

1                                   A bill to be entitled  
2           An act relating to the entertainment industry;  
3           amending s. 288.125, F.S.; revising applicability of  
4           the term "entertainment industry"; transferring,  
5           renumbering, and amending s. 288.1251, F.S.; renaming  
6           the Office of Film and Entertainment as the Division  
7           of Film and Entertainment within Enterprise Florida,  
8           Inc.; requiring the division to serve as a liaison  
9           between the entertainment industry and other agencies,  
10          commissions, and organizations; requiring the Governor  
11          to appoint the film and entertainment commissioner;  
12          revising the requirements of the division's strategic  
13          plan; repealing s. 288.1252, F.S., relating to the  
14          Florida Film and Entertainment Advisory Council;  
15          transferring, renumbering, and amending s. 288.1253,  
16          F.S.; conforming provisions to changes made by the  
17          act; amending s. 288.1254, F.S.; revising and deleting  
18          definitions; requiring additional information in  
19          certain applications related to qualified productions;  
20          establishing procedures for queuing applications  
21          received after a specific period; providing procedures  
22          for submitting applications for high-impact production  
23          commitments; specifying the period during which  
24          applications remain in the queue for tax credits;  
25          establishing parameters to be used by the department  
26          in certifying tax credits; requiring certified

27 production companies to provide specified workforce  
28 data; requiring certified production companies to  
29 contribute a specific percentage of awards to certain  
30 entities; requiring certain production companies to  
31 provide internship opportunities; prohibiting certain  
32 production companies from submitting tax credit  
33 application under certain circumstances; requiring  
34 certain production companies to take specified actions  
35 to promote the state; revising provisions related to  
36 distributions of tax credits; revising provisions for  
37 certification of tax credits in excess of allocated  
38 amounts; revising dates for the repeal of certain tax  
39 credits; redefining terms; requiring the Department of  
40 Economic Opportunity, rather than the Office of Film  
41 and Entertainment, to be responsible for applications  
42 for the entertainment industry financial incentive  
43 program; revising provisions relating to the  
44 application process, tax credit eligibility, transfer  
45 of tax credits, election and distribution of tax  
46 credits, allocation of tax credits, forfeiture of tax  
47 credits, and annual report; revising the repeal date  
48 for the program; conforming provisions to changes made  
49 by the act; specifying a date on which the  
50 applications on file with the department and not yet  
51 certified are deemed denied; amending s. 288.1258,  
52 F.S.; conforming provisions to changes made by the

53 act; prohibiting an approved production company from  
 54 simultaneously receiving benefits under specified  
 55 provisions for the same production while protecting  
 56 other specified benefits; requiring the department to  
 57 develop a standardized application form in cooperation  
 58 with the division and other agencies; requiring the  
 59 qualified production company to submit aggregate data  
 60 on specified topics; authorizing a qualified  
 61 production company to renew its certificate of  
 62 exemption for a specified period; amending s. 288.92,  
 63 F.S.; requiring Enterprise Florida, Inc., to have a  
 64 division relating to film and entertainment; amending  
 65 s. 477.0135, F.S.; conforming a provision to changes  
 66 made by the act; amending ss. 212.08 and 220.1899;  
 67 conforming cross-references; providing an effective  
 68 date.

69

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

71

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

74 288.125 Definition of "entertainment industry."—For the  
 75 purposes of ss. 288.1254, 288.1258, 288.914, and 288.915,  
 76 ~~288.1251–288.1258,~~ the term "entertainment industry" means those  
 77 persons or entities engaged in the operation of motion picture  
 78 or television studios or recording studios; those persons or

79 entities engaged in the preproduction, production, or  
 80 postproduction of motion pictures, made-for-television movies,  
 81 television programming, digital media projects, commercial  
 82 advertising, music videos, or sound recordings; and those  
 83 persons or entities providing products or services directly  
 84 related to the preproduction, production, or postproduction of  
 85 motion pictures, made-for-television movies, television  
 86 programming, digital media projects, commercial advertising,  
 87 music videos, or sound recordings, including, but not limited  
 88 to, the broadcast industry.

89 Section 2. Section 288.1251, Florida Statutes, is  
 90 transferred, renumbered as section 288.914, Florida Statutes,  
 91 and amended to read:

92 288.914 ~~288.1251~~ Promotion and development of  
 93 entertainment industry; Division ~~Office~~ of Film and  
 94 Entertainment; creation; purpose; powers and duties.—

95 (1) CREATION.—

96 ~~(a)~~ The Division of Film and Entertainment is ~~There is~~  
 97 ~~hereby~~ created within Enterprise Florida, Inc., ~~the department~~  
 98 ~~the Office of Film and Entertainment~~ for the purpose of  
 99 developing, recruiting, marketing, promoting, and providing  
 100 services to the state's entertainment industry. The division  
 101 shall serve as a liaison between the entertainment industry and  
 102 other state and local governmental agencies, local film  
 103 commissions, and labor organizations.

104 (2) ~~(b)~~ COMMISSIONER.—The Governor shall appoint a film and

105 entertainment commissioner, who shall serve at the pleasure of  
 106 the Governor and is subject to confirmation by the Senate  
 107 ~~department shall conduct a national search for a qualified~~  
 108 ~~person to fill the position of Commissioner of Film and~~  
 109 ~~Entertainment when the position is vacant. The executive~~  
 110 ~~director of the department has the responsibility to hire the~~  
 111 ~~film commissioner.~~ Qualifications for the film and entertainment  
 112 commissioner include, but are not limited to, the following:

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

117 (b)2. Marketing and promotion experience related to the  
 118 film and entertainment industries to be served.;

119 (c)3. Experience working with a variety of individuals  
 120 representing large and small entertainment-related businesses,  
 121 industry associations, local community entertainment industry  
 122 liaisons, and labor organizations.; ~~and~~

123 (d)4. Experience working with a variety of state and local  
 124 governmental agencies.

125 (3)2. POWERS AND DUTIES.—

126 (a) The division ~~Office of Film and Entertainment,~~ in  
 127 performance of its duties, shall develop and;

128 ~~1. In consultation with the Florida Film and Entertainment~~  
 129 ~~Advisory Council,~~ annually update a 5-year ~~the~~ strategic plan  
 130 ~~every 5 years~~ to guide the activities of the division ~~Office of~~

131 ~~Film and Entertainment~~ in the areas of entertainment industry  
132 development, recruitment, marketing, promotion, liaison  
133 services, field office administration, and information. The plan  
134 shall:

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

136 b. At a minimum, the plan must provide the following:

137 1. ~~The Include recommendations relating to the~~  
138 organizational structure of the division, including any field  
139 offices outside the state office.

140 2.e. The coordination of the division with local or  
141 regional offices maintained by counties and regions of the  
142 state, local film commissions, and labor organizations, and the  
143 coordination of such entities with each other to facilitate a  
144 working relationship.

145 3. Strategies to identify, solicit, and recruit  
146 entertainment production opportunities for the state, including  
147 implementation of programs for rural and urban areas designed to  
148 develop and promote the state's entertainment industry.

149 4. ~~Include~~ An annual budget projection for the division  
150 ~~office~~ for each year of the plan.

151 d. ~~Include an operational model for the office to use in~~  
152 ~~implementing programs for rural and urban areas designed to:~~

153 (I) ~~Develop and promote the state's entertainment~~  
154 ~~industry.~~

155 (II) ~~Have the office serve as a liaison between the~~  
156 ~~entertainment industry and other state and local governmental~~

157 ~~agencies, local film commissions, and labor organizations.~~

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

160 5.(IV) Provide Information and services service to  
161 businesses, communities, organizations, and individuals engaged  
162 in entertainment industry activities.

163 ~~(V) Administer field offices outside the state and~~  
164 ~~coordinate with regional offices maintained by counties and~~  
165 ~~regions of the state, as described in sub-sub-subparagraph (II),~~  
166 ~~as necessary.~~

167 6.e. Include Performance standards and measurable outcomes  
168 for the programs to be implemented by the division office.

