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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/02/2015	.	
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Appropriations Subcommittee on Transportation, Tourism, and
Economic Development (Detert) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

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

288.125 Definition of term "entertainment industry."—For
the purposes of ss. 288.1254, 288.1256, 288.1258, 288.913,
288.914, and 288.915 ~~ss. 288.1251-288.1258~~, the term

"entertainment industry" means those persons or entities engaged



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11 in the operation of motion picture or television studios or
12 recording studios; those persons or entities engaged in the
13 preproduction, production, or postproduction of motion pictures,
14 made-for-television movies, television programming, digital
15 media projects, commercial advertising, music videos, or sound
16 recordings; and those persons or entities providing products or
17 services directly related to the preproduction, production, or
18 postproduction of motion pictures, made-for-television movies,
19 television programming, digital media projects, commercial
20 advertising, music videos, or sound recordings, including, but
21 not limited to, the broadcast industry.

22 Section 2. Section 288.1251, Florida Statutes, is
23 transferred, renumbered as section 288.913, Florida Statutes,
24 and amended to read:

25 288.913 ~~288.1251~~ Promotion and development of entertainment
26 industry; Division ~~Office~~ of Film and Entertainment; creation;
27 purpose; powers and duties.—

28 (1) CREATION.—

29 ~~(a)~~ The Division of Film and Entertainment is ~~There is~~
30 ~~hereby~~ created within Enterprise Florida, Inc., ~~the department~~
31 ~~the Office of Film and Entertainment~~ for the purpose of
32 developing, recruiting, marketing, promoting, and providing
33 services to the state's entertainment industry. The division
34 shall serve as a liaison between the entertainment industry and
35 other state and local governmental agencies, local film
36 commissions, and labor organizations.

37 (2) ~~(b)~~ COMMISSIONER.—The Governor shall appoint the film
38 and entertainment commissioner, who shall serve at the pleasure
39 of the Governor ~~department shall conduct a national search for a~~



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40 ~~qualified person to fill the position of Commissioner of Film~~
41 ~~and Entertainment when the position is vacant. The executive~~
42 ~~director of the department has the responsibility to hire the~~
43 ~~film commissioner. The commissioner is subject to the~~
44 ~~requirements of s. 288.901(1)(c). Qualifications for the film~~
45 ~~commissioner include, but are not limited to, the following:~~

46 ~~(a)1. A working knowledge of and experience with the~~
47 ~~equipment, personnel, financial, and day-to-day production~~
48 ~~operations of the industries to be served by the division Office~~
49 ~~of Film and Entertainment;~~

50 ~~(b)2. Marketing and promotion experience related to the~~
51 ~~film and entertainment industries to be served;~~

52 ~~(c)3. Experience working with a variety of individuals~~
53 ~~representing large and small entertainment-related businesses,~~
54 ~~industry associations, local community entertainment industry~~
55 ~~liaisons, and labor organizations; and~~

56 ~~(d)4. Experience working with a variety of state and local~~
57 ~~governmental agencies.~~

58 ~~(3)(2) POWERS AND DUTIES.-~~

59 ~~(a) The Division Office of Film and Entertainment, in~~
60 ~~performance of its duties, shall develop and~~

61 ~~1. In consultation with the Florida Film and Entertainment~~
62 ~~Advisory Council, update a 5-year the strategic plan ~~every 5~~~~
63 ~~~~years~~ to guide the activities of the division Office of Film and~~
64 ~~Entertainment in the areas of entertainment industry~~
65 ~~development, marketing, promotion, liaison services, field~~
66 ~~office administration, and information. The plan shall:~~

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

68 ~~1. At a minimum, the plan must address the following:~~



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69 ~~a.b. Include recommendations relating to~~ The organizational
70 structure of the division, including any field offices outside
71 the state office.

72 b. The coordination of the division with local or regional
73 offices maintained by counties and regions of the state, local
74 film commissions, and labor organizations, and the coordination
75 of such entities with each other to facilitate a working
76 relationship.

77 c. Strategies to identify, solicit, and recruit
78 entertainment production opportunities for the state, including
79 implementation of programs for rural and urban areas designed to
80 develop and promote the state's entertainment industry.

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

83 ~~d. Include an operational model for the office to use in~~
84 ~~implementing programs for rural and urban areas designed to:~~
85 ~~(I) develop and promote the state's entertainment industry.~~
86 ~~(II) Have the office serve as a liaison between the~~
87 ~~entertainment industry and other state and local governmental~~
88 ~~agencies, local film commissions, and labor organizations.~~

89 ~~(III) Gather statistical information related to the state's~~
90 ~~entertainment industry.~~

91 e.(IV) Provision of Provide information and service to
92 businesses, communities, organizations, and individuals engaged
93 in entertainment industry activities.

94 ~~(V) Administer field offices outside the state and~~
95 ~~coordinate with regional offices maintained by counties and~~
96 ~~regions of the state, as described in sub-sub-subparagraph (II),~~
97 ~~as necessary.~~



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

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

102 ~~f. Include an assessment of, and make recommendations on,~~
103 ~~the feasibility of creating an alternative public-private~~
104 ~~partnership for the purpose of contracting with such a~~
105 ~~partnership for the administration of the state's entertainment~~
106 ~~industry promotion, development, marketing, and service~~
107 ~~programs.~~

108 ~~2. Develop, market, and facilitate a working relationship~~
109 ~~between state agencies and local governments in cooperation with~~
110 ~~local film commission offices for out-of-state and indigenous~~
111 ~~entertainment industry production entities.~~

112 ~~3. Implement a structured methodology prescribed for~~
113 ~~coordinating activities of local offices with each other and the~~
114 ~~commissioner's office.~~

115 (b) The division shall also:

116 ~~1.4.~~ Represent the state's indigenous entertainment
117 industry to key decisionmakers within the national and
118 international entertainment industry, and to state and local
119 officials.

120 ~~2.5.~~ Prepare an inventory and analysis of the state's
121 entertainment industry, including, but not limited to,
122 information on crew, related businesses, support services, job
123 creation, talent, and economic impact and coordinate with local
124 offices to develop an information tool for common use.

125 ~~3.6.~~ Identify, solicit, and recruit entertainment
126 production opportunities for the state.



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127 ~~4.7.~~ Assist rural communities and other small communities
128 in the state in developing the expertise and capacity necessary
129 for such communities to develop, market, promote, and provide
130 services to the state's entertainment industry.

131 ~~(c)(b)~~ The division ~~Office of Film and Entertainment~~, in
132 the performance of its duties, may:

133 1. Conduct or contract for specific promotion and marketing
134 functions, including, but not limited to, production of a
135 statewide directory, production and maintenance of an Internet
136 website, establishment and maintenance of a toll-free telephone
137 number, organization of trade show participation, and
138 appropriate cooperative marketing opportunities.

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

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

144 4. Develop relationships and leverage resources with other
145 public and private organizations or groups in their efforts to
146 publicize to the entertainment industry in this state, other
147 states, and other countries the depth of Florida's entertainment
148 industry talent, crew, production companies, production
149 equipment resources, related businesses, and support services,
150 including the establishment of and expenditure for a program of
151 cooperative advertising with these public and private
152 organizations and groups in accordance with the provisions of
153 chapter 120.

154 5. Provide and arrange for reasonable and necessary
155 promotional items and services for such persons as the division



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156 ~~office~~ deems proper in connection with the performance of the
157 promotional and other duties of the division ~~office~~.

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

160 7. Request or accept any grant, payment, or gift of funds
161 or property made by this state, the United States, or any
162 department or agency thereof, or by any individual, firm,
163 corporation, municipality, county, or organization, for ~~any or~~
164 ~~all of~~ the purposes of the ~~Office of Film and Entertainment's~~ 5-
165 year strategic plan or those permitted activities enumerated in
166 this paragraph. Such funds shall be deposited in a separate
167 account ~~the Grants and Donations Trust Fund of the Executive~~
168 ~~Office of the Governor~~ for use by the division ~~Office of Film~~
169 ~~and Entertainment~~ in carrying out its responsibilities and
170 duties ~~as delineated in law~~. The division ~~office~~ may expend such
171 funds in accordance with the terms and conditions of any such
172 grant, payment, or gift in the pursuit of its administration or
173 in support of fulfilling its duties and responsibilities. The
174 division ~~office~~ shall separately account for the public funds
175 and the private funds deposited into the account ~~trust fund~~.

176 Section 3. Section 288.1252, Florida Statutes, is
177 transferred, renumbered as section 288.914, Florida Statutes,
178 and amended to read:

179 288.914 ~~288.1252~~ Florida Film and Entertainment Advisory
180 Council; ~~creation~~; purpose; membership; powers and duties.-

181 ~~(1) CREATION. There is created within the department, for~~
182 ~~administrative purposes only, the Florida Film and Entertainment~~
183 ~~Advisory Council.~~

184 ~~(1)(2)~~ CREATION AND PURPOSE.-The Florida Film and



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185 Entertainment Advisory Council is created ~~purpose of the Council~~
186 ~~is~~ to serve as an advisory body to the Division of Film and
187 Entertainment within Enterprise Florida, Inc., and department
188 ~~and to the Office of Film and Entertainment~~ to provide these
189 ~~offices with~~ industry insight and expertise related to
190 developing, marketing, and promoting, ~~and providing service to~~
191 the state's entertainment industry.

192 (2) ~~(3)~~ MEMBERSHIP.—

193 (a) The council shall consist of 11 ~~17~~ members, 5 ~~7~~ to be
194 appointed by the Governor, 3 ~~5~~ to be appointed by the President
195 of the Senate, and 3 ~~5~~ to be appointed by the Speaker of the
196 House of Representatives.

197 (b) When making appointments to the council, the Governor,
198 the President of the Senate, and the Speaker of the House of
199 Representatives shall appoint persons who are residents of the
200 state and who are highly knowledgeable of, active in, and
201 recognized leaders in Florida's motion picture, television,
202 video, sound recording, or other entertainment industries. These
203 persons shall include, but not be limited to, representatives of
204 local film commissions, representatives of entertainment
205 associations, a representative of the broadcast industry,
206 representatives of labor organizations in the entertainment
207 industry, and board chairs, presidents, chief executive
208 officers, chief operating officers, or persons of comparable
209 executive position or stature of leading or otherwise important
210 entertainment industry businesses and offices. Council members
211 shall be appointed in such a manner as to equitably represent
212 the broadest spectrum of the entertainment industry and
213 geographic areas of the state.



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214 (c) Council members shall serve for 4-year terms. A member
215 of the council serving as of July 1, 2015, may serve the
216 remainder of his or her term, but upon the conclusion of the
217 term or upon vacancy, such appointment may not be filled except
218 to meet the requirements of this section.

219 (d) Subsequent appointments shall be made by the official
220 who appointed the council member whose expired term is to be
221 filled.

222 (e) A representative of Enterprise Florida, Inc., a
223 representative of Workforce Florida, Inc., and a representative
224 of VISIT Florida shall serve as ex officio, nonvoting members of
225 the council, ~~and shall be~~ in addition to the 11 ~~17~~ appointed
226 members ~~of the council~~.

227 (f) Absence from three consecutive meetings shall result in
228 automatic removal from the council.

229 (g) A vacancy on the council shall be filled for the
230 remainder of the unexpired term by the official who appointed
231 the vacating member.

232 (h) No more than one member of the council may be an
233 employee of any one company, organization, or association.

234 (i) Any member shall be eligible for reappointment but may
235 not serve more than two consecutive terms.

236 (3) ~~(4)~~ MEETINGS; ORGANIZATION.—

237 (a) The council shall meet at least ~~no less frequently than~~
238 once each quarter of the calendar year, and ~~but~~ may meet more
239 often as determined necessary ~~set~~ by the council.

