

1 A bill to be entitled

2 An act relating to the entertainment industry  
3 financial incentive program; amending s. 288.1254,  
4 F.S.; revising definitions; revising the purpose of  
5 the program; revising the application requirements and  
6 approval procedure for certain tax credits; requiring  
7 certified productions to notify the Office of Film and  
8 Entertainment of changes to certain production  
9 circumstances; requiring the office to deem certain  
10 tax credit awards denied and applications withdrawn;  
11 authorizing the office to approve adjusted tax credit  
12 awards under certain circumstances; providing that a  
13 certified production is not entitled to a tax credit  
14 award unless the certified production's actual  
15 qualified expenditures have been verified by the  
16 office and approved by the Department of Economic  
17 Opportunity; specifying the period in which a  
18 certified production must submit qualifying  
19 expenditure data to the office; revising the criteria  
20 for determining priority for tax credit awards;  
21 revising tax credit eligibility criteria; providing a  
22 tax credit for certain qualified productions that  
23 complete certain promotional activities; authorizing  
24 credit allocations for specified fiscal years;  
25 revising program repeal provisions; providing an  
26 effective date.

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

Section 1. Subsections (1), (2), and (3), paragraphs (a) and (b) of subsection (4), paragraphs (a) and (c) of subsection (7), and subsection (11) of section 288.1254, Florida Statutes, are amended to read:

288.1254 Entertainment industry financial incentive program.—

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

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

(b) "Digital media project" means a production of interactive entertainment that is produced for distribution in commercial or educational markets. The term includes a video game or production intended for Internet or wireless

53 distribution, an interactive website, digital animation, and  
54 visual effects, including, but not limited to, three-dimensional  
55 movie productions and movie conversions. The term does not  
56 include a production that contains content that is obscene as  
57 defined in s. 847.001.

58 (c) "High-impact digital media project" means a digital  
59 media project that has qualified expenditures greater than \$4.5  
60 million.

61 (d) "High-impact television series" means a production  
62 created to run multiple production seasons and having an  
63 estimated order of at least seven episodes per season and  
64 qualified expenditures of at least \$625,000 per episode. The  
65 term also includes a multiple-episode television production that  
66 meets the following requirements:

67 1. The production has qualified expenditures greater than  
68 \$4.5 million.

69 2. The production has at least 45 principal photography  
70 days in this state.

71 3. At least 90 percent of the cast and crew employed by  
72 the production are residents of this state.

73 4. At least 90 percent of the entire production is  
74 produced in this state.

75 (e) "Off-season certified production" means a feature  
76 film, independent film, or television series or pilot that  
77 completes at least 98 total production days or at least ~~films~~ 75  
78 percent ~~or more~~ of its principal photography days from June 1

79 through November 30.

80 (f) "Principal photography" means the filming of major or  
81 significant components of the qualified production which involve  
82 lead actors.

83 (g) "Production" means a theatrical, ~~or~~ direct-to-video,  
84 or direct-to-Internet motion picture; a made-for-television  
85 motion picture; visual effects or digital animation sequences  
86 produced in conjunction with a motion picture; a commercial; a  
87 music video; an industrial or educational film; an infomercial;  
88 a documentary film; a television pilot program; a presentation  
89 for a television pilot program; a television series, including,  
90 but not limited to, a drama, a reality show, a comedy, a soap  
91 opera, a telenovela, a game show, an awards show, or a  
92 miniseries production; or a digital media project by the  
93 entertainment industry. One season of a television series is  
94 considered one production. The term does not include a weather  
95 or market program; a sporting event or a sporting event  
96 broadcast; a gala; a production that solicits funds; a home  
97 shopping program; a political program; a political documentary;  
98 political advertising; a gambling-related project or production;  
99 a concert production; a local, regional, or Internet-  
100 distributed-only news show or current-events show; a sports news  
101 or sports recap show; a pornographic production; or any  
102 production deemed obscene under chapter 847. A production may be  
103 produced on or by film, tape, or otherwise by means of a motion  
104 picture camera; electronic camera or device; tape device;

105 computer; any combination of the foregoing; or any other means,  
106 method, or device.

107 (h) "Production expenditures" means the costs of tangible  
108 and intangible property used for, and services performed  
109 primarily and customarily in, production, including  
110 preproduction and postproduction, but excluding costs for  
111 development, marketing, and distribution. The term includes, but  
112 is not limited to:

113 1. Wages, salaries, or other compensation paid to legal  
114 residents of this state, including amounts paid through payroll  
115 service companies, for technical and production crews,  
116 directors, producers, and performers.

117 2. Net expenditures for sound stages, backlots, production  
118 editing, digital effects, sound recordings, sets, and set  
119 construction.

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

122 4. Up to \$300,000 of the costs of newly purchased computer  
123 software and hardware unique to the project, including servers,  
124 data processing, and visualization technologies, which are  
125 located in and used exclusively in the state for the production  
126 of digital media.