169  
170 The plan shall be reviewed annually and approved by the board of  
171 directors of Enterprise Florida, Inc.

172 ~~f. Include an assessment of, and make recommendations on,~~  
173 ~~the feasibility of creating an alternative public-private~~  
174 ~~partnership for the purpose of contracting with such a~~  
175 ~~partnership for the administration of the state's entertainment~~  
176 ~~industry promotion, development, marketing, and service~~  
177 ~~programs.~~

178 ~~2. Develop, market, and facilitate a working relationship~~  
179 ~~between state agencies and local governments in cooperation with~~  
180 ~~local film commission offices for out-of-state and indigenous~~  
181 ~~entertainment industry production entities.~~

182 ~~3. Implement a structured methodology prescribed for~~

183 ~~coordinating activities of local offices with each other and the~~  
184 ~~commissioner's office.~~

185 (b) The division shall also:

186 1.4. Represent the state's indigenous entertainment  
187 industry to key decisionmakers within the national and  
188 international entertainment industry, and to state and local  
189 officials.

190 2.5. Prepare an inventory and analysis of the state's  
191 entertainment industry, including, but not limited to,  
192 information on crew, related businesses, support services, job  
193 creation, talent, and economic impact and coordinate with local  
194 offices to develop an information tool for common use. Any  
195 economic impact analysis created pursuant to this paragraph  
196 shall be made in coordination with the Office of Economic and  
197 Demographic Research.

198 3.6. Identify, solicit, and recruit entertainment  
199 production opportunities for the state.

200 4.7. Assist rural communities and other small communities  
201 in the state in developing the expertise and capacity necessary  
202 for such communities to develop, market, promote, and provide  
203 services to the state's entertainment industry.

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

206 1. Conduct or contract for specific promotion and  
207 marketing functions, including, but not limited to, production  
208 of a statewide directory, production and maintenance of an



209 Internet website, establishment and maintenance of a toll-free  
210 telephone number, organization of trade show participation, and  
211 appropriate cooperative marketing opportunities.

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

215 3. Carry out any program of information, special events,  
216 or publicity designed to attract entertainment industry to  
217 Florida.

218 4. Develop relationships and leverage resources with other  
219 public and private organizations or groups in their efforts to  
220 publicize to the entertainment industry in this state, other  
221 states, and other countries the depth of Florida's entertainment  
222 industry talent, crew, production companies, production  
223 equipment resources, related businesses, and support services,  
224 including the establishment of and expenditure for a program of  
225 cooperative advertising with these public and private  
226 organizations and groups in accordance with the provisions of  
227 chapter 120.

228 5. Provide and arrange for reasonable and necessary  
229 promotional items and services for such persons as the division  
230 ~~office~~ deems proper in connection with the performance of the  
231 promotional and other duties of the division ~~office~~.

232 6. Prepare an ~~annual~~ economic impact analysis in  
233 coordination with the Office of Economic and Demographic  
234 Research on entertainment industry-related activities in the

235 state.

236 7. Request or accept any grant, payment, or gift of funds  
 237 or property made by this state, the United States, or any  
 238 department or agency thereof, or by any individual, firm,  
 239 corporation, municipality, county, or organization, for ~~any or~~  
 240 ~~all of~~ the purposes of the ~~Office of Film and Entertainment's~~ 5-  
 241 year strategic plan or those permitted activities enumerated in  
 242 this paragraph. Such funds shall be deposited in a separate  
 243 account ~~the Grants and Donations Trust Fund of the Executive~~  
 244 ~~Office of the Governor~~ for use by the division ~~Office of Film~~  
 245 ~~and Entertainment~~ in carrying out its responsibilities and  
 246 duties as delineated in law. The division ~~office~~ may expend such  
 247 funds in accordance with the terms and conditions of any such  
 248 grant, payment, or gift in the pursuit of its administration or  
 249 in support of fulfilling its duties and responsibilities. The  
 250 division ~~office~~ shall separately account for the public funds  
 251 and the private funds deposited into the account ~~trust fund~~.

252 Section 3. Section 288.1252, Florida Statutes, is  
 253 repealed.

254 Section 4. Section 288.1253, Florida Statutes, is  
 255 transferred, renumbered as section 288.915, Florida Statutes,  
 256 and amended to read:

257 288.915 ~~288.1253~~ Travel and entertainment expenses.—

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

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

265 (2) Notwithstanding ~~the provisions of~~ s. 112.061, the  
 266 department shall adopt rules by which the Division of Film and  
 267 Entertainment ~~it~~ may make expenditures by reimbursement to~~+~~ the  
 268 Governor, the Lieutenant Governor, security staff of the  
 269 Governor or Lieutenant Governor, the Commissioner of Film and  
 270 Entertainment, or staff of the division Office ~~of Film and~~  
 271 ~~Entertainment~~ for travel expenses or entertainment expenses  
 272 incurred by such individuals solely and exclusively in  
 273 connection with the performance of the statutory duties of the  
 274 division Office ~~of Film and Entertainment~~. The rules are subject  
 275 to approval by the Chief Financial Officer before adoption. The  
 276 rules shall require the submission of paid receipts, or other  
 277 proof of expenditure prescribed by the Chief Financial Officer,  
 278 with any claim for reimbursement.

279 (3) The Division Office of Film and Entertainment shall  
 280 include in the annual report for the entertainment industry  
 281 ~~financial incentive~~ program required under s. 288.1254  
 282 ~~288.1254(10)~~ a report of the division's ~~office's~~ expenditures  
 283 for the previous fiscal year. The report must summarize ~~consist~~  
 284 ~~of a summary of~~ all travel, entertainment, and incidental  
 285 expenses incurred within the United States and all travel,  
 286 entertainment, and incidental expenses incurred outside the

287 United States, as well as summarize ~~a summary~~ of all successful  
 288 projects that developed from such travel.

289 (4) The Division ~~Office~~ of Film and Entertainment and its  
 290 employees and representatives, when authorized, may accept and  
 291 use complimentary travel, accommodations, meeting space, meals,  
 292 equipment, transportation, and any other goods or services  
 293 necessary for or beneficial to the performance of the division's  
 294 ~~office's~~ duties and purposes, so long as such acceptance or use  
 295 is not in conflict with part III of chapter 112. The department  
 296 shall, by rule, develop internal controls to ensure that such  
 297 goods or services accepted or used pursuant to this subsection  
 298 are limited to those that will assist solely and exclusively in  
 299 the furtherance of the division's ~~office's~~ goals and are in  
 300 compliance with part III of chapter 112.

301 (5) Any claim submitted under this section is not required  
 302 to be sworn to before a notary public or other officer  
 303 authorized to administer oaths, but any claim authorized or  
 304 required to be made under any provision of this section shall  
 305 contain a statement that the expenses were actually incurred as  
 306 necessary travel or entertainment expenses in the performance of  
 307 official duties of the Division ~~Office~~ of Film and Entertainment  
 308 and shall be verified by written declaration that it is true and  
 309 correct as to every material matter. Any person who willfully  
 310 makes and subscribes to any claim that ~~which~~ he or she does not  
 311 believe to be true and correct as to every material matter or  
 312 who willfully aids or assists in, procures, or counsels or

313 advises with respect to, the preparation or presentation of a  
 314 claim pursuant to this section that is fraudulent or false as to  
 315 any material matter, whether such falsity or fraud is with the  
 316 knowledge or consent of the person authorized or required to  
 317 present the claim, commits a misdemeanor of the second degree,  
 318 punishable as provided in s. 775.082 or s. 775.083. Whoever  
 319 receives a reimbursement by means of a false claim is civilly  
 320 liable, in the amount of the overpayment, for the reimbursement  
 321 of the public fund from which the claim was paid.

