsor
69 which is designed to construct, improve, or substantially
70 rehabilitate housing that is affordable to low-income households
71 or very-low-income households as those terms are defined in s.
72 420.9071~~(19)~~ and ~~(28)~~; designed to provide commercial,
73 industrial, or public resources and facilities; or designed to
74 improve entrepreneurial and job-development opportunities for
75 low-income persons. A project may be the investment necessary to
76 increase access to high-speed broadband capability in rural
77 communities with enterprise zones, including projects that
78 result in improvements to communications assets that are owned
79 by a business. A project may include the provision of museum
80 educational programs and materials that are directly related to
81 a ~~any~~ project approved between January 1, 1996, and December 31,
82 1999, and located in an enterprise zone designated pursuant to
83 s. 290.0065. This paragraph does not preclude projects that
84 propose to construct or rehabilitate housing for low-income
85 households or very-low-income households on scattered sites.



411656

576-03661-14

86 With respect to housing, contributions may be used to pay the
87 following eligible low-income and very-low-income housing-
88 related activities:

89 (I) Project development impact and management fees for low-
90 income or very-low-income housing projects;

91 (II) Down payment and closing costs for low-income persons
92 and very-low-income eligible persons, as those terms are defined
93 in s. 420.9071(19) and (28);

94 (III) Administrative costs, including housing counseling
95 and marketing fees, not to exceed 10 percent of the community
96 contribution, directly related to low-income or very-low-income
97 projects; and

98 (IV) Removal of liens recorded against residential property
99 by municipal, county, or special district local governments if
100 ~~when~~ satisfaction of the lien is a necessary precedent to the
101 transfer of the property to a low-income person or very-low-
102 income an-eligible person, as those terms are defined in s.
103 420.9071(19) and (28), for the purpose of promoting home
104 ownership. Contributions for lien removal must be received from
105 a nonrelated third party.

106 c. The project must be undertaken by an "eligible sponsor,"
107 which includes:

108 (I) A community action program;

109 (II) A nonprofit community-based development organization
110 whose mission is the provision of housing for low-income
111 households or very-low-income households or increasing
112 entrepreneurial and job-development opportunities for low-income
113 persons;

114 (III) A neighborhood housing services corporation;



411656

576-03661-14

- 115 (IV) A local housing authority created under chapter 421;
116 (V) A community redevelopment agency created under s.
117 163.356;
118 (VI) A historic preservation district agency or
119 organization;
120 (VII) A regional workforce board;
121 (VIII) A direct-support organization as provided in s.
122 1009.983;
123 (IX) An enterprise zone development agency created under s.
124 290.0056;
125 (X) A community-based organization incorporated under
126 chapter 617 which is recognized as educational, charitable, or
127 scientific pursuant to s. 501(c)(3) of the Internal Revenue Code
128 and whose bylaws and articles of incorporation include
129 affordable housing, economic development, or community
130 development as the primary mission of the corporation;
131 (XI) Units of local government;
132 (XII) Units of state government; or
133 (XIII) Any other agency that the Department of Economic
134 Opportunity designates by rule.
135
136 ~~In no event may~~ A contributing person may not have a financial
137 interest in the eligible sponsor.
138 d. The project must be located in an area designated an
139 enterprise zone or a Front Porch Florida Community, unless the
140 project increases access to high-speed broadband capability for
141 rural communities that have ~~with~~ enterprise zones but is
142 physically located outside the designated rural zone boundaries.
143 Any project designed to construct or rehabilitate housing for



411656

576-03661-14

144 low-income households or very-low-income households as those
145 terms are defined in s. 420.9071~~(19)~~ and ~~(28)~~ is exempt from the
146 area requirement of this sub-subparagraph.

147 e.(I) If, during the first 10 business days of the state
148 fiscal year, eligible tax credit applications for projects that
149 provide homeownership opportunities for low-income households or
150 very-low-income households as those terms are defined in s.
151 420.9071~~(19)~~ and ~~(28)~~ are received for less than the annual tax
152 credits available for those projects, the Department of Economic
153 Opportunity shall grant tax credits for those applications and
154 ~~shall~~ grant remaining tax credits on a first-come, first-served
155 basis for ~~any~~ subsequent eligible applications received before
156 the end of the state fiscal year. If, during the first 10
157 business days of the state fiscal year, eligible tax credit
158 applications for projects that provide homeownership
159 opportunities for low-income households or very-low-income
160 households as those terms are defined in s. 420.9071~~(19)~~ and
161 ~~(28)~~ are received for more than the annual tax credits available
162 for those projects, the Department of Economic Opportunity shall
163 grant the tax credits for those applications as follows:

164 (A) If tax credit applications submitted for approved
165 projects of an eligible sponsor do not exceed \$200,000 in total,
166 the credits shall be granted in full if the tax credit
167 applications are approved.