127 5. Expenditures for meals, travel, and accommodations. For  
128 purposes of this paragraph, the term "net expenditures" means  
129 the actual amount of money a qualified production spent for  
130 equipment or other tangible personal property, after subtracting

131 any consideration received for reselling or transferring the  
 132 item after the qualified production ends, if applicable.

133 (i) "Qualified expenditures" means production expenditures  
 134 incurred in this state by a qualified production for:

135 1. Goods purchased or leased from, or services, including,  
 136 but not limited to, insurance costs and bonding, payroll  
 137 services, and legal fees, which are provided by, a vendor or  
 138 supplier in this state that is registered with the Department of  
 139 State or the Department of Revenue, has a physical location in  
 140 this state, and employs one or more legal residents of this  
 141 state. This does not include rebilled goods or services provided  
 142 by an in-state company from out-of-state vendors or suppliers.  
 143 When services provided by the vendor or supplier include  
 144 personal services or labor, only personal services or labor  
 145 provided by residents of this state, evidenced by the required  
 146 documentation of residency in this state, qualify.

147 2. Payments to legal residents of this state in the form  
 148 of salary, wages, or other compensation up to a maximum of  
 149 \$400,000 per resident unless otherwise specified in subsection  
 150 (4). A completed declaration of residency in this state must  
 151 accompany the documentation submitted to the office for  
 152 reimbursement.

153  
 154 For a qualified production involving an event, such as an awards  
 155 show, the term does not include expenditures solely associated  
 156 with the event itself and not directly required by the

157 production. The term does not include expenditures incurred  
 158 before certification, with the exception of those incurred for a  
 159 commercial, a music video, or the pickup of additional episodes  
 160 of a high-impact television series within a single season. Under  
 161 no circumstances may the qualified production include in the  
 162 calculation for qualified expenditures the original purchase  
 163 price for equipment or other tangible property that is later  
 164 sold or transferred by the qualified production for  
 165 consideration. In such cases, the qualified expenditure is the  
 166 net of the original purchase price minus the consideration  
 167 received upon sale or transfer.

168 (j) "Qualified production" means a production in this  
 169 state meeting the requirements of this section. The term does  
 170 not include a production:

171 1. In which, ~~for the first 2 years of the incentive~~  
 172 ~~program, less than 50 percent, and thereafter, less than 70~~ 60  
 173 ~~percent,~~ of the positions that make up its production cast and  
 174 below-the-line production crew, or, in the case of digital media  
 175 projects, less than 80 ~~75~~ percent of such positions, are filled  
 176 by legal residents of this state, whose residency is  
 177 demonstrated by a valid Florida driver ~~driver's~~ license or other  
 178 state-issued identification confirming residency, or students  
 179 enrolled full-time in a film-and-entertainment-related course of  
 180 study at an institution of higher education in this state; or

181 2. That contains obscene content as defined in s.

182 847.001(10).

183 (k) "Qualified production company" means a corporation,  
184 limited liability company, partnership, or other legal entity  
185 engaged in one or more productions in this state.

186 (l) "Qualified digital media production facility" means a  
187 building or series of buildings and their improvements in which  
188 data processing, visualization, and sound synchronization  
189 technologies are regularly applied for the production of  
190 qualified digital media projects or the digital animation  
191 components of qualified productions.

192 (m) "Qualified production facility" means a building or  
193 complex of buildings and their improvements and associated  
194 backlot facilities in which regular filming activity for film or  
195 television has occurred for a period of no less than 1 year and  
196 which contain at least one sound stage of at least 7,800 square  
197 feet.

198 ~~(n) "Regional population ratio" means the ratio of the~~  
199 ~~population of a region to the population of this state. The~~  
200 ~~regional population ratio applicable to a given fiscal year is~~  
201 ~~the regional population ratio calculated by the Office of Film~~  
202 ~~and Entertainment using the latest official estimates of~~  
203 ~~population certified under s. 186.901, available on the first~~  
204 ~~day of that fiscal year.~~

205 ~~(o) "Regional tax credit ratio" means a ratio the~~  
206 ~~numerator of which is the sum of tax credits awarded to~~  
207 ~~productions in a region to date plus the tax credits certified,~~  
208 ~~but not yet awarded, to productions currently in that region and~~



209 ~~the denominator of which is the sum of all tax credits awarded~~  
 210 ~~in the state to date plus all tax credits certified, but not yet~~  
 211 ~~awarded, to productions currently in the state. The regional tax~~  
 212 ~~credit ratio applicable to a given year is the regional tax~~  
 213 ~~credit ratio calculated by the Office of Film and Entertainment~~  
 214 ~~using credit award and certification information available on~~  
 215 ~~the first day of that fiscal year.~~

216 (n) ~~(p)~~ "Underused county Underutilized region" for a given  
 217 state fiscal year means a county in this state other than Miami-  
 218 Dade, Broward, and Orange Counties ~~region with a regional tax~~  
 219 ~~credit ratio applicable to that fiscal year that is lower than~~  
 220 ~~its regional population ratio applicable to that fiscal year.~~  
 221 ~~The following regions are established for purposes of making~~  
 222 ~~this determination:~~