322 Section 5. Subsections (1) through (7) and (11) of section  
 323 288.1254, Florida Statutes, are amended to read:

324 288.1254 Entertainment industry financial incentive  
 325 economic development tax credit program.—

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

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

339 (b) "Digital media project" means a production of  
340 interactive entertainment that is produced for distribution in  
341 commercial or educational markets. The term includes a video  
342 game or production intended for Internet or wireless  
343 distribution, an interactive website, digital animation, and  
344 visual effects, including, but not limited to, three-dimensional  
345 movie productions and movie conversions. The term does not  
346 include a production that contains content that is obscene as  
347 defined in s. 847.001.

348 (c) "High-impact digital media project" means a digital  
349 media project that has qualified expenditures greater than \$4.5  
350 million.

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

352 1. A production series created to run multiple production  
353 seasons which has ~~and having~~ an estimated order of at least  
354 seven episodes per season and qualified expenditures of at least  
355 \$1 million ~~\$625,000~~ per episode; or

356 2. A telenovela that has qualified expenditures of more  
357 than \$4.5 million; a minimum of 45 principal photography days  
358 filmed in this state; a production cast, including background  
359 actors and crew, of which at least 90 percent are legal  
360 residents of the state; and at least 90 percent of the  
361 production occurring in this state.

362 (e) "Off-season certified production" means a feature  
363 film, independent film, or television series or pilot that films  
364 75 percent or more of its principal photography days from June 1

365 through November 30.

366 (f) "Principal photography" means the filming of major or  
367 significant components of the qualified production which involve  
368 lead actors.

369 (g) "Production" means a theatrical or direct-to-video  
370 motion picture; a made-for-television motion picture; visual  
371 effects or digital animation sequences produced in conjunction  
372 with a motion picture; a commercial; a music video; an  
373 industrial or educational film; an infomercial; a documentary  
374 film; a television pilot program; a presentation for a  
375 television pilot program; a television series, including, but  
376 not limited to, a drama, a reality show, a comedy, a soap opera,  
377 a telenovela, a game show, an awards show, or a miniseries  
378 production; a direct-to-Internet television series; or a digital  
379 media project by the entertainment industry. One season of a  
380 television series is considered one production. The term does  
381 not include a weather or market program; a sporting event or a  
382 sporting event broadcast; a gala; a production that solicits  
383 funds; a home shopping program; a political program; a political  
384 documentary; political advertising; a gambling-related project  
385 or production; a concert production; a local, regional, or  
386 Internet-distributed-only news show or current-events show; a  
387 sports news or sports recap show; a pornographic production; or  
388 any production deemed obscene under chapter 847. A production  
389 may be produced on or by film, tape, or otherwise by means of a  
390 motion picture camera; electronic camera or device; tape device;

391 computer; any combination of the foregoing; or any other means,  
392 method, or device.

393 (h) "Production expenditures" means the costs of tangible  
394 and intangible property used for, and services performed  
395 primarily and customarily in, production, including  
396 preproduction and postproduction, but excluding costs for  
397 development, marketing, and distribution. The term includes, but  
398 is not limited to:

399 1. Wages, salaries, or other compensation paid to legal  
400 residents of this state, including amounts paid through payroll  
401 service companies, for technical and production crews,  
402 directors, producers, and performers.

403 2. Net expenditures for sound stages, backlots, production  
404 editing, digital effects, sound recordings, sets, and set  
405 construction.

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

408 4. Up to \$300,000 of the costs of newly purchased computer  
409 software and hardware unique to the project, including servers,  
410 data processing, and visualization technologies, which are  
411 located in and used exclusively in the state for the production  
412 of digital media.

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



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

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

421 1. Goods purchased or leased from, or services, including,  
 422 but not limited to, insurance costs and bonding, payroll  
 423 services, and legal fees, which are provided by, a vendor or  
 424 supplier in this state that is registered with the Department of  
 425 State or the Department of Revenue, has a physical location in  
 426 this state, and employs one or more legal residents of this  
 427 state. This does not include rebilled goods or services provided  
 428 by an in-state company from out-of-state vendors or suppliers.  
 429 When services provided by the vendor or supplier include  
 430 personal services or labor, only personal services or labor  
 431 provided by residents of this state, evidenced by the required  
 432 documentation of residency in this state, qualify.

433 2. Payments to legal residents of this state in the form  
 434 of salary, wages, or other compensation up to a maximum of  
 435 \$400,000 per resident unless otherwise specified in subsection  
 436 (4). A completed declaration of residency in this state must  
 437 accompany the documentation submitted to the office for  
 438 reimbursement.

439  
 440 For a qualified production involving an event, such as an awards  
 441 show, the term does not include expenditures solely associated  
 442 with the event itself and not directly required by the

443 production. The term does not include expenditures incurred  
444 before certification, with the exception of those incurred for a  
445 commercial, a music video, or the pickup of additional episodes  
446 of a high-impact television series within a single season. Under  
447 no circumstances may the qualified production include in the  
448 calculation of ~~for~~ qualified expenditures the original purchase  
449 price for equipment or other tangible property that is later  
450 sold or transferred by the qualified production for  
451 consideration. In such cases, the qualified expenditure is the  
452 net of the original purchase price minus the consideration  
453 received upon sale or transfer.

454 (j) "Qualified production" means a production in this  
455 state meeting the requirements of this section. The term does  
456 not include a production:

457 1. In which, for the first 2 years of the incentive  
458 program, less than 50 percent, and thereafter, less than 60  
459 percent, of the positions that make up its production cast and  
460 below-the-line production crew, or, in the case of digital media  
461 projects, less than 75 percent of such positions, are filled by  
462 legal residents of this state, whose residency is demonstrated  
463 by a valid Florida driver license or other state-issued  
464 identification confirming residency, or students enrolled full-  
465 time in a film-and-entertainment-related course of study at an  
466 institution of higher education in this state; or

467 2. That contains obscene content as defined in s.  
468 847.001(10).

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

472 (l) "Qualified digital media production facility" means a  
473 building or series of buildings and their improvements in which  
474 data processing, visualization, and sound synchronization  
475 technologies are regularly applied for the production of  
476 qualified digital media projects or the digital animation  
477 components of qualified productions.

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

484 ~~(n) "Regional population ratio" means the ratio of the~~  
485 ~~population of a region to the population of this state. The~~  
486 ~~regional population ratio applicable to a given fiscal year is~~  
487 ~~the regional population ratio calculated by the Office of Film~~  
488 ~~and Entertainment using the latest official estimates of~~  
489 ~~population certified under s. 186.901, available on the first~~  
490 ~~day of that fiscal year.~~

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

495 ~~the denominator of which is the sum of all tax credits awarded~~  
496 ~~in the state to date plus all tax credits certified, but not yet~~  
497 ~~awarded, to productions currently in the state. The regional tax~~  
498 ~~credit ratio applicable to a given year is the regional tax~~  
499 ~~credit ratio calculated by the Office of Film and Entertainment~~  
500 ~~using credit award and certification information available on~~  
501 ~~the first day of that fiscal year.~~

502 ~~(p) "Underutilized region" for a given state fiscal year~~  
503 ~~means a region with a regional tax credit ratio applicable to~~  
504 ~~that fiscal year that is lower than its regional population~~  
505 ~~ratio applicable to that fiscal year. The following regions are~~  
506 ~~established for purposes of making this determination:~~

507 ~~1. North Region, consisting of Alachua, Baker, Bay,~~  
508 ~~Bradford, Calhoun, Clay, Columbia, Dixie, Duval, Escambia,~~  
509 ~~Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Holmes, Jackson,~~  
510 ~~Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Nassau,~~  
511 ~~Okaloosa, Putnam, Santa Rosa, St. Johns, Suwannee, Taylor,~~  
512 ~~Union, Wakulla, Walton, and Washington Counties.~~

513 ~~2. Central East Region, consisting of Brevard, Flagler,~~  
514 ~~Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St.~~  
515 ~~Lucie, and Volusia Counties.~~

516 ~~3. Central West Region, consisting of Citrus, Hernando,~~  
517 ~~Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota,~~  
518 ~~and Sumter Counties.~~

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

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

523           (n) ~~(q)~~ "Interactive website" means a website or group of  
 524 websites that includes interactive and downloadable content, and  
 525 creates 25 new Florida full-time equivalent positions operating  
 526 from a principal place of business located within Florida. An  
 527 interactive website or group of websites must provide  
 528 documentation to the Division of Film and Entertainment that  
 529 those jobs were created ~~to the Office of Film and Entertainment~~  
 530 prior to the award of tax credits. Each subsequent program  
 531 application must provide proof that 25 Florida full-time  
 532 equivalent positions are maintained.