240 (b) The council shall annually elect from its appointed
241 membership one member to serve as chair ~~of the council~~ and one
242 member to serve as vice chair. The Division ~~Office~~ of Film and



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243 Entertainment shall provide staff assistance to the council,
244 which must ~~shall~~ include, but need not be limited to, keeping
245 records of the proceedings of the council, and serving as
246 custodian of all books, documents, and papers filed with the
247 council.

248 (c) A majority of the members of the council constitutes
249 ~~shall constitute~~ a quorum.

250 (d) Members of the council shall serve without
251 compensation, but are ~~shall be~~ entitled to reimbursement for per
252 diem and travel expenses in accordance with s. 112.061 while in
253 performance of their duties.

254 (4) ~~(5)~~ POWERS AND DUTIES.—The Florida Film and
255 Entertainment Advisory Council shall have ~~all~~ the power ~~powers~~
256 ~~necessary or convenient~~ to carry out ~~and effectuate the purposes~~
257 ~~and provisions of~~ this act, including, but not limited to, the
258 power to:

259 (a) Adopt bylaws for the governance of its affairs and the
260 conduct of its business.

261 (b) Advise the Division of Film and Entertainment ~~and~~
262 ~~consult with the Office of Film and Entertainment~~ on the
263 content, development, and implementation of the division's 5-
264 year strategic plan ~~to guide the activities of the office.~~

265 (c) ~~Review the Commissioner of Film and Entertainment's~~
266 ~~administration of the programs related to the strategic plan,~~
267 ~~and Advise the~~ Division of Film and Entertainment ~~commissioner~~
268 on the division's programs and any changes that might be made to
269 better meet the strategic plan.

270 (d) Consider and study the needs of the entertainment
271 industry for the purpose of advising the Division of Film and



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272 ~~Entertainment film commissioner and the department.~~

273 (e) ~~Identify and make recommendations on state agency and~~
274 ~~local government actions that may have an impact on the~~
275 ~~entertainment industry or that may appear to industry~~
276 ~~representatives as an official state or local actions action~~
277 ~~affecting production in the state, and advise the Division of~~
278 ~~Film and Entertainment of such actions.~~

279 (f) Consider all matters submitted to it by the Division of
280 Film and Entertainment ~~film commissioner and the department.~~

281 ~~(g) Advise and consult with the film commissioner and the~~
282 ~~department, at their request or upon its own initiative,~~
283 ~~regarding the promulgation, administration, and enforcement of~~
284 ~~all laws and rules relating to the entertainment industry.~~

285 ~~(g)(h) Suggest policies and practices for the conduct of~~
286 ~~business by the Office of Film and Entertainment or by the~~
287 ~~department that will improve interaction with internal~~
288 ~~operations affecting the entertainment industry and will enhance~~
289 ~~related state the economic development initiatives of the state~~
290 ~~for the industry.~~

291 ~~(i) Appear on its own behalf before boards, commissions,~~
292 ~~departments, or other agencies of municipal, county, or state~~
293 ~~government, or the Federal Government.~~

294 Section 4. Section 288.1253, Florida Statutes, is
295 transferred, renumbered as section 288.915, Florida Statutes,
296 and amended to read:

297 288.915 ~~288.1253~~ Travel and entertainment expenses.—

298 (1) As used in this section, the term "travel expenses"
299 means the actual, necessary, and reasonable costs of
300 transportation, meals, lodging, and incidental expenses normally



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301 incurred by an employee of the Division Office of Film and
302 Entertainment within Enterprise Florida, Inc., as which costs
303 are defined and prescribed by ~~rules adopted by the~~ department
304 rule, subject to approval by the Chief Financial Officer.

305 (2) Notwithstanding ~~the provisions of~~ s. 112.061, the
306 department shall adopt rules by which the Division of Film and
307 Entertainment ~~it~~ may make expenditures by reimbursement to~~+~~ the
308 Governor, the Lieutenant Governor, security staff of the
309 Governor or Lieutenant Governor, the Commissioner of Film and
310 Entertainment, or staff of the Division Office of Film and
311 Entertainment for travel expenses or entertainment expenses
312 incurred by such individuals solely and exclusively in
313 connection with the performance of the statutory duties of the
314 division Office of Film and Entertainment. The rules are subject
315 to approval by the Chief Financial Officer before adoption. The
316 rules shall require the submission of paid receipts, or other
317 proof of expenditure prescribed by the Chief Financial Officer,
318 with any claim for reimbursement.

319 (3) The Division Office of Film and Entertainment shall
320 include in the annual report for the entertainment industry
321 ~~financial incentive~~ program required under s. 288.1254~~(10)~~ a
322 report of the division's office's expenditures for the previous
323 fiscal year. The report must consist of a summary of all travel,
324 entertainment, and incidental expenses incurred within the
325 United States and all travel, entertainment, and incidental
326 expenses incurred outside the United States, as well as a
327 summary of all successful projects that developed from such
328 travel.

329 (4) The Division Office of Film and Entertainment and its



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330 employees and representatives, when authorized, may accept and
331 use complimentary travel, accommodations, meeting space, meals,
332 equipment, transportation, and any other goods or services
333 necessary for or beneficial to the performance of the division's
334 ~~office's~~ duties and purposes, so long as such acceptance or use
335 is not in conflict with part III of chapter 112. The department
336 shall, by rule, develop internal controls to ensure that such
337 goods or services accepted or used pursuant to this subsection
338 are limited to those that will assist solely and exclusively in
339 the furtherance of the division's ~~office's~~ goals and are in
340 compliance with part III of chapter 112. Notwithstanding this
341 subsection, the division and its employees and representatives
342 may not accept any complimentary travel, accommodations, meeting
343 space, meals, equipment, transportation, or any other goods or
344 services from an entity or party, including an employee,
345 designee, or representative of such entity or party, which has
346 received, has applied to receive, or anticipates that it will
347 receive through an application, funds under s. 288.1256. If the
348 division or its employee or representative accepts such goods or
349 services, the division or its employee or representative is
350 subject to the penalties provided in s. 112.317.

351 (5) Any claim submitted under this section is not required
352 to be sworn to before a notary public or other officer
353 authorized to administer oaths, but any claim authorized or
354 required to be made under any provision of this section shall
355 contain a statement that the expenses were actually incurred as
356 necessary travel or entertainment expenses in the performance of
357 official duties of the Division ~~Office~~ of Film and Entertainment
358 and shall be verified by written declaration that it is true and



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359 correct as to every material matter. Any person who willfully
360 makes and subscribes to any claim that ~~which~~ he or she does not
361 believe to be true and correct as to every material matter or
362 who willfully aids or assists in, procures, or counsels or
363 advises with respect to, the preparation or presentation of a
364 claim pursuant to this section which ~~that~~ is fraudulent or false
365 as to any material matter, whether such falsity or fraud is with
366 the knowledge or consent of the person authorized or required to
367 present the claim, commits a misdemeanor of the second degree,
368 punishable as provided in s. 775.082 or s. 775.083. Whoever
369 receives a reimbursement by means of a false claim is civilly
370 liable, in the amount of the overpayment, for the reimbursement
371 of the public fund from which the claim was paid.

372 Section 5. Section 288.1254, Florida Statutes, is amended
373 to read:

374 288.1254 Entertainment industry ~~financial incentive~~
375 program.—

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

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



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388 year.

389 (b) "Digital media project" means a production of
390 interactive entertainment that is produced for distribution in
391 commercial or educational markets. The term includes a video
392 game or production intended for Internet or wireless
393 distribution, an interactive website, digital animation, and
394 visual effects, including, but not limited to, three-dimensional
395 movie productions and movie conversions. The term does not
396 include a production that contains content that is obscene as
397 defined in s. 847.001.

398 (c) "Family-friendly production" means a production that
399 has cross-generational appeal; is considered suitable for
400 viewing by children age 5 or older; is appropriate in theme,
401 content, and language for a broad family audience; embodies a
402 responsible resolution of issues; and does not exhibit or imply
403 any act of smoking, sex, nudity, or vulgar or profane language
404 ~~"High-impact digital media project" means a digital media~~
405 ~~project that has qualified expenditures greater than \$4.5~~
406 ~~million.~~

407 (d) "High-impact television production series" means:

408 1. A production created to run multiple production seasons
409 which has and having an estimated order of at least seven
410 episodes per season and qualified expenditures of at least \$1
411 million \$625,000 per episode; or

412 2. A telenovela that has qualified expenditures of more
413 than \$6 million; a minimum of 45 principal photography days
414 filmed in this state; a production cast, including background
415 actors, and a crew of which at least 90 percent are legal
416 residents of this state; and at least 90 percent of its



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417 production occurring in this state.

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

422 ~~(f)~~ "Principal photography" means the filming of major or
423 significant components of the qualified production which involve
424 lead actors.

425 (f)(g) "Production" means a theatrical, ~~or~~ direct-to-video,
426 or direct-to-Internet motion picture; a made-for-television
427 motion picture; visual effects or digital animation sequences
428 produced in conjunction with a motion picture; a commercial; a
429 music video; an industrial or educational film; an infomercial;
430 a documentary film; a television pilot program; a presentation
431 for a television pilot program; a television series, including,
432 but not limited to, a drama, a reality show, a comedy, a soap
433 opera, a telenovela, a game show, an awards show, or a
434 miniseries production; a direct-to-Internet television series;
435 or a digital media project by the entertainment industry. One
436 season of a television series is considered one production. The
437 term does not include a weather or market program; a sporting
438 event or a sporting event broadcast; a gala; a production that
439 solicits funds; a home shopping program; a political program; a
440 political documentary; political advertising; a gambling-related
441 project or production; a concert production; a local, regional,
442 or Internet-distributed-only news show or current-events show; a
443 sports news or sports recap show; a pornographic production; or
444 any production deemed obscene under chapter 847. A production
445 may be produced on or by film, tape, or otherwise by means of a



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446 motion picture camera; electronic camera or device; tape device;
447 computer; any combination of the foregoing; or any other means,
448 method, or device.

449 (g)~~(h)~~ "Production expenditures" means the costs of
450 tangible and intangible property used for, and services
451 performed primarily and customarily in, production, including
452 preproduction and postproduction, but excluding costs for
453 development, marketing, and distribution. The term includes, but
454 is not limited to:

455 1. Wages, salaries, or other compensation paid to legal
456 residents of this state, including amounts paid through payroll
457 service companies, for technical and production crews,
458 directors, producers, and performers.

459 2. Net expenditures for sound stages, backlots, production
460 editing, digital effects, sound recordings, sets, and set
461 construction.

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

464 4. Up to \$300,000 of the costs of newly purchased computer
465 software and hardware unique to the project, including servers,
466 data processing, and visualization technologies, which are
467 located in and used exclusively in this ~~the~~ state for the
468 production of digital media.

469 5. Expenditures for meals, travel, and accommodations. For
470 purposes of this paragraph, the term "net expenditures" means
471 the actual amount of money a qualified production spent for
472 equipment or other tangible personal property, after subtracting
473 any consideration received for reselling or transferring the
474 item after the qualified production ends, if applicable.



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475 (h)~~(i)~~ "Qualified expenditures" means production
476 expenditures incurred in this state by a qualified production
477 for:

478 1. Goods purchased or leased from, or services, including,
479 but not limited to, insurance costs and bonding, payroll
480 services, and legal fees, which are provided by, a vendor or
481 supplier in this state that is registered with the Department of
482 State or the Department of Revenue, has a physical location in
483 this state, and employs one or more legal residents of this
484 state. This does not include rebilled goods or services provided
485 by an in-state company from out-of-state vendors or suppliers.
486 When services provided by the vendor or supplier include
487 personal services or labor, only personal services or labor
488 provided by residents of this state, evidenced by the required
489 documentation of residency in this state, qualify.