223 ~~1. North Region, consisting of Alachua, Baker, Bay,~~  
 224 ~~Bradford, Calhoun, Clay, Columbia, Dixie, Duval, Escambia,~~  
 225 ~~Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Holmes, Jackson,~~  
 226 ~~Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Nassau,~~  
 227 ~~Okaloosa, Putnam, Santa Rosa, St. Johns, Suwannee, Taylor,~~  
 228 ~~Union, Wakulla, Walton, and Washington Counties.~~

229 ~~2. Central East Region, consisting of Brevard, Flagler,~~  
 230 ~~Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St.~~  
 231 ~~Lucie, and Volusia Counties.~~

232 ~~3. Central West Region, consisting of Citrus, Hernando,~~  
 233 ~~Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota,~~  
 234 ~~and Sumter Counties.~~

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

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

239           (o) ~~(e)~~ "Interactive website" means a website or group of  
 240 websites that includes interactive and downloadable content, and  
 241 creates 25 new Florida full-time equivalent positions operating  
 242 from a principal place of business located within Florida. An  
 243 interactive website or group of websites must provide  
 244 documentation that those jobs were created to the Office of Film  
 245 and Entertainment before ~~prior to~~ the award of tax credits. Each  
 246 subsequent program application must provide proof that 25  
 247 Florida full-time equivalent positions are maintained.

248           (2) CREATION AND PURPOSE OF PROGRAM.—The entertainment  
 249 industry financial incentive program is created within the  
 250 Office of Film and Entertainment. The purpose of this program is  
 251 to encourage the use of this state as a site for entertainment  
 252 production and filming, ~~for~~ the digital production of films, and  
 253 to develop and sustain the workforce and infrastructure for  
 254 film, digital media, and entertainment production.

255           (3) APPLICATION PROCEDURE; APPROVAL PROCESS.—

256           (a) Program application.—A qualified production company  
 257 producing a qualified production in this state may submit a  
 258 program application to the Office of Film and Entertainment for  
 259 the purpose of determining qualification for an award of tax  
 260 credits authorized by this section no earlier than 150 ~~180~~ days

261 before the first day of principal photography or project start  
262 date in this state. The applicant shall provide the Office of  
263 Film and Entertainment with information required to determine  
264 whether the production is a qualified production and to  
265 determine the qualified expenditures and other information  
266 necessary for the office to determine eligibility for the tax  
267 credit.

268 (b) Required documentation.—The Office of Film and  
269 Entertainment shall develop an application form for qualifying  
270 an applicant as a qualified production. The form must include,  
271 but need not be limited to, production-related information  
272 concerning employment of residents in this state, a detailed  
273 budget of planned qualified expenditures, a budget of planned  
274 nonqualified expenditures to be incurred in this state, proof of  
275 financing for the production, and the applicant's signed  
276 affirmation that the information on the form has been verified  
277 and is correct. The Office of Film and Entertainment and local  
278 film commissions shall distribute the form.

279 (c) Application process.—The Office of Film and  
280 Entertainment shall establish a process by which an application  
281 is accepted and reviewed and by which tax credit eligibility and  
282 award amount are determined. The Office of Film and  
283 Entertainment may request assistance from a duly appointed local  
284 film commission in determining compliance with this section. A  
285 certified high-impact television series may submit an initial  
286 application for no more than two successive seasons,

287 notwithstanding the fact that the successive seasons have not  
288 been ordered. The successive season's qualified expenditure  
289 amounts shall be based on the current season's estimated  
290 qualified expenditures. Upon the completion of production of  
291 each season, a high-impact television series may submit an  
292 application for no more than one additional season.

293 1. If, during a fiscal year, the total amount of credits  
294 applied for exceeds the amount of credits available for  
295 certification in that fiscal year, applications will be assigned  
296 queue numbers on a first-come, first-served basis, determined by  
297 the date and time the applications were received by the Office  
298 of Film and Entertainment, and shall be placed on a wait list.  
299 On July 1 of each year, all applications remaining on the wait  
300 list shall be void, except for applications submitted in the  
301 previous fiscal year by high-impact television series and high-  
302 impact digital media projects, which shall be carried forward  
303 into the new fiscal year. The Office of Film and Entertainment  
304 and the department may, at their discretion, close the  
305 application process for a current fiscal year's tax credit  
306 allocation when the cumulative amount of credits applied for,  
307 but not certified, exceeds 125 percent of the total amount of  
308 credits authorized in the current fiscal year.