533           (2) CREATION AND PURPOSE OF PROGRAM.—The entertainment  
 534 industry financial incentive program is created within the  
 535 Division ~~Office~~ of Film and Entertainment. The purpose of this  
 536 program is to encourage the use of this state as a site for  
 537 filming, for the digital production of films, and to develop and  
 538 sustain the workforce and infrastructure for film, digital  
 539 media, and entertainment production.

540           (3) APPLICATION PROCEDURE; APPROVAL PROCESS.—

541           (a) Program application.—A qualified production company  
 542 producing a qualified production in this state may submit a  
 543 program application to the Division ~~Office~~ of Film and  
 544 Entertainment for the purpose of determining qualification for  
 545 an award of tax credits authorized by this section no earlier  
 546 than 180 days before the first day of principal photography or

547 project start date in this state. The applicant shall provide  
548 the division ~~Office of Film and Entertainment~~ with information  
549 required to determine whether the production is a qualified  
550 production and to determine the qualified expenditures and other  
551 information necessary for the division ~~office~~ to determine  
552 eligibility for the tax credit.

553 (b) Required documentation.—The Division ~~Office~~ of Film  
554 and Entertainment shall develop an application form for  
555 qualifying an applicant as a qualified production. The form must  
556 include, but need not be limited to, production-related  
557 information concerning employment of residents in this state, a  
558 detailed budget of planned qualified expenditures and  
559 nonqualified expenditures in this state, and the applicant's  
560 signed affirmation that the information on the form has been  
561 verified and is correct. The Division ~~Office~~ of Film and  
562 Entertainment and local film commissions shall distribute the  
563 form.

564 (c) Application process.—

565 1. The Division of Film and Entertainment shall establish  
566 a process to receive and review applications.

567 2. The Office of Economic and Demographic Research shall  
568 create or approve a model to be used by the Division of Film and  
569 Entertainment to determine the expected economic benefit of the  
570 proposed production in each application. The expected economic  
571 benefit derived from such model shall be quantified in a numeric  
572 score awarded to the application. That score is the "production

573 priority score."

574 3. The Division of Film and Entertainment shall designate  
575 two application cycles per fiscal year for qualified production  
576 companies to submit applications pursuant to this section. Each  
577 application cycle shall consist of an application submittal  
578 deadline and a review period. The two application deadlines  
579 shall be separated by at least 4 months. The first application  
580 cycle shall be application cycle "A" and the second cycle shall  
581 be application cycle "B." Each applicant must designate the  
582 cycle for which the applicant is applying.

583 4. The Division of Film and Entertainment shall determine  
584 the length of the review period for each application cycle, not  
585 to exceed 30 days, and must immediately follow its corresponding  
586 deadline. During each review period, the Division of Film and  
587 Entertainment shall:

588 a. Review each timely received application to ensure that  
589 the application is complete and label each application according  
590 to its queue as set forth in subsection (4).

591 b. Use the model created or approved by the Office of  
592 Economic and Demographic Research to determine each  
593 application's production priority score.

594 c. Submit each complete and timely received application,  
595 along with its production priority score, to the department.

596 5. Applications not timely received may not carry forward  
597 to a subsequent application cycle. ~~The Office of Film and~~  
598 Entertainment shall establish a process by which an application

599 ~~is accepted and reviewed and by which tax credit eligibility and~~  
600 ~~award amount are determined. The Office of Film and~~  
601 ~~Entertainment may request assistance from a duly appointed local~~  
602 ~~film commission in determining compliance with this section.~~

603 6. A certified high-impact television series may submit an  
604 initial application for no more than two successive seasons,  
605 notwithstanding the fact that the successive seasons have not  
606 been ordered. The successive season's qualified expenditure  
607 amounts shall be based on the current season's estimated  
608 qualified expenditures. Upon the completion of production of  
609 each season, a high-impact television series may submit an  
610 application for no more than one additional season.

611 (d) Certification. ~~The Office of Film and Entertainment~~  
612 ~~shall review the application within 15 business days after~~  
613 ~~receipt. Upon its determination that the application contains~~  
614 ~~all the information required by this subsection and meets the~~  
615 ~~criteria set out in this section, the Office of Film and~~  
616 ~~Entertainment shall qualify the applicant and recommend to the~~  
617 ~~department that the applicant be certified for the maximum tax~~  
618 ~~credit award amount.~~

619 1. Within 5 business days after the end of an application  
620 cycle review period, ~~receipt of the recommendation,~~ the  
621 department shall ~~reject the recommendation or~~ certify the  
622 maximum ~~recommended~~ tax credit award, if any, to each the  
623 applicant and give priority to applicants that received the  
624 highest production priority score. The department may only



625 compare an application's production priority score to  
626 applications of the same queue pursuant to subsection (4). The  
627 department shall submit certified applications to the executive  
628 director of the Department of Revenue.

629 2. The department may only certify up to 50 percent of the  
630 credits available in a fiscal year for application cycle "A" of  
631 such fiscal year. All remaining tax credits in a fiscal year may  
632 be certified in application cycle "B."

633 3. In any fiscal year, the department may only certify the  
634 amount of tax credits allocated for that fiscal year.

635 (e) Employment.—

636 1. Upon certification by the department, the production  
637 company must provide the Division of Film and Entertainment with  
638 a single point of contact and information related to the  
639 production's need for Florida workforce, goods, and services.  
640 The division shall publish this information on its website,  
641 including the type of production, the project's anticipated  
642 start date, and anticipated principal photography locations. The  
643 department may adopt rules to implement this paragraph.

644 2. A production company, upon receiving the tax credit  
645 award, shall contribute 5 percent of the award to a workforce  
646 training program or an institution of higher education in this  
647 state that is designated by the department as an approved  
648 recipient of workforce development funds under this paragraph.

649 3. A production company that has entered into a high-  
650 impact production commitment shall provide internship

651 opportunities for at least five Florida residents from an  
652 approved recipient of workforce development funds under this  
653 paragraph. Such internship opportunities shall be advertised on  
654 the state's job bank system.

655 (f) Grounds for denial.—The Division Office of Film and  
656 Entertainment shall deny an application if it determines that  
657 the application is not complete or the production or application  
658 does not meet the requirements of this section. Within 90 days  
659 after submitting a program application, except with respect to  
660 applications in the independent and emerging media queue, a  
661 production must provide proof of project financing to the  
662 Division Office of Film and Entertainment, otherwise the project  
663 is deemed denied and withdrawn. A project that has been  
664 withdrawn may submit a new application upon providing the  
665 Division Office of Film and Entertainment proof of financing.

666 (g) ~~(f)~~ Verification of actual qualified expenditures.—

667 1. The Division Office of Film and Entertainment shall  
668 develop a process to verify the actual qualified expenditures of  
669 a certified production. The process must require:

670 a. A certified production to submit, in a timely manner  
671 after production ends in this state and after making all of its  
672 qualified expenditures in this state, data substantiating each  
673 qualified expenditure, including documentation on the net  
674 expenditure on equipment and other tangible personal property by  
675 the qualified production, to an independent certified public  
676 accountant licensed in this state. ~~†~~

677           b. Such accountant to conduct a compliance audit, at the  
678 certified production's expense, to substantiate each qualified  
679 expenditure and submit the results as a report, along with the  
680 required substantiating data, to the Division ~~Office~~ of Film and  
681 Entertainment. ~~;~~ ~~and~~

682           c. The Division ~~Office~~ of Film and Entertainment to review  
683 the accountant's submittal and report to the department the  
684 final verified amount of actual qualified expenditures made by  
685 the certified production.

