

By Senator Artiles

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1 A bill to be entitled
2 An act relating to a tax credit for hiring veterans;
3 creating s. 220.197, F.S.; providing a short title;
4 establishing a tax credit for hiring veterans;
5 providing eligibility requirements; establishing an
6 additional credit for hiring disabled veterans;
7 providing an application process; providing a cap on
8 the total amount of tax credits allowed per year;
9 authorizing the Department of Revenue to adopt rules;
10 authorizing the department to establish guidelines for
11 qualifying credits; providing for expiration of the
12 tax credits; providing applicability; amending s.
13 220.02, F.S.; revising the order in which credits
14 against the corporate income tax or franchise tax may
15 be taken to include credits for hiring veterans;
16 amending s. 220.13, F.S.; revising the term "adjusted
17 federal income" to include certain tax credits taken
18 relating to hiring veterans; authorizing the executive
19 director of the department to adopt emergency rules;
20 providing an effective date.

21
22 Be It Enacted by the Legislature of the State of Florida:

23
24 Section 1. Section 220.197, Florida Statutes, is created to
25 read:

26 220.197 Veterans employment tax credit.-

27 (1) This section may be cited as the "Florida Veterans
28 Employment Act."

29 (2) There shall be allowed a one-time credit of \$5,000

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30 against the tax imposed by this chapter to a business for each
31 veteran, as defined in s. 1.01, hired by the business. The
32 business qualifies for the tax credit after the business has
33 paid \$5,000 in gross salary to the veteran. Veterans for whom
34 the credit is claimed must first begin employment in this state
35 in the operations of the qualifying business on or after January
36 1, 2018, and perform duties in connection with the operations of
37 the business for an average of at least 36 hours per week. A
38 veteran who was previously employed by the qualifying business
39 or any other member of the same controlled group of
40 corporations, as defined in 26 U.S.C. s. 1563(a), of which the
41 qualifying business is a member may not be claimed for the tax
42 credit.

43 (3) A qualifying business is eligible for an additional
44 one-time credit against the tax imposed by this chapter in the
45 amount of \$5,000 for each veteran it hires who has an official
46 letter from the United States Department of Veterans Affairs
47 stating that he or she has a service-connected disability. The
48 business qualifies for such credit after the business has paid
49 an additional \$5,000 in gross salary to such veteran.

50 (4) To claim a tax credit under this section, a qualifying
51 business must submit an application and receive approval from
52 the department. An application for credit under subsection (3)
53 must include a copy of the veteran's official letter from the
54 United States Department of Veterans Affairs certifying that the
55 veteran has a service-connected disability. Qualified applicants
56 shall be approved on a first-come, first-served basis, based on
57 the date the completed application is received by the
58 department. The department may not accept an incomplete

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59 application as a placeholder for the completed application and
60 the submission of such incomplete application does not secure a
61 place in the first-come, first-served approval process.

62 (5) The department may not approve more than \$10 million in
63 tax credits per calendar year pursuant to this section.

64 (6) The department may adopt rules governing the manner and
65 form of application for the tax credits. The department may
66 establish guidelines for making an affirmative showing of
67 qualification for the tax credits under this section.

68 (7) This section expires December 31, 2023. However, a
69 qualifying business may carry forward any unused credit for up
70 to 2 taxable years after the year the credit is earned.

71 (8) This section applies to taxable years beginning on or
72 after January 1, 2018.

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

75 220.02 Legislative intent.—

76 (8) It is the intent of the Legislature that credits
77 against ~~either~~ the corporate income tax or the franchise tax be
78 applied in the following order: those enumerated in s. 631.828,
79 those enumerated in s. 220.191, those enumerated in s. 220.181,
80 those enumerated in s. 220.183, those enumerated in s. 220.182,
81 those enumerated in s. 220.1895, those enumerated in s. 220.195,
82 those enumerated in s. 220.184, those enumerated in s. 220.186,
83 those enumerated in s. 220.1845, those enumerated in s. 220.19,
84 those enumerated in s. 220.185, those enumerated in s. 220.1875,
85 those enumerated in s. 220.192, those enumerated in s. 220.193,
86 those enumerated in s. 288.9916, those enumerated in s.
87 220.1899, those enumerated in s. 220.194, ~~and~~ those enumerated

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88 in s. 220.196, and those enumerated in s. 220.197.

