

1 A bill to be entitled
2 An act relating to taxation; creating s. 212.0581,
3 F.S.; providing legislative findings and intent;
4 imposing a sales tax on specified services; specifying
5 the tax rate on the sales price of the services;
6 specifying that only services performed wholly in the
7 state are taxable; specifying the calculation of tax
8 to be used for services not performed wholly in the
9 state; requiring the dealer to collect such tax;
10 establishing tax brackets for calculation of the tax;
11 specifying procedures for certain transactions
12 containing taxable and nontaxable services; excluding
13 specified services from sales or use taxes; providing
14 deadlines for registration as a dealer; requiring the
15 Office of Program Policy and Government Accountability
16 and the Department of Revenue to complete a report by
17 a specified date; providing reporting requirements;
18 requiring a report to the Governor and the
19 Legislature; amending s. 212.02, F.S.; revising
20 definitions; providing legislative findings and
21 intent; creating s. 11.95, F.S.; providing a short
22 title; creating the Joint Legislative Sales and Use
23 Tax Review Committee; specifying the composition of
24 the committee; specifying committee member terms and
25 the manner of filling vacancies; requiring committee

26 | members to elect a chair and vice chair for specified
27 | terms; authorizing the Legislature to employ committee
28 | staff for certain purposes; specifying requirements
29 | for committee meetings; providing that the committee
30 | is governed by joint legislative rules; providing
31 | definitions; requiring the committee to conduct a
32 | comprehensive review of exemptions and exclusions from
33 | specified state taxes; requiring the committee to
34 | establish certain evaluation criteria according to
35 | specified principles of taxation; requiring the
36 | committee to report certain findings and
37 | recommendations to the President of the Senate and the
38 | Speaker of the House of Representatives; providing
39 | requirements in making such recommendations;
40 | authorizing the committee to determine the order in
41 | which it reviews exemptions and exclusions; specifying
42 | timeframes and requirements for reviewing exemptions
43 | and exclusions and for submitting reports; providing
44 | exceptions from the review or repeal of certain
45 | exemptions and exclusions; requiring the committee, at
46 | certain intervals, to introduce in both houses bills
47 | presenting for reenactment, modification, or repeal of
48 | certain exemptions, or certain bills imposing the tax
49 | on services; providing requirements for the content
50 | and filing of bills; providing for the repeal of

51 certain exemptions or exclusions after a certain
52 timeframe; providing construction; amending s. 220.03,
53 F.S.; revising the definition of the term "taxpayer";
54 providing definitions; amending s. 220.13, F.S.;
55 revising the definition of the term "adjusted federal
56 income" to prohibit specified deductions, to limit
57 certain carryovers, and to require subtractions of
58 certain dividends paid and received within a water's
59 edge group, for the purpose of determining
60 subtractions from taxable income; conforming
61 provisions to changes made by the act; repealing s.
62 220.131, F.S., relating to the adjusted federal income
63 of affiliated groups; creating s. 220.136, F.S.;
64 specifying circumstances under which a corporation is
65 presumed to be, deemed to be, or deemed not to be a
66 member of a water's edge group; providing
67 construction; defining the term "United States";
68 creating s. 220.1363, F.S.; defining the term "water's
69 edge reporting method"; specifying requirements for,
70 limitations on, and prohibitions in, calculating and
71 reporting income in a water's edge group return;
72 requiring all members of a water's edge group to use
73 the water's edge reporting method; defining the term
74 "sale"; specifying requirements for designating the
75 filing member and the taxable year of the water's edge

76 | group; specifying income reporting requirements for
77 | certain members of the water's edge group; requiring
78 | that a water's edge group return include a specified
79 | computational schedule and domestic disclosure
80 | spreadsheet; authorizing the Department of Revenue to
81 | adopt rules; providing legislative intent regarding
82 | the adoption of rules; amending s. 220.14, F.S.;
83 | revising the calculation for prorating a certain
84 | corporate income tax exemption to reflect leap years;
85 | conforming a provision to changes made by the act;
86 | amending ss. 220.15, 220.183, 220.1845, 220.1875,
87 | 220.191, 220.192, 220.193, and 220.51, F.S.;
88 | conforming provisions to changes made by the act;
89 | amending s. 220.64, F.S.; providing applicability of
90 | water's edge group provisions to the franchise tax;
91 | conforming provisions to changes made by the act;
92 | amending ss. 288.1254 and 376.30781, F.S.; conforming
93 | provisions to changes made by the act; specifying,
94 | beginning on a specified date, requirements for
95 | corporate tax return filings for certain taxpayers;
96 | providing appropriations; amending s. 212.08, F.S.;
97 | exempting diapers and baby wipes from the sales and
98 | use tax; providing definitions; providing sales tax
99 | exemptions for the retail sale of certain items during
100 | a specified timeframe; providing exceptions; providing

101 a sales tax exemption for specified disaster
102 preparedness supplies purchased during specified
103 timeframes; providing for the review and repeal of
104 specified tax exemptions, tax exclusions, tax credits,
105 and tax reductions after a specified time; requiring
106 each law that enacts exemptions, exclusions, tax
107 credits, or tax reductions to provide specified
108 information regarding future repeal; requiring the
109 Office of Legislative Services to certify upcoming
110 exemptions, exclusions, tax credits, and tax
111 reductions; requiring the Legislature to consider
112 specified items during its review; amending s.
113 1010.75, F.S.; removing the teacher certification
114 examination fee; amending s. 1012.59, F.S.; revising a
115 provision to conform to changes made by the act;
116 providing legislative intent; creating an anti-
117 terrorism and vacant property tax on a specified date
118 at a specified rate; requiring nonhomesteaded property
119 owners to provide certain certifications regarding
120 vacancies on their properties; specifying penalties
121 for providing false certifications; requiring funds
122 collected from the anti-terrorism and vacant property
123 tax to go into a separate account within the State
124 Housing Trust Fund; requiring the Department of
125 Economic Opportunity to create and administer a

126 specified loan program; specifying criteria for
 127 accessing the loan program to build or retrofit
 128 affordable housing; specifying actions the Department
 129 of Economic Opportunity must take if the unencumbered
 130 cash balance within the separate account exceeds a
 131 certain amount; authorizing property appraisers and
 132 the Department of Economic Opportunity to adopt rules;
 133 prohibiting unappropriated cash balances of the
 134 separate account within the State Housing Trust Fund
 135 from being transferred to other funds; providing
 136 effective dates.

137

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

139

140 Section 1. Effective July 1, 2022, section 212.0581,
 141 Florida Statutes, is created to read:

142 212.0581 Sales and use tax on services; implementation
 143 report.—It is the intent of the Legislature to levy an excise
 144 tax on the sale of services in this state.

145 (1) A tax is hereby imposed on the sale at retail of any
 146 service in this state at the rate of 6 percent of the sales
 147 price of the service. The tax shall be computed on each taxable
 148 sale of a service for the purpose of remitting the amount of tax
 149 due the state and shall include each and every retail sale of a
 150 service, unless otherwise specifically exempted. For the

151 purposes of this section, "the sale of a service in this state"
152 means a service that is performed wholly within this state, or
153 if the service is performed partly within and partly outside
154 this state, the greater proportion of the service is performed
155 within this state.

156 (2) (a) The sales and use tax on services imposed by this
157 section shall be collected by the dealer as defined in s.
158 212.06(2) and remitted by the dealer to the department at the
159 time and in the manner as provided in this chapter.

160 (b) The sales and use tax on services shall be computed
161 according to the brackets set forth in s. 212.12(9) on the sales
162 price or cost price of the service at the time of the sale, and
163 is due and payable as provided in s. 212.11.

164 (3) The sales and use tax on services imposed by this
165 section shall not be construed to impose an additional tax on
166 transactions to the extent that they are already taxed under
167 other provisions of this chapter.

168 (4) If a transaction involves both the sale or use of a
169 service taxable under this section and the sale or use of a
170 service is exempt under this section, the consideration paid
171 must be separately identified and stated with respect to the
172 taxable and exempt portions of the transaction as a condition of
173 the exemption. However, this subsection does not apply to sales
174 that are exempt under subsection (6).

175 (5) If a service that is taxable beginning July 1, 2022,

176 is provided before that date, it may not be taxed,
177 notwithstanding that compensation for the service is paid or
178 payable on or after that date.

179 (6) Notwithstanding any other provision of this section, a
180 sales or use tax may not be levied on the following services:

181 (a) Religious services and rites, including weddings and
182 funerals.

183 (b) Healthcare services.

184 (c) Educational services, including tutoring, private
185 schools, and private colleges.

186 (d) Legal services.

187 (e) Tax preparation service.

188 (f) Media services, including advertising services.

189 (7) Services which are taxed as of June 30, 31, 2022,
190 under another provision of law shall remain taxed at the rate
191 which applied to the services before June 30, 2022, unless those
192 services are otherwise specifically amended.

193 (8) Each entity that meets the definition of dealer
194 provided in s. 212.06(2)(k), shall register with the department
195 no later than June 30, 2022, and shall be subject to remitting,
196 reporting, and deadlines otherwise applicable to dealers of
197 tangible personal property.