686           2. The department shall determine and approve the final  
687 tax credit award amount to each certified applicant based on the  
688 final verified amount of actual qualified expenditures and shall  
689 notify the executive director of the Department of Revenue in  
690 writing that the certified production has met the requirements  
691 of the incentive program and of the final amount of the tax  
692 credit award. The final tax credit award amount may not exceed  
693 the maximum tax credit award amount certified under paragraph  
694 (d).

695           (h) ~~(g)~~ Promoting Florida.—The Division ~~Office~~ of Film and  
696 Entertainment shall ensure that, as a condition of receiving a  
697 tax credit under this section, marketing materials promoting  
698 this state as a tourist destination or film and entertainment  
699 production destination are included, when appropriate, at no  
700 cost to the state, which must, at a minimum, include placement  
701 of a "Filmed in Florida" or "Produced in Florida" logo in the  
702 end credits. The placement of a "Filmed in Florida" or "Produced

703 in Florida" logo on all packaging material and hard media is  
704 also required, unless such placement is prohibited by licensing  
705 or other contractual obligations. The size and placement of such  
706 logo shall be commensurate to other logos used. If no logos are  
707 used, the statement "Filmed in Florida using Florida's  
708 Entertainment Industry Financial Incentive," or a similar  
709 statement approved by the Division Office of Film and  
710 Entertainment, shall be used. The Division Office of Film and  
711 Entertainment shall provide a logo and supply it for the  
712 purposes specified in this paragraph. A 30-second "Visit  
713 Florida" promotional video must also be included on all optical  
714 disc formats of a film, unless such placement is prohibited by  
715 licensing or other contractual obligations. The 30-second  
716 promotional video shall be approved and provided by the Florida  
717 Tourism Industry Marketing Corporation in consultation with the  
718 Commissioner of Film and Entertainment. A qualified production  
719 company that receives certification for tax credits under this  
720 section shall include, at no additional cost to the state, a  
721 link to the Florida Tourism Industry Marketing Corporation  
722 website or another website designated by the department on the  
723 company's website for the entire term of the commitment. If the  
724 company is unable to provide such link on its website, it must  
725 provide a promotional opportunity of equal or greater value as  
726 approved by and at the sole discretion of the department.

727 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;  
728 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;

729 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND  
730 ACQUISITIONS.—

731 ~~(a) Priority for tax credit award. The priority of a~~  
732 ~~qualified production for tax credit awards must be determined on~~  
733 ~~a first-come, first-served basis within its appropriate queue.~~  
734 ~~Each qualified production must be placed into the appropriate~~  
735 ~~queue and is subject to the requirements of that queue.~~

736 (a) Tax credit eligibility.—Each qualified production  
737 must be placed into the appropriate queue and is subject to the  
738 requirements of that queue.

739 1. General production queue.—Ninety-four percent of tax  
740 credits authorized pursuant to subsection (6) in any state  
741 fiscal year must be dedicated to the general production queue.  
742 The general production queue consists of all qualified  
743 productions other than those eligible for the commercial and  
744 music video queue or the independent and emerging media  
745 production queue. A qualified production that demonstrates a  
746 minimum of \$625,000 in qualified expenditures is eligible for  
747 tax credits equal to 20 percent of its actual qualified  
748 expenditures, up to a maximum of \$8 million. A qualified  
749 production that incurs qualified expenditures during multiple  
750 state fiscal years may combine those expenditures to satisfy the  
751 \$625,000 minimum threshold.

752 a. An off-season certified production that is a feature  
753 film, independent film, or television series or pilot is  
754 eligible for an additional 5 percent tax credit on actual

755 qualified expenditures. An off-season certified production that  
756 does not complete 75 percent of principal photography due to a  
757 disruption caused by a hurricane or tropical storm may not be  
758 disqualified from eligibility for the additional 5 percent  
759 credit as a result of the disruption.

760 ~~b. If more than 45 percent of the sum of total tax credits~~  
761 ~~initially certified and awarded after April 1, 2012, total tax~~  
762 ~~credits initially certified after April 1, 2012, but not yet~~  
763 ~~awarded, and total tax credits available for certification after~~  
764 ~~April 1, 2012, but not yet certified has been awarded for high-~~  
765 ~~impact television series, then no high-impact television series~~  
766 ~~is eligible for tax credits under this subparagraph. Tax credits~~  
767 ~~initially certified for a high-impact television series after~~  
768 ~~April 1, 2012, may not be awarded if the award will cause the~~  
769 ~~percentage threshold in this sub-subparagraph to be exceeded.~~  
770 ~~This sub-subparagraph does not prohibit the award of tax credits~~  
771 ~~certified before April 1, 2012, for high-impact television~~  
772 ~~series.~~

773 ~~e. Subject to sub-subparagraph b., first priority in the~~  
774 ~~queue for tax credit awards not yet certified shall be given to~~  
775 ~~high-impact television series and high-impact digital media~~  
776 ~~projects. For the purposes of determining priority between a~~  
777 ~~high-impact television series and a high-impact digital media~~  
778 ~~project, the first position must go to the first application~~  
779 ~~received. Thereafter, priority shall be determined by~~  
780 ~~alternating between a high-impact television series and a high-~~

781 ~~impact digital media project on a first-come, first-served~~  
782 ~~basis. However, if the Office of Film and Entertainment receives~~  
783 ~~an application for a high-impact television series or high-~~  
784 ~~impact digital media project that would be certified but for the~~  
785 ~~alternating priority, the office may certify the project as~~  
786 ~~being in the priority position if an application that would~~  
787 ~~normally be the priority position is not received within 5~~  
788 ~~business days.~~

789 ~~d. A qualified production for which at least 67 percent of~~  
790 ~~its principal photography days occur within a region designated~~  
791 ~~as an underutilized region at the time that the production is~~  
792 ~~certified is eligible for an additional 5 percent tax credit.~~

793 ~~b.e. A qualified production may receive an additional 15-~~  
794 ~~percent tax credit on qualified expenditures on wages, salaries,~~  
795 ~~or other compensation paid to the following individuals employed~~  
796 ~~by the qualified production: that employs students enrolled~~  
797 ~~full-time in a film and entertainment-related or digital media-~~  
798 ~~related course of study at an institution of higher education in~~  
799 ~~this state, individuals participating in the road-to-~~  
800 ~~independence program under s. 409.1451, individuals with~~  
801 ~~developmental disabilities as defined in s. 393.063 who reside~~  
802 ~~in the state, and veterans residing in the state ~~is eligible for~~~~  
803 ~~an additional 15 percent tax credit on qualified expenditures~~  
804 ~~that are wages, salaries, or other compensation paid to such~~  
805 ~~students. The additional 15 percent tax credit is also~~  
806 ~~applicable to persons hired within 12 months after graduating~~

807 from a film and entertainment-related or digital media-related  
808 course of study at an institution of higher education in this  
809 state. The additional 15 percent tax credit applies to qualified  
810 expenditures that are wages, salaries, or other compensation  
811 paid to such recent graduates for 1 year after the date of  
812 hiring.

813 ~~c.f.~~ A qualified production for which 50 percent or more  
814 of its principal photography occurs at a qualified production  
815 facility, or a qualified digital media project or the digital  
816 animation component of a qualified production for which 50  
817 percent or more of the project's or component's qualified  
818 expenditures are related to a qualified digital media production  
819 facility, is eligible for an additional 5 percent tax credit on  
820 actual qualified expenditures for production activity at that  
821 facility.

822 ~~d.g.~~ A qualified production is not eligible for tax  
823 credits provided under this paragraph totaling more than 25 ~~30~~  
824 percent of its actual qualified expenses.