89 Section 3. Paragraph (a) of subsection (1) of section
90 220.13, Florida Statutes, is amended to read:

91 220.13 "Adjusted federal income" defined.—

92 (1) The term "adjusted federal income" means an amount
93 equal to the taxpayer's taxable income as defined in subsection
94 (2), or such taxable income of more than one taxpayer as
95 provided in s. 220.131, for the taxable year, adjusted as
96 follows:

97 (a) *Additions.*—There shall be added to such taxable income:

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

103 2. The amount of interest which is excluded from taxable
104 income under s. 103(a) of the Internal Revenue Code or any other
105 federal law, less the associated expenses disallowed in the
106 computation of taxable income under s. 265 of the Internal
107 Revenue Code or any other law, excluding 60 percent of any
108 amounts included in alternative minimum taxable income, as
109 defined in s. 55(b)(2) of the Internal Revenue Code, if the
110 taxpayer pays tax under s. 220.11(3).

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

115 4. That portion of the wages or salaries paid or incurred
116 for the taxable year which is equal to the amount of the credit

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117 allowable for the taxable year under s. 220.181. This
118 subparagraph expires ~~shall expire~~ on the date specified in s.
119 290.016 for the expiration of the Florida Enterprise Zone Act.

120 5. That portion of the ad valorem school taxes paid or
121 incurred for the taxable year which is equal to the amount of
122 the credit allowable for the taxable year under s. 220.182. This
123 subparagraph expires ~~shall expire~~ on the date specified in s.
124 290.016 for the expiration of the Florida Enterprise Zone Act.

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

128 7. That portion of assessments to fund a guaranty
129 association incurred for the taxable year which is equal to the
130 amount of the credit allowable for the taxable year.

131 8. In the case of a nonprofit corporation that ~~which~~ holds
132 a pari-mutuel permit and that ~~which~~ is exempt from federal
133 income tax as a farmers' cooperative, an amount equal to the
134 excess of the gross income attributable to the pari-mutuel
135 operations over the attributable expenses for the taxable year.

136 9. The amount taken as a credit for the taxable year under
137 s. 220.1895.

138 10. Up to nine percent of the eligible basis of any
139 designated project which is equal to the credit allowable for
140 the taxable year under s. 220.185.

141 11. The amount taken as a credit for the taxable year under
142 s. 220.1875. The addition in this subparagraph is intended to
143 ensure that the same amount is not allowed for the tax purposes
144 of this state as both a deduction from income and a credit
145 against the tax. This addition is not intended to result in

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146 adding the same expense back to income more than once.

147 12. The amount taken as a credit for the taxable year under
148 s. 220.192.

149 13. The amount taken as a credit for the taxable year under
150 s. 220.193.

151 14. Any portion of a qualified investment, as defined in s.
152 288.9913, which is claimed as a deduction by the taxpayer and
153 taken as a credit against income tax pursuant to s. 288.9916.

154 15. The costs to acquire a tax credit pursuant to s.
155 288.1254(5) which ~~that~~ are deducted from or otherwise reduce
156 federal taxable income for the taxable year.

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

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

165 18. The amount taken as a credit for the taxable year under
166 s. 220.197.

167 Section 4. (1) The executive director of the Department of
168 Revenue is authorized, and all conditions are deemed met, to
169 adopt emergency rules under ss. 120.536(1) and 120.54(4),
170 Florida Statutes, for the purpose of implementing this act.

171 (2) Notwithstanding any other provision of law, such
172 emergency rules shall remain in effect for 6 months after
173 adoption and may be renewed during the pendency of procedures to
174 adopt permanent rules addressing the subject of the emergency

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175 rules.

176 (3) This section expires July 1, 2020.

177 Section 5. This act shall take effect July 1, 2017.