490 2. Payments to legal residents of this state in the form of
491 salary, wages, or other compensation up to a maximum of \$400,000
492 per resident unless otherwise specified in subsection (4). A
493 completed declaration of residency in this state must accompany
494 the documentation submitted to the department ~~office~~ for
495 reimbursement.

496
497 For a qualified production involving an event, such as an awards
498 show, the term does not include expenditures solely associated
499 with the event itself and not directly required by the
500 production. The term does not include expenditures incurred
501 before certification, with the exception of those incurred for a
502 commercial, a music video, or the pickup of additional episodes
503 of a high-impact television production ~~series~~ within a single



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504 season. ~~Under no circumstances may~~ The qualified production may
505 not include in the calculation for qualified expenditures the
506 original purchase price for equipment or other tangible property
507 that is later sold or transferred by the qualified production
508 for consideration. In such cases, the qualified expenditure is
509 the net of the original purchase price minus the consideration
510 received upon sale or transfer.

511 ~~(i)-(j)~~ "Qualified production" means a production in this
512 state meeting the requirements of this section. The term does
513 not include a production:

514 1. In which, ~~for the first 2 years of the incentive~~
515 ~~program, less than 50 percent, and thereafter,~~ less than 60
516 percent, of the positions that make up its production cast and
517 below-the-line production crew, or, in the case of digital media
518 projects, less than 75 percent of such positions, are filled by
519 legal residents of this state, whose residency is demonstrated
520 by a valid Florida driver license or other state-issued
521 identification confirming residency, or students enrolled full-
522 time in an entertainment-related ~~a film and entertainment-~~
523 ~~related~~ course of study at an institution of higher education in
524 this state; or

525 2. That contains obscene content as defined in s.
526 847.001(10).

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

530 ~~(l)~~ ~~"Qualified digital media production facility" means a~~
531 ~~building or series of buildings and their improvements in which~~
532 ~~data processing, visualization, and sound synchronization~~



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533 ~~technologies are regularly applied for the production of~~
534 ~~qualified digital media projects or the digital animation~~
535 ~~components of qualified productions.~~

536 ~~(m) "Qualified production facility" means a building or~~
537 ~~complex of buildings and their improvements and associated~~
538 ~~backlot facilities in which regular filming activity for film or~~
539 ~~television has occurred for a period of no less than 1 year and~~
540 ~~which contain at least one sound stage of at least 7,800 square~~
541 ~~feet.~~

542 ~~(n) "Regional population ratio" means the ratio of the~~
543 ~~population of a region to the population of this state. The~~
544 ~~regional population ratio applicable to a given fiscal year is~~
545 ~~the regional population ratio calculated by the Office of Film~~
546 ~~and Entertainment using the latest official estimates of~~
547 ~~population certified under s. 186.901, available on the first~~
548 ~~day of that fiscal year.~~

549 ~~(o) "Regional tax credit ratio" means a ratio the numerator~~
550 ~~of which is the sum of tax credits awarded to productions in a~~
551 ~~region to date plus the tax credits certified, but not yet~~
552 ~~awarded, to productions currently in that region and the~~
553 ~~denominator of which is the sum of all tax credits awarded in~~
554 ~~the state to date plus all tax credits certified, but not yet~~
555 ~~awarded, to productions currently in the state. The regional tax~~
556 ~~credit ratio applicable to a given year is the regional tax~~
557 ~~credit ratio calculated by the Office of Film and Entertainment~~
558 ~~using credit award and certification information available on~~
559 ~~the first day of that fiscal year.~~

560 ~~(p) "Underutilized region" for a given state fiscal year~~
561 ~~means a region with a regional tax credit ratio applicable to~~



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562 ~~that fiscal year that is lower than its regional population~~
563 ~~ratio applicable to that fiscal year. The following regions are~~
564 ~~established for purposes of making this determination:~~

565 ~~1. North Region, consisting of Alachua, Baker, Bay,~~
566 ~~Bradford, Calhoun, Clay, Columbia, Dixie, Duval, Escambia,~~
567 ~~Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Holmes, Jackson,~~
568 ~~Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Nassau,~~
569 ~~Okaloosa, Putnam, Santa Rosa, St. Johns, Suwannee, Taylor,~~
570 ~~Union, Wakulla, Walton, and Washington Counties.~~

571 ~~2. Central East Region, consisting of Brevard, Flagler,~~
572 ~~Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St.~~
573 ~~Lucie, and Volusia Counties.~~

574 ~~3. Central West Region, consisting of Citrus, Hernando,~~
575 ~~Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota,~~
576 ~~and Sumter Counties.~~

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

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

581 ~~(k)-(q)~~ "Interactive website" means a website or group of
582 websites that includes interactive and downloadable content, and
583 creates 25 new Florida full-time equivalent positions operating
584 from a principal place of business located within Florida. An
585 interactive website or group of websites must provide
586 documentation that those jobs were created to the department
587 ~~before Office of Film and Entertainment prior to~~ the award of
588 tax credits. Each subsequent program application must provide
589 proof that 25 Florida full-time equivalent positions are
590 maintained.



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591 (1) "Underutilized county" means a county in which less
592 than \$500,000 in qualified expenditures were made in the last 2
593 fiscal years.

594 (2) CREATION AND PURPOSE OF PROGRAM.—The entertainment
595 industry ~~financial incentive~~ program is created within the
596 ~~department Office of Film and Entertainment. The purpose of this~~
597 ~~program is~~ to encourage the use of this state as a site for
598 entertainment production, for filming, and for the digital
599 production of entertainment films, and to develop and sustain
600 the workforce and infrastructure for film, digital media, and
601 entertainment production.

602 (3) APPLICATION PROCEDURE; APPROVAL PROCESS.—

603 (a) *Program application.*—A qualified production company
604 producing a qualified production in this state may submit a
605 program application to the Division ~~Office~~ of Film and
606 Entertainment for the purpose of determining qualification for
607 an award of tax credits authorized by this section no earlier
608 than 180 days before the first day of principal photography or
609 project start date in this state. The applicant shall provide
610 the division ~~Office of Film and Entertainment~~ with information
611 required to determine whether the production is a qualified
612 production and to determine the qualified expenditures and other
613 information necessary for the division and the department ~~office~~
614 to determine eligibility for the tax credit.

615 (b) *Required documentation.*—The department, in consultation
616 with the division, ~~Office of Film and Entertainment~~ shall
617 develop an application form for qualifying an applicant as a
618 qualified production. The form must include, but need not be
619 limited to, production-related information concerning employment



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620 of residents in this state;7 a detailed budget of planned
621 qualified expenditures and aggregate nonqualified expenditures,
622 including capital investment, in this state; proof of financing
623 for the production;7 and the applicant's signed affirmation that
624 the information on the form has been verified and is correct.
625 The division Office of Film and Entertainment and local film
626 commissions shall distribute the form.

627 (c) *Application process.*—The division Office of Film and
628 Entertainment shall establish a process by which an application
629 is accepted and reviewed and by which tax credit eligibility and
630 award amount are determined.

631 1. The division shall review, evaluate, and rank
632 applications for each queue, as provided in subsection (4),
633 using the following evaluation criteria, with priority given in
634 descending order, with the highest priority given to sub-
635 subparagraph a.:

636 a. The number of state residents that will be employed in
637 full-time equivalent and part-time positions related to the
638 project, and the duration of such employment and the average
639 wages paid to such residents. Preference shall be given to a
640 project that expects to pay higher than the statewide average
641 wage.

642 b. The amount of qualified and nonqualified expenditures
643 that will be made in this state.

644 c. The duration of the project in this state, including
645 whether production will occur in an underutilized county.

646 d. The length of time for planned preproduction and
647 postproduction scheduled to occur in this state.

648 e. The amount of capital investment, especially fixed



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649 capital investment, to be made directly by the production
650 company in this state related to the project and the amount of
651 any other capital investment to be made in this state related to
652 the project.

653 f. The local support and amount of any financial commitment
654 for the project.

655 2. The Division of Film and Entertainment shall designate
656 two application cycles per fiscal year for qualified production
657 companies to submit applications pursuant to this section. Each
658 application cycle must consist of an application submittal
659 deadline and a subsequent review period. The two application
660 deadlines shall be separated in time by at least 4 months. The
661 first application cycle must be "Application Cycle A," and the
662 second application cycle must be "Application Cycle B." Each
663 applicant must designate the cycle for which the applicant is
664 applying.

665 3. The Division of Film and Entertainment shall designate
666 the length of the review period for each application cycle which
667 must immediately follow its corresponding application deadline.
668 The review cycle may not exceed 30 days. During each review
669 period, the Division of Film and Entertainment shall:

670 a. Review each timely received application to ensure that
671 the application is complete and shall label each application
672 according to its queue as specified in subsection (4).

673 b. Recommend rankings for applications pursuant to the
674 criteria in subparagraph 1.

675 c. Submit each complete and timely received application
676 along with the recommended application rankings to the
677 department no later than 1 day after the end of the review



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678 cycle. Applications that do not meet the requirements of this
679 section may not be ranked.

680 4. Applications that are not timely received or complete
681 may not be carried forward to a subsequent application cycle.

682 5. A certified high-impact television production may submit
683 an initial application for no more than two successive seasons,
684 notwithstanding the fact that the second season has not been
685 ordered. The qualified expenditure amounts for the second season
686 shall be based on the current season's estimated qualified
687 expenditures. Upon the completion of production of each season,
688 a high-impact television production may submit an application
689 for only one additional season. To be certified for a tax
690 credit, the applicant must agree to notify the department within
691 10 days if the additional season is not ordered or is cancelled.

692 ~~The Office of Film and Entertainment may request assistance~~
693 ~~from a duly appointed local film commission in determining~~
694 ~~compliance with this section. A certified high-impact television~~
695 ~~series may submit an initial application for no more than two~~
696 ~~successive seasons, notwithstanding the fact that the successive~~
697 ~~seasons have not been ordered. The successive season's qualified~~
698 ~~expenditure amounts shall be based on the current season's~~
699 ~~estimated qualified expenditures. Upon the completion of~~
700 ~~production of each season, a high-impact television series may~~
701 ~~submit an application for no more than one additional season.~~

702 (d) *Certification.*-

703 1. The department Office of Film and Entertainment shall
704 review the applications and recommendations by the division
705 application within 15 business days after receipt from the
706 division. Upon its determination that The department shall



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707 determine if each application contains all the information
708 required by this subsection and meets the criteria set out in
709 this section. Going from the highest-ranked and recommended
710 application to the lowest-ranked application, the department,
711 the Office of Film and Entertainment shall determine, for each
712 application, whether to certify the tax credit amount ~~qualify~~
713 ~~the applicant and recommend to the department that the applicant~~
714 ~~be certified for the maximum tax credit award amount. Within 5~~
715 ~~business days after receipt of the recommendation, the~~
716 ~~department shall reject the recommendation or certify the~~
717 ~~maximum recommended tax credit award, if any~~ funds are
718 available, to the applicant and to the executive director of the
719 Department of Revenue; or to reject the request for the tax
720 credit pursuant to paragraph (f).

721 2. The department may certify only up to 50 percent of the
722 credits available in a fiscal year for "Application Cycle A" of
723 the fiscal year. All remaining tax credits in the fiscal year
724 may be certified in "Application Cycle B." The department may
725 not certify tax credits in an amount greater than the allocation
726 for a specified fiscal year, as determined under subsection (7).

727 (e) Employment.—Upon certification by the department, the
728 production must provide the department and the Division of Film
729 and Entertainment with a single point of contact and information
730 related to the production's needs for cast, crew, contractors,
731 and vendors. The division shall publish this information online,
732 including the type of production, the projected start date of
733 the production, the locations in this state for such production,
734 and the e-mail or other contact information for the production's
735 point of contact. The department, in consultation with the



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736 division, may adopt procedures for a production to post such
737 information itself within 7 days after certification.

