

HB 517

2015

1 A bill to be entitled

2 An act relating to a new small business tax credit;
3 creating s. 220.197, F.S.; defining terms; providing a
4 tax credit to new small businesses in a specified
5 amount for qualified employees; limiting the total
6 amount of tax credit that may be taken as a deduction;
7 prohibiting receipt of the tax credit through a refund
8 of taxes previously paid; requiring a business to
9 apply to the Department of Revenue for tax credit
10 approval; providing application requirements;
11 requiring the department to provide notice of approval
12 or of insufficiencies identified in the application
13 within a specified period; authorizing an applicant to
14 reapply if an application is deemed insufficient;
15 authorizing an unused amount of tax credit to be
16 carried forward for a specified period under certain
17 circumstances; authorizing the department to adopt
18 rules; amending ss. 220.02 and 220.13, F.S.;
19 conforming provisions to changes made by the act;
20 making technical corrections; providing an effective
21 date.

22
23 Be It Enacted by the Legislature of the State of Florida:

24
25 Section 1. Section 220.197, Florida Statutes, is created
26 to read:

27 220.197 New small business tax credit.—

28 (1) As used in this section, the term:

29 (a) "New small business" or "business" means a taxpayer
30 that:

31 1. Employs fewer than 15 qualified employees at a site
32 located in this state; and

33 2. Has conducted an activity that is taxable under this
34 chapter for 24 months or less.

35 (b) "Qualified employee" means an individual employed by
36 the business to perform duties in connection with the activities
37 of the business for an average of at least 36 hours per week for
38 at least 3 months.

39 (2) A new small business may qualify for a tax credit
40 under this section only once. If qualified, the business shall
41 receive a \$1,500 credit against any tax due under this chapter
42 for each qualified employee, up to a maximum total credit of
43 \$21,000. The credit may only be taken as a deduction on a
44 corporate income tax return and may not be received through a
45 refund of taxes previously paid.

46 (3) In order to qualify for a credit under this section, a
47 business must apply to the department for approval by completing
48 the department's application form. An application for a credit
49 must include all information required by the department to
50 verify the applicant's status as a new small business.

51 (4) Within 15 business days after receipt of the
52 application, the department shall notify the applicant in

53 writing as to whether the application has been approved or
54 deemed insufficient to support the credit. The department shall
55 identify any insufficiency in the written notice. If the
56 application is deemed insufficient, the applicant may reapply
57 for the credit within 90 calendar days after its receipt of the
58 written notice.

59 (5) If the credit approved under this section is not fully
60 used in a taxable year, the unused amount may be carried forward
61 for 1 taxable year. The carryover credit may be used if the tax
62 imposed by this chapter for such taxable year exceeds the credit
63 under this section after applying other credits and unused
64 credit carryovers in the order provided in s. 220.02(8).

65 (6) The department may adopt rules to administer this
66 section.

67 Section 2. Subsection (8) of section 220.02, Florida
68 Statutes, is amended to read:

69 220.02 Legislative intent.—

70 (8) ~~The It is the intent of the Legislature that~~ credits
71 against ~~either~~ the corporate income tax or ~~the~~ franchise tax
72 under the following sections shall be applied in the following
73 order of priority: those enumerated in s. 631.828, those
74 enumerated in s. 220.191, those enumerated in s. 220.181, those
75 enumerated in s. 220.183, those enumerated in s. 220.182, those
76 enumerated in s. 220.1895, those enumerated in s. 220.195, those
77 enumerated in s. 220.184, those enumerated in s. 220.186, those
78 enumerated in s. 220.1845, those enumerated in s. 220.19, those

79 ~~enumerated in s. 220.185, those enumerated in s. 220.1875, those~~
 80 ~~enumerated in s. 220.192, those enumerated in s. 220.193, those~~
 81 ~~enumerated in s. 288.9916, those enumerated in s. 220.1899,~~
 82 ~~those enumerated in s. 220.194, and those enumerated in s.~~
 83 220.196, and s. 220.197.

