

By Senator Simpson

18-00339A-15

2015302\_\_

1                   A bill to be entitled  
2           An act relating to the community contribution tax  
3           credit program; amending ss. 212.08, 220.183, and  
4           624.5105, F.S.; extending the expiration date  
5           applicable to the granting of the community  
6           contribution tax credit against the sales and use tax,  
7           corporate income tax, and insurance premium tax for  
8           contributions and donations to eligible sponsors of  
9           revitalization and housing projects approved by the  
10          Department of Economic Opportunity; reenacting s.  
11          220.02(8), F.S., relating to legislative intent for  
12          the income tax code, to incorporate the amendment made  
13          to s. 220.183, F.S., in a reference thereto;  
14          reenacting s. 220.183(1)(c) and (g), F.S., relating to  
15          the community contribution tax credit, to incorporate  
16          the amendments made to ss. 212.08 and 624.5105, F.S.,  
17          in references thereto; reenacting s. 624.5105(1)(c),  
18          F.S., relating to the community contribution tax  
19          credit, to incorporate the amendments made to ss.  
20          212.08 and 220.183, F.S., in references thereto;  
21          reenacting s. 377.809(4)(a), F.S., relating to the  
22          Energy Economic Zone Pilot Program, to incorporate the  
23          amendments made to ss. 212.08, 220.183, and 624.5105,  
24          F.S., in references thereto; providing an effective  
25          date.

26  
27   Be It Enacted by the Legislature of the State of Florida:

28  
29          Section 1. Paragraph (p) of subsection (5) of section

18-00339A-15

2015302\_\_

30 212.08, Florida Statutes, is amended to read:

31       212.08 Sales, rental, use, consumption, distribution, and  
32 storage tax; specified exemptions.—The sale at retail, the  
33 rental, the use, the consumption, the distribution, and the  
34 storage to be used or consumed in this state of the following  
35 are hereby specifically exempt from the tax imposed by this  
36 chapter.

37       (5) EXEMPTIONS; ACCOUNT OF USE.—

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

39       1. Authorization.—Persons who are registered with the  
40 department under s. 212.18 to collect or remit sales or use tax  
41 and who make donations to eligible sponsors are eligible for tax  
42 credits against their state sales and use tax liabilities as  
43 provided in this paragraph:

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

46       b. The credit shall be granted as a refund against state  
47 sales and use taxes reported on returns and remitted in the 12  
48 months preceding the date of application to the department for  
49 the credit as required in sub-subparagraph 3.c. If the annual  
50 credit is not fully used through such refund because of  
51 insufficient tax payments during the applicable 12-month period,  
52 the unused amount may be included in an application for a refund  
53 made pursuant to sub-subparagraph 3.c. in subsequent years  
54 against the total tax payments made for such year. Carryover  
55 credits may be applied for a 3-year period without regard to any  
56 time limitation that would otherwise apply under s. 215.26.

57       c. A person may not receive more than \$200,000 in annual  
58 tax credits for all approved community contributions made in any

18-00339A-15

2015302\_\_

59 one year.

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

62 e. The total amount of tax credits which may be granted for  
63 all programs approved under this paragraph, s. 220.183, and s.  
64 624.5105 is \$18.4 million annually for projects that provide  
65 homeownership opportunities for low-income households or very-  
66 low-income households as those terms are defined in s. 420.9071  
67 and \$3.5 million annually for all other projects.

68 f. A person who is eligible to receive the credit provided  
69 in this paragraph, s. 220.183, or s. 624.5105 may receive the  
70 credit only under one section of the person's choice.

71 2. Eligibility requirements.—

72 a. A community contribution by a person must be in the  
73 following form:

74 (I) Cash or other liquid assets;

75 (II) Real property;

76 (III) Goods or inventory; or

77 (IV) Other physical resources identified by the Department  
78 of Economic Opportunity.