738 (f)(e) Grounds for denial.—The department ~~Office of Film~~
739 ~~and Entertainment~~ shall deny an application if it determines
740 that the application is not complete, ~~or~~ the production or
741 application does not meet the requirements of this section, or
742 the application is not ranked by the division. Within 90 days
743 ~~after submitting a program application, except with respect to~~
744 ~~applications in the independent and emerging media queue, a~~
745 ~~production must provide proof of project financing to the Office~~
746 ~~of Film and Entertainment, otherwise the project is deemed~~
747 ~~denied and withdrawn.~~ A project that has been denied ~~withdrawn~~
748 may submit a new application in a subsequent application cycle
749 ~~upon providing the Office of Film and Entertainment proof of~~
750 ~~financing.~~

751 (g)(f) Verification of actual qualified expenditures.—

752 1. The department, in consultation with the Division ~~Office~~
753 ~~of Film and Entertainment,~~ shall develop a process to verify the
754 actual qualified expenditures of a certified production. The
755 process must require:

756 a. A certified production to submit, within 180 days ~~in a~~
757 ~~timely manner~~ after production ends in this state and after
758 making all of its qualified expenditures in this state, data
759 substantiating each qualified expenditure, including
760 documentation of ~~on~~ the net expenditure on equipment and other
761 tangible personal property by the qualified production and all
762 production-related information on full- and part-time employment
763 and wages paid to residents of this state, to an independent
764 certified public accountant licensed in this state;



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765 b. Such accountant to conduct a compliance audit, at the
766 certified production's expense, to substantiate each qualified
767 expenditure and submit the results as a report, along with the
768 required substantiating data, to the department ~~Office of Film~~
769 ~~and Entertainment~~; and

770 c. The department ~~Office of Film and Entertainment~~ to
771 review the accountant's submittal and verify ~~report to the~~
772 ~~department~~ the final ~~verified~~ amount of actual qualified
773 expenditures made by the certified production.

774 2. The department shall also require a certified production
775 to submit data substantiating aggregate nonqualified
776 expenditures, including capital investment, in this state.

777 3.2. ~~The~~ department shall determine and approve the final
778 tax credit award amount to each certified applicant based on the
779 final verified amount of actual qualified expenditures and
780 evidence that the qualified production met the requirements of
781 this section. The department shall notify the executive director
782 of the Department of Revenue in writing that the certified
783 production has met the requirements of the ~~incentive~~ program and
784 of the final amount of the tax credit award. The final tax
785 credit award amount may not exceed the maximum tax credit award
786 amount certified under paragraph (d).

787 (h) (g) Promoting Florida. ~~The~~ department ~~Office of Film and~~
788 ~~Entertainment~~ shall ensure that, as a condition of receiving a
789 tax credit under this section, marketing materials promoting
790 this state as a tourist destination or film and entertainment
791 production destination are included, when appropriate, at no
792 cost to the state, in the qualified production or as otherwise
793 required by the department and the Division of Film and



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794 Entertainment. The Division of Film and Entertainment shall
795 provide the Florida Tourism Industry Marketing Corporation with
796 the contact information for each qualified production in order
797 for the corporation to work with the qualified production to
798 develop the marketing materials promoting this state. The
799 marketing materials ~~which~~ must, at a minimum, include placement
800 of the "Visit Florida" logo and a "Filmed in Florida" or
801 "Produced in Florida" logo in the end credits. The placement of
802 the "Visit Florida" logo and a "Filmed in Florida" or "Produced
803 in Florida" logo on all packaging material and hard media is
804 also required, unless such placement is prohibited by licensing
805 or other contractual obligations. The sizes ~~size~~ and placements
806 ~~placement~~ of such logos ~~logo~~ shall be commensurate to other
807 logos used. If no logos are used, the statement "Filmed in
808 Florida using Florida's Entertainment Industry Program Financial
809 ~~Incentive,~~" or a similar statement approved by the Division
810 ~~Office~~ of Film and Entertainment, shall be used. The Division
811 ~~Office~~ of Film and Entertainment shall provide a logo and supply
812 it for the purposes specified in this paragraph. A 30-second
813 "Visit Florida" promotional video must also be included on all
814 optical disc formats of a film, unless such placement is
815 prohibited by licensing or other contractual obligations. The
816 30-second promotional video shall be approved and provided by
817 the Florida Tourism Industry Marketing Corporation in
818 consultation with the Division ~~Commissioner~~ of Film and
819 Entertainment. The marketing materials must also include a link
820 to the Florida Tourism Industry Marketing Corporation website or
821 another website designated by the department on the certified
822 applicant's website or the production's website for the entire



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823 term of the production. If the certified applicant cannot
824 provide such link, it must provide a promotional opportunity of
825 equal or greater value as approved by the department and the
826 division.

827 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;
828 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;
829 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND
830 ACQUISITIONS.—

831 ~~(a) Priority for tax credit award.—The priority of a~~
832 ~~qualified production for tax credit awards must be determined on~~
833 ~~a first-come, first-served basis within its appropriate queue.~~
834 ~~Each qualified production must be placed into the appropriate~~
835 ~~queue and is subject to the requirements of that queue.~~

836 ~~(b) Tax credit eligibility.—~~Each qualified production must
837 be placed into the appropriate queue and is subject to the
838 requirements of that queue.

839 1. General production queue.—Ninety-four percent of tax
840 credits authorized pursuant to subsection (7) ~~(6)~~ in any state
841 fiscal year must be dedicated to the general production queue.
842 The general production queue consists of all qualified
843 productions other than those eligible for the commercial and
844 music video queue or the independent and emerging media
845 production queue. A qualified production that demonstrates a
846 minimum of \$625,000 in qualified expenditures is eligible for
847 tax credits equal to 20 percent of its actual qualified
848 expenditures, up to a maximum of \$8 million. A qualified
849 production that incurs qualified expenditures during multiple
850 state fiscal years may combine those expenditures to satisfy the
851 \$625,000 minimum threshold.



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852 ~~a. An off-season certified production that is a feature~~
853 ~~film, independent film, or television series or pilot is~~
854 ~~eligible for an additional 5 percent tax credit on actual~~
855 ~~qualified expenditures. An off-season certified production that~~
856 ~~does not complete 75 percent of principal photography due to a~~
857 ~~disruption caused by a hurricane or tropical storm may not be~~
858 ~~disqualified from eligibility for the additional 5 percent~~
859 ~~credit as a result of the disruption.~~

860 ~~b. If more than 45 percent of the sum of total tax credits~~
861 ~~initially certified and awarded after April 1, 2012, total tax~~
862 ~~credits initially certified after April 1, 2012, but not yet~~
863 ~~awarded, and total tax credits available for certification after~~
864 ~~April 1, 2012, but not yet certified has been awarded for high-~~
865 ~~impact television series, then no high-impact television series~~
866 ~~is eligible for tax credits under this subparagraph. Tax credits~~
867 ~~initially certified for a high-impact television series after~~
868 ~~April 1, 2012, may not be awarded if the award will cause the~~
869 ~~percentage threshold in this sub-subparagraph to be exceeded.~~
870 ~~This sub-subparagraph does not prohibit the award of tax credits~~
871 ~~certified before April 1, 2012, for high-impact television~~
872 ~~series.~~

873 ~~c. Subject to sub-subparagraph b., First priority in the~~
874 ~~queue for tax credit awards not yet certified shall be given to~~
875 ~~high-impact television series and high-impact digital media~~
876 ~~projects. For the purposes of determining priority between a~~
877 ~~high-impact television series and a high-impact digital media~~
878 ~~project, the first position must go to the first application~~
879 ~~received. Thereafter, priority shall be determined by~~
880 ~~alternating between a high-impact television series and a high-~~



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881 ~~impact digital media project on a first come, first served~~
882 ~~basis. However, if the Office of Film and Entertainment receives~~
883 ~~an application for a high impact television series or high-~~
884 ~~impact digital media project that would be certified but for the~~
885 ~~alternating priority, the office may certify the project as~~
886 ~~being in the priority position if an application that would~~
887 ~~normally be the priority position is not received within 5~~
888 ~~business days.~~

889 ~~d.~~ A qualified production for which at least 70 ~~67~~ percent
890 of its principal photography days occur within a county region
891 designated as an underutilized county region at the time that
892 the production is certified is eligible for an additional 5
893 percent tax credit.

894 ~~b.e.~~ A qualified production that employs students enrolled
895 full-time in a film and entertainment-related or digital media-
896 related course of study at an institution of higher education in
897 this state, individuals participating in the Road-to-
898 Independence Program under s. 409.1451, individuals with
899 developmental disabilities as defined in s. 393.063 residing in
900 this state, and veterans residing in this state, is eligible for
901 an additional 15 percent tax credit on qualified expenditures
902 that are wages, salaries, or other compensation paid to such
903 students. The additional 15 percent tax credit is also
904 applicable to persons hired within 12 months after graduating
905 from a film and entertainment-related or digital media-related
906 course of study at an institution of higher education in this
907 state. The additional 15 percent tax credit applies to qualified
908 expenditures that are wages, salaries, or other compensation
909 paid to such recent graduates for 1 year after the date of



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910 hiring.

911 ~~f. A qualified production for which 50 percent or more of~~
912 ~~its principal photography occurs at a qualified production~~
913 ~~facility, or a qualified digital media project or the digital~~
914 ~~animation component of a qualified production for which 50~~
915 ~~percent or more of the project's or component's qualified~~
916 ~~expenditures are related to a qualified digital media production~~
917 ~~facility, is eligible for an additional 5 percent tax credit on~~
918 ~~actual qualified expenditures for production activity at that~~
919 ~~facility.~~

920 c. A qualified production that completes a capital
921 investment in this state of at least \$2 million for property
922 improvements before the completion of the qualified production,
923 is eligible for an additional 5 percent tax credit. The capital
924 investment must be permanent and must be made after July 1,
925 2015, and the property must remain in this state after the
926 production ends. A capital investment may be the basis of an
927 application only once, unless the qualified production makes an
928 additional \$2 million of substantial changes to the property.

929 d. A qualified production determined by the department to
930 be a family-friendly production, based on review of the script
931 and review of the final release version, is eligible for an
932 additional 5 percent tax credit. The department must consult
933 with the Division of Film and Entertainment in making this
934 determination.

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

938 2. Commercial and music video queue.—Three percent of tax



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939 credits authorized pursuant to subsection (7) ~~(6)~~ in any state
940 fiscal year must be dedicated to the commercial and music video
941 queue. A qualified production company that produces national or
942 regional commercials or music videos may be eligible for a tax
943 credit award if it demonstrates a minimum of \$100,000 in
944 qualified expenditures per national or regional commercial or
945 music video and exceeds a combined threshold of \$500,000 after
946 combining actual qualified expenditures from qualified
947 commercials and music videos during a single state fiscal year.
948 After a qualified production company that produces commercials,
949 music videos, or both reaches the threshold of \$500,000, it is
950 eligible to apply for certification for a tax credit award. The
951 maximum credit award shall be equal to 20 percent of its actual
952 qualified expenditures up to a maximum of \$500,000. If there is
953 a surplus at the end of a fiscal year after the department
954 ~~Office of Film and Entertainment~~ certifies and determines the
955 tax credits for all qualified commercial and video projects,
956 such surplus tax credits shall be carried forward to the
957 following fiscal year and are available to any eligible
958 qualified productions under the general production queue.