309 2. Notwithstanding any provision to the contrary, the  
310 Office of Film and Entertainment shall accept, on a rolling  
311 basis, applications from qualified production companies for  
312 high-impact television series created to run for multiple

313 seasons and high-impact digital media projects created to be  
314 produced for multiple generations. The Office of Film and  
315 Entertainment shall accept an application for any season or  
316 generation and, simultaneously, for one successive season of a  
317 high-impact television series created to run multiple seasons or  
318 one successive generation of a high-impact digital media project  
319 created to be produced for multiple generations. Thereafter, the  
320 Office of Film and Entertainment shall accept an application for  
321 each additional season or generation up to 1 year in advance of  
322 the first day of principal photography or the project start date  
323 in this state regardless of whether the additional season or  
324 generation has been ordered. The qualified expenditure amounts  
325 for a successive season or generation shall be based on the  
326 estimated qualified expenditures of the current season or  
327 generation.

328 (d) Certification.—The Office of Film and Entertainment  
329 shall review the application within 15 business days after  
330 receipt. Upon its determination that the application contains  
331 all the information required by this subsection and meets the  
332 criteria set out in this section, the Office of Film and  
333 Entertainment shall qualify the applicant and recommend to the  
334 department that the applicant be certified for the maximum tax  
335 credit award amount. Within 5 business days after receipt of the  
336 recommendation, the department shall reject the recommendation  
337 or certify the maximum recommended tax credit award, if any, to  
338 the applicant and to the executive director of the Department of

339 Revenue.

340 1. If tax credits are no longer available for  
341 certification in any fiscal year during which the Office of Film  
342 and Entertainment receives an application that meets the  
343 requirements of this section for a season of a high-impact  
344 television series created to run multiple seasons or a  
345 generation of a high-impact digital media project created to be  
346 produced for multiple generations, simultaneous with a  
347 successive season or generation, the Office of Film and  
348 Entertainment shall recommend the project and the department  
349 shall certify the project using tax credits from the next fiscal  
350 year in which tax credits are allocated and available to be  
351 certified. For each additional season of a high-impact  
352 television series created to run multiple seasons or each  
353 additional generation of a high-impact digital media project  
354 created to be produced for multiple generations, the Office of  
355 Film and Entertainment shall recommend the project and the  
356 department shall certify the project using tax credits from the  
357 fiscal year in which the first day of principal photography or  
358 the project start date in this state occurs; however, if tax  
359 credits are not available in such fiscal year, the department  
360 shall certify the project using tax credits from the next fiscal  
361 year in which tax credits are allocated and available to be  
362 certified. The department shall certify such productions  
363 regardless of whether the first day of principal photography or  
364 the project start date in this state occurs before the fiscal

365 year from which the tax credits are allocated.

366 2. Once a production has received a letter of  
367 certification and signified that the project will be produced in  
368 Florida, the production must provide information to be posted on  
369 the department's website that includes, but is not limited to,  
370 the type of production, the project start date of the  
371 production, and the county or counties in which the project  
372 plans to base its production. The production must also provide  
373 an email address to be posted on the department's website for  
374 the purpose of receiving resumes and business information from  
375 prospective cast, crew, vendors, contractors, and other  
376 interested persons.

377 (e) Grounds for denial.—The Office of Film and  
378 Entertainment shall deny an application if it determines that  
379 the application is not complete or the production or application  
380 does not meet the requirements of this section. ~~Within 90 days~~  
381 ~~after submitting a program application, except with respect to~~  
382 ~~applications in the independent and emerging media queue, a~~  
383 ~~production must provide proof of project financing to the Office~~  
384 ~~of Film and Entertainment, otherwise the project is deemed~~  
385 ~~denied and withdrawn.~~ A project that has been denied ~~withdrawn~~  
386 may submit a new application upon providing the Office of Film  
387 and Entertainment proof that the project meets the requirements  
388 of this section ~~of financing.~~

389 (f) Change in circumstances of certified production.—

390 1. A certified production must notify the Office of Film

391 and Entertainment within 5 days after any break in production,  
392 loss of financing, change in production schedule, or any other  
393 change in circumstances affecting the timely completion of the  
394 certified production.

395 2. The Office of Film and Entertainment may deem the  
396 certification for tax credits for any certified production that  
397 is required to notify the office under subparagraph 1. for any  
398 reason except loss of financing denied and may consider the  
399 certified production's original application withdrawn, subject  
400 to adjustments for partial production completion as provided in  
401 subparagraph 4.

402 3. The Office of Film and Entertainment must deem the  
403 certification for tax credits for any certified production that  
404 is required to notify the office under subparagraph 1. for loss  
405 of financing denied and must consider the certified production's  
406 original application withdrawn, subject to adjustments for  
407 partial production completion as provided in subparagraph 4. A  
408 certified production that loses financing may submit proof of  
409 replacement financing within 10 days after the denial of a tax  
410 credit certification under this subparagraph. The Office of Film  
411 and Entertainment may verify the replacement financing and  
412 reinstate the original certification for tax credits.

413 4. A certified production that has a certification for tax  
414 credits denied pursuant to subparagraph 2. or subparagraph 3.  
415 may submit any actual qualified expenditures incurred before any  
416 such denial to the Office of Film and Entertainment for



417 verification as provided under paragraph (g). If the Office of  
418 Film and Entertainment determines that the production meets the  
419 minimum requirements of this section, the office may verify the  
420 actual qualified expenditures and approve an adjusted tax credit  
421 award.