198 (9) The Office of Program Policy and Government
199 Accountability and the Department of Revenue shall complete a
200 report by June 30, 2023 and each June 30 for the following 2

201 years that analyzes and discusses implementation of the sales
 202 tax on services. The report must include, at a minimum, the
 203 amount of revenues generated as a result of the tax and must
 204 provide legislative recommendations for improving the
 205 administration of the program. The report must be provided to
 206 the Governor, President of the Senate, and the Speaker of the
 207 House of Representatives.

208 Section 2. Paragraph (d) of subsection (14) and
 209 subsections (15) and (20) of section 212.02, Florida Statutes,
 210 are amended to read:

211 212.02 Definitions.—The following terms and phrases when
 212 used in this chapter have the meanings ascribed to them in this
 213 section, except where the context clearly indicates a different
 214 meaning:

215 (14)

216 (d) "Gross sales" means the sum total of all sales of
 217 tangible personal property or services as defined herein,
 218 without any deduction whatsoever of any kind or character,
 219 except as provided in this chapter.

220 (15) "Sale" means and includes:

221 (a) Any transfer of title or possession, or both,
 222 exchange, barter, license, lease, or rental, conditional or
 223 otherwise, in any manner or by any means whatsoever, of tangible
 224 personal property for a consideration.

225 (b) The rental of living quarters or sleeping or

226 housekeeping accommodations in hotels, apartment houses or
227 roominghouses, or tourist or trailer camps, as hereinafter
228 defined in this chapter.

229 (c) The producing, fabricating, processing, printing, or
230 imprinting of tangible personal property for a consideration for
231 consumers who furnish either directly or indirectly the
232 materials used in the producing, fabricating, processing,
233 printing, or imprinting.

234 (d) The furnishing, preparing, or serving for a
235 consideration of any tangible personal property for consumption
236 on or off the premises of the person furnishing, preparing, or
237 serving such tangible personal property which includes the sale
238 of meals or prepared food by an employer to his or her
239 employees.

240 (e) A transaction whereby the possession of property is
241 transferred but the seller retains title as security for the
242 payment of the price.

243 (f) Any transfer, provision, or rendering of services for
244 consideration.

245 (20) "Use" means and includes the exercise of any right or
246 power over tangible personal property incident to the ownership
247 thereof, or interest therein, except that it does not include
248 the sale at retail of that property in the regular course of
249 business. The term "use" also means the consumption or enjoyment
250 of the benefit of services. The term "use" does not include the

251 loan of an automobile by a motor vehicle dealer to a high school
252 for use in its driver education and safety program. The term
253 "use" does not include a contractor's use of "qualifying
254 property" as defined by paragraph (14) (a).

255 Section 3. Legislative findings and intent.—

256 (1) The Legislature finds that a tax exemption or
257 exclusion that does not apply uniformly and that benefits only
258 one group effectively increases the tax burden on taxpayers who
259 do not enjoy the exemption. Therefore, the Legislature intends
260 that each sales and use tax exemption and exclusion be evaluated
261 with the goal of phasing out exemptions or exclusions that do
262 not sufficiently serve the public interest.

263 (2) The Legislature finds that the separate accounting
264 system used to measure the income of multistate and
265 multinational corporations for tax purposes often places Florida
266 corporations at a competitive disadvantage. Moreover, corporate
267 business is increasingly conducted through groups of commonly
268 owned corporations. Therefore, the Legislature intends to more
269 accurately measure the business activities of corporations by
270 adopting a combined system of income tax reporting.

271 Section 4. Section 11.95, Florida Statutes, is created to
272 read:

273 11.95 Joint Legislative Sales and Use Tax Review
274 Committee.—

275 (1) SHORT TITLE.—This section may be cited as the "Florida

276 Sales Tax Fairness Restoration Act."

277 (2) JOINT LEGISLATIVE SALES AND USE TAX REVIEW COMMITTEE.—

278 (a) There is created a joint standing committee of the
279 Legislature designated the Joint Legislative Sales and Use Tax
280 Review Committee, composed of 10 members as follows: 5 members
281 of the Senate, to be appointed by the President of the Senate,
282 and 5 members of the House of Representatives, to be appointed
283 by the Speaker of the House of Representatives. The terms of
284 members shall be for 2 years and shall run from the organization
285 of one Legislature to the organization of the next Legislature.
286 Vacancies occurring during the interim period shall be filled in
287 the same manner as the original appointments. The members of the
288 committee shall elect a chair and vice chair. During the 2-year
289 term, a member of each house shall serve as chair for 1 year.

290 (b) The Senate and the House of Representatives may each
291 employ staff to work for the committee on matters related to
292 committee activities.

293 (3) MEETINGS.—The committee shall have its initial meeting
294 no later than September 1, 2019, and thereafter as necessary, at
295 the call of the chair at the time and place designated by the
296 chair. A quorum shall consist of a majority of the committee
297 members from each house. During the interim period, the
298 committee may conduct its meetings through teleconferences or
299 other similar means.

300 (4) RULES.—The committee shall be governed by joint rules

301 of the Senate and House of Representatives, which shall remain
302 in effect until repealed or amended by concurrent resolution.

303 (5) DEFINITIONS.—As used in this section, the term
304 "service" means a service within any of the following service
305 categories under the North American Industry Classification
306 System (NAICS):

- 307 1. Personal services.
- 308 2. Professional services.
- 309 3. Business services.
- 310 4. Financial services.
- 311 5. Media services.
- 312 6. Entertainment and sports services.
- 313 7. Construction services.
- 314 8. Institutional services.
- 315 9. Transportation services.
- 316 10. Health services.

317 (6) POWERS AND DUTIES.—The committee shall conduct a
318 comprehensive review of all current and future exemptions from
319 any state tax imposed under chapters 192-220 and the exclusion
320 of sales of services from such taxation. The committee shall
321 establish criteria by which each exemption or exclusion shall be
322 evaluated. In developing the evaluation criteria, the committee
323 shall consider the following principles of taxation:

324 (a) Equity.—The tax system should treat individuals
325 equitably. It should impose similar tax burdens on people in

326 similar circumstances and should minimize regressivity.

327 (b) Simplicity, transparency, and compliance.—The tax
328 system should facilitate taxpayer compliance. It should be
329 simple and easy to understand and should provide visibility and
330 awareness of the taxes being paid.

331 (c) Neutrality.—The tax system should affect taxpayers
332 uniformly and consistently.

333 (d) Stability.—The tax system should produce revenues in a
334 stable and reliable manner that is sufficient to fund
335 appropriate governmental functions and expenditures.

336 (e) Integration.—The tax system should balance the need
337 for integration of federal, state, and local taxation.

338 (f) Public purpose.—Any state tax exemption or exclusion
339 under the tax system should be based on a determination that the
340 exemption or exclusion promotes an important state interest and
341 should benefit citizens as equally as possible.

342 (7) FINDINGS AND RECOMMENDATIONS.—In conducting its review
343 of each exemption from the state taxation or the exclusion of
344 the sale of a service from such taxation, the committee shall
345 make findings of fact and recommend whether the exemption should
346 be retained, modified, or repealed or whether the exclusion
347 should be retained or eliminated. Each recommendation must be
348 made by majority vote of the committee members from each house.
349 If a majority vote of the committee members from each house
350 cannot be achieved, the committee must recommend that the

351 exemption or exclusion be repealed. The findings of fact and
352 recommendations of the committee shall be made by reports to the
353 President of the Senate and the Speaker of the House of
354 Representatives.

355 (8) EXEMPTIONS AND EXCLUSIONS REVIEW.—

356 (a) The committee may use its discretion in determining
357 the order in which it reviews the exemptions and exclusions. For
358 the initial review, the committee shall submit to the President
359 of the Senate and the Speaker of the House of Representatives
360 its initial report on one-third of the exemptions and exclusions
361 by November 1, 2020, its report on the second one-third of the
362 exemptions and exclusions by March 1, 2021, and its report on
363 the final one-third of the exemptions and exclusions by July 1,
364 2021, with no duplication of exemptions or exclusions from one
365 report to the next. Thereafter, the committee shall review every
366 3 years approximately one-third of the exemptions and
367 exclusions, with no duplication of exemptions or exclusions
368 reviewed from one 3-year period to the next 3-year period. The
369 committee shall submit its 3-year period review reports no later
370 than December 1 of the year before the next regular session
371 after the expiration of the third year of each 3-year review
372 cycle. The committee shall begin a new 9-year review cycle of
373 all exemptions from any state tax imposed under chapters 192-220
374 and all exclusions of sales of services from such taxation every
375 9 years after the expiration of the previous review cycle.

376 (b) Notwithstanding this section, exemptions and
 377 exclusions for necessities, including, but not limited to,
 378 exemptions for general groceries as described in s. 212.08(1),
 379 medical products or supplies as described in s. 212.08(2),
 380 health services, residential housing, residential electricity,
 381 and home heating fuel, the exemptions from the sales tax on
 382 services as set forth in s. 212.0581(6), and sales of property
 383 or services that the state is prohibited from taxing under the
 384 State Constitution or laws of the United States, are not subject
 385 to review by the committee or repeal in legislation proposed by
 386 the committee.