959 3. Independent and emerging media production queue.—Three
960 percent of tax credits authorized pursuant to subsection (7) ~~(6)~~
961 in any state fiscal year must be dedicated to the independent
962 and emerging media production queue. This queue is intended to
963 encourage independent film and emerging media production in this
964 state. Any qualified production, excluding commercials,
965 infomercials, or music videos, which demonstrates at least
966 \$100,000, but not more than \$625,000, in total qualified
967 expenditures is eligible for tax credits equal to 20 percent of



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968 its actual qualified expenditures. If a surplus exists at the
969 end of a fiscal year after the department ~~Office of Film and~~
970 ~~Entertainment~~ certifies and determines the tax credits for all
971 qualified independent and emerging media production projects,
972 such surplus tax credits shall be carried forward to the
973 following fiscal year and are available to any eligible
974 qualified productions under the general production queue.

975 ~~4. Family-friendly productions. A certified theatrical or~~
976 ~~direct-to-video motion picture production or video game~~
977 ~~determined by the Commissioner of Film and Entertainment, with~~
978 ~~the advice of the Florida Film and Entertainment Advisory~~
979 ~~Council, to be family-friendly, based on review of the script~~
980 ~~and review of the final release version, is eligible for an~~
981 ~~additional tax credit equal to 5 percent of its actual qualified~~
982 ~~expenditures. Family-friendly productions are those that have~~
983 ~~cross-generational appeal; would be considered suitable for~~
984 ~~viewing by children age 5 or older; are appropriate in theme,~~
985 ~~content, and language for a broad family audience; embody a~~
986 ~~responsible resolution of issues; and do not exhibit or imply~~
987 ~~any act of smoking, sex, nudity, or vulgar or profane language.~~

988 ~~(b)(c) Withdrawal of certification tax credit eligibility.~~
989 ~~The department shall withdraw the certification of a qualified~~
990 ~~or certified production if the must continue on a reasonable~~
991 ~~schedule or timely completion of the certified production is~~
992 ~~delayed, including a break in production, a change in the~~
993 ~~production schedule, or the loss of financing for the~~
994 ~~production. A certified production must notify the department~~
995 ~~within 5 days after any circumstance that delays the reasonable~~
996 ~~schedule or timely completion. The certification of a certified~~



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997 production may not be withdrawn if the production provides the
998 department with proof of replacement financing within 10 days
999 after the loss of financing for the production. To keep a
1000 reasonable schedule, the certified production must begin which
1001 ~~includes beginning~~ principal photography or the production
1002 project in this state within no more than 45 calendar days
1003 before or after the principal photography or project start date
1004 provided in the production's program application. ~~The department~~
1005 ~~shall withdraw the eligibility of a qualified or certified~~
1006 ~~production that does not continue on a reasonable schedule.~~

1007 (c)(d) Election and distribution of tax credits.-

1008 1. A certified production company receiving a tax credit
1009 award under this section shall, at the time the credit is
1010 awarded by the department after production is completed and all
1011 requirements to receive a credit award have been met, make an
1012 irrevocable election to apply the credit against taxes due under
1013 chapter 220, against state taxes collected or accrued under
1014 chapter 212, or against a stated combination of the two taxes.
1015 The election is binding upon any distributee, successor,
1016 transferee, or purchaser. The department shall notify the
1017 Department of Revenue of any election made pursuant to this
1018 paragraph.

1019 2. A qualified production company is eligible for tax
1020 credits against its sales and use tax liabilities and corporate
1021 income tax liabilities as provided in this section. However, tax
1022 credits awarded under this section may not be claimed against
1023 sales and use tax liabilities or corporate income tax
1024 liabilities for any tax period beginning before July 1, 2011,
1025 regardless of when the credits are applied for or awarded.



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1026 (d)~~(e)~~ *Tax credit carryforward.*—If the certified production
1027 company cannot use the entire tax credit in the taxable year or
1028 reporting period in which the credit is awarded, any excess
1029 amount may be carried forward to a succeeding taxable year or
1030 reporting period. A tax credit applied against taxes imposed
1031 under chapter 212 may be carried forward for a maximum of 5
1032 years after the date the credit is awarded. A tax credit applied
1033 against taxes imposed under chapter 220 may be carried forward
1034 for a maximum of 5 taxable years after the taxable year in which
1035 date the credit is awarded. An unused remaining tax credit
1036 expires after this period, ~~after which the credit expires~~ and
1037 may not be used.

1038 (e)~~(f)~~ *Consolidated returns.*—A certified production company
1039 that files a Florida consolidated return as a member of an
1040 affiliated group under s. 220.131(1) may be allowed the credit
1041 on a consolidated return basis up to the amount of the tax
1042 imposed upon the consolidated group under chapter 220.

1043 (f)~~(g)~~ *Partnership and noncorporate distributions.*—A
1044 qualified production company that is not a corporation as
1045 defined in s. 220.03 may elect to distribute tax credits awarded
1046 under this section to its partners or members in proportion to
1047 their respective distributive income or loss in the taxable year
1048 in which the tax credits were awarded.

1049 (g)~~(h)~~ *Mergers or acquisitions.*—Tax credits available under
1050 this section to a certified production company may succeed to a
1051 surviving or acquiring entity subject to the same conditions and
1052 limitations as described in this section; however, they may not
1053 be transferred again by the surviving or acquiring entity.

1054 (5) TRANSFER OF TAX CREDITS.—



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1055 (a) *Authorization.*—Upon application to ~~the Office of Film~~
1056 ~~and Entertainment~~ and approval by the department, a certified
1057 production company, or a partner or member that has received a
1058 distribution under paragraph (4)(f) ~~(4)(g)~~, may elect to
1059 transfer, in whole or in part, any unused credit amount granted
1060 under this section. An election to transfer any unused tax
1061 credit amount under chapter 212 or chapter 220 must be made no
1062 later than 5 years after the date the credit is awarded, after
1063 which period the credit expires and may not be used. The
1064 department shall notify the Department of Revenue of the
1065 election and transfer.

1066 (b) *Number of transfers permitted.*—A certified production
1067 company that elects to apply a credit amount against taxes
1068 remitted under chapter 212 is permitted a one-time transfer of
1069 unused credits to one transferee. A certified production company
1070 that elects to apply a credit amount against taxes due under
1071 chapter 220 is permitted a one-time transfer of unused credits
1072 to no more than four transferees, and such transfers must occur
1073 in the same taxable year.

1074 (c) *Transferee rights and limitations.*—The transferee is
1075 subject to the same rights and limitations as the certified
1076 production company awarded the tax credit, except that the
1077 initial transferee shall be permitted a one-time transfer of
1078 unused credits to no more than two subsequent transferees, and
1079 such transfers must occur in the same taxable year as the
1080 credits were received by the initial transferee, after which the
1081 subsequent transferees may not sell or otherwise transfer the
1082 tax credit.

1083 (6) RELINQUISHMENT OF TAX CREDITS.—



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1084 (a) Beginning July 1, 2011, a certified production company,
1085 or any person who has acquired a tax credit from a certified
1086 production company pursuant to subsections (4) and (5), may
1087 elect to relinquish the tax credit to the Department of Revenue
1088 in exchange for 90 percent of the amount of the relinquished tax
1089 credit.

1090 (b) The Department of Revenue may approve payments to
1091 persons relinquishing tax credits pursuant to this subsection.

1092 (c) Subject to legislative appropriation, the Department of
1093 Revenue shall request the Chief Financial Officer to issue
1094 warrants to persons relinquishing tax credits. Payments under
1095 this subsection shall be made from the funds from which the
1096 proceeds from the taxes against which the tax credits could have
1097 been applied pursuant to the irrevocable election made by the
1098 certified production company under subsection (4) are deposited.

1099 (7) ANNUAL ALLOCATION OF TAX CREDITS.—

1100 (a) The aggregate amount of the tax credits that may be
1101 certified pursuant to paragraph (3) (d) may not exceed:

- 1102 1. For fiscal year 2010-2011, \$53.5 million.
- 1103 2. For fiscal year 2011-2012, \$74.5 million.
- 1104 3. For fiscal years 2012-2013, 2013-2014, 2014-2015, and
1105 2015-2016, \$42 million per fiscal year.

1106 (b) Any portion of the maximum amount of tax credits
1107 established per fiscal year in paragraph (a) that is not
1108 certified as of the end of a fiscal year shall be carried
1109 forward and made available for certification during the
1110 following 2 fiscal years in addition to the amounts available
1111 for certification under paragraph (a) for those fiscal years.

1112 (c) Upon approval of the final tax credit award amount



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1113 pursuant to subparagraph (3)(g)3. ~~(3)(f)2.~~, an amount equal to
1114 the difference between the maximum tax credit award amount
1115 previously certified under paragraph (3)(d) and the approved
1116 final tax credit award amount shall immediately be available for
1117 recertification during the current and following fiscal years in
1118 addition to the amounts available for certification under
1119 paragraph (a) for those fiscal years.

1120 (d) Tax credit award amounts available for certification on
1121 and after July 1, 2015, may not be certified before the fiscal
1122 year in which they will become available as specified in
1123 paragraph (a). Additionally, for amounts available for
1124 certification on and after July 1, 2015, one-half of the amount
1125 available in the fiscal year shall be available for
1126 certification in "Application Cycle A", and the remaining amount
1127 available in the fiscal year shall be available for
1128 certification in "Application Cycle B." ~~If, during a fiscal~~
1129 ~~year, the total amount of credits applied for, pursuant to~~
1130 ~~paragraph (3)(a), exceeds the amount of credits available for~~
1131 ~~certification in that fiscal year, such excess shall be treated~~
1132 ~~as having been applied for on the first day of the next fiscal~~
1133 ~~year in which credits remain available for certification.~~

1134 (8) LIMITATION WITH OTHER PROGRAMS.—A qualified production
1135 that is certified for tax credits under this section may not
1136 simultaneously receive benefits under ss. 288.1256 and 288.1258
1137 for the same production.

1138 (9) ~~(8)~~ RULES, POLICIES, AND PROCEDURES.—

1139 (a) The department may adopt rules pursuant to ss.
1140 120.536(1) and 120.54 and develop policies and procedures to
1141 implement and administer this section, including, but not



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1142 limited to, rules specifying requirements for the application
1143 and approval process, records required for substantiation for
1144 tax credits, procedures for making the election in paragraph
1145 (4)(c) ~~(4)(d)~~, the manner and form of documentation required to
1146 claim tax credits awarded or transferred under this section, and
1147 marketing requirements for tax credit recipients.

1148 (b) The Department of Revenue may adopt rules pursuant to
1149 ss. 120.536(1) and 120.54 to administer this section, including
1150 rules governing the examination and audit procedures required to
1151 administer this section and the manner and form of documentation
1152 required to claim tax credits awarded, transferred, or
1153 relinquished under this section.

1154 (10) ~~(9)~~ AUDIT AUTHORITY; REVOCATION AND FORFEITURE OF TAX
1155 CREDITS; FRAUDULENT CLAIMS.—

1156 (a) *Audit authority.*—The Department of Revenue may conduct
1157 examinations and audits as provided in s. 213.34 to verify that
1158 tax credits under this section are received, transferred, and
1159 applied according to the requirements of this section. If the
1160 Department of Revenue determines that tax credits are not
1161 received, transferred, or applied as required by this section,
1162 it may, in addition to the remedies provided in this subsection,
1163 pursue recovery of such funds pursuant to the laws and rules
1164 governing the assessment of taxes.

1165 (b) *Revocation of tax credits.*—The department may revoke or
1166 modify any written decision qualifying, certifying, or otherwise
1167 granting eligibility for tax credits under this section if it is
1168 discovered that the tax credit applicant submitted any false
1169 statement, representation, or certification in any application,
1170 record, report, plan, or other document filed in an attempt to



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1171 receive tax credits under this section. The department shall
1172 immediately notify the Department of Revenue of any revoked or
1173 modified orders affecting previously granted tax credits.
1174 Additionally, the applicant must notify the Department of
1175 Revenue of any change in its tax credit claimed.