79 b. All community contributions must be reserved exclusively  
80 for use in a project. As used in this sub-subparagraph, the term  
81 "project" means activity undertaken by an eligible sponsor which  
82 is designed to construct, improve, or substantially rehabilitate  
83 housing that is affordable to low-income households or very-low-  
84 income households as those terms are defined in s. 420.9071;  
85 designed to provide commercial, industrial, or public resources  
86 and facilities; or designed to improve entrepreneurial and job-  
87 development opportunities for low-income persons. A project may

18-00339A-15

2015302\_\_

88 be the investment necessary to increase access to high-speed  
89 broadband capability in rural communities with enterprise zones,  
90 including projects that result in improvements to communications  
91 assets that are owned by a business. A project may include the  
92 provision of museum educational programs and materials that are  
93 directly related to a project approved between January 1, 1996,  
94 and December 31, 1999, and located in an enterprise zone  
95 designated pursuant to s. 290.0065. This paragraph does not  
96 preclude projects that propose to construct or rehabilitate  
97 housing for low-income households or very-low-income households  
98 on scattered sites. With respect to housing, contributions may  
99 be used to pay the following eligible low-income and very-low-  
100 income housing-related activities:

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

103 (II) Down payment and closing costs for low-income persons  
104 and very-low-income persons, as those terms are defined in s.  
105 420.9071;

106 (III) Administrative costs, including housing counseling  
107 and marketing fees, not to exceed 10 percent of the community  
108 contribution, directly related to low-income or very-low-income  
109 projects; and

110 (IV) Removal of liens recorded against residential property  
111 by municipal, county, or special district local governments if  
112 satisfaction of the lien is a necessary precedent to the  
113 transfer of the property to a low-income person or very-low-  
114 income person, as those terms are defined in s. 420.9071, for  
115 the purpose of promoting home ownership. Contributions for lien  
116 removal must be received from a nonrelated third party.

18-00339A-15

2015302\_\_

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

119 (I) A community action program;

120 (II) A nonprofit community-based development organization  
121 whose mission is the provision of housing for low-income  
122 households or very-low-income households or increasing  
123 entrepreneurial and job-development opportunities for low-income  
124 persons;

125 (III) A neighborhood housing services corporation;

126 (IV) A local housing authority created under chapter 421;

127 (V) A community redevelopment agency created under s.

128 163.356;

129 (VI) A historic preservation district agency or  
130 organization;

131 (VII) A regional workforce board;

132 (VIII) A direct-support organization as provided in s.

133 1009.983;

134 (IX) An enterprise zone development agency created under s.

135 290.0056;

136 (X) A community-based organization incorporated under  
137 chapter 617 which is recognized as educational, charitable, or  
138 scientific pursuant to s. 501(c)(3) of the Internal Revenue Code  
139 and whose bylaws and articles of incorporation include  
140 affordable housing, economic development, or community  
141 development as the primary mission of the corporation;

142 (XI) Units of local government;

143 (XII) Units of state government; or

144 (XIII) Any other agency that the Department of Economic  
145 Opportunity designates by rule.

18-00339A-15

2015302\_\_

146  
147  
148  
149  
150  
151  
152  
153  
154  
155  
156  
157  
158  
159  
160  
161  
162  
163  
164  
165  
166  
167  
168  
169  
170  
171  
172  
173  
174

A contributing person may not have a financial interest in the eligible sponsor.

d. The project must be located in an area designated an enterprise zone or a Front Porch Florida Community, unless the project increases access to high-speed broadband capability for rural communities that have enterprise zones but is physically located outside the designated rural zone boundaries. Any project designed to construct or rehabilitate housing for low-income households or very-low-income households as those terms are defined in s. 420.9071 is exempt from the area requirement of this sub-subparagraph.

e.(I) If, during the first 10 business days of the state fiscal year, eligible tax credit applications for projects that provide homeownership opportunities for low-income households or very-low-income households as those terms are defined in s. 420.9071 are received for less than the annual tax credits available for those projects, the Department of Economic Opportunity shall grant tax credits for those applications and grant remaining tax credits on a first-come, first-served basis for subsequent eligible applications received before the end of the state fiscal year. If, during the first 10 business days of the state fiscal year, eligible tax credit applications for projects that provide homeownership opportunities for low-income households or very-low-income households as those terms are defined in s. 420.9071 are received for more than the annual tax credits available for those projects, the Department of Economic Opportunity shall grant the tax credits for those applications as follows:

18-00339A-15

2015302\_\_

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

179 (B) If tax credit applications submitted for approved  
180 projects of an eligible sponsor exceed \$200,000 in total, the  
181 amount of tax credits granted pursuant to sub-sub-sub-  
182 subparagraph (A) shall be subtracted from the amount of  
183 available tax credits, and the remaining credits shall be  
184 granted to each approved tax credit application on a pro rata  
185 basis.