422 (g)(f) Verification of actual qualified expenditures.—A  
423 certified production is not entitled to a final tax credit award  
424 under this section unless the certified production's actual  
425 qualified expenditures are verified by the Office of Film and  
426 Entertainment and approved by the department.

427 1. The Office of Film and Entertainment shall develop a  
428 process to verify the actual qualified expenditures of a  
429 certified production. The process must require:

430 a. A certified production to submit, within 180 days ~~in a~~  
431 ~~timely manner~~ after production ends in this state and after  
432 making all of its qualified expenditures in this state, data  
433 substantiating each qualified expenditure, including  
434 documentation on the net expenditure on equipment and other  
435 tangible personal property by the qualified production, to an  
436 independent certified public accountant licensed in this state;

437 b. Such accountant to conduct a compliance audit, at the  
438 certified production's expense, to substantiate each qualified  
439 expenditure and submit the results as a report, along with the  
440 required substantiating data, to the Office of Film and  
441 Entertainment; and

442 c. The Office of Film and Entertainment to review the

443 accountant's submittal and report to the department the final  
444 verified amount of actual qualified expenditures made by the  
445 certified production.

446 2. The department shall determine and approve the final  
447 tax credit award amount to each certified applicant based on the  
448 final verified amount of actual qualified expenditures and shall  
449 notify the executive director of the Department of Revenue in  
450 writing that the certified production has met the requirements  
451 of the incentive program and of the final amount of the tax  
452 credit award. The final tax credit award amount may not exceed  
453 the maximum tax credit award amount certified under paragraph  
454 (d).

455 (h) ~~(g)~~ Promoting Florida.—The Office of Film and  
456 Entertainment shall ensure that, as a condition of receiving a  
457 tax credit under this section, marketing materials promoting  
458 this state as a tourist destination or film and entertainment  
459 production destination are included, when appropriate, at no  
460 cost to the state, which must, at a minimum, include placement  
461 of a "Filmed in Florida" or "Produced in Florida" logo in the  
462 end credits. The placement of a "Filmed in Florida" or "Produced  
463 in Florida" logo on all packaging material and hard media is  
464 also required, unless such placement is prohibited by licensing  
465 or other contractual obligations. The size and placement of such  
466 logo shall be commensurate to other logos used. If no logos are  
467 used, the statement "Filmed in Florida using Florida's  
468 Entertainment Industry Financial Incentive," or a similar

469 statement approved by the Office of Film and Entertainment,  
470 shall be used. The Office of Film and Entertainment shall  
471 provide a logo and supply it for the purposes specified in this  
472 paragraph. A 30-second "Visit Florida" promotional video must  
473 also be included on all optical disc formats of a film, unless  
474 such placement is prohibited by licensing or other contractual  
475 obligations. The 30-second promotional video shall be approved  
476 and provided by the Florida Tourism Industry Marketing  
477 Corporation in consultation with the Commissioner of Film and  
478 Entertainment.

479 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;  
480 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;  
481 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND  
482 ACQUISITIONS.—

483 (a) Priority for tax credit award.—The overall priority of  
484 a qualified production for tax credit awards shall ~~must~~ be  
485 determined as follows:

486 1. First priority shall be given to high-impact television  
487 series created to run for multiple seasons and high-impact  
488 digital media projects created to be produced for multiple  
489 generations as applied under subparagraph (3) (c)2.

490 2. Second priority shall be given to all other high-impact  
491 television series and high-impact digital media projects that  
492 were assigned queue numbers under subparagraph (3) (c)1. in the  
493 previous fiscal year.

494 3. Third priority shall be given to all other productions

495 for which tax credits were applied under this section on a  
496 first-come, first-served basis ~~within its appropriate queue.~~

497  
498 Each qualified production must be placed into the appropriate  
499 queue and is subject to the requirements of that queue and this  
500 section.

501 (b) Tax credit eligibility.—

502 1.a. General production queue.—Ninety-four percent of tax  
503 credits authorized pursuant to subsection (6) in any state  
504 fiscal year must be dedicated to the general production queue.  
505 The general production queue consists of all qualified  
506 productions other than those eligible for the commercial and  
507 music video queue or the independent and emerging media  
508 production queue. A qualified production that meets the  
509 following criteria ~~demonstrates a minimum of \$625,000 in~~  
510 ~~qualified expenditures~~ is eligible for tax credits equal to 20  
511 percent of its actual qualified expenditures, up to a maximum of  
512 \$8 million, if it:

513 (I) Demonstrates a minimum of \$625,000 in qualified  
514 expenditures.

515 (II) Complies with the hiring requirements in subparagraph  
516 (1) (j) 1.

517 (III) Submits the documentation and proof of financing  
518 required under paragraph (3) (b).

519 (IV) Satisfies all the other requirements of this section.

