

1 A bill to be entitled
 2 An act relating to child care tax credit; amending s.
 3 220.19, F.S.; providing definitions; authorizing a
 4 credit against the corporate income tax for specified
 5 costs incurred by corporations in providing child care
 6 for their employees' children; providing tax credit
 7 requirements and limitations; providing tax credit
 8 application requirements; requiring the executive
 9 director of the Department of Revenue to provide
 10 written approval or denial of the application;
 11 authorizing the department to adopt rules; providing
 12 for expiration of certain tax credit provisions;
 13 providing an effective date.

14
 15 Be It Enacted by the Legislature of the State of Florida:

16
 17 Section 1. Section 220.19, Florida Statutes, is amended to
 18 read:

19 220.19 Child care tax credits.—

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

21 (a) "Child care facility" has the same meaning as in s.
 22 402.302 that is licensed under s. 402.305.

23 (b) "Corporation" includes general partnerships, limited
 24 partnerships, unincorporated businesses, and other business
 25 entities that are owned or controlled by a parent corporation.

26 (2) AUTHORIZATION TO GRANT CHILD CARE TAX CREDITS;

27 LIMITATIONS.—

28 (a) A credit against the tax imposed by this chapter shall
29 be allowed for:

30 1. Child care facility startup costs for a corporation to
31 establish a child care facility for its employees' children. A
32 corporation may claim a tax credit of 50 percent of such startup
33 costs.

34 2. Child care facility operating costs for a corporation
35 to operate a child care facility for its employees' children. A
36 corporation may claim a tax credit of \$100 per child enrolled in
37 such facility per month.

38 3. Payments made by a corporation directly to a child care
39 facility operated by a third party in the name of its employees
40 for the benefit of the employees' children. A corporation may
41 claim a tax credit of 50 percent of the payments made to such
42 facility. Such facility may not charge a corporation or its
43 employees child care costs that exceed the child care costs paid
44 by a person who is not an employee of the corporation for
45 children who are of similar ages and abilities.

46 (b) A child care facility established and operated by a
47 corporation claiming a tax credit under this section must be
48 available to all of the corporation's employees' children on a
49 first-come, first-served basis.

50 (c) The tax credit granted to a corporation, or to two or

51 more corporations jointly applying for the tax credit, under
52 this section may not exceed \$100,000 per taxable year.

53 (d) The total amount of child care tax credits granted
54 under this section may not exceed \$2 million per fiscal year.

55 (e) A corporation that files a consolidated return in this
56 state as a member of an affiliated group under s. 220.131(1) may
57 claim the tax credit on a consolidated return basis.

58 (3) APPLICATIONS FOR CHILD CARE TAX CREDITS.—

59 (a) A corporation that wishes to claim a tax credit under
60 this section must submit an application to the department that
61 includes the corporation's proposal to establish and operate a
62 child care facility for its employees' children or to make
63 payments directly to a child care facility operated by a third
64 party in the name of its employees for the benefit of the
65 employees' children.

66 1. To claim tax credits under subparagraphs (2)(a)1. and
67 2., the application must include the anticipated startup costs,
68 operating expenses, and number of children to be enrolled.

69 2. To claim a tax credit under subparagraph (2)(a)3., the
70 application must include the anticipated number of children for
71 whom child care costs will be paid.

72 (b) Two or more corporations may jointly establish and
73 operate a child care facility for the benefit of the employees'
74 children or jointly cause a not-for-profit corporation to
75 establish and operate such facility. To obtain a tax credit

76 | under this section, the corporations must submit an application
 77 | to the department pursuant to paragraph (a). The corporations
 78 | may apportion the tax credit in any manner they choose.

79 | (c) An application must include a written verification by
 80 | the Department of Children and Families that the proposed or
 81 | existing child care facility complies with the licensure
 82 | requirements under s. 402.305.

83 | (d) The executive director of the department must provide
 84 | written approval or denial of an application for a tax credit to
 85 | the corporation. Such approval must state the maximum amount of
 86 | tax credits authorized under this section.

87 | (4)~~(1)~~ ADMINISTRATION.—

88 | (a) If the credit granted under this section is not fully
 89 | used in any one year because of insufficient tax liability on
 90 | the part of the corporation, the unused amount may be carried
 91 | forward for a period not to exceed 5 years. The carryover credit
 92 | may be used in a subsequent year when the tax imposed by this
 93 | chapter for that year exceeds the credit for which the
 94 | corporation is eligible in that year under this section after
 95 | applying the other credits and unused carryovers in the order
 96 | provided by s. 220.02(8).

97 | (b)~~(2)~~ If a corporation receives a credit for child care
 98 | facility startup costs, and the facility fails to operate for at
 99 | least 5 years, a pro rata share of the credit must be repaid, in
 100 | accordance with the formula:

101
$$A = C \times (1 - (N/60))$$

102 Where:

103 1.~~(a)~~ "A" is the amount in dollars of the required
104 repayment.

105 2.~~(b)~~ "C" is the total credits taken by the corporation
106 for child care facility startup costs.

107 3.~~(c)~~ "N" is the number of months the facility was in
108 operation.

109

110 This repayment requirement is inapplicable if the corporation
111 goes out of business or can demonstrate to the department that
112 its employees no longer want to have a child care facility.

113 (5) RULEMAKING.-The department may adopt rules pursuant to
114 ss. 120.536(1) and 120.54 to implement this section.

115 (6) EXPIRATION.-This section except for subsection (4)
116 expires on June 30, 2027.

117 Section 2. This act shall take effect July 1, 2017.