186 (II) If, during the first 10 business days of the state  
187 fiscal year, eligible tax credit applications for projects other  
188 than those that provide homeownership opportunities for low-  
189 income households or very-low-income households as those terms  
190 are defined in s. 420.9071 are received for less than the annual  
191 tax credits available for those projects, the Department of  
192 Economic Opportunity shall grant tax credits for those  
193 applications and shall grant remaining tax credits on a first-  
194 come, first-served basis for subsequent eligible applications  
195 received before the end of the state fiscal year. If, during the  
196 first 10 business days of the state fiscal year, eligible tax  
197 credit applications for projects other than those that provide  
198 homeownership opportunities for low-income households or very-  
199 low-income households as those terms are defined in s. 420.9071  
200 are received for more than the annual tax credits available for  
201 those projects, the Department of Economic Opportunity shall  
202 grant the tax credits for those applications on a pro rata  
203 basis.

18-00339A-15

2015302\_\_

204 3. Application requirements.—

205 a. An ~~Any~~ eligible sponsor seeking to participate in this  
206 program must submit a proposal to the Department of Economic  
207 Opportunity which sets forth the name of the sponsor, a  
208 description of the project, and the area in which the project is  
209 located, together with such supporting information as is  
210 prescribed by rule. The proposal must also contain a resolution  
211 from the local governmental unit in which the project is located  
212 certifying that the project is consistent with local plans and  
213 regulations.

214 b. A ~~Any~~ person seeking to participate in this program must  
215 submit an application for tax credit to the Department of  
216 Economic Opportunity which sets forth the name of the sponsor, a  
217 description of the project, and the type, value, and purpose of  
218 the contribution. The sponsor shall verify, in writing, the  
219 terms of the application and indicate its receipt of the  
220 contribution, and such verification must accompany the  
221 application for tax credit. The person must submit a separate  
222 tax credit application to the Department of Economic Opportunity  
223 for each individual contribution that it makes to each  
224 individual project.

225 c. A ~~Any~~ person who has received notification from the  
226 Department of Economic Opportunity that a tax credit has been  
227 approved must apply to the department to receive the refund.  
228 Application must be made on the form prescribed for claiming  
229 refunds of sales and use taxes and be accompanied by a copy of  
230 the notification. A person may submit only one application for  
231 refund to the department within a 12-month period.

232 4. Administration.—



18-00339A-15

2015302\_\_

233 a. The Department of Economic Opportunity may adopt rules  
234 necessary to administer this paragraph, including rules for the  
235 approval or disapproval of proposals by a person.

236 b. The decision of the Department of Economic Opportunity  
237 must be in writing, and, if approved, the notification shall  
238 state the maximum credit allowable to the person. Upon approval,  
239 the Department of Economic Opportunity shall transmit a copy of  
240 the decision to the department.

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

246 d. The Department of Economic Opportunity shall, in  
247 consultation with the statewide and regional housing and  
248 financial intermediaries, market the availability of the  
249 community contribution tax credit program to community-based  
250 organizations.

251 5. Expiration.—This paragraph expires June 30, 2025 ~~2016~~;  
252 however, any accrued credit carryover that is unused on that  
253 date may be used until the expiration of the 3-year carryover  
254 period for such credit.

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

257 220.183 Community contribution tax credit.—

258 (5) EXPIRATION.—The provisions of this section, except  
259 paragraph (1)(e), expire and are void on June 30, 2025 ~~2016~~.

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

18-00339A-15

2015302\_\_

262           624.5105 Community contribution tax credit; authorization;  
263 limitations; eligibility and application requirements;  
264 administration; definitions; expiration.—

265           (6) EXPIRATION.—The provisions of this section, except  
266 paragraph (1) (e), expire and are void on June 30, 2025 ~~2016~~.

267           Section 4. For the purpose of incorporating the amendment  
268 made by this act to section 220.183, Florida Statutes, in a  
269 reference thereto, subsection (8) of section 220.02, Florida  
270 Statutes, is reenacted to read:

271           220.02 Legislative intent.—

272           (8) It is the intent of the Legislature that credits  
273 against either the corporate income tax or the franchise tax be  
274 applied in the following order: those enumerated in s. 631.828,  
275 those enumerated in s. 220.191, those enumerated in s. 220.181,  
276 those enumerated in s. 220.183, those enumerated in s. 220.182,  
277 those enumerated in s. 220.1895, those enumerated in s. 220.195,  
278 those enumerated in s. 220.184, those enumerated in s. 220.186,  
279 those enumerated in s. 220.1845, those enumerated in s. 220.19,  
280 those enumerated in s. 220.185, those enumerated in s. 220.1875,  
281 those enumerated in s. 220.192, those enumerated in s. 220.193,  
282 those enumerated in s. 288.9916, those enumerated in s.  
283 220.1899, those enumerated in s. 220.194, and those enumerated  
284 in s. 220.196.