825 2. Commercial and music video queue.—Three percent of tax  
826 credits authorized pursuant to subsection (6) in any state  
827 fiscal year must be dedicated to the commercial and music video  
828 queue. A qualified production company that produces national or  
829 regional commercials or music videos may be eligible for a tax  
830 credit award if it demonstrates a minimum of \$100,000 in  
831 qualified expenditures per national or regional commercial or  
832 music video and exceeds a combined threshold of \$500,000 after



833 combining actual qualified expenditures from qualified  
834 commercials and music videos during a single state fiscal year.  
835 After a qualified production company that produces commercials,  
836 music videos, or both reaches the threshold of \$500,000, it is  
837 eligible to apply for certification for a tax credit award. The  
838 maximum credit award shall be equal to 20 percent of its actual  
839 qualified expenditures up to a maximum of \$500,000. If there is  
840 a surplus at the end of a fiscal year after the department  
841 ~~Office of Film and Entertainment~~ certifies and determines the  
842 tax credits for all qualified commercial and video projects,  
843 such surplus tax credits shall be carried forward to the  
844 following fiscal year and are available to any eligible  
845 qualified productions under the general production queue.

846 3. Independent and emerging media production queue.—Three  
847 percent of tax credits authorized pursuant to subsection (6) in  
848 any state fiscal year must be dedicated to the independent and  
849 emerging media production queue. This queue is intended to  
850 encourage independent film and emerging media production in this  
851 state. Any qualified production, excluding commercials,  
852 infomercials, or music videos, which demonstrates at least  
853 \$100,000, but not more than \$625,000, in total qualified  
854 expenditures is eligible for tax credits equal to 20 percent of  
855 its actual qualified expenditures. If a surplus exists at the  
856 end of a fiscal year after the department ~~Office of Film and~~  
857 ~~Entertainment~~ certifies and determines the tax credits for all  
858 qualified independent and emerging media production projects,

859 such surplus tax credits shall be carried forward to the  
 860 following fiscal year and are available to any eligible  
 861 qualified productions under the general production queue.

862 4. Family-friendly productions.—A certified theatrical or  
 863 direct-to-video motion picture production or video game  
 864 determined by the Commissioner of Film and Entertainment, ~~with~~  
 865 ~~the advice of the Florida Film and Entertainment Advisory~~  
 866 ~~Council~~, to be family-friendly, based on review of the script  
 867 and review of the final release version, is eligible for an  
 868 additional tax credit equal to 5 percent of its actual qualified  
 869 expenditures. Family-friendly productions are those that have  
 870 cross-generational appeal; would be considered suitable for  
 871 viewing by children age 5 or older; are appropriate in theme,  
 872 content, and language for a broad family audience; embody a  
 873 responsible resolution of issues; and do not exhibit or imply  
 874 any act of smoking, sex, nudity, or vulgar or profane language.

875 (b) ~~(e)~~ Withdrawal of tax credit eligibility.—A qualified or  
 876 certified production must continue on a reasonable schedule,  
 877 which includes beginning principal photography or the production  
 878 project in this state no more than 45 calendar days before or  
 879 after the principal photography or project start date provided  
 880 in the production's program application. The department shall  
 881 withdraw the eligibility of a qualified or certified production  
 882 that does not continue on a reasonable schedule.

883 (c) ~~(d)~~ Election and distribution of tax credits.—

884 1. A certified production company receiving a tax credit

885 award under this section shall, at the time the credit is  
886 awarded by the department after production is completed and all  
887 requirements to receive a credit award have been met, make an  
888 irrevocable election to apply the credit against taxes due under  
889 chapter 220, against state taxes collected or accrued under  
890 chapter 212, or against a stated combination of the two taxes.  
891 The election is binding upon any distributee, successor,  
892 transferee, or purchaser. The department shall notify the  
893 Department of Revenue of any election made pursuant to this  
894 paragraph.

895 2. A qualified production company is eligible for tax  
896 credits against its sales and use tax liabilities and corporate  
897 income tax liabilities as provided in this section. However, tax  
898 credits awarded under this section may not be claimed against  
899 sales and use tax liabilities or corporate income tax  
900 liabilities for any tax period beginning before July 1, 2011,  
901 regardless of when the credits are applied for or awarded.

902 (d)~~(e)~~ Tax credit carryforward.—If the certified  
903 production company cannot use the entire tax credit in the  
904 taxable year or reporting period in which the credit is awarded,  
905 any excess amount may be carried forward to a succeeding taxable  
906 year or reporting period. A tax credit applied against taxes  
907 imposed under chapter 212 may be carried forward for a maximum  
908 of 5 years after the date the credit is awarded. A tax credit  
909 applied against taxes imposed under chapter 220 may be carried  
910 forward for a maximum of 5 years after the date the credit is

911 awarded, after which the credit expires and may not be used.

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

917 (f)~~(g)~~ Partnership and noncorporate distributions.—A  
918 qualified production company that is not a corporation as  
919 defined in s. 220.03 may elect to distribute tax credits awarded  
920 under this section to its partners or members in proportion to  
921 their respective distributive income or loss in the taxable year  
922 in which the tax credits were awarded.

923 (g)~~(h)~~ Mergers or acquisitions.—Tax credits available  
924 under this section to a certified production company may succeed  
925 to a surviving or acquiring entity subject to the same  
926 conditions and limitations as described in this section;  
927 however, they may not be transferred again by the surviving or  
928 acquiring entity.

929 (5) TRANSFER OF TAX CREDITS.—

930 (a) Authorization.—Upon application to ~~the Office of Film~~  
931 ~~and Entertainment~~ and approval by the department, a certified  
932 production company, or a partner or member that has received a  
933 distribution under paragraph (4)(g), may elect to transfer, in  
934 whole or in part, any unused credit amount granted under this  
935 section. An election to transfer any unused tax credit amount  
936 under chapter 212 or chapter 220 must be made no later than 5

937 | years after the date the credit is awarded, after which period  
938 | the credit expires and may not be used. The department shall  
939 | notify the Department of Revenue of the election and transfer.

940 |       (b) Number of transfers permitted.—A certified production  
941 | company that elects to apply a credit amount against taxes  
942 | remitted under chapter 212 is permitted a one-time transfer of  
943 | unused credits to one transferee. A certified production company  
944 | that elects to apply a credit amount against taxes due under  
945 | chapter 220 is permitted a one-time transfer of unused credits  
946 | to no more than four transferees, and such transfers must occur  
947 | in the same taxable year.

948 |       (c) Transferee rights and limitations.—The transferee is  
949 | subject to the same rights and limitations as the certified  
950 | production company awarded the tax credit, except that the  
951 | initial transferee shall be permitted a one-time transfer of  
952 | unused credits to no more than two subsequent transferees, and  
953 | such transfers must occur in the same taxable year as the  
954 | credits were received by the initial transferee, after which the  
955 | subsequent transferees may not sell or otherwise transfer the  
956 | tax credit.

957 |       (6) RELINQUISHMENT OF TAX CREDITS.—

958 |       (a) Beginning July 1, 2011, a certified production  
959 | company, or any person who has acquired a tax credit from a  
960 | certified production company pursuant to subsections (4) and  
961 | (5), may elect to relinquish the tax credit to the Department of  
962 | Revenue in exchange for 90 percent of the amount of the

963 relinquished tax credit.

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

966 (c) Subject to legislative appropriation, the Department  
967 of Revenue shall request the Chief Financial Officer to issue  
968 warrants to persons relinquishing tax credits. Payments under  
969 this subsection shall be made from the funds from which the  
970 proceeds from the taxes against which the tax credits could have  
971 been applied pursuant to the irrevocable election made by the  
972 certified production company under subsection (4) are deposited.

973 (7) ANNUAL ALLOCATION OF TAX CREDITS.—

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

- 976 1. For fiscal year 2010-2011, \$53.5 million.  
977 2. For fiscal year 2011-2012, \$74.5 million.  
978 3. For fiscal years 2012-2013, 2013-2014, 2014-2015, and  
979 2015-2016, \$42 million per fiscal year.