387 (9) LEGISLATION.—At the regular session after submission
 388 of each annual report to the President of the Senate and the
 389 Speaker of the House of Representatives, the committee shall
 390 introduce in both houses of the Legislature bills presenting for
 391 reenactment, modification, or repeal those exemptions from state
 392 taxation or any imposition of such taxation on sales of services
 393 which were recommended by the committee in the report submitted
 394 immediately before the session in which introduced. Each bill
 395 introduced must be restricted to a single exemption or the
 396 imposition of the tax on a single service and must be submitted
 397 to a vote of the members of each house of the Legislature no
 398 later than the 8th week of the session in which it is
 399 introduced, unless the substance of the bill has already been
 400 voted on by the members of that house of the Legislature in

401 another bill during that session, regardless of the outcome of
402 that vote, or the bill has already been submitted to the members
403 of the other house and has been defeated.

404 (10) REPEAL.—Any exemption from state taxation or
405 exclusion from imposition of such tax on sales of services, if
406 applicable, which is not prohibited from review by the committee
407 under paragraph (8) (b) and is not modified or reenacted by the
408 end of the regular session after any 9-year review period is
409 repealed on July 1 after the end of the regular session
410 immediately after the 9-year review period.

411 (11) CONSTRUCTION.—This section does not preclude a
412 legislator from filing for consideration during any legislative
413 session a bill proposing to modify, repeal, or enact any
414 exemption from the state taxation or the exclusion from
415 imposition of such taxation, if applicable, on the sale of any
416 service.

417 Section 5. Paragraph (z) of subsection (1) of section
418 220.03, Florida Statutes, is amended, and paragraphs (gg) and
419 (hh) are added to that subsection, to read:

420 220.03 Definitions.—

421 (1) SPECIFIC TERMS.—When used in this code, and when not
422 otherwise distinctly expressed or manifestly incompatible with
423 the intent thereof, the following terms shall have the following
424 meanings:

425 (z) "Taxpayer" means any corporation subject to the tax

426 imposed by this code, and includes all corporations that are
427 members of a water's edge group for which a consolidated return
428 ~~is filed under s. 220.131.~~ However, "taxpayer" does not include
429 a corporation having no individuals, including individuals
430 employed by an affiliate, ~~receiving compensation in this state~~
431 as defined in s. 220.15 when the only property owned or leased
432 by said corporation, including an affiliate, ~~in this state is~~
433 located at the premises of a printer with which it has
434 contracted for printing, if such property consists of the final
435 printed product, property which becomes a part of the final
436 printed product, or property from which the printed product is
437 produced.

438 (gg) "Tax haven" means a jurisdiction that, for a
439 particular tax year:

440 1. Is identified by the Organization for Economic Co-
441 operation and Development as a tax haven or as having a harmful
442 preferential tax regime; or

443 2.a. Is a jurisdiction that does not impose or imposes
444 only a nominal, effective tax on relevant income;

445 b. Has laws or practices that prevent the effective
446 exchange of information for tax purposes with other governments
447 regarding taxpayers who are subject to, or benefiting from, the
448 tax regime;

449 c. Lacks transparency;

450 d. Facilitates the establishment of foreign-owned entities

451 without the need for a local substantive presence or prohibits
452 these entities from having any commercial impact on the local
453 economy;

454 e. Explicitly or implicitly excludes the jurisdiction's
455 resident taxpayers from taking advantage of the tax regime's
456 benefits or prohibits enterprises that benefit from the regime
457 from operating in the jurisdiction's domestic market; or

458 f. Has created a tax regime that is favorable for tax
459 avoidance, based on an overall assessment of relevant factors,
460 including whether the jurisdiction has a significant untaxed
461 offshore financial or other services sector relative to its
462 overall economy.

463 For purposes of this paragraph, a tax regime lacks transparency
464 if the details of legislative, legal, or administrative
465 requirements are not open to public scrutiny and apparent or are
466 not consistently applied among similarly situated taxpayers. As
467 used in this paragraph, the term "tax regime" means a set or
468 system of rules, laws, regulations, or practices by which taxes
469 are imposed on any person, corporation, or entity, or on any
470 income, property, incident, indicia, or activity pursuant to
471 government authority.

472 (hh) "Water's edge group" means a group of corporations
473 related through common ownership whose business activities are
474 integrated with, dependent upon, or contribute to a flow of
475 value among members of the group.

476 Section 6. Section 220.13, Florida Statutes, is amended to
 477 read:

478 220.13 "Adjusted federal income" defined.—

479 (1) The term "adjusted federal income" means an amount
 480 equal to the taxpayer's taxable income as defined in subsection
 481 (2), or such taxable income of more than one taxpayer as
 482 provided in s. 220.1363 ~~s. 220.131~~, for the taxable year,
 483 adjusted as follows:

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

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

491 b. Notwithstanding sub-subparagraph a., if a credit taken
 492 under s. 220.1875 is added to taxable income in a previous
 493 taxable year under subparagraph 11. and is taken as a deduction
 494 for federal tax purposes in the current taxable year, the amount
 495 of the deduction allowed shall not be added to taxable income in
 496 the current year. The exception in this sub-subparagraph is
 497 intended to ensure that the credit under s. 220.1875 is added in
 498 the applicable taxable year and does not result in a duplicate
 499 addition in a subsequent year.

500 2. The amount of interest which is excluded from taxable

501 income under s. 103(a) of the Internal Revenue Code or any other
502 federal law, less the associated expenses disallowed in the
503 computation of taxable income under s. 265 of the Internal
504 Revenue Code or any other law, excluding 60 percent of any
505 amounts included in alternative minimum taxable income, as
506 defined in s. 55(b)(2) of the Internal Revenue Code, if the
507 taxpayer pays tax under s. 220.11(3).

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

512 4. That portion of the wages or salaries paid or incurred
513 for the taxable year which is equal to the amount of the credit
514 allowable for the taxable year under s. 220.181. This
515 subparagraph shall expire on the date specified in s. 290.016
516 for the expiration of the Florida Enterprise Zone Act.

517 5. That portion of the ad valorem school taxes paid or
518 incurred for the taxable year which is equal to the amount of
519 the credit allowable for the taxable year under s. 220.182. This
520 subparagraph shall expire on the date specified in s. 290.016
521 for the expiration of the Florida Enterprise Zone Act.

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

525 7. That portion of assessments to fund a guaranty

526 association incurred for the taxable year which is equal to the
527 amount of the credit allowable for the taxable year.

528 8. In the case of a nonprofit corporation which holds a
529 pari-mutuel permit and which is exempt from federal income tax
530 as a farmers' cooperative, an amount equal to the excess of the
531 gross income attributable to the pari-mutuel operations over the
532 attributable expenses for the taxable year.

533 9. The amount taken as a credit for the taxable year under
534 s. 220.1895.

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

538 11. The amount taken as a credit for the taxable year
539 under s. 220.1875. The addition in this subparagraph is intended
540 to ensure that the same amount is not allowed for the tax
541 purposes of this state as both a deduction from income and a
542 credit against the tax. This addition is not intended to result
543 in adding the same expense back to income more than once.

544 12. The amount taken as a credit for the taxable year
545 under s. 220.192.

546 13. The amount taken as a credit for the taxable year
547 under s. 220.193.

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

551 15. The costs to acquire a tax credit pursuant to s.
552 288.1254(5) that are deducted from or otherwise reduce federal
553 taxable income for the taxable year.

554 16. The amount taken as a credit for the taxable year
555 pursuant to s. 220.194.

556 17. The amount taken as a credit for the taxable year
557 under s. 220.196. The addition in this subparagraph is intended
558 to ensure that the same amount is not allowed for the tax
559 purposes of this state as both a deduction from income and a
560 credit against the tax. The addition is not intended to result
561 in adding the same expense back to income more than once.

562 (b) *Subtractions.*—

563 1. There shall be subtracted from such taxable income:

564 a. The net operating loss deduction allowable for federal
565 income tax purposes under s. 172 of the Internal Revenue Code
566 for the taxable year, except that any net operating loss that is
567 transferred pursuant to s. 220.194(6) may not be deducted by the
568 seller,

569 b. The net capital loss allowable for federal income tax
570 purposes under s. 1212 of the Internal Revenue Code for the
571 taxable year,

572 c. The excess charitable contribution deduction allowable
573 for federal income tax purposes under s. 170(d)(2) of the
574 Internal Revenue Code for the taxable year, and

575 d. The excess contributions deductions allowable for

576 federal income tax purposes under s. 404 of the Internal Revenue
 577 Code for the taxable year.

578
 579 However, a net operating loss and a capital loss shall never be
 580 carried back as a deduction to a prior taxable year, but all
 581 deductions attributable to such losses shall be deemed net
 582 operating loss carryovers and capital loss carryovers,
 583 respectively, and treated in the same manner, to the same
 584 extent, and for the same time periods as are prescribed for such
 585 carryovers in ss. 172 and 1212, respectively, of the Internal
 586 Revenue Code. A deduction is not allowed for net operating
 587 losses, net capital losses, or excess contribution deductions
 588 under 26 U.S.C. ss. 170(d)(2), 172, 1212, and 404 for a member
 589 of a water's edge group who is not a United States member.
 590 Carryovers of net operating losses, net capital losses, or
 591 excess contribution deductions under 26 U.S.C. ss. 170(d)(2),
 592 172, 1212, and 404 may be subtracted only by the member of the
 593 water's edge group who generates a carryover.