520

521 A qualified production that incurs qualified expenditures during  
522 multiple state fiscal years may combine those expenditures to  
523 satisfy the \$625,000 minimum threshold.

524 ~~b. If more than 45 percent of the sum of total tax credits~~  
525 ~~initially certified and awarded after April 1, 2012, total tax~~  
526 ~~credits initially certified after April 1, 2012, but not yet~~  
527 ~~awarded, and total tax credits available for certification after~~  
528 ~~April 1, 2012, but not yet certified has been awarded for high-~~  
529 ~~impact television series, then no high-impact television series~~  
530 ~~is eligible for tax credits under this subparagraph. Tax credits~~  
531 ~~initially certified for a high-impact television series after~~  
532 ~~April 1, 2012, may not be awarded if the award will cause the~~  
533 ~~percentage threshold in this sub-subparagraph to be exceeded.~~  
534 ~~This sub-subparagraph does not prohibit the award of tax credits~~  
535 ~~certified before April 1, 2012, for high-impact television~~  
536 ~~series.~~

537 b.c. ~~The Subject to sub-subparagraph b.,~~ first priority in  
538 the queue for tax credit awards not yet certified shall be given  
539 to high-impact television series and high-impact digital media  
540 projects. For the purposes of determining priority between a  
541 high-impact television series and a high-impact digital media  
542 project, the first position must go to the first application  
543 received. Thereafter, priority shall be determined by  
544 alternating between a high-impact television series and a high-  
545 impact digital media project on a first-come, first-served  
546 basis. However, if the Office of Film and Entertainment receives

547 an application for a high-impact television series or high-  
548 impact digital media project that would be certified but for the  
549 alternating priority, the office may certify the project as  
550 being in the priority position if an application that would  
551 normally be the priority position is not received within 5  
552 business days.

553 c. A qualified production in the general production queue  
554 may receive a maximum of one of the additional tax credits  
555 provided under this sub-subparagraph. However, a qualified  
556 production in the general production queue may not receive a tax  
557 credit under this sub-subparagraph that, when combined with all  
558 tax credits received by the production under this section, would  
559 equal more than 30 percent of its actual qualified expenses.

560 (I)a. An off-season certified production that is a feature  
561 film, independent film, or television series or pilot is  
562 eligible for an additional 5 percent tax credit on actual  
563 qualified expenditures. An off-season certified production that  
564 does not complete 75 percent of principal photography or 98 of  
565 total production days, whichever is less, due to a disruption  
566 caused by a hurricane or tropical storm may not be disqualified  
567 from eligibility for the additional 5 percent credit as a result  
568 of the disruption.

569 (II)d. A qualified production for which at least 50 ~~67~~  
570 percent of its principal photography days occur within a county  
571 ~~region~~ designated as an underused county ~~underutilized region~~ at  
572 the time that the production is certified is eligible for an

573 additional 10-percent ~~5-percent~~ tax credit on actual qualified  
574 expenditures.

575 (III)e. A qualified production that employs students  
576 enrolled full-time in a film and entertainment-related or  
577 digital media-related course of study at an institution of  
578 higher education in this state is eligible for an additional 15-  
579 percent ~~15-percent~~ tax credit on qualified expenditures that are  
580 wages, salaries, or other compensation paid to such students.  
581 The additional 15-percent ~~15-percent~~ tax credit is also  
582 applicable to persons hired within 12 months after graduating  
583 from a film and entertainment-related or digital media-related  
584 course of study at an institution of higher education in this  
585 state. The additional 15-percent ~~15-percent~~ tax credit applies  
586 to qualified expenditures that are wages, salaries, or other  
587 compensation paid to such recent graduates for 1 year after the  
588 date of hiring.

589 (IV)f. A qualified production for which 50 percent or more  
590 of its principal photography occurs at a qualified production  
591 facility, or a qualified digital media project or the digital  
592 animation component of a qualified production for which 50  
593 percent or more of the project's or component's qualified  
594 expenditures are related to a qualified digital media production  
595 facility, is eligible for an additional 5-percent ~~5-percent~~ tax  
596 credit on actual qualified expenditures for production activity  
597 at that facility.

598 d. A qualified production is eligible for an additional

599 10-percent tax credit on actual qualified expenditures if the  
600 production earns a total of at least five points by successfully  
601 completing two or more of the promotional activities under this  
602 sub-subparagraph. A qualified production that receives an  
603 additional tax credit under this sub-subparagraph must reapply  
604 for the additional tax credit for each successive season. A  
605 qualified production may receive:

606 (I) Two points for creating a "behind-the-scenes" video  
607 focused on properties used in the making of the project that are  
608 located in this state and open to the public. The video must  
609 include commentary explaining why the locations were chosen and  
610 a discussion about the positive elements of producing a project  
611 in this state. The video must be at least 5 minutes in length,  
612 must be included in all optical disk formats and downloads, and  
613 must be provided to the Office of Film and Entertainment for  
614 promotional purposes. A qualified production must provide proof  
615 of inclusion in all optical disk formats and downloads before  
616 receiving credit for two points under this sub-sub-subparagraph.