1176 (c) *Forfeiture of tax credits.*—A determination by the
1177 Department of Revenue, as a result of an audit pursuant to
1178 paragraph (a) or from information received from the department
1179 or the Division Office of Film and Entertainment, that an
1180 applicant received tax credits pursuant to this section to which
1181 the applicant was not entitled is grounds for forfeiture of
1182 previously claimed and received tax credits. The applicant is
1183 responsible for returning forfeited tax credits to the
1184 Department of Revenue, and such funds shall be paid into the
1185 General Revenue Fund of the state. Tax credits purchased in good
1186 faith are not subject to forfeiture unless the transferee
1187 submitted fraudulent information in the purchase or failed to
1188 meet the requirements in subsection (5).

1189 (d) *Fraudulent claims.*—Any applicant that submits
1190 fraudulent information under this section is liable for
1191 reimbursement of the reasonable costs and fees associated with
1192 the review, processing, investigation, and prosecution of the
1193 fraudulent claim. An applicant that obtains a credit payment
1194 under this section through a claim that is fraudulent is liable
1195 for reimbursement of the credit amount plus a penalty in an
1196 amount double the credit amount. The penalty is in addition to
1197 any criminal penalty to which the applicant is liable for the
1198 same acts. The applicant is also liable for costs and fees
1199 incurred by the state in investigating and prosecuting the



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1200 fraudulent claim.

1201 (11)~~(10)~~ ANNUAL REPORT.—Each November 1, the department
1202 ~~Office of Film and Entertainment~~ shall submit an annual report
1203 for the previous fiscal year to the Governor, the President of
1204 the Senate, and the Speaker of the House of Representatives
1205 which outlines the ~~incentive~~ program's return on investment and
1206 economic benefits to the state. The report must also include an
1207 estimate of the full-time equivalent positions created by each
1208 production that received tax credits under this section and
1209 information relating to the distribution of productions
1210 receiving credits by geographic region and type of production.
1211 The report must also include the expenditures report required
1212 under s. 288.915, ~~s. 288.1253(3)~~ and the information describing
1213 the relationship between tax exemptions and incentives to
1214 industry growth required under s. 288.1258(5), and program
1215 performance information under s. 288.1256. The department may
1216 work with the Division of Film and Entertainment to develop the
1217 annual report.

1218 (12)~~(11)~~ REPEAL.—This section is repealed July 1, 2021
1219 ~~2016~~, except that:

1220 (a) Tax credits certified under paragraph (3) (d) before
1221 July 1, 2021 ~~2016~~, may be awarded under paragraph (3) (g) ~~(3) (f)~~
1222 on or after July 1, 2021 ~~2016~~, if the other requirements of this
1223 section are met.

1224 (b) Tax credits carried forward under paragraph (4) (d)
1225 ~~(4) (e)~~ remain valid for the period specified.

1226 (c) Subsections (5), (9), ~~(8)~~ and (10) ~~(9)~~ shall remain in
1227 effect until July 1, 2026 ~~July 1, 2021~~.

1228 Section 6. Beginning July 1, 2015, if an application is on



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1229 file with the Department of Economic Opportunity to receive a
1230 tax credit through the entertainment industry program under s.
1231 288.1254, Florida Statutes, and the application has not been
1232 certified for a tax credit award under current s. 288.1254(3)(d)
1233 by the department, the application is deemed denied.

1234 Section 7. Section 288.1256, Florida Statutes, is created
1235 to read:

1236 288.1256 Entertainment action fund.—

1237 (1) The entertainment action fund is created within the
1238 department in order to respond to extraordinary opportunities
1239 and to compete effectively with other states to attract and
1240 retain production companies and to provide favorable conditions
1241 for the growth of the entertainment industry in this state.

1242 (2) As used in this section, the term:

1243 (a) "Division" means the Division of Film and Entertainment
1244 within Enterprise Florida, Inc.

1245 (b) "Principal photography" means the filming of major or
1246 significant components of the project which involve lead actors.

1247 (c) "Production" means a theatrical, direct-to-video, or
1248 direct-to-Internet motion picture; a made-for-television motion
1249 picture; visual effects or digital animation sequences produced
1250 in conjunction with a motion picture; a commercial; a music
1251 video; an industrial or educational film; an infomercial; a
1252 documentary film; a television pilot program; a presentation for
1253 a television pilot program; a television series, including, but
1254 not limited to, a drama, a reality show, a comedy, a soap opera,
1255 a telenovela, a game show, an awards show, or a miniseries
1256 production; a direct-to-Internet television series; or a digital
1257 media project by the entertainment industry. One season of a



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1258 television series is considered one production. The term does
1259 not include a weather or market program; a sporting event or a
1260 sporting event broadcast; a gala; a production that solicits
1261 funds; a home shopping program; a political program; a political
1262 documentary; political advertising; a gambling-related project
1263 or production; a concert production; a local, regional, or
1264 Internet-distributed-only news show or current-events show; a
1265 sports news or sports recap show; a pornographic production; or
1266 any production deemed obscene under chapter 847. A production
1267 may be produced on or by film, tape, or otherwise by means of a
1268 motion picture camera; electronic camera or device; tape device;
1269 computer; any combination of the foregoing; or any other means,
1270 method, or device.

1271 (d) "Production company" means a corporation, limited
1272 liability company, partnership, or other legal entity engaged in
1273 one or more productions in this state.

1274 (e) "Production expenditures" means the costs of tangible
1275 and intangible property used for, and services performed
1276 primarily and customarily in, production, including
1277 preproduction and postproduction, but excluding costs for
1278 development, marketing, and distribution. The term includes, but
1279 is not limited to:

1280 1. Wages, salaries, or other compensation paid to legal
1281 residents of this state, including amounts paid through payroll
1282 service companies, for technical and production crews,
1283 directors, producers, and performers.

1284 2. Net expenditures for sound stages, backlots, production
1285 editing, digital effects, sound recordings, sets, and set
1286 construction.



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1287 3. Net expenditures for rental equipment, including, but
1288 not limited to, cameras and grip or electrical equipment.

1289 4. Up to \$300,000 of the costs of newly purchased computer
1290 software and hardware unique to the project, including servers,
1291 data processing, and visualization technologies, which are
1292 located in and used exclusively in this state for the production
1293 of digital media.

1294 5. Expenditures for meals, travel, and accommodations. As
1295 used in this paragraph, the term "net expenditures" means the
1296 actual amount of money a project spent for equipment or other
1297 tangible personal property, after subtracting any consideration
1298 received for reselling or transferring the item after the
1299 production ends, if applicable.

1300 (f) "Project" means a production in this state meeting the
1301 requirements of this section. The term does not include a
1302 production:

1303 1. In which less than 70 percent of the positions that make
1304 up its production cast and below-the-line production crew are
1305 filled by legal residents of this state, whose residency is
1306 demonstrated by a valid Florida driver license or other state-
1307 issued identification confirming residency, or students enrolled
1308 full-time in an entertainment-related course of study at an
1309 institution of higher education in this state; or

1310 2. That contains obscene content as defined in s.
1311 847.001(10).

1312 (g) "Qualified expenditures" means production expenditures
1313 incurred in this state by a production company for:

1314 1. Goods purchased or leased from, or services, including,
1315 but not limited to, insurance costs and bonding, payroll



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1316 services, and legal fees, which are provided by a vendor or
1317 supplier in this state that is registered with the Department of
1318 State or the Department of Revenue, has a physical location in
1319 this state, and employs one or more legal residents of this
1320 state. This does not include rebilled goods or services provided
1321 by an in-state company from out-of-state vendors or suppliers.
1322 When services provided by the vendor or supplier include
1323 personal services or labor, only personal services or labor
1324 provided by residents of this state, evidenced by the required
1325 documentation of residency in this state, qualify.

1326 2. Payments to legal residents of this state in the form of
1327 salary, wages, or other compensation up to a maximum of \$400,000
1328 per resident unless otherwise specified in subsection (4). A
1329 completed declaration of residency in this state must accompany
1330 the documentation submitted to the department for reimbursement.

1331
1332 For a project involving an event, such as an awards show, the
1333 term does not include expenditures solely associated with the
1334 event itself and not directly required by the production. The
1335 term does not include expenditures incurred before the agreement
1336 is signed. The production company may not include in the
1337 calculation for qualified expenditures the original purchase
1338 price for equipment or other tangible property that is later
1339 sold or transferred by the production company for consideration.
1340 In such cases, the qualified expenditure is the net of the
1341 original purchase price minus the consideration received upon
1342 sale or transfer.

1343 (h) "Underutilized county" means a county in which less
1344 than \$500,000 in qualified expenditures were made in the last 2



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1345 fiscal years.

1346 (3) A production company may apply for funds from the
1347 entertainment industry quick action fund for a production or
1348 successive seasons of a production. The department and the
1349 division shall jointly review and evaluate applications to
1350 determine the eligibility of each project consistent with the
1351 requirements of this section. The department shall select
1352 projects that maximize the return to the state.

1353 (4) The department and the division, in their review and
1354 evaluation of applications, must consider the following
1355 criteria, with priority given in descending order, with the
1356 highest priority given to paragraph (a):

1357 (a) The number of state residents that will be employed in
1358 full-time equivalent and part-time positions related to the
1359 project and the duration of such employment and the average
1360 wages paid to such residents. Preference shall be given to a
1361 project that expects to pay higher than the statewide average
1362 wage.

1363 (b) The amount of qualified and nonqualified expenditures
1364 that will be made in this state.

1365 (c) Planned or executed contracts with production
1366 facilities or soundstages in this state and the percentage of
1367 principal photography or production activity that will occur at
1368 each location.

1369 (d) Planned preproduction and postproduction to occur in
1370 this state.

1371 (e) The amount of capital investment, especially fixed
1372 capital investment, to be made directly by the production
1373 company in this state related to the project and the amount of



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1374 any other capital investment to be made in this state related to
1375 the project.

1376 (f) The duration of the project in this state.

1377 (g) The amount and duration of principal photography or
1378 production activity that will occur in an underutilized county.

1379 (h) The amount of promotion of Florida that the production
1380 company will provide for the state. This includes marketing
1381 materials promoting this state as a tourist destination or a
1382 film and entertainment production destination; placement of
1383 state agency logos in the production and credits; permitted use
1384 of production assets, characters, and themes by this state;
1385 promotional videos for this state included on optical disc
1386 formats; and other marketing integration.

1387 (i) The employment of students enrolled full-time in an
1388 entertainment-related course of study at an institution of
1389 higher education in this state or of graduates from such an
1390 institution within 12 months after graduation.

1391 (j) Plans to work with entertainment industry-related
1392 courses of study at an institution of higher education in this
1393 state.

1394 (k) The local support and any financial commitment for the
1395 project.

1396 (l) The project is about this state or shows this state in
1397 a positive light.

1398 (m) A review of the production company's past activities in
1399 this state or other states.

1400 (n) The length of time the production company has made
1401 productions in this state, the number of productions the
1402 production company has made in this state, and the production



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1403 company's overall commitment to this state. This includes a
1404 production company that is based in this state.

1405 (o) Expected contributions to this state's economy,
1406 consistent with the state strategic economic development plan
1407 prepared by the department.

1408 (p) The expected effect of the award on the viability of
1409 the project and the probability that the project would be
1410 undertaken in this state if funds are granted to the production
1411 company.

1412 (5) A production company must have financing in place for a
1413 project before it applies for funds under this section.