594 2. There shall be subtracted from such taxable income any
 595 amount to the extent included therein the following:

596 a. Dividends treated as received from sources without the
 597 United States, as determined under s. 862 of the Internal
 598 Revenue Code.

599 b. All amounts included in taxable income under s. 78 or
 600 s. 951 of the Internal Revenue Code.

601
602 However, as to any amount subtracted under this subparagraph,
603 there shall be added to such taxable income all expenses
604 deducted on the taxpayer's return for the taxable year which are
605 attributable, directly or indirectly, to such subtracted amount.
606 Further, no amount shall be subtracted with respect to dividends
607 paid or deemed paid by a Domestic International Sales
608 Corporation.

609 3. Amounts received by a member of a water's edge group as
610 dividends paid by another member of the water's edge group must
611 be subtracted from the taxable income if the dividends are
612 included in the taxable income.

613 ~~4.3.~~ In computing "adjusted federal income" for taxable
614 years beginning after December 31, 1976, there shall be allowed
615 as a deduction the amount of wages and salaries paid or incurred
616 within this state for the taxable year for which no deduction is
617 allowed pursuant to s. 280C(a) of the Internal Revenue Code
618 (relating to credit for employment of certain new employees).

619 ~~5.4.~~ There shall be subtracted from such taxable income
620 any amount of nonbusiness income included therein.

621 ~~6.5.~~ There shall be subtracted any amount of taxes of
622 foreign countries allowable as credits for taxable years
623 beginning on or after September 1, 1985, under s. 901 of the
624 Internal Revenue Code to any corporation which derived less than
625 20 percent of its gross income or loss for its taxable year

626 ended in 1984 from sources within the United States, as
627 described in s. 861(a)(2)(A) of the Internal Revenue Code, not
628 including credits allowed under ss. 902 and 960 of the Internal
629 Revenue Code, withholding taxes on dividends within the meaning
630 of sub-subparagraph 2.a., and withholding taxes on royalties,
631 interest, technical service fees, and capital gains.

632 7.6. Notwithstanding any other provision of this code,
633 except with respect to amounts subtracted pursuant to
634 subparagraphs 1. and 4. 3, any increment of any apportionment
635 factor which is directly related to an increment of gross
636 receipts or income which is deducted, subtracted, or otherwise
637 excluded in determining adjusted federal income shall be
638 excluded from both the numerator and denominator of such
639 apportionment factor. Further, all valuations made for
640 apportionment factor purposes shall be made on a basis
641 consistent with the taxpayer's method of accounting for federal
642 income tax purposes.

643 (c) *Installment sales occurring after October 19, 1980.*—

644 1. In the case of any disposition made after October 19,
645 1980, the income from an installment sale shall be taken into
646 account for the purposes of this code in the same manner that
647 such income is taken into account for federal income tax
648 purposes.

649 2. Any taxpayer who regularly sells or otherwise disposes
650 of personal property on the installment plan and reports the

651 income therefrom on the installment method for federal income
652 tax purposes under s. 453(a) of the Internal Revenue Code shall
653 report such income in the same manner under this code.

654 (d) *Nonallowable deductions.*—A deduction for net operating
655 losses, net capital losses, or excess contributions deductions
656 under ss. 170(d)(2), 172, 1212, and 404 of the Internal Revenue
657 Code which has been allowed in a prior taxable year for Florida
658 tax purposes shall not be allowed for Florida tax purposes,
659 notwithstanding the fact that such deduction has not been fully
660 utilized for federal tax purposes.

661 (e) *Adjustments related to federal acts.*—Taxpayers must
662 ~~shall be required to~~ make the adjustments prescribed in this
663 paragraph for Florida tax purposes with respect to certain tax
664 benefits received pursuant to the Economic Stimulus Act of 2008,
665 the American Recovery and Reinvestment Act of 2009, the Small
666 Business Jobs Act of 2010, the Tax Relief, Unemployment
667 Insurance Reauthorization, and Job Creation Act of 2010, the
668 American Taxpayer Relief Act of 2012, the Tax Increase
669 Prevention Act of 2014, the Consolidated Appropriations Act,
670 2016, and the Tax Cuts and Jobs Act of 2017.

671 1. There shall be added to such taxable income an amount
672 equal to 100 percent of any amount deducted for federal income
673 tax purposes as bonus depreciation for the taxable year pursuant
674 to ss. 167 and 168(k) of the Internal Revenue Code of 1986, as
675 amended by s. 103 of Pub. L. No. 110-185, s. 1201 of Pub. L. No.

676 111-5, s. 2022 of Pub. L. No. 111-240, s. 401 of Pub. L. No.
677 111-312, s. 331 of Pub. L. No. 112-240, s. 125 of Pub. L. No.
678 113-295, s. 143 of Division Q of Pub. L. No. 114-113, and s.
679 13201 of Pub. L. No. 115-97, for property placed in service
680 after December 31, 2007, and before January 1, 2027. For the
681 taxable year and for each of the 6 subsequent taxable years,
682 there shall be subtracted from such taxable income an amount
683 equal to one-seventh of the amount by which taxable income was
684 increased pursuant to this subparagraph, notwithstanding any
685 sale or other disposition of the property that is the subject of
686 the adjustments and regardless of whether such property remains
687 in service in the hands of the taxpayer.

688 2. There shall be added to such taxable income an amount
689 equal to 100 percent of any amount in excess of \$128,000
690 deducted for federal income tax purposes for the taxable year
691 pursuant to s. 179 of the Internal Revenue Code of 1986, as
692 amended by s. 102 of Pub. L. No. 110-185, s. 1202 of Pub. L. No.
693 111-5, s. 2021 of Pub. L. No. 111-240, s. 402 of Pub. L. No.
694 111-312, s. 315 of Pub. L. No. 112-240, and s. 127 of Pub. L.
695 No. 113-295, for taxable years beginning after December 31,
696 2007, and before January 1, 2015. For the taxable year and for
697 each of the 6 subsequent taxable years, there shall be
698 subtracted from such taxable income one-seventh of the amount by
699 which taxable income was increased pursuant to this
700 subparagraph, notwithstanding any sale or other disposition of

701 the property that is the subject of the adjustments and
702 regardless of whether such property remains in service in the
703 hands of the taxpayer.

704 3. There shall be added to such taxable income an amount
705 equal to the amount of deferred income not included in such
706 taxable income pursuant to s. 108(i)(1) of the Internal Revenue
707 Code of 1986, as amended by s. 1231 of Pub. L. No. 111-5. There
708 shall be subtracted from such taxable income an amount equal to
709 the amount of deferred income included in such taxable income
710 pursuant to s. 108(i)(1) of the Internal Revenue Code of 1986,
711 as amended by s. 1231 of Pub. L. No. 111-5.

712 4. Subtractions available under this paragraph may be
713 transferred to the surviving or acquiring entity following a
714 merger or acquisition and used in the same manner and with the
715 same limitations as specified by this paragraph.

716 5. The additions and subtractions specified in this
717 paragraph are intended to adjust taxable income for Florida tax
718 purposes, and, notwithstanding any other provision of this code,
719 such additions and subtractions shall be permitted to change a
720 taxpayer's net operating loss for Florida tax purposes.

721 (2) For purposes of this section, a taxpayer's taxable
722 income for the taxable year means taxable income as defined in
723 s. 63 of the Internal Revenue Code and properly reportable for
724 federal income tax purposes for the taxable year, but subject to
725 the limitations set forth in paragraph (1)(b) with respect to

726 the deductions provided by ss. 172 (relating to net operating
727 losses), 170(d)(2) (relating to excess charitable
728 contributions), 404(a)(1)(D) (relating to excess pension trust
729 contributions), 404(a)(3)(A) and (B) (to the extent relating to
730 excess stock bonus and profit-sharing trust contributions), and
731 1212 (relating to capital losses) of the Internal Revenue Code,
732 except that, subject to the same limitations, the term:

733 (a) "Taxable income," in the case of a life insurance
734 company subject to the tax imposed by s. 801 of the Internal
735 Revenue Code, means life insurance company taxable income;
736 however, for purposes of this code, the total of any amounts
737 subject to tax under s. 815(a)(2) of the Internal Revenue Code
738 pursuant to s. 801(c) of the Internal Revenue Code shall not
739 exceed, cumulatively, the total of any amounts determined under
740 s. 815(c)(2) of the Internal Revenue Code of 1954, as amended,
741 from January 1, 1972, to December 31, 1983;

742 (b) "Taxable income," in the case of an insurance company
743 subject to the tax imposed by s. 831(b) of the Internal Revenue
744 Code, means taxable investment income;

745 (c) "Taxable income," in the case of an insurance company
746 subject to the tax imposed by s. 831(a) of the Internal Revenue
747 Code, means insurance company taxable income;

748 (d) "Taxable income," in the case of a regulated
749 investment company subject to the tax imposed by s. 852 of the
750 Internal Revenue Code, means investment company taxable income;