980 (b) Any portion of the maximum amount of tax credits  
981 established per fiscal year in paragraph (a) that is not  
982 certified as of the end of a fiscal year shall be carried  
983 forward and made available for certification during the  
984 following 2 fiscal years in addition to the amounts available  
985 for certification under paragraph (a) for those fiscal years.

986 (c) Upon approval of the final tax credit award amount  
987 pursuant to subparagraph (3) (f)2., an amount equal to the  
988 difference between the maximum tax credit award amount

989 | previously certified under paragraph (3) (d) and the approved  
 990 | final tax credit award amount shall immediately be available for  
 991 | recertification during the current and following fiscal years in  
 992 | addition to the amounts available for certification under  
 993 | paragraph (a) for those fiscal years.

994 | ~~(d) If, during a fiscal year, the total amount of credits~~  
 995 | ~~applied for, pursuant to paragraph (3) (a), exceeds the amount of~~  
 996 | ~~credits available for certification in that fiscal year, such~~  
 997 | ~~excess shall be treated as having been applied for on the first~~  
 998 | ~~day of the next fiscal year in which credits remain available~~  
 999 | ~~for certification.~~

1000 | (11) REPEAL.—This section is repealed July 1, 2016, except  
 1001 | that:

1002 | (a) Tax credits certified under paragraph (3) (d) before  
 1003 | July 1, 2016, may be awarded under paragraph (3) (f) on or after  
 1004 | July 1, 2016, if the other requirements of this section are met.

1005 | (b) Tax credits carried forward under paragraph (4) (d)  
 1006 | ~~(4) (e)~~ remain valid for the period specified.

1007 | (c) Subsections (5), (8), and (9) shall remain in effect  
 1008 | until July 1, 2021.

1009 | Section 6. Section 288.1258, Florida Statutes, is amended  
 1010 | to read:

1011 | 288.1258 Entertainment industry qualified production  
 1012 | companies; application procedure; categories; duties of the  
 1013 | Department of Revenue; records and reports.—

1014 | (1) PRODUCTION COMPANIES AUTHORIZED TO APPLY.—

1015 (a) Any production company engaged in this state in the  
1016 production of motion pictures, made-for-TV motion pictures,  
1017 television series, commercial advertising, music videos, or  
1018 sound recordings may submit an application to the Department of  
1019 Revenue to be approved by the Department of Economic Opportunity  
1020 ~~Office of Film and Entertainment~~ as a qualified production  
1021 company for the purpose of receiving a sales and use tax  
1022 certificate of exemption from the Department of Revenue to  
1023 exempt purchases on or after the date on which a complete  
1024 application is filed with the Department of Revenue for  
1025 exemptions under ss. 212.031, 212.06, and 212.08.

1026 (b) As used in ~~For the purposes of~~ this section,  
1027 "qualified production company" means any production company that  
1028 has submitted a properly completed application to the Department  
1029 of Revenue and that is subsequently qualified by the Department  
1030 of Economic Opportunity ~~Office of Film and Entertainment~~.

1031 (2) APPLICATION PROCEDURE.—

1032 (a) The Department of Revenue shall ~~will~~ review all  
1033 submitted applications for the required information. Within 10  
1034 working days after the receipt of a properly completed  
1035 application, the Department of Revenue shall ~~will~~ forward the  
1036 completed application to the Department of Economic Opportunity  
1037 ~~Office of Film and Entertainment~~ for approval.

1038 (b)1. The Department of Economic Opportunity ~~Office of~~  
1039 ~~Film and Entertainment~~ shall establish a process by which an  
1040 entertainment industry production company may be approved by the



1041 department ~~office~~ as a qualified production company and may  
1042 receive a certificate of exemption from the Department of  
1043 Revenue for the sales and use tax exemptions under ss. 212.031,  
1044 212.06, and 212.08.

1045 2. Upon determination by the department ~~Office of Film and~~  
1046 ~~Entertainment~~ that a production company meets the established  
1047 approval criteria and qualifies for exemption, the department  
1048 ~~Office of Film and Entertainment~~ shall return the approved  
1049 application or application renewal or extension to the  
1050 Department of Revenue, which shall issue a certificate of  
1051 exemption.

1052 3. The department ~~Office of Film and Entertainment~~ shall  
1053 deny an application or application for renewal or extension from  
1054 a production company if it determines that the production  
1055 company does not meet the established approval criteria.

1056 (c) The department ~~Office of Film and Entertainment~~ shall  
1057 develop, with the cooperation of the Department of Revenue, the  
1058 Division of Film and Entertainment within Enterprise Florida,  
1059 Inc., and local government entertainment industry promotion  
1060 agencies, a standardized application form for use in approving  
1061 qualified production companies.

1062 1. The application form shall include, but not be limited  
1063 to, production-related information on employment, proposed  
1064 budgets, planned purchases of items exempted from sales and use  
1065 taxes under ss. 212.031, 212.06, and 212.08, a signed  
1066 affirmation from the applicant that any items purchased for

1067 which the applicant is seeking a tax exemption are intended for  
1068 use exclusively as an integral part of entertainment industry  
1069 preproduction, production, or postproduction activities engaged  
1070 in primarily in this state, and a signed affirmation from the  
1071 department ~~Office of Film and Entertainment~~ that the information  
1072 on the application form has been verified and is correct. In  
1073 lieu of information on projected employment, proposed budgets,  
1074 or planned purchases of exempted items, a production company  
1075 seeking a 1-year certificate of exemption may submit summary  
1076 historical data on employment, production budgets, and purchases  
1077 of exempted items related to production activities in this  
1078 state. Any information gathered from production companies for  
1079 the purposes of this section shall be considered confidential  
1080 taxpayer information and shall be disclosed only as provided in  
1081 s. 213.053.

1082 2. The application form may be distributed to applicants  
1083 by the department, the Division ~~Office~~ of Film and Entertainment  
1084 or local film commissions.

1085 (d) All applications, renewals, and extensions for  
1086 designation as a qualified production company shall be processed  
1087 by the department ~~Office of Film and Entertainment~~.

1088 (e) If ~~In the event that~~ the Department of Revenue  
1089 determines that a production company no longer qualifies for a  
1090 certificate of exemption, or has used a certificate of exemption  
1091 for purposes other than those authorized by this section and  
1092 chapter 212, the Department of Revenue shall revoke the

1093 certificate of exemption of that production company, and any  
 1094 sales or use taxes exempted on items purchased or leased by the  
 1095 production company during the time such company did not qualify  
 1096 for a certificate of exemption or improperly used a certificate  
 1097 of exemption shall become immediately due to the Department of  
 1098 Revenue, along with interest and penalty as provided by s.  
 1099 212.12. In addition to the other penalties imposed by law, any  
 1100 person who knowingly and willfully falsifies an application, or  
 1101 uses a certificate of exemption for purposes other than those  
 1102 authorized by this section and chapter 212, commits a felony of  
 1103 the third degree, punishable as provided in ss. 775.082,  
 1104 775.083, and 775.084.

1105 (3) CATEGORIES.—

1106 (a)1. A production company may be qualified for  
 1107 designation as a qualified production company for a period of 1  
 1108 year if the company has operated a business in Florida at a  
 1109 permanent address for a period of 12 consecutive months. Such a  
 1110 qualified production company shall receive a single 1-year  
 1111 certificate of exemption from the Department of Revenue for the  
 1112 sales and use tax exemptions under ss. 212.031, 212.06, and  
 1113 212.08, which certificate shall expire 1 year after issuance or  
 1114 upon the cessation of business operations in the state, at which  
 1115 time the certificate shall be surrendered to the Department of  
 1116 Revenue.