617 (II) Two points for creating a promotional video of at  
618 least 30 seconds in length that references VISIT Florida or that  
619 discusses places to visit in this state and reasons therefor.  
620 The three top-billed actors involved with the project must  
621 participate in the promotional video and must have speaking  
622 roles.

623 (III) Two points for conducting at least 7 days of first-  
624 unit photography in an underused county.



625 (IV) One point for conducting one or more consumer-based  
626 contests in conjunction with the Office of Film and  
627 Entertainment on visitflorida.com or filminflorida.com that  
628 offer prizes, such as a set tour or a role as an extra.

629 (V) Three points for the placement of the Film in Florida  
630 logo in the production's opening titles.

631 (VI) One point for including the VISIT Florida logo in at  
632 least one scene of the production.

633 (VII) One point for providing a minimum of ten pieces of  
634 promotional merchandise autographed by top-billed actors to be  
635 used in contests or giveaways.

636 (VIII) Three points for holding the world premiere  
637 screening of the production in the county in this state in which  
638 it was produced. At least two above-the-line actors and one  
639 above-the line project executive must attend the premiere and  
640 participate in a press conference with the Governor, local  
641 officials, or a state legislator.

642 e. A digital media project that is a qualified production  
643 is eligible for an additional 10-percent tax credit on actual  
644 qualified expenditures if the project earns a total of at least  
645 five points by successfully completing two or more of the  
646 promotional activities under this sub-subparagraph. A digital  
647 media project that is a qualified production may receive:

648 (I) Two points for creating a "behind-the-scenes" video  
649 focused on the making of the digital media project in this state  
650 that includes commentary discussing the positive elements of

651 producing a digital media project in this state. The video must  
652 be accessible through the production company's website and must  
653 be provided to Enterprise Florida, Inc., for promotional  
654 purposes.

655 (II) Two points for creating a promotional video of at  
656 least 30 seconds in length that references the benefits of  
657 producing a digital media project in this state. At least three  
658 members of the project team must participate as spokespersons in  
659 the promotional video.

660 (III) One point for conducting one or more consumer-based  
661 contests in conjunction with the Office of Film and  
662 Entertainment on visitflorida.com or filminflorida.com that  
663 offer opportunities to visit one or more of the sites in this  
664 state where digital media projects are created.

665 (IV) Three points for the placement of a department logo  
666 within the digital media project or in a digital advertisement  
667 promoting the digital media project.

668 (V) One point for the placement of the VISIT Florida logo  
669 within the digital media project or in a digital advertisement  
670 promoting the digital media project.

671 (VI) One point for providing a minimum of ten pieces of  
672 promotional merchandise to be used in contests or giveaways.

673 (VII) Three points for hosting a preview event for the  
674 digital media project in the area in this state where the  
675 project was produced. At least two senior project managers must  
676 attend the preview event and participate in a press conference

677 with the Governor, local officials, or a state legislator.

678 f. A certified theatrical or direct-to-video motion  
679 picture production or video game determined by the Commissioner  
680 of Film and Entertainment, with the advice of the Florida Film  
681 and Entertainment Advisory Council, to be family-friendly, based  
682 on review of the script and review of the final release version,  
683 is eligible for an additional tax credit equal to 5 percent of  
684 its actual qualified expenditures. A production may be  
685 considered family-friendly if it has cross-generational appeal;  
686 would be considered suitable for viewing by children age 5 or  
687 older; is appropriate in theme, content, and language for a  
688 broad family audience; portrays a responsible resolution of  
689 issues; and does not exhibit or imply an act of smoking, sex,  
690 nudity, or vulgar or profane language.

691 ~~g. A qualified production is not eligible for tax credits~~  
692 ~~provided under this paragraph totaling more than 30 percent of~~  
693 ~~its actual qualified expenses.~~

694 2. Commercial and music video queue.—Three percent of tax  
695 credits authorized pursuant to subsection (6) in any state  
696 fiscal year must be dedicated to the commercial and music video  
697 queue. A qualified production company that produces national or  
698 regional commercials or music videos that meet the following  
699 criteria is eligible for tax credits equal to 20 percent of its  
700 actual qualified expenditures, up to a maximum ~~may be eligible~~  
701 ~~for a tax credit award if it demonstrates a minimum of \$100,000~~  
702 ~~in qualified expenditures per national or regional commercial or~~

703 ~~music video and exceeds a combined threshold of \$500,000~~ if it:

704 a. Demonstrates a minimum of \$100,000 in qualified  
705 expenditures per national or regional commercial or music video  
706 and exceeds a combined threshold of \$500,000 after combining  
707 actual qualified expenditures from qualified commercials and  
708 music videos during a single state fiscal year.

709 b. Meets the hiring requirements in subparagraph (1)(j)1.