751 (e) "Taxable income," in the case of a real estate
 752 investment trust subject to the tax imposed by s. 857 of the
 753 Internal Revenue Code, means the income subject to tax, computed
 754 as provided in s. 857 of the Internal Revenue Code;

755 (f) "Taxable income," in the case of a corporation which
 756 is a member of an affiliated group of corporations filing a
 757 consolidated income tax return for the taxable year for federal
 758 income tax purposes, means taxable income of such corporation
 759 for federal income tax purposes as if such corporation had filed
 760 a separate federal income tax return for the taxable year and
 761 each preceding taxable year for which it was a member of an
 762 affiliated group, ~~unless a consolidated return for the taxpayer~~
 763 ~~and others is required or elected under s. 220.131;~~

764 (g) "Taxable income," in the case of a cooperative
 765 corporation or association, means the taxable income of such
 766 organization determined in accordance with the provisions of ss.
 767 1381-1388 of the Internal Revenue Code;

768 (h) "Taxable income," in the case of an organization which
 769 is exempt from the federal income tax by reason of s. 501(a) of
 770 the Internal Revenue Code, means its unrelated business taxable
 771 income as determined under s. 512 of the Internal Revenue Code;

772 (i) "Taxable income," in the case of a corporation for
 773 which there is in effect for the taxable year an election under
 774 s. 1362(a) of the Internal Revenue Code, means the amounts
 775 subject to tax under s. 1374 or s. 1375 of the Internal Revenue

776 Code for each taxable year;

777 (j) "Taxable income," in the case of a limited liability
778 company, other than a limited liability company classified as a
779 partnership for federal income tax purposes, as defined in and
780 organized pursuant to chapter 605 or qualified to do business in
781 this state as a foreign limited liability company or other than
782 a similar limited liability company classified as a partnership
783 for federal income tax purposes and created as an artificial
784 entity pursuant to the statutes of the United States or any
785 other state, territory, possession, or jurisdiction, if such
786 limited liability company or similar entity is taxable as a
787 corporation for federal income tax purposes, means taxable
788 income determined as if such limited liability company were
789 required to file or had filed a federal corporate income tax
790 return under the Internal Revenue Code;

791 (k) "Taxable income," in the case of a taxpayer liable for
792 the alternative minimum tax as defined in s. 55 of the Internal
793 Revenue Code, means the alternative minimum taxable income as
794 defined in s. 55(b)(2) of the Internal Revenue Code, less the
795 exemption amount computed under s. 55(d) of the Internal Revenue
796 Code. A taxpayer is not liable for the alternative minimum tax
797 unless the taxpayer's federal tax return, or related federal
798 consolidated tax return, if included in a consolidated return
799 for federal tax purposes, reflect a liability on the return
800 filed for the alternative minimum tax as defined in s. 55(b)(2)

801 of the Internal Revenue Code;

802 (1) "Taxable income," in the case of a taxpayer whose
803 taxable income is not otherwise defined in this subsection,
804 means the sum of amounts to which a tax rate specified in s. 11
805 of the Internal Revenue Code plus the amount to which a tax rate
806 specified in s. 1201(a)(2) of the Internal Revenue Code are
807 applied for federal income tax purposes.

808 Section 7. Section 220.131, Florida Statutes, is repealed.

809 Section 8. Section 220.136, Florida Statutes, is created
810 to read:

811 220.136 Determination of the members of a water's edge
812 group.—

813 (1) A corporation having 50 percent or more of its
814 outstanding voting stock directly or indirectly owned or
815 controlled by a water's edge group is presumed to be a member of
816 the water's edge group. A corporation having less than 50
817 percent of its outstanding voting stock directly or indirectly
818 owned or controlled by a water's edge group is a member of the
819 water's edge group if the businesses activities of the
820 corporation show that the corporation is a member of the water's
821 edge group. All of the income of a corporation that is a member
822 of a water's edge group is presumed to be unitary. For purposes
823 of this subsection, the attribution rules of 26 U.S.C. s. 318
824 must be used to determine whether voting stock is indirectly
825 owned.

826 (2) (a) A corporation that conducts business outside the
 827 United States is not a member of a water's edge group if 80
 828 percent or more of the corporation's property and payroll, as
 829 determined by the apportionment factors described in ss. 220.15
 830 and 220.1363, may be assigned to locations outside of the United
 831 States. However, such corporations that are incorporated in a
 832 tax haven may be a member of a water's edge group pursuant to
 833 subsection (1). This subsection does not exempt a corporation
 834 that is not a member of a water's edge group from this chapter.

835 (b) As used in this subsection, the term "United States"
 836 means the 50 states, the District of Columbia, and Puerto Rico.

837 (c) The apportionment factors described in ss. 220.1363
 838 and 220.15 must be used to determine whether a special industry
 839 corporation has engaged in a sufficient amount of activities
 840 outside of the United States to exclude it from treatment as a
 841 member of a water's edge group.

842 Section 9. Section 220.1363, Florida Statutes, is created
 843 to read:

844 220.1363 Water's edge groups; special requirements.—

845 (1) For purposes of this section, the term "water's edge
 846 reporting method" is a method to determine the taxable business
 847 profits of a group of entities conducting a unitary business.
 848 Under this method, the net income of the entities must be added
 849 together, along with the additions and subtractions under s.
 850 220.13 and apportioned to this state as a single taxpayer under

851 ss. 220.15 and 220.151. However, each special industry member
852 included in a water's edge group return, which would otherwise
853 be permitted to use a special method of apportionment under s.
854 220.151, shall convert its single-factor apportionment to a
855 three-factor apportionment of property, payroll, and sales. The
856 special industry member shall calculate the denominator of its
857 property, payroll, and sales factors in the same manner as those
858 denominators are calculated by members that are not special
859 industry members. The numerator of its sales, property, and
860 payroll factors is the product of the denominator of each factor
861 multiplied by the premiums or revenue-miles-factor ratio
862 otherwise applicable under s. 220.151.

863 (2) All members of a water's edge group must use the
864 water's edge reporting method, under which:

865 (a) Adjusted federal income, for purposes of s. 220.12,
866 means the sum of adjusted federal income of all members of the
867 water's edge group as determined for a concurrent taxable year.

868 (b) The numerators and denominators of the apportionment
869 factors must be calculated for all members of the water's edge
870 group combined.

871 (c) Intercompany sales transactions between members of the
872 water's edge group are not included in the numerator or
873 denominator of the sales factor under ss. 220.15 and 220.151,
874 regardless of whether indicia of a sale exist.

875 (d) For sales of intangibles, including accounts

876 receivable, notes, bonds, and stock, which are made to entities
877 outside the group, only the net proceeds are included in the
878 numerator and denominator of the sales factor.

879 (e) Sales that are not allocated or apportioned to any
880 taxing jurisdiction, otherwise known as "nowhere sales," may not
881 be included in the numerator or denominator of the sales factor.

882 (f) The income attributable to the Florida activities of a
883 corporation that is exempt from taxation under the Interstate
884 Income Act of 1959, Pub. L. No. 86-272, is excluded from the
885 apportionment factor numerators in the calculation of corporate
886 income tax, even if another member of the water's edge group has
887 nexus with this state and is subject to tax.

888
889 As used in this subsection, the term "sale" includes, but is not
890 limited to, loans, payments for the use of intangibles,
891 dividends, and management fees.

892 (3) (a) If a parent corporation is a member of the water's
893 edge group and has nexus with this state, a single water's edge
894 group return must be filed in the name and under the federal
895 employer identification number of the parent corporation. If the
896 water's edge group does not have a parent corporation, if the
897 parent corporation is not a member of the water's edge group, or
898 if the parent corporation does not have nexus with this state,
899 then the members of the water's edge group must choose a member
900 subject to the tax imposed by this chapter to file the return.

901 The members of the water's edge group may not choose another
902 member to file a corporate income tax return in subsequent years
903 unless the filing member does not maintain nexus with this state
904 or does not remain a member of the water's edge group. The
905 return must be signed by an authorized officer of the filing
906 member as the agent for the water's edge group.

907 (b) If members of a water's edge group have different
908 taxable years, the taxable year of a majority of the members of
909 the water's edge group is the taxable year of the water's edge
910 group. If the taxable years of a majority of the members do not
911 correspond, the taxable year of the member that files the return
912 for the water's edge group is the taxable year of the water's
913 edge group.

914 (c)1. A member of a water's edge group having a taxable
915 year that does not correspond to the taxable year of the water's
916 edge group shall determine its income for inclusion on the tax
917 return for the water's edge group. The member shall use:

918 a. The precise amount of taxable income received during
919 the months corresponding to the taxable year of the water's edge
920 group, if the precise amount can be readily determined from the
921 member's books and records.

922 b. The taxable income of the member converted to conform
923 to the taxable year of the water's edge group on the basis of
924 the number of months falling within the taxable year of the
925 water's edge group, such that, if the taxable year of the

926 water's edge group is a calendar year and a member operates on a
927 fiscal year ending on April 30, the income of the member must
928 include 8/12 of the income from the current taxable year and
929 4/12 of the income from the preceding taxable year. This method
930 to determine the income of a member may be used only if the
931 return can be timely filed after the end of the taxable year of
932 the water's edge group.