1117 2. ~~The Office of Film and Entertainment shall develop a~~  
 1118 ~~method by which~~ A qualified production company may submit a new

1119 application for annually renew a 1-year certificate of exemption  
1120 upon expiration of that company's certificate of exemption;  
1121 however, upon approval by the department, such qualified  
1122 production company may annually renew the 1-year certificate of  
1123 exemption for a period of up to 5 years without submitting  
1124 ~~requiring the production company to resubmit a new application~~  
1125 ~~during that 5-year period.~~

1126 3. Each year, or upon surrender of the certificate of  
1127 exemption to the Department of Revenue, the Any qualified  
1128 production company shall may submit to the department aggregate  
1129 data for production-related information on employment,  
1130 expenditures in this state, capital investment, and purchases of  
1131 items exempted from sales and use taxes under ss. 212.031,  
1132 212.06, and 212.08 for inclusion in the annual report required  
1133 under subsection (5) a new application for a 1-year certificate  
1134 ~~of exemption upon the expiration of that company's certificate~~  
1135 ~~of exemption.~~

1136 (b)1. A production company may be qualified for  
1137 designation as a qualified production company for a period of 90  
1138 days. Such production company shall receive a single 90-day  
1139 certificate of exemption from the Department of Revenue for the  
1140 sales and use tax exemptions under ss. 212.031, 212.06, and  
1141 212.08, which certificate shall expire 90 days after issuance or  
1142 upon the cessation of business operations in the state, at which  
1143 ~~time, with extensions contingent upon approval of the Office of~~  
1144 ~~Film and Entertainment.~~ the certificate shall be surrendered to

1145 the Department of Revenue ~~upon its expiration.~~

1146 2. A qualified production company may submit a new  
1147 application for a 90-day certificate of exemption each quarter  
1148 upon expiration of that company's certificate of exemption;  
1149 however, upon approval of the department, such qualified  
1150 production company may renew the 90-day certificate of exemption  
1151 for up to 1 year without submitting a new application during  
1152 that 1-year period.

1153 3.2. Each 90 days, or upon surrender of the certificate of  
1154 exemption to the Department of Revenue, the qualified ~~Any~~  
1155 production company shall ~~may~~ submit to the department aggregate  
1156 data for production-related information on employment,  
1157 expenditures in this state, capital investment, and purchases of  
1158 items exempted from sales and use taxes under ss. 212.031,  
1159 212.06, and 212.08 for inclusion in the annual report required  
1160 under subsection (5) a new application for a 90-day certificate  
1161 of exemption upon the expiration of that company's certificate  
1162 of exemption.

1163 (4) DUTIES OF THE DEPARTMENT OF REVENUE.—

1164 (a) The Department of Revenue shall review the initial  
1165 application and notify the applicant of any omissions and  
1166 request additional information if needed. An application shall  
1167 be complete upon receipt of all requested information. The  
1168 Department of Revenue shall forward all complete applications to  
1169 the department ~~Office of Film and Entertainment~~ within 10  
1170 working days.

1171 (b) The Department of Revenue shall issue a numbered  
 1172 certificate of exemption to a qualified production company  
 1173 within 5 working days of the receipt of an approved application,  
 1174 application renewal, or application extension from the  
 1175 department ~~Office of Film and Entertainment~~.

1176 (c) The Department of Revenue may adopt ~~promulgate~~ such  
 1177 rules and shall prescribe and publish such forms as may be  
 1178 necessary to effectuate the purposes of this section or any of  
 1179 the sales tax exemptions which are reasonably related to the  
 1180 provisions of this section.

1181 (d) The Department of Revenue is authorized to establish  
 1182 audit procedures in accordance with the provisions of ss.  
 1183 212.12, 212.13, and 213.34 which relate to the sales tax  
 1184 exemption provisions of this section.

1185 (5) RELATIONSHIP OF TAX EXEMPTIONS AND INCENTIVES TO  
 1186 INDUSTRY GROWTH; REPORT TO THE LEGISLATURE.—The department  
 1187 ~~Office of Film and Entertainment~~ shall keep annual records from  
 1188 the information provided on taxpayer applications for tax  
 1189 exemption certificates ~~beginning January 1, 2001~~. These records  
 1190 also must reflect a ratio of the annual amount of sales and use  
 1191 tax exemptions under this section, plus the tax credits  
 1192 ~~incentives~~ awarded pursuant to s. 288.1254 to the estimated  
 1193 amount of funds expended by certified productions. In addition,  
 1194 the department ~~office~~ shall maintain data showing annual growth  
 1195 in Florida-based entertainment industry companies and  
 1196 entertainment industry employment and wages. The employment

1197 information must include ~~an estimate of~~ the full-time equivalent  
 1198 positions created by each production that received tax credits  
 1199 pursuant to s. 288.1254. The department ~~Office of Film and~~  
 1200 ~~Entertainment~~ shall include this information in the annual  
 1201 report for the entertainment industry ~~financial incentive~~  
 1202 program required under s. 288.1254 ~~288.1254(10)~~.

1203 Section 7. Subsection (1) of section 288.92, Florida  
 1204 Statutes, is amended to read:

1205 288.92 Divisions of Enterprise Florida, Inc.—

1206 (1) Enterprise Florida, Inc., may create and dissolve  
 1207 divisions as necessary to carry out its mission. Each division  
 1208 shall have distinct responsibilities and complementary missions.  
 1209 At a minimum, Enterprise Florida, Inc., shall have divisions  
 1210 related to the following areas:

- 1211 (a) International Trade and Business Development .~~†~~
- 1212 (b) Business Retention and Recruitment .~~†~~
- 1213 (c) Tourism Marketing .~~†~~
- 1214 (d) Minority Business Development .~~†~~ ~~and~~
- 1215 (e) Sports Industry Development~~—~~
- 1216 (f) Film and Entertainment.

1217 Section 8. Subsection (5) of section 477.0135, Florida  
 1218 Statutes, is amended to read:

1219 477.0135 Exemptions.—

1220 (5) A license is not required of any individual providing  
 1221 makeup, special effects, or cosmetology services to an actor,  
 1222 stunt person, musician, extra, or other talent during a

1223 production recognized by the Department of Economic Opportunity  
 1224 ~~Office of Film and Entertainment~~ as a qualified production as  
 1225 defined in s. 288.1254(1). Such services are not required to be  
 1226 performed in a licensed salon. Individuals exempt under this  
 1227 subsection may not provide such services to the general public.

1228 Section 9. Paragraph (q) of subsection (5) of section  
 1229 212.08, Florida Statutes, is amended to read:

1230 212.08 Sales, rental, use, consumption, distribution, and  
 1231 storage tax; specified exemptions.—The sale at retail, the  
 1232 rental, the use, the consumption, the distribution, and the  
 1233 storage to be used or consumed in this state of the following  
 1234 are hereby specifically exempt from the tax imposed by this  
 1235 chapter.

1236 (5) EXEMPTIONS; ACCOUNT OF USE.—

1237 (q) Entertainment industry tax credit; authorization;  
 1238 eligibility for credits.—The credits against the state sales tax  
 1239 authorized pursuant to s. 288.1254 shall be deducted from any  
 1240 sales and use tax remitted by the dealer to the department by  
 1241 electronic funds transfer and may only be deducted on a sales  
 1242 and use tax return initiated through electronic data  
 1243 interchange. The dealer shall separately state the credit on the  
 1244 electronic return. The net amount of tax due and payable must be  
 1245 remitted by electronic funds transfer. If the credit for the  
 1246 qualified expenditures is larger than the amount owed on the  
 1247 sales and use tax return that is eligible for the credit, the  
 1248 unused amount of the credit may be carried forward to a



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1249 succeeding reporting period as provided in s. 288.1254(4)(d)  
1250 ~~288.1254(4)(e)~~. A dealer may only obtain a credit using the  
1251 method described in this subparagraph. A dealer is not  
1252 authorized to obtain a credit by applying for a refund.

1253 Section 10. Paragraph (3) of section 220.1899, Florida  
1254 Statutes, is amended to read:

1255 220.1899 Entertainment industry tax credit.—

1256 (3) To the extent that the amount of a tax credit exceeds  
1257 the amount due on a return, the balance of the credit may be  
1258 carried forward to a succeeding taxable year pursuant to s.  
1259 288.1254(4)(d) ~~288.1254(4)(e)~~.

1260 Section 11. This act shall take effect July 1, 2015.