1414 (6) The department shall prescribe a form upon which an
1415 application must be made. At a minimum, the application must
1416 include:

1417 (a) The applicant's federal employer identification number,
1418 reemployment assistance account number, and state sales tax
1419 registration number, as applicable. If such numbers are not
1420 available at the time of application, they must be submitted to
1421 the department in writing before the disbursement of any
1422 payments.

1423 (b) The signature of the applicant.

1424 (c) A detailed budget of planned qualified and nonqualified
1425 expenditures in this state.

1426 (d) The type and amount of capital investment that will be
1427 made in this state.

1428 (e) The locations in this state at which the project will
1429 occur.

1430 (f) The anticipated commencement date and duration of the
1431 project.



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1432 (g) The proposed number of state residents and nonstate
1433 residents that will be employed in full-time equivalent and
1434 part-time positions related to the project and wages paid to
1435 such persons.

1436 (h) The total number of full-time equivalent employees
1437 employed by the production company in this state, if applicable.

1438 (i) Proof of financing for the project.

1439 (j) The amount of promotion of Florida that the production
1440 company will provide for the state.

1441 (k) An attestation verifying that the information provided
1442 on the application is true and accurate.

1443 (l) Any additional information requested by the department
1444 or division.

1445 (7) The department must make a recommendation to the
1446 Governor to approve or deny an award within 7 days after
1447 completion of the review and evaluation. An award of funds may
1448 not constitute more than 30 percent of qualified expenditures in
1449 this state and may not fund wages paid to nonresidents. A
1450 production must start within 1 year after the date the project
1451 is approved by the Governor. The recommendation must include the
1452 performance conditions that the project must meet to obtain
1453 funds.

1454 (a) The Governor may approve projects without consulting
1455 the Legislature for projects requiring less than \$2 million in
1456 funding.

1457 (b) For projects requiring funding in the amount of \$2
1458 million to \$5 million, the Governor shall provide a written
1459 description and evaluation of a project recommended for approval
1460 to the chair and vice chair of the Legislative Budget Commission



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1461 at least 10 days before giving final approval for the project.
1462 The recommendation must include the performance conditions that
1463 the project must meet in order to obtain funds.

1464 (c) If the chair or vice chair of the Legislative Budget
1465 Commission or the President of the Senate or the Speaker of the
1466 House of Representatives timely advises the Executive Office of
1467 the Governor, in writing, that such action or proposed action
1468 exceeds the delegated authority of the Executive Office of the
1469 Governor or is contrary to legislative policy or intent, the
1470 Executive Office of the Governor shall void the release of funds
1471 and instruct the department to immediately change such action or
1472 proposed action until the Legislative Budget Commission or the
1473 Legislature addresses the issue.

1474 (d) Any project exceeding \$5 million must be approved by
1475 the Legislative Budget Commission before the funding is
1476 released.

1477 (8) Upon the approval of the Governor, the department and
1478 the production company shall enter into an agreement that
1479 specifies, at a minimum:

1480 (a) The total amount of funds awarded and the schedule of
1481 payment.

1482 (b) The performance conditions for payment of moneys from
1483 the fund, including full- and part-time employment in this
1484 state; wages paid in this state; capital investment in this
1485 state, including fixed capital investment; marketing and
1486 promotion in this state; the date by which production must start
1487 and the duration of production; and the amount of qualified
1488 expenditures in this state.

1489 (c) The methodology for validating performance and the date



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1490 by which the production company must submit proof of performance
1491 to the department.

1492 (d) That the department may review and verify any records
1493 of the production company to ascertain whether that company is
1494 in compliance with this section and the agreement.

1495 (e) Sanctions for failure to meet performance conditions.

1496 (f) That payment of moneys from the fund is contingent upon
1497 sufficient appropriation of funds by the Legislature.

1498 (9) The agreement must be finalized and signed by an
1499 authorized officer of the production company within 90 days
1500 after the Governor's approval. A production company that is
1501 approved under this section may not simultaneously receive
1502 benefits under ss. 288.1254 and 288.1258 for the same
1503 production.

1504 (10) The department shall validate contractor performance
1505 and report such validation in the annual report required under
1506 s. 288.1254.

1507 (11) Contingent upon an annual appropriation by the
1508 Legislature, the department may not approve awards in excess of
1509 the amount appropriated for a fiscal year. The department must
1510 maintain a schedule of funds to be paid from the appropriation
1511 for the fiscal year that begins on July 1. For the first 6
1512 months of each fiscal year, the department shall set aside 50
1513 percent of the amount appropriated for the fund by the
1514 Legislature. At the end of the 6-month period, these funds may
1515 be used to provide funding for any project that qualifies under
1516 this section.

1517 (12) A production company that submits fraudulent
1518 information under this section is liable for reimbursement of



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1519 the reasonable costs and fees associated with the review,
1520 processing, investigation, and prosecution of the fraudulent
1521 claim. A production company that receives a payment under this
1522 section through a claim that is fraudulent is liable for
1523 reimbursement of the payment amount, plus a penalty in an amount
1524 double the payment amount. The penalty is in addition to any
1525 criminal penalty for which the production company is liable for
1526 the same acts. The production company is also liable for costs
1527 and fees incurred by the state in investigating and prosecuting
1528 the fraudulent claim.

1529 (13) The department may not waive any provision or provide
1530 an extension of time to meet any requirement of this section.

1531 (14) This section expires on July 1, 2025. An agreement in
1532 existence on that date shall continue in effect in accordance
1533 with its terms.

1534 Section 8. Section 288.1258, Florida Statutes, is amended
1535 to read:

1536 288.1258 Entertainment industry qualified production
1537 companies; application procedure; categories; duties of the
1538 Department of Revenue; records and reports.—

1539 (1) PRODUCTION COMPANIES AUTHORIZED TO APPLY.—

1540 (a) Any production company engaged in this state in the
1541 production of motion pictures, made-for-TV motion pictures,
1542 television series, commercial advertising, music videos, or
1543 sound recordings may submit an application to the Department of
1544 Revenue to be approved by the Department of Economic Opportunity
1545 Office of Film and Entertainment as a qualified production
1546 company for the purpose of receiving a sales and use tax
1547 certificate of exemption from the Department of Revenue to



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1548 exempt purchases on or after the date a complete application is
1549 filed with the Department of Revenue for exemptions under ss.
1550 212.031, 212.06, and 212.08.

1551 (b) As used in ~~For the purposes of~~ this section, the term
1552 "qualified production company" means any production company that
1553 has submitted a properly completed application to the Department
1554 of Revenue and that is subsequently qualified by the Department
1555 of Economic Opportunity ~~Office of Film and Entertainment.~~

1556 (2) APPLICATION PROCEDURE.—

1557 (a) The Department of Revenue shall ~~will~~ review all
1558 submitted applications for the required information. Within 10
1559 working days after the receipt of a properly completed
1560 application, the Department of Revenue shall ~~will~~ forward the
1561 completed application to the Department of Economic Opportunity
1562 ~~Office of Film and Entertainment~~ for approval.

1563 (b)1. The Department of Economic Opportunity ~~Office of Film~~
1564 ~~and Entertainment~~ shall establish a process by which an
1565 entertainment industry production company may be approved by the
1566 department office as a qualified production company and may
1567 receive a certificate of exemption from the Department of
1568 Revenue for the sales and use tax exemptions under ss. 212.031,
1569 212.06, and 212.08. A production company that is approved under
1570 this section may not simultaneously receive benefits under ss.
1571 288.1254 and 288.1256 for the same production.

1572 2. Upon determination by the department ~~Office of Film and~~
1573 ~~Entertainment~~ that a production company meets the established
1574 approval criteria and qualifies for exemption, the department
1575 ~~Office of Film and Entertainment~~ shall return the approved
1576 application or application renewal or extension to the



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1577 Department of Revenue, which shall issue a certificate of
1578 exemption.

1579 3. The department ~~Office of Film and Entertainment~~ shall
1580 deny an application or application for renewal or extension from
1581 a production company if it determines that the production
1582 company does not meet the established approval criteria.

1583 (c) The department ~~Office of Film and Entertainment~~ shall
1584 develop, with the cooperation of the Department of Revenue, the
1585 Division of Film and Entertainment within Enterprise Florida,
1586 Inc., and local government entertainment industry promotion
1587 agencies, a standardized application form for use in approving
1588 qualified production companies.

1589 1. The application form shall include, but not be limited
1590 to, production-related information on employment, proposed
1591 budgets, planned purchases of items exempted from sales and use
1592 taxes under ss. 212.031, 212.06, and 212.08, a signed
1593 affirmation from the applicant that any items purchased for
1594 which the applicant is seeking a tax exemption are intended for
1595 use exclusively as an integral part of entertainment industry
1596 preproduction, production, or postproduction activities engaged
1597 in primarily in this state, and a signed affirmation from the
1598 department ~~Office of Film and Entertainment~~ that the information
1599 on the application form has been verified and is correct. In
1600 lieu of information on projected employment, proposed budgets,
1601 or planned purchases of exempted items, a production company
1602 seeking a 1-year certificate of exemption may submit summary
1603 historical data on employment, production budgets, and purchases
1604 of exempted items related to production activities in this
1605 state. Any information gathered from production companies for



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1606 the purposes of this section shall be considered confidential
1607 taxpayer information and shall be disclosed only as provided in
1608 s. 213.053.

1609 2. The application form may be distributed to applicants by
1610 the department, the Division ~~Office~~ of Film and Entertainment,
1611 or local film commissions.

1612 (d) All applications, renewals, and extensions for
1613 designation as a qualified production company shall be processed
1614 by the department ~~Office of Film and Entertainment~~.

1615 (e) ~~If In the event that~~ the Department of Revenue
1616 determines that a production company no longer qualifies for a
1617 certificate of exemption, or has used a certificate of exemption
1618 for purposes other than those authorized by this section and
1619 chapter 212, the Department of Revenue shall revoke the
1620 certificate of exemption of that production company, and any
1621 sales or use taxes exempted on items purchased or leased by the
1622 production company during the time such company did not qualify
1623 for a certificate of exemption or improperly used a certificate
1624 of exemption shall become immediately due to the Department of
1625 Revenue, along with interest and penalty as provided by s.
1626 212.12. In addition to the other penalties imposed by law, any
1627 person who knowingly and willfully falsifies an application, or
1628 uses a certificate of exemption for purposes other than those
1629 authorized by this section and chapter 212, commits a felony of
1630 the third degree, punishable as provided in ss. 775.082,
1631 775.083, and 775.084.

1632 (3) CATEGORIES.—

1633 (a)1. A production company may be qualified for designation
1634 as a qualified production company for a period of 1 year if the



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1635 company has operated a business in Florida at a permanent
1636 address for a period of 12 consecutive months. Such a qualified
1637 production company shall receive a single 1-year certificate of
1638 exemption from the Department of Revenue for the sales and use
1639 tax exemptions under ss. 212.031, 212.06, and 212.08, which
1640 certificate shall expire 1 year after issuance or upon the
1641 cessation of business operations in the state, at which time the
1642 certificate shall be surrendered to the Department of Revenue.

1643 ~~2. The Office of Film and Entertainment shall develop a~~
1644 ~~method by which~~ A qualified production company may submit a new
1645 application for annually renew a 1-year certificate of exemption
1646 upon the expiration of that company's certificate of exemption;
1647 however, upon approval of the department, such qualified
1648 production company may annually renew the 1-year certificate of
1649 exemption for a period of up to 5 years without submitting
1650 ~~requiring the production company to resubmit~~ a new application
1651 during that 5-year period.