933 c. The taxable income of the member during its taxable
934 year that ends within the taxable year of the water's edge
935 group.

936 2. The method of determining the income of a member of a
937 water's edge group whose taxable year does not correspond to the
938 taxable year of the water's edge group may not change as long as
939 the member remains a member of the water's edge group. The
940 apportionment factors for the member must be applied to the
941 income of the member for the taxable year of the water's edge
942 group.

943 (4) (a) A water's edge group return must include a
944 computational schedule that:

945 1. Combines the federal income of all members of the
946 water's edge group;

947 2. Shows all intercompany eliminations;

948 3. Shows Florida additions and subtractions under s.
949 220.13; and

950 4. Shows the calculation of the combined apportionment

951 factors.

952 (b) In addition to its return, a water's edge group shall
953 also file a domestic disclosure spreadsheet. The spreadsheet
954 must fully disclose:

955 1. The income reported to each state;

956 2. The state tax liability;

957 3. The method used for apportioning or allocating income
958 to the various states; and

959 4. Other information required by department rule to
960 determine the proper amount of tax due to each state and to
961 identify the water's edge group.

962 (5) The department may adopt rules and forms to administer
963 this section. The Legislature intends to grant the department
964 extensive authority to adopt rules and forms describing and
965 defining principles for determining the existence of a water's
966 edge business, definitions of common control, methods of
967 reporting, and related forms, principles, and other definitions.

968 Section 10. Section 220.14, Florida Statutes, is amended
969 to read:

970 220.14 Exemption.—

971 (1) In computing a taxpayer's liability for tax under this
972 code, there shall be exempt from the tax \$50,000 of net income
973 as defined in s. 220.12 or such lesser amount as will, without
974 increasing the taxpayer's federal income tax liability, provide
975 the state with an amount under this code which is equal to the

976 maximum federal income tax credit which may be available from
 977 time to time under federal law.

978 (2) In the case of a taxable year for a period of less
 979 than 12 months, the exemption allowed by this section must ~~shall~~
 980 be prorated on the basis of the number of days in such year to
 981 365 days, or, in a leap year, 366 days.

982 (3) Only one exemption shall be allowed to taxpayers
 983 filing a water's edge group ~~consolidated~~ return under this code.

984 (4) Notwithstanding any other provision of this code, not
 985 more than one exemption under this section may be allowed to the
 986 Florida members of a controlled group of corporations, as
 987 defined in s. 1563 of the Internal Revenue Code with respect to
 988 taxable years ending on or after December 31, 1970, filing
 989 separate returns under this code. The exemption described in
 990 this section shall be divided equally among such Florida members
 991 of the group, unless all of such members consent, at such time
 992 and in such manner as the department shall by regulation
 993 prescribe, to an apportionment plan providing for an unequal
 994 allocation of such exemption.

995 Section 11. Paragraph (c) of subsection (5) of section
 996 220.15, Florida Statutes, is amended to read:

997 220.15 Apportionment of adjusted federal income.—

998 (5) The sales factor is a fraction the numerator of which
 999 is the total sales of the taxpayer in this state during the
 1000 taxable year or period and the denominator of which is the total

1001 sales of the taxpayer everywhere during the taxable year or
 1002 period.

1003 (c) Sales of a financial organization, including, but not
 1004 limited to, banking and savings institutions, investment
 1005 companies, real estate investment trusts, and brokerage
 1006 companies, occur in this state if derived from:

1007 1. Fees, commissions, or other compensation for financial
 1008 services rendered within this state;

1009 2. Gross profits from trading in stocks, bonds, or other
 1010 securities managed within this state;

1011 3. Interest received within this state, other than
 1012 interest from loans secured by mortgages, deeds of trust, or
 1013 other liens upon real or tangible personal property located
 1014 without this state, and dividends received within this state;

1015 4. Interest charged to customers at places of business
 1016 maintained within this state for carrying debit balances of
 1017 margin accounts, without deduction of any costs incurred in
 1018 carrying such accounts;

1019 5. Interest, fees, commissions, or other charges or gains
 1020 from loans secured by mortgages, deeds of trust, or other liens
 1021 upon real or tangible personal property located in this state or
 1022 from installment sale agreements originally executed by a
 1023 taxpayer or the taxpayer's agent to sell real or tangible
 1024 personal property located in this state;

1025 6. Rents from real or tangible personal property located

1026 | in this state; or

1027 | 7. Any other gross income, including other interest,
1028 | resulting from the operation as a financial organization within
1029 | this state.

1030 |
1031 | ~~In computing the amounts under this paragraph, any amount~~
1032 | ~~received by a member of an affiliated group (determined under s.~~
1033 | ~~1504(a) of the Internal Revenue Code, but without reference to~~
1034 | ~~whether any such corporation is an "includable corporation"~~
1035 | ~~under s. 1504(b) of the Internal Revenue Code) from another~~
1036 | ~~member of such group shall be included only to the extent such~~
1037 | ~~amount exceeds expenses of the recipient directly related~~
1038 | ~~thereto.~~

1039 | Section 12. Paragraph (f) of subsection (1) of section
1040 | 220.183, Florida Statutes, is amended to read:

1041 | 220.183 Community contribution tax credit.—

1042 | (1) AUTHORIZATION TO GRANT COMMUNITY CONTRIBUTION TAX
1043 | CREDITS; LIMITATIONS ON INDIVIDUAL CREDITS AND PROGRAM
1044 | SPENDING.—

1045 | ~~(f) A taxpayer who files a Florida consolidated return as~~
1046 | ~~a member of an affiliated group pursuant to s. 220.131(1) may be~~
1047 | ~~allowed the credit on a consolidated return basis.~~

1048 | Section 13. Paragraphs (b), (c), and (d) of subsection (2)
1049 | of section 220.1845, Florida Statutes, are amended to read:

1050 | 220.1845 Contaminated site rehabilitation tax credit.—

1051 (2) AUTHORIZATION FOR TAX CREDIT; LIMITATIONS.—

1052 (b) A tax credit applicant, or multiple tax credit
1053 applicants working jointly to clean up a single site, may not be
1054 granted more than \$500,000 per year in tax credits for each site
1055 voluntarily rehabilitated. Multiple tax credit applicants shall
1056 be granted tax credits in the same proportion as their
1057 contribution to payment of cleanup costs. Subject to the same
1058 conditions and limitations as provided in this section, a
1059 municipality, county, or other tax credit applicant which
1060 voluntarily rehabilitates a site may receive not more than
1061 \$500,000 per year in tax credits which it can subsequently
1062 transfer subject to ~~the provisions in~~ paragraph (f) ~~(g)~~.

1063 (c) If the credit granted under this section is not fully
1064 used in any one year because of insufficient tax liability on
1065 the part of the corporation, the unused amount may be carried
1066 forward for up to 5 years. The carryover credit may be used in a
1067 subsequent year if the tax imposed by this chapter for that year
1068 exceeds the credit for which the corporation is eligible in that
1069 year after applying the other credits and unused carryovers in
1070 the order provided by s. 220.02(8). If during the 5-year period
1071 the credit is transferred, in whole or in part, pursuant to
1072 paragraph (f) ~~(g)~~, each transferee has 5 years after the date of
1073 transfer to use its credit.

1074 ~~(d) A taxpayer that files a consolidated return in this~~
1075 ~~state as a member of an affiliated group under s. 220.131(1) may~~

1076 ~~be allowed the credit on a consolidated return basis up to the~~
 1077 ~~amount of tax imposed upon the consolidated group.~~

1078 Section 14. Subsection (2) of section 220.1875, Florida
 1079 Statutes, is amended to read:

1080 220.1875 Credit for contributions to eligible nonprofit
 1081 scholarship-funding organizations.—

1082 ~~(2) A taxpayer who files a Florida consolidated return as~~
 1083 ~~a member of an affiliated group pursuant to s. 220.131(1) may be~~
 1084 ~~allowed the credit on a consolidated return basis; however, the~~
 1085 ~~total credit taken by the affiliated group is subject to the~~
 1086 ~~limitation established under subsection (1).~~

1087 Section 15. Paragraphs (a) and (c) of subsection (3) of
 1088 section 220.191, Florida Statutes, are amended to read:

1089 220.191 Capital investment tax credit.—

1090 (3) (a) Notwithstanding subsection (2), an annual credit
 1091 against the tax imposed by this chapter shall be granted to a
 1092 qualifying business which establishes a qualifying project
 1093 pursuant to subparagraph (1)(g)3., in an amount equal to the
 1094 lesser of \$15 million or 5 percent of the eligible capital costs
 1095 made in connection with a qualifying project, for a period not
 1096 to exceed 20 years beginning with the commencement of operations
 1097 of the project. The tax credit shall be granted against the
 1098 corporate income tax liability of the qualifying business ~~and as~~
 1099 ~~further provided in paragraph (c).~~ The total tax credit provided
 1100 pursuant to this subsection shall be equal to no more than 100

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1101 percent of the eligible capital costs of the qualifying project.

