

By Senator Abruzzo

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1 A bill to be entitled
2 An act relating to economic development; creating s.
3 212.099, F.S.; establishing the Restaurant and Hotel
4 Renovation Tax Refund Program; defining terms;
5 providing policies and procedures for the review and
6 approval of applications; requiring the Department of
7 Economic Opportunity to verify renovation project
8 costs and the incremental sales tax revenue increases
9 for approved applicants; prescribing limitations with
10 respect to tax refund amounts; requiring the
11 Department of Revenue to remit tax refund payments
12 upon certification; requiring the Department of
13 Economic Opportunity to cease certifying tax refund
14 amounts under specified conditions; authorizing the
15 Department of Economic Opportunity and the Department
16 of Revenue to adopt rules; providing an effective
17 date.

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

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21 Section 1. Section 212.099, Florida Statutes, is created to
22 read:

23 212.099 Restaurant and Hotel Renovation Tax Refund
24 Program.—

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

26 (a) "Approved applicant" means a person, sole
27 proprietorship, firm, partnership, or corporation approved by
28 the Department of Economic Opportunity for a specific hotel or
29 restaurant renovation project.

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30 (b) "Approved project costs" means the costs of a
31 renovation project incurred by a qualified applicant and
32 approved by the Department of Economic Opportunity which are
33 verified by an independent, third-party, certified public
34 accountant licensed under chapter 473 who is retained by the
35 applicant.

36 (c) "Eligible business" means a person, sole
37 proprietorship, firm, partnership, or corporation that operates
38 a hotel or restaurant and undertakes a qualifying project.

39 (d) "Hotel" has the same meaning as the term "transient
40 public lodging establishment," as defined in s. 509.013.

41 (e) "Incremental sales tax revenue increase" means the
42 difference between the average annual sales and use taxes
43 remitted by the approved applicant or the previous business
44 operator at the project location in the 3 years prior to its
45 scheduled completion date and the annual sales and use taxes
46 remitted by the approved applicant after completion of the
47 renovation project.

48 (f) "Qualifying project" means one of the following:

49 1. For a hotel, the expenditure of at least \$2 million for
50 the renovation of guest rooms, suites, or common areas,
51 including at least \$10,000 per guest room or per suite. The
52 renovation may include improvements of signage, building
53 facades, and landscaping.

54 2. For a restaurant, the expenditure of at least \$100,000
55 for the renovation of dining areas, restrooms, kitchens, and
56 common areas, including at least \$10,000 for the renovation of
57 kitchens or other areas of the restaurant which are used
58 primarily for the preparation of food. The renovation may

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59 include improvements of signage, building facades, and
60 landscaping.

61 (g) "Renovation" means the restoration, modernization,
62 refurbishment, rehabilitation, remodeling, or improvement of an
63 existing hotel or restaurant. The term does not include the
64 construction of a new structure designed to accommodate a hotel
65 or restaurant.

66 (h) "Restaurant" has the same meaning as the term "public
67 food service establishment," as defined in s. 509.013.

68 (2) APPLICATION PROCESS.—An eligible business that wishes
69 to seek a refund of taxes paid shall submit a refund application
70 to the Department of Economic Opportunity. If the eligible
71 business has not been operating at the project location for at
72 least 3 years, the application must be accompanied by records
73 that document the average annual sales and use tax remitted by
74 any other business that operated at the project location during
75 that 3-year period.

76 (a) The application must include:

77 1. A detailed description of the proposed renovation,
78 including an estimated completion date.

79 2. Estimated costs of the proposed renovation.

80 3. Documentation specifying the amount of annual sales and
81 use taxes remitted by the eligible business at the location of
82 the proposed renovation project for the previous 3 years.

83 4. An estimate of the incremental increase in sales tax
84 revenue attributable to the proposed renovation.

85 (b) The Department of Economic Opportunity shall review
86 each application within 60 days after receipt to determine
87 whether the applicant is an eligible business and whether the

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88 renovation is a qualifying project. The Department of Economic
89 Opportunity shall approve all applications that meet the
90 requirements established under this section for eligibility and
91 qualification. Upon approval of an application, the Department
92 of Economic Opportunity shall issue a certificate to the
93 applicant which authorizes it to participate in the tax refund
94 program.

95 (3) PAYMENT OF TAX REFUNDS.—

96 (a) An approved applicant that wishes to receive a tax
97 refund shall submit documentation of any incremental sales tax
98 revenue increase to the Department of Economic Opportunity. An
99 approved applicant may only submit one tax refund request per
100 calendar year. The Department of Economic Opportunity shall
101 verify that the approved applicant has incurred the approved
102 project costs related to the qualifying project and the amount
103 of the incremental sales tax revenue increase. Upon
104 verification, the Department of Economic Opportunity shall
105 certify to the Department of Revenue a refund amount to be paid
106 to the approved applicant. The refund amount may not exceed 50
107 percent of the incremental sales tax revenue increase. Upon
108 certification of the refund amount, the Department of Revenue
109 shall remit the refund to the approved applicant within 30 days.

110 (b) The aggregate amount of refund payments that an
111 approved applicant receives may not exceed 20 percent of the
112 project costs incurred by the approved applicant. Expansions,
113 enlargements, or additional improvements made by an approved
114 applicant which exceed the project plans detailed in the
115 approved application do not increase authorized tax refund
116 payments certified by the Department of Economic Opportunity.

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117 (c) The Department of Economic Opportunity shall cease
118 certifying tax refund amounts to the Department of Revenue for
119 an approved applicant when the aggregate amount of 20 percent of
120 the total approved project costs incurred by the approved
121 applicant has been fully recovered through refund payments.

122 (4) RULES.—The Department of Economic Opportunity and the
123 Department of Revenue may adopt rules to implement and
124 administer this section, including rules relating to the forms
125 required to claim a refund under this section, the required
126 documentation and basis for establishing eligibility for a
127 refund, and the procedures and guidelines for claiming a refund.

128 Section 2. This act shall take effect July 1, 2015.