1652 3. Each year, or upon surrender of the certificate of
1653 exemption to the Department of Revenue, the Any qualified
1654 production company shall may submit to the department aggregate
1655 data for production-related information on employment,
1656 expenditures in this state, capital investment, and purchases of
1657 items exempted from sales and use taxes under ss. 212.031,
1658 212.06, and 212.08 for inclusion in the annual report required
1659 under subsection (5) ~~a new application for a 1-year certificate~~
1660 ~~of exemption upon the expiration of that company's certificate~~
1661 ~~of exemption.~~

1662 (b)1. A production company may be qualified for designation
1663 as a qualified production company for a period of 90 days. Such



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1664 production company shall receive a single 90-day certificate of
1665 exemption from the Department of Revenue for the sales and use
1666 tax exemptions under ss. 212.031, 212.06, and 212.08, which
1667 certificate shall expire 90 days after issuance or upon the
1668 cessation of business operations in the state, at which time,
1669 ~~with extensions contingent upon approval of the Office of Film~~
1670 ~~and Entertainment.~~ the certificate shall be surrendered to the
1671 Department of Revenue ~~upon its expiration.~~

1672 2. A qualified production company may submit a new
1673 application for a 90-day certificate of exemption each quarter
1674 upon the expiration of that company's certificate of exemption;
1675 however, upon approval of the department, such qualified
1676 production company may renew the 90-day certificate of exemption
1677 for a period of up to 1 year without submitting a new
1678 application during that 1-year period.

1679 3.2. Each 90 days, or upon surrender of the certificate of
1680 exemption to the Department of Revenue, the qualified Any
1681 production company shall may submit to the department aggregate
1682 data for production-related information on employment,
1683 expenditures in this state, capital investment, and purchases of
1684 items exempted from sales and use taxes under ss. 212.031,
1685 212.06, and 212.08 for inclusion in the annual report required
1686 under subsection (5) a new application for a 90-day certificate
1687 of exemption upon the expiration of that company's certificate
1688 of exemption.

1689 (4) DUTIES OF THE DEPARTMENT OF REVENUE.—

1690 (a) The Department of Revenue shall review the initial
1691 application and notify the applicant of any omissions and
1692 request additional information if needed. An application shall



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1693 be complete upon receipt of all requested information. The
1694 Department of Revenue shall forward all complete applications to
1695 the department ~~Office of Film and Entertainment~~ within 10
1696 working days.

1697 (b) The Department of Revenue shall issue a numbered
1698 certificate of exemption to a qualified production company
1699 within 5 working days of the receipt of an approved application,
1700 application renewal, or application extension from the
1701 department ~~Office of Film and Entertainment~~.

1702 (c) The Department of Revenue may adopt ~~promulgate~~ such
1703 rules and shall prescribe and publish such forms as may be
1704 necessary to effectuate the purposes of this section or any of
1705 the sales tax exemptions which are reasonably related to the
1706 provisions of this section.

1707 (d) The Department of Revenue is authorized to establish
1708 audit procedures in accordance with the provisions of ss.
1709 212.12, 212.13, and 213.34 which relate to the sales tax
1710 exemption provisions of this section.

1711 (5) RELATIONSHIP OF TAX EXEMPTIONS AND INCENTIVES TO
1712 INDUSTRY GROWTH; REPORT TO THE LEGISLATURE.—The department
1713 ~~Office of Film and Entertainment~~ shall keep annual records from
1714 the information provided on taxpayer applications for tax
1715 exemption certificates and regularly reported as required in
1716 this section beginning January 1, 2001. These records also must
1717 reflect a ratio of the annual amount of sales and use tax
1718 exemptions under this section, plus the tax credits ~~incentives~~
1719 awarded pursuant to s. 288.1254 to the estimated amount of funds
1720 expended by certified productions. In addition, the department
1721 ~~office~~ shall maintain data showing annual growth in Florida-



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1722 based entertainment industry companies and entertainment
1723 industry employment and wages. The employment information must
1724 include ~~an estimate of~~ the full-time equivalent positions
1725 created by each production that received tax credits pursuant to
1726 s. 288.1254. The department ~~Office of Film and Entertainment~~
1727 shall include this information in the annual report for the
1728 entertainment industry ~~financial incentive~~ program required
1729 under s. 288.1254~~(10)~~.

1730 Section 9. Subsection (1) of section 288.92, Florida
1731 Statutes, is amended to read:

1732 288.92 Divisions of Enterprise Florida, Inc.—

1733 (1) Enterprise Florida, Inc., may create and dissolve
1734 divisions as necessary to carry out its mission. Each division
1735 shall have distinct responsibilities and complementary missions.
1736 At a minimum, Enterprise Florida, Inc., shall have divisions
1737 related to the following areas:

1738 (a) International Trade and Business Development;

1739 (b) Business Retention and Recruitment;

1740 (c) Tourism Marketing;

1741 (d) Minority Business Development; ~~and~~

1742 (e) Sports Industry Development; and

1743 (f) Film and Entertainment.

1744 Section 10. Subsection (5) of section 477.0135, Florida
1745 Statutes, is amended to read:

1746 477.0135 Exemptions.—

1747 (5) A license is not required of any individual providing
1748 makeup, special effects, or cosmetology services to an actor,
1749 stunt person, musician, extra, or other talent during a
1750 production recognized by the Department of Economic Opportunity



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1751 ~~Office of Film and Entertainment~~ as a qualified production as
1752 defined in s. 288.1254(1). Such services are not required to be
1753 performed in a licensed salon. Individuals exempt under this
1754 subsection may not provide such services to the general public.

1755 Section 11. Paragraph (q) of subsection (5) of section
1756 212.08, Florida Statutes, is amended to read:

1757 212.08 Sales, rental, use, consumption, distribution, and
1758 storage tax; specified exemptions.—The sale at retail, the
1759 rental, the use, the consumption, the distribution, and the
1760 storage to be used or consumed in this state of the following
1761 are hereby specifically exempt from the tax imposed by this
1762 chapter.

1763 (5) EXEMPTIONS; ACCOUNT OF USE.—

1764 (q) *Entertainment industry tax credit; authorization;*
1765 *eligibility for credits.*—The credits against the state sales tax
1766 authorized pursuant to s. 288.1254 shall be deducted from any
1767 sales and use tax remitted by the dealer to the department by
1768 electronic funds transfer and may only be deducted on a sales
1769 and use tax return initiated through electronic data
1770 interchange. The dealer shall separately state the credit on the
1771 electronic return. The net amount of tax due and payable must be
1772 remitted by electronic funds transfer. If the credit for the
1773 qualified expenditures is larger than the amount owed on the
1774 sales and use tax return that is eligible for the credit, the
1775 unused amount of the credit may be carried forward to a
1776 succeeding reporting period as provided in s. 288.1254(4)(d)
1777 ~~288.1254(4)(e)~~. A dealer may only obtain a credit using the
1778 method described in this subparagraph. A dealer is not
1779 authorized to obtain a credit by applying for a refund.



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1780 Section 12. Subsection (3) of section 220.1899, Florida
1781 Statutes, is amended to read:

1782 220.1899 Entertainment industry tax credit.—

1783 (3) To the extent that the amount of a tax credit exceeds
1784 the amount due on a return, the balance of the credit may be
1785 carried forward to a succeeding taxable year pursuant to s.
1786 288.1254(4) (d) ~~288.1254(4) (e)~~.

1787 Section 13. This act shall take effect October 1, 2015.

1788

1789 ===== T I T L E A M E N D M E N T =====

1790 And the title is amended as follows:

1791 Delete everything before the enacting clause
1792 and insert:

1793 A bill to be entitled
1794 An act relating to the entertainment industry;
1795 amending s. 288.125, F.S.; revising the applicability
1796 of the term "entertainment industry"; transferring,
1797 renumbering, and amending s. 288.1251, F.S.; renaming
1798 the Office of Film and Entertainment within the
1799 Department of Economic Opportunity as the Division of
1800 Film and Entertainment within Enterprise Florida,
1801 Inc.; requiring the division to serve as a liaison
1802 between the entertainment industry and other agencies,
1803 commissions, and organizations; requiring the Governor
1804 to appoint the film and entertainment commissioner;
1805 revising the requirements of the division's strategic
1806 plan; transferring, renumbering, and amending s.
1807 288.1252, F.S.; revising the powers and duties of the
1808 Florida Film and Entertainment Advisory Council;



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1809 revising council membership; conforming provisions to
1810 changes made by the act; transferring, renumbering,
1811 and amending s. 288.1253, F.S.; conforming provisions
1812 to changes made by the act; prohibiting the division
1813 and its employees and representatives from accepting
1814 specified accommodations, goods, or services from
1815 specified parties; providing that any person who
1816 accepts any such good or services is subject to
1817 specified penalties; amending s. 288.1254, F.S.;
1818 redefining and revising terms; requiring the
1819 department and the division, rather than the Office of
1820 Film and Entertainment, to be responsible for
1821 applications for the entertainment industry program;
1822 revising provisions relating to the application
1823 process, tax credit eligibility, transfer of tax
1824 credits, election and distribution of tax credits,
1825 allocation of tax credits, forfeiture of tax credits,
1826 and annual report; extending the repeal date;
1827 conforming provisions to changes made by the act;
1828 specifying a date on which the applications on file
1829 with the department and not yet certified are deemed
1830 denied; creating s. 288.1256, F.S.; creating the
1831 entertainment industry quick action fund within the
1832 department; defining terms; authorizing a production
1833 company to apply for funds from the entertainment
1834 industry quick action fund in certain circumstances;
1835 requiring the department and the division to jointly
1836 review and evaluate applications to determine the
1837 eligibility of each project; requiring the department



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1838 to select projects that maximize the return to the
1839 state; requiring certain criteria to be considered by
1840 the department and the division; requiring a
1841 production company to have financing for a project
1842 before it applies for quick action funds; requiring
1843 the department to prescribe a form for an application
1844 with specified information; requiring that the
1845 department make a recommendation to the Governor to
1846 approve or deny an award within a specified timeframe
1847 after the completion of the review and evaluation;
1848 providing that an award of funds may not constitute
1849 more than a specified percentage of qualified
1850 expenditures in this state and prohibiting the use of
1851 such funds to pay wages to nonresidents; requiring a
1852 production to start within a specified period after it
1853 is approved by the Governor; requiring that the
1854 recommendation include performance conditions that the
1855 project must meet to obtain funds; requiring the
1856 department and the production company to enter into a
1857 specified agreement after approval by the Governor;
1858 requiring that the agreement be finalized and signed
1859 by an authorized officer of the production company
1860 within a specified period after approval by the
1861 Governor; prohibiting an approved production company
1862 from simultaneously receiving specified benefits for
1863 the same production; requiring that the department
1864 validate contractor performance and report such
1865 validation in the annual report; prohibiting the
1866 department from approving awards in excess of the



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1867 amount appropriated for a fiscal year; requiring the
1868 department to maintain a schedule of funds; providing
1869 that a production company that submits fraudulent
1870 information is liable for reimbursement of specified
1871 costs; providing a penalty; prohibiting the department
1872 from waiving any provision or providing an extension
1873 of time to meet specified requirements; providing an
1874 expiration date; amending s. 288.1258, F.S.;

1875 conforming provisions to changes made by the act;
1876 prohibiting an approved production company from
1877 simultaneously receiving benefits under specified
1878 provisions for the same production; requiring the
1879 department to develop a standardized application form
1880 in cooperation with the division and other agencies;
1881 requiring the qualified production company to submit
1882 aggregate data on specified topics; authorizing a
1883 qualified production company to renew its certificate
1884 of exemption for a specified period; amending s.
1885 288.92, F.S.; requiring Enterprise Florida, Inc., to
1886 have a division relating to film and entertainment;
1887 amending s. 477.0135, F.S.; conforming a provision to
1888 changes made by the act; amending ss. 212.08, and
1889 220.1899, F.S.; conforming cross-references; providing
1890 an effective date.