1102 (c) The credit granted under this subsection may be used
1103 in whole or in part by the qualifying business ~~or any~~
1104 ~~corporation that is either a member of that qualifying~~
1105 ~~business's affiliated group of corporations, is a related entity~~
1106 ~~taxable as a cooperative under subchapter T of the Internal~~
1107 ~~Revenue Code, or, if the qualifying business is an entity~~
1108 ~~taxable as a cooperative under subchapter T of the Internal~~
1109 ~~Revenue Code, is related to the qualifying business. Any entity~~
1110 ~~related to the qualifying business may continue to file as a~~
1111 ~~member of a Florida nexus consolidated group pursuant to a prior~~
1112 ~~election made under s. 220.131(1), Florida Statutes (1985), even~~
1113 ~~if the parent of the group changes due to a direct or indirect~~
1114 ~~acquisition of the former common parent of the group. Any credit~~
1115 ~~can be used by any of the affiliated companies or related~~
1116 ~~entities referenced in this paragraph to the same extent as it~~
1117 ~~could have been used by the qualifying business. However, any~~
1118 ~~such use shall not operate to increase the amount of the credit~~
1119 ~~or extend the period within which the credit must be used.~~

1120 Section 16. Subsection (2) of section 220.192, Florida
1121 Statutes, is amended to read:

1122 220.192 Renewable energy technologies investment tax
1123 credit.—

1124 (2) TAX CREDIT.—For tax years beginning on or after
1125 January 1, 2013, a credit against the tax imposed by this

1126 chapter shall be granted in an amount equal to the eligible
 1127 costs. Credits may be used in tax years beginning January 1,
 1128 2013, and ending December 31, 2016, after which the credit shall
 1129 expire. If the credit is not fully used in any one tax year
 1130 because of insufficient tax liability on the part of the
 1131 corporation, the unused amount may be carried forward and used
 1132 in tax years beginning January 1, 2013, and ending December 31,
 1133 2018, after which the credit carryover expires and may not be
 1134 used. ~~A taxpayer that files a consolidated return in this state~~
 1135 ~~as a member of an affiliated group under s. 220.131(1) may be~~
 1136 ~~allowed the credit on a consolidated return basis up to the~~
 1137 ~~amount of tax imposed upon the consolidated group.~~ Any eligible
 1138 cost for which a credit is claimed and which is deducted or
 1139 otherwise reduces federal taxable income shall be added back in
 1140 computing adjusted federal income under s. 220.13.

1141 Section 17. Paragraphs (c) and (e) of subsection (3) of
 1142 section 220.193, Florida Statutes, are amended to read:

1143 220.193 Florida renewable energy production credit.—

1144 (3) An annual credit against the tax imposed by this
 1145 section shall be allowed to a taxpayer, based on the taxpayer's
 1146 production and sale of electricity from a new or expanded
 1147 Florida renewable energy facility. For a new facility, the
 1148 credit shall be based on the taxpayer's sale of the facility's
 1149 entire electrical production. For an expanded facility, the
 1150 credit shall be based on the increases in the facility's

1151 electrical production that are achieved after May 1, 2012.

1152 (c) If the amount of credits applied for each year exceeds
1153 the amount authorized in paragraph (f) ~~(g)~~, the Department of
1154 Agriculture and Consumer Services shall allocate credits to
1155 qualified applicants based on the following priority:

1156 1. An applicant who places a new facility in operation
1157 after May 1, 2012, shall be allocated credits first, up to a
1158 maximum of \$250,000 each, with any remaining credits to be
1159 granted pursuant to subparagraph 3., but if the claims for
1160 credits under this subparagraph exceed the state fiscal year cap
1161 in paragraph (f) ~~(g)~~, credits shall be allocated pursuant to
1162 this subparagraph on a prorated basis based upon each
1163 applicant's qualified production and sales as a percentage of
1164 total production and sales for all applicants in this category
1165 for the fiscal year.

1166 2. An applicant who does not qualify under subparagraph 1.
1167 but who claims a credit of \$50,000 or less shall be allocated
1168 credits next, but if the claims for credits under this
1169 subparagraph, combined with credits allocated in subparagraph
1170 1., exceed the state fiscal year cap in paragraph (f) ~~(g)~~,
1171 credits shall be allocated pursuant to this subparagraph on a
1172 prorated basis based upon each applicant's qualified production
1173 and sales as a percentage of total qualified production and
1174 sales for all applicants in this category for the fiscal year.

1175 3. An applicant who does not qualify under subparagraph 1.

1176 or subparagraph 2. and an applicant whose credits have not been
1177 fully allocated under subparagraph 1. shall be allocated credits
1178 next. If there is insufficient capacity within the amount
1179 authorized for the state fiscal year in paragraph (f) ~~(g)~~, and
1180 after allocations pursuant to subparagraphs 1. and 2., the
1181 credits allocated under this subparagraph shall be prorated
1182 based upon each applicant's unallocated claims for qualified
1183 production and sales as a percentage of total unallocated claims
1184 for qualified production and sales of all applicants in this
1185 category, up to a maximum of \$1 million per taxpayer per state
1186 fiscal year. If, after application of this \$1 million cap, there
1187 is excess capacity under the state fiscal year cap in paragraph
1188 (f) ~~(g)~~ in any state fiscal year, that remaining capacity shall
1189 be used to allocate additional credits with priority given in
1190 the order set forth in this subparagraph and without regard to
1191 the \$1 million per taxpayer cap.

1192 ~~(c) A taxpayer that files a consolidated return in this~~
1193 ~~state as a member of an affiliated group under s. 220.131(1) may~~
1194 ~~be allowed the credit on a consolidated return basis up to the~~
1195 ~~amount of tax imposed upon the consolidated group.~~

1196 Section 18. Section 220.51, Florida Statutes, is amended
1197 to read:

1198 220.51 Adoption ~~Promulgation~~ of rules and regulations.—In
1199 accordance with the Administrative Procedure Act, chapter 120,
1200 the department is authorized to make, adopt ~~promulgate~~, and

1201 enforce such reasonable rules and regulations, and to prescribe
 1202 such forms relating to the administration and enforcement of ~~the~~
 1203 ~~provisions of~~ this code, as it may deem appropriate, including:

1204 (1) Rules for initial implementation of this code and for
 1205 taxpayers' transitional taxable years commencing before and
 1206 ending after January 1, 1972; and

1207 (2) Rules or regulations to clarify whether certain
 1208 groups, organizations, or associations formed under the laws of
 1209 this state or any other state, country, or jurisdiction shall be
 1210 deemed "taxpayers" for the purposes of this code, in accordance
 1211 with the legislative declarations of intent in s. 220.02; ~~and~~

1212 ~~(3) Regulations relating to consolidated reporting for~~
 1213 ~~affiliated groups of corporations, in order to provide for an~~
 1214 ~~equitable and just administration of this code with respect to~~
 1215 ~~multicorporate taxpayers.~~

1216 Section 19. Section 220.64, Florida Statutes, is amended
 1217 to read:

1218 220.64 Other provisions applicable to franchise tax.—To
 1219 the extent that they are not manifestly incompatible with ~~the~~
 1220 ~~provisions of~~ this part, parts I, III, IV, V, VI, VIII, IX, and
 1221 X of this code and ss. 220.12, 220.13, 220.136, 220.1363,
 1222 220.15, and 220.16 apply to the franchise tax imposed by this
 1223 part. Under rules prescribed by the department ~~in s. 220.131,~~ a
 1224 consolidated return may be filed by any affiliated group of
 1225 corporations composed of one or more banks or savings

1226 associations, ~~its or~~ their Florida parent corporations
 1227 ~~corporation~~, and any nonbank or nonsavings subsidiaries of such
 1228 parent corporations ~~corporation~~.

1229 Section 20. Paragraph (f) of subsection (4) and paragraph
 1230 (a) of subsection (5) of section 288.1254, Florida Statutes, are
 1231 amended to read:

1232 288.1254 Entertainment industry financial incentive
 1233 program.—

1234 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;
 1235 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;
 1236 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND
 1237 ACQUISITIONS.—

1238 ~~(f) Consolidated returns. A certified production company~~
 1239 ~~that files a Florida consolidated return as a member of an~~
 1240 ~~affiliated group under s. 220.131(1) may be allowed the credit~~
 1241 ~~on a consolidated return basis up to the amount of the tax~~
 1242 ~~imposed upon the consolidated group under chapter 220.~~

1243 (5) TRANSFER OF TAX CREDITS.—

1244 (a) *Authorization*.—Upon application to the Office of Film
 1245 and Entertainment and approval by the department, a certified
 1246 production company, or a partner or member that has received a
 1247 distribution under paragraph (4) (f) ~~(4) (g)~~, may elect to
 1248 transfer, in whole or in part, any unused credit amount granted
 1249 under this section. An election to transfer any unused tax
 1250 credit amount under chapter 212 or chapter 220 must be made no

1251 later than 5 years after the date the credit is awarded, after
 1252 which period the credit expires and may not be used. The
 1253 department shall notify the Department of Revenue of the
 1254 election and transfer.