710 c. Satisfies all other requirements in this section ~~after~~  
711 ~~combining actual qualified expenditures from qualified~~  
712 ~~commercials and music videos during a single state fiscal year.~~  
713 ~~After a qualified production company that produces commercials,~~  
714 ~~music videos, or both reaches the threshold of \$500,000, it is~~  
715 ~~eligible to apply for certification for a tax credit award. The~~  
716 ~~maximum credit award shall be equal to 20 percent of its actual~~  
717 ~~qualified expenditures up to a maximum of \$500,000.~~

718  
719 If there is a surplus at the end of a fiscal year after the  
720 Office of Film and Entertainment certifies and determines the  
721 tax credits for all qualified commercial and video projects,  
722 such surplus tax credits shall be carried forward to the  
723 following fiscal year and are available to any eligible  
724 qualified productions under the general production queue.

725 3.a. Independent and emerging media production queue.—  
726 Three percent of tax credits authorized pursuant to subsection  
727 (6) in any state fiscal year must be dedicated to the  
728 independent and emerging media production queue. This queue is

729 intended to encourage independent film and emerging media  
730 production in this state. Any qualified production, excluding  
731 commercials, infomercials, or music videos, that meets the  
732 following criteria ~~which demonstrates at least \$100,000, but not~~  
733 ~~more than \$625,000, in total qualified expenditures~~ is eligible  
734 for tax credits equal to 20 percent of its actual qualified  
735 expenditures if it:

736 (I) Demonstrates at least \$100,000, but not more than  
737 \$625,000, in total qualified expenditures.

738 (II) Meets the hiring requirements in subparagraph  
739 (1)(j)1.

740 (III) Submits the documentation and proof of financing  
741 required under paragraph (3)(b).

742 (IV) Satisfies all other requirements in this section.

743  
744 If a surplus exists at the end of a fiscal year after the Office  
745 of Film and Entertainment certifies and determines the tax  
746 credits for all qualified independent and emerging media  
747 production projects, such surplus tax credits shall be carried  
748 forward to the following fiscal year and are available to any  
749 eligible qualified productions under the general production  
750 queue.

751 b. A qualified production in the independent and emerging  
752 media production queue may receive a maximum of one of the  
753 additional tax credits provided under this sub-subparagraph.

754 However, a qualified production in the independent and emerging

755 media production queue may not receive a tax credit under this  
756 sub-subparagraph that, when combined with all tax credits  
757 received by the production under this section, would equal more  
758 than 30 percent of its actual qualified expenses.

759 (I) An off-season certified production that is a feature  
760 film, independent film, or television series or pilot is  
761 eligible for an additional 5-percent tax credit on actual  
762 qualified expenditures. An off-season certified production that  
763 does not complete either 75 percent of principal photography or  
764 98 total production days from June 1 through November 30 due to  
765 a disruption caused by a hurricane or tropical storm may not be  
766 disqualified from eligibility for the additional 5-percent  
767 credit as a result of the disruption.

768 (II)4. ~~Family-friendly productions.~~ A certified theatrical  
769 or direct-to-video motion picture production or video game  
770 determined by the Commissioner of Film and Entertainment, with  
771 the advice of the Florida Film and Entertainment Advisory  
772 Council, to be family-friendly, based on review of the script  
773 and review of the final release version, is eligible for an  
774 additional tax credit equal to 5 percent of its actual qualified  
775 expenditures. A production may be considered family-friendly if  
776 it has ~~productions are those that have~~ cross-generational  
777 appeal; would be considered suitable for viewing by children age  
778 5 or older; is ~~are~~ appropriate in theme, content, and language  
779 for a broad family audience; portrays ~~embeds~~ a responsible  
780 resolution of issues; and does ~~do~~ not exhibit or imply an ~~any~~

781 act of smoking, sex, nudity, or vulgar or profane language.

782 (7) ANNUAL ALLOCATION OF TAX CREDITS.—

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

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

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

787 3. For fiscal years 2012-2013 and, 2013-2014, ~~2014-2015,~~  
788 ~~and 2015-2016,~~ \$42 million per fiscal year.

789 4. For fiscal years 2014-2015, 2015-2016, 2016-2017, 2017-  
790 2018, 2018-2019, and 2019-2020, \$200 million per fiscal year.

791 (c) Upon approval of the final tax credit award amount  
792 pursuant to subparagraph (3) (g) 2. ~~(3) (f) 2.~~, an amount equal to  
793 the difference between the maximum tax credit award amount  
794 previously certified under paragraph (3) (d) and the approved  
795 final tax credit award amount shall immediately be available for  
796 recertification during the current and following fiscal years in  
797 addition to the amounts available for certification under  
798 paragraph (a) for those fiscal years.

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

801 (a) Tax credits certified under paragraph (3) (d) before  
802 July 1, 2020 ~~2016~~, may be awarded under paragraph (3) (g) ~~(3) (f)~~  
803 on or after July 1, 2020 ~~2016~~, if the other requirements of this  
804 section are met.

805 (b) Tax credits carried forward under paragraph (4) (e)  
806 remain valid for the period specified.

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

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