168 (B) If tax credit applications submitted for approved
169 projects of an eligible sponsor exceed \$200,000 in total, the
170 amount of tax credits granted pursuant to sub-sub-sub-
171 subparagraph (A) shall be subtracted from the amount of
172 available tax credits, and the remaining credits shall be



411656

576-03661-14

173 granted to each approved tax credit application on a pro rata
174 basis.

175 (II) If, during the first 10 business days of the state
176 fiscal year, eligible tax credit applications for projects other
177 than those that provide homeownership opportunities for low-
178 income households or very-low-income households as those terms
179 are defined in s. 420.9071(19) and (28) are received for less
180 than the annual tax credits available for those projects, the
181 Department of Economic Opportunity shall grant tax credits for
182 those applications and shall grant remaining tax credits on a
183 first-come, first-served basis for ~~any~~ subsequent eligible
184 applications received before the end of the state fiscal year.
185 If, during the first 10 business days of the state fiscal year,
186 eligible tax credit applications for projects other than those
187 that provide homeownership opportunities for low-income
188 households or very-low-income households as those terms are
189 defined in s. 420.9071(19) and (28) are received for more than
190 the annual tax credits available for those projects, the
191 Department of Economic Opportunity shall grant the tax credits
192 for those applications on a pro rata basis.

193 3. Application requirements.-

194 a. Any eligible sponsor seeking to participate in this
195 program must submit a proposal to the Department of Economic
196 Opportunity which sets forth the name of the sponsor, a
197 description of the project, and the area in which the project is
198 located, together with such supporting information as is
199 prescribed by rule. The proposal must also contain a resolution
200 from the local governmental unit in which the project is located
201 certifying that the project is consistent with local plans and



411656

576-03661-14

202 regulations.

203 b. Any person seeking to participate in this program must
204 submit an application for tax credit to the Department of
205 Economic Opportunity which sets forth the name of the sponsor, a
206 description of the project, and the type, value, and purpose of
207 the contribution. The sponsor shall verify, in writing, the
208 terms of the application and indicate its receipt of the
209 contribution, and such ~~which~~ verification must ~~be in writing and~~
210 accompany the application for tax credit. The person must submit
211 a separate tax credit application to the Department of Economic
212 Opportunity for each individual contribution that it makes to
213 each individual project.

214 c. Any person who has received notification from the
215 Department of Economic Opportunity that a tax credit has been
216 approved must apply to the department to receive the refund.
217 Application must be made on the form prescribed for claiming
218 refunds of sales and use taxes and be accompanied by a copy of
219 the notification. A person may submit only one application for
220 refund to the department within a ~~any~~ 12-month period.

221 4. Administration.—

222 a. The Department of Economic Opportunity may adopt rules
223 ~~pursuant to ss. 120.536(1) and 120.54~~ necessary to administer
224 this paragraph, including rules for the approval or disapproval
225 of proposals by a person.

226 b. The decision of the Department of Economic Opportunity
227 must be in writing, and, if approved, the notification shall
228 state the maximum credit allowable to the person. Upon approval,
229 the Department of Economic Opportunity shall transmit a copy of
230 the decision to the department ~~of Revenue~~.



411656

576-03661-14

231 c. The Department of Economic Opportunity shall
232 periodically monitor all projects in a manner consistent with
233 available resources to ensure that resources are used in
234 accordance with this paragraph; however, each project must be
235 reviewed at least once every 2 years.

236 d. The Department of Economic Opportunity shall, in
237 consultation with the statewide and regional housing and
238 financial intermediaries, market the availability of the
239 community contribution tax credit program to community-based
240 organizations.

241 5. Expiration.—This paragraph expires June 30, 2018 ~~2015~~;
242 however, any accrued credit carryover that is unused on that
243 date may be used until the expiration of the 3-year carryover
244 period for such credit.

245 Section 2. Subsection (5) of section 220.183, Florida
246 Statutes, is amended to read:

247 220.183 Community contribution tax credit.—

248 (5) EXPIRATION.—The provisions of this section, except
249 paragraph (1) (e), ~~shall~~ expire and are ~~be~~ void on June 30, 2018
250 ~~2015~~.

251 Section 3. Subsection (6) of section 624.5105, Florida
252 Statutes, is amended to read:

253 624.5105 Community contribution tax credit; authorization;
254 limitations; eligibility and application requirements;
255 administration; definitions; expiration.—

256 (6) EXPIRATION.—The provisions of this section, except
257 paragraph (1) (e), ~~shall~~ expire and are ~~be~~ void on June 30, 2018
258 ~~2015~~.

259 Section 4. This act shall take effect upon becoming a law.