285           Section 5. For the purpose of incorporating the amendments  
286 made by this act to sections 212.08 and 624.5105, Florida  
287 Statutes, in references thereto, paragraphs (c) and (g) of  
288 subsection (1) of section 220.183, Florida Statutes, are  
289 reenacted to read:

290           220.183 Community contribution tax credit.—

18-00339A-15

2015302\_\_

291 (1) AUTHORIZATION TO GRANT COMMUNITY CONTRIBUTION TAX  
 292 CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS AND PROGRAM  
 293 SPENDING.—

294 (c) The total amount of tax credit which may be granted for  
 295 all programs approved under this section, s. 212.08(5)(p), and  
 296 s. 624.5105 is \$18.4 million annually for projects that provide  
 297 homeownership opportunities for low-income or very-low-income  
 298 households as defined in s. 420.9071 and \$3.5 million annually  
 299 for all other projects.

300 (g) A taxpayer who is eligible to receive the credit  
 301 provided for in s. 624.5105 is not eligible to receive the  
 302 credit provided by this section.

303 Section 6. For the purpose of incorporating the amendments  
 304 made by this act to sections 212.08 and 220.183, Florida  
 305 Statutes, in references thereto, paragraph (c) of subsection (1)  
 306 of section 624.5105, Florida Statutes, is reenacted to read:

307 624.5105 Community contribution tax credit; authorization;  
 308 limitations; eligibility and application requirements;  
 309 administration; definitions; expiration.—

310 (1) AUTHORIZATION TO GRANT TAX CREDITS; LIMITATIONS.—

311 (c) The total amount of tax credit which may be granted for  
 312 all programs approved under this section and ss. 212.08(5)(p)  
 313 and 220.183 is \$18.4 million annually for projects that provide  
 314 homeownership opportunities for low-income or very-low-income  
 315 households as defined in s. 420.9071 and \$3.5 million annually  
 316 for all other projects.

317 Section 7. For the purpose of incorporating the amendments  
 318 made by this act to sections 212.08, 220.183, and 624.5105,  
 319 Florida Statutes, in references thereto, paragraph (a) of

18-00339A-15

2015302\_\_

320 subsection (4) of section 377.809, Florida Statutes, is  
321 reenacted to read:

322 377.809 Energy Economic Zone Pilot Program.—

323 (4) (a) Beginning July 1, 2012, all the incentives and  
324 benefits provided for enterprise zones pursuant to state law  
325 shall be available to the energy economic zones designated  
326 pursuant to this section on or before July 1, 2010. In order to  
327 provide incentives, by March 1, 2012, each local governing body  
328 that has jurisdiction over an energy economic zone must, by  
329 local ordinance, establish the boundary of the energy economic  
330 zone, specify applicable energy-efficiency standards, and  
331 determine eligibility criteria for the application of state and  
332 local incentives and benefits in the energy economic zone.  
333 However, in order to receive benefits provided under s. 288.106,  
334 a business must be a qualified target industry business under s.  
335 288.106 for state purposes. An energy economic zone's boundary  
336 may be revised by local ordinance. Such incentives and benefits  
337 include those in ss. 212.08, 212.096, 220.181, 220.182, 220.183,  
338 288.106, and 624.5105 and the public utility discounts provided  
339 in s. 290.007(8). The exemption provided in s. 212.08(5)(c)  
340 shall be for renewable energy as defined in s. 377.803. For  
341 purposes of this section, any applicable requirements for  
342 employee residency for higher refund or credit thresholds must  
343 be based on employee residency in the energy economic zone or an  
344 enterprise zone. A business in an energy economic zone may also  
345 be eligible for funding under ss. 288.047 and 445.003, and a  
346 transportation project in an energy economic zone shall be  
347 provided priority in funding under s. 339.2821. Other projects  
348 shall be given priority ranking to the extent practicable for

18-00339A-15

2015302\_\_

349 grants administered under state energy programs.

350 Section 8. This act shall take effect upon becoming a law.