84 Section 3. Paragraph (a) of subsection (1) of section
 85 220.13, Florida Statutes, is amended to read:

86 220.13 "Adjusted federal income" defined.—

87 (1) The term "adjusted federal income" means an amount
 88 equal to the taxpayer's taxable income as defined in subsection
 89 (2), or such taxable income of more than one taxpayer as
 90 provided in s. 220.131, for the taxable year, adjusted as
 91 follows:

92 (a) Additions.—~~The following amounts~~ There shall be added
 93 to such taxable income:

94 1. The amount of any tax upon or measured by income,
 95 excluding taxes based on gross receipts or revenues, paid or
 96 accrued as a liability to the District of Columbia or any state
 97 of the United States which is deductible from gross income in
 98 the computation of taxable income for the taxable year.

99 2. The amount of interest which is excluded from taxable
 100 income under s. 103(a) of the Internal Revenue Code or any other
 101 federal law, less the associated expenses disallowed in the
 102 computation of taxable income under s. 265 of the Internal
 103 Revenue Code or any other law, excluding 60 percent of any
 104 amounts included in alternative minimum taxable income, as

105 defined in s. 55(b)(2) of the Internal Revenue Code, if the
 106 taxpayer pays tax under s. 220.11(3).

107 3. In the case of a regulated investment company or real
 108 estate investment trust, an amount equal to the excess of the
 109 net long-term capital gain for the taxable year over the amount
 110 of the capital gain dividends attributable to the taxable year.

111 4. That portion of the wages or salaries paid or incurred
 112 for the taxable year which is equal to the amount of the credit
 113 allowable for the taxable year under s. 220.181. This
 114 subparagraph expires ~~shall expire~~ on the date specified in s.
 115 290.016 for the expiration of the Florida Enterprise Zone Act.

116 5. That portion of the ad valorem school taxes paid or
 117 incurred for the taxable year which is equal to the amount of
 118 the credit allowable for the taxable year under s. 220.182. This
 119 subparagraph expires ~~shall expire~~ on the date specified in s.
 120 290.016 for the expiration of the Florida Enterprise Zone Act.

121 6. The amount taken as a credit under s. 220.195 which is
 122 deductible from gross income in the computation of taxable
 123 income for the taxable year.

124 7. That portion of assessments to fund a guaranty
 125 association incurred for the taxable year which is equal to the
 126 amount of the credit allowable for the taxable year.

127 8. In the case of a nonprofit corporation that ~~which~~ holds
 128 a pari-mutuel permit and that ~~which~~ is exempt from federal
 129 income tax as a farmers' cooperative, an amount equal to the
 130 excess of the gross income attributable to the pari-mutuel

131 operations over the attributable expenses for the taxable year.

132 9. The amount taken as a credit for the taxable year under
133 s. 220.1895.

134 10. Up to 9 ~~nine~~ percent of the eligible basis of any
135 designated project which is equal to the credit allowable for
136 the taxable year under s. 220.185.

137 11. The amount taken as a credit for the taxable year
138 under s. 220.1875. The addition in this subparagraph is intended
139 to ensure that the same amount is not allowed for the tax
140 purposes of this state as both a deduction from income and a
141 credit against the tax. This addition is not intended to result
142 in adding the same expense back to income more than once.

143 12. The amount taken as a credit for the taxable year
144 under s. 220.192.

145 13. The amount taken as a credit for the taxable year
146 under s. 220.193.

147 14. Any portion of a qualified investment, as defined in
148 s. 288.9913, which is claimed as a deduction by the taxpayer and
149 taken as a credit against income tax under ~~pursuant to~~ s.
150 288.9916.

151 15. The costs to acquire a tax credit pursuant to s.
152 288.1254(5) which that are deducted from or otherwise reduce
153 federal taxable income for the taxable year.

154 16. The amount taken as a credit for the taxable year
155 under ~~pursuant to~~ s. 220.194.

156 17. The amount taken as a credit for the taxable year

HB 517

2015

157 | under s. 220.196. The addition in this subparagraph is intended
158 | to ensure that the same amount is not allowed for the tax
159 | purposes of this state as both a deduction from income and a
160 | credit against the tax. The addition is not intended to result
161 | in adding the same expense back to income more than once.

162 | 18. The amount taken as a credit for the taxable year
163 | under s. 220.197.

164 | Section 4. This act shall take effect July 1, 2015.