1255 Section 21. Subsections (9) and (10) of section 376.30781,
 1256 Florida Statutes, are amended to read:

1257 376.30781 Tax credits for rehabilitation of drycleaning-
 1258 solvent-contaminated sites and brownfield sites in designated
 1259 brownfield areas; application process; rulemaking authority;
 1260 revocation authority.—

1261 (9) On or before May 1, the Department of Environmental
 1262 Protection shall inform each tax credit applicant that is
 1263 subject to the January 31 annual application deadline of the
 1264 applicant's eligibility status and the amount of any tax credit
 1265 due. The department shall provide each eligible tax credit
 1266 applicant with a tax credit certificate that must be submitted
 1267 with its tax return to the Department of Revenue to claim the
 1268 tax credit or be transferred pursuant to s. 220.1845(2)(f) ~~s.~~
 1269 ~~220.1845(2)(g)~~. The May 1 deadline for annual site
 1270 rehabilitation tax credit certificate awards shall not apply to
 1271 any tax credit application for which the department has issued a
 1272 notice of deficiency pursuant to subsection (8). The department
 1273 shall respond within 90 days after receiving a response from the
 1274 tax credit applicant to such a notice of deficiency. Credits may
 1275 not result in the payment of refunds if total credits exceed the

1276 amount of tax owed.

1277 (10) For solid waste removal, new health care facility or
 1278 health care provider, and affordable housing tax credit
 1279 applications, the Department of Environmental Protection shall
 1280 inform the applicant of the department's determination within 90
 1281 days after the application is deemed complete. Each eligible tax
 1282 credit applicant shall be informed of the amount of its tax
 1283 credit and provided with a tax credit certificate that must be
 1284 submitted with its tax return to the Department of Revenue to
 1285 claim the tax credit or be transferred pursuant to s.
 1286 220.1845(2)(f) ~~s. 220.1845(2)(g)~~. Credits may not result in the
 1287 payment of refunds if total credits exceed the amount of tax
 1288 owed.

1289 Section 22. Transitional rules.-

1290 (1) For the first taxable year beginning on or after
 1291 January 1, 2020, a taxpayer that filed a Florida corporate
 1292 income tax return in the preceding taxable year and that is a
 1293 member of a water's edge group shall compute its income together
 1294 with all members of its water's edge group and file a combined
 1295 Florida corporate income tax return with all members of its
 1296 water's edge group.

1297 (2) An affiliated group of corporations that filed a
 1298 Florida consolidated corporate income tax return pursuant to an
 1299 election provided in s. 220.131, Florida Statutes 2018, shall
 1300 cease filing a Florida consolidated return for taxable years

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1301 beginning on or after January 1, 2020, and shall file a combined
1302 Florida corporate income tax return with all members of its
1303 water's edge group.

1304 (3) An affiliated group of corporations that filed a
1305 Florida consolidated corporate income tax return pursuant to the
1306 election in s. 220.131(1), Florida Statutes (1985), which
1307 allowed the affiliated group to make an election within 90 days
1308 after December 20, 1984, or upon filing the taxpayer's first
1309 return after December 20, 1984, whichever was later, shall cease
1310 filing a Florida consolidated corporate income tax return using
1311 that method for taxable years beginning on or after January 1,
1312 2020, and shall file a combined Florida corporate income tax
1313 return with all members of its water's edge group.

1314 (4) A taxpayer that is not a member of a water's edge
1315 group remains subject to chapter 220, Florida Statutes, and
1316 shall file a separate Florida corporate income tax return as
1317 previously required.

1318 (5) For taxable years beginning on or after January 1,
1319 2020, a tax return for a member of a water's edge group must be
1320 a combined Florida corporate income tax return that includes tax
1321 information for all members of the water's edge group. The tax
1322 return must be filed by a member that has a nexus with this
1323 state.

1324 Section 23. If changes in this act result in bringing
1325 additional revenues into the state, as determined by the Revenue

1326 Estimating Conference comparing projected revenues in the
 1327 absence of this act with projected collections after its
 1328 implementation, the conference must identify rate reductions to
 1329 the taxes imposed under chapter 212, including the tax on rental
 1330 or license fee for use of real property, in order to make the
 1331 act revenue neutral. The conference must communicate these
 1332 proposals to the President of the Senate, the Speaker of the
 1333 House of Representatives, the House Minority Leader, and the
 1334 Senate Minority Leader at least 60 days before the start of the
 1335 2023 Legislative session. The conference, to the extent
 1336 possible, should recommend rate reductions or tax eliminations
 1337 that will apply to the broadest base of taxpayers and be easily
 1338 implemented and understood by taxpayers and dealers.

1339 Section 24. Effective January 1, 2020, paragraphs (ppp)
 1340 and (qqq) are added to subsection (7) of section 212.08, Florida
 1341 Statutes, to read:

1342 212.08 Sales, rental, use, consumption, distribution, and
 1343 storage tax; specified exemptions.—The sale at retail, the
 1344 rental, the use, the consumption, the distribution, and the
 1345 storage to be used or consumed in this state of the following
 1346 are hereby specifically exempt from the tax imposed by this
 1347 chapter.

1348 (7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any
 1349 entity by this chapter do not inure to any transaction that is
 1350 otherwise taxable under this chapter when payment is made by a

1351 representative or employee of the entity by any means,
1352 including, but not limited to, cash, check, or credit card, even
1353 when that representative or employee is subsequently reimbursed
1354 by the entity. In addition, exemptions provided to any entity by
1355 this subsection do not inure to any transaction that is
1356 otherwise taxable under this chapter unless the entity has
1357 obtained a sales tax exemption certificate from the department
1358 or the entity obtains or provides other documentation as
1359 required by the department. Eligible purchases or leases made
1360 with such a certificate must be in strict compliance with this
1361 subsection and departmental rules, and any person who makes an
1362 exempt purchase with a certificate that is not in strict
1363 compliance with this subsection and the rules is liable for and
1364 shall pay the tax. The department may adopt rules to administer
1365 this subsection.

1366 (ppp) Personal hygiene products.—The sale of diapers and
1367 baby wipes is exempt from the tax imposed by this chapter. As
1368 used in this paragraph, the term:

1369 1. "Baby wipe" means a moistened, disposable, and often
1370 antiseptic tissue used chiefly for cleansing the skin of babies
1371 and children.

1372 2. "Diaper" means a product used to absorb or contain body
1373 waste, including, but not limited to, baby diapers and adult
1374 diapers and pads designed and used for incontinence.

1375 (qqq) College textbooks.—The sale of textbooks that are

1376 required or recommended for use in a course offered by a public
1377 postsecondary education institution as described in s. 1000.04,
1378 or a nonpublic postsecondary educational institution that is
1379 eligible to participate in a tuition assistance program
1380 authorized by s. 1009.89 or s. 1009.891, is exempt from the tax
1381 imposed by this chapter. As used in this paragraph, the term:

1382 1. "Instructional materials" means any educational
1383 materials, in printed or digital form, that are required or
1384 recommended for use in a course in any field of study.

1385 2. "Textbook" means any required or recommended manual of
1386 instruction or any instructional materials for any field of
1387 study.

1388
1389 To demonstrate that a sale is not subject to tax, the student
1390 must provide to the vender a physical or an electronic copy of
1391 his or her identification number and a course syllabus or list
1392 of required and recommended textbooks and instruction materials
1393 that meet the criteria under s. 1004.085(3).

1394 Section 25. Clothes, school supplies, personal computers,
1395 and personal computer-related accessories; sales tax holiday.-

1396 (1) The tax levied under chapter 212, Florida Statutes, may
1397 not be collected for 7 days annually, beginning on the first
1398 Monday in August and ending at 11:59 p.m. on Sunday, on the
1399 retail sale of:

1400 (a) Clothes, wallets, or bags, including handbags,

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1401 backpacks, fanny packs, and diaper bags, but excluding
1402 briefcases, suitcases, and other garment bags, having a sales
1403 price of \$60 or less per item. As used in this paragraph, the
1404 term "clothing" means:

1405 1. Any article of wearing apparel intended to be worn on
1406 or about the human body, excluding watches, watchbands, jewelry,
1407 umbrellas, and handkerchiefs; and

1408 2. All footwear, excluding skis, swim fins, roller blades,
1409 and skates.

1410 (b) School supplies having a sales price of \$15 or less
1411 per item. As used in this paragraph, the term "school supplies"
1412 means pens, pencils, erasers, crayons, notebooks, notebook
1413 filler paper, legal pads, binders, lunch boxes, construction
1414 paper, markers, folders, poster board, composition books, poster
1415 paper, scissors, cellophane tape, glue or paste, rulers,
1416 computer disks, protractors, compasses, and calculators.

1417 (2) The tax exemptions provided in this section do not
1418 apply to sales within a theme park or entertainment complex as
1419 defined in s. 509.013(9), Florida Statutes, within a public
1420 lodging establishment as defined in s. 509.013(4), Florida
1421 Statutes, or within an airport as defined in s. 330.27(2),
1422 Florida Statutes.

1423 Section 26. Disaster preparedness supplies; sales tax
1424 holiday.-

1425 (1) The tax levied under chapter 212, Florida Statutes,
1426 may not be collected for two days in May, beginning on the first
1427 Saturday of May and ending at 11:59 p.m. on Sunday, on the
1428 retail sale of:

1429 (a) A portable self-powered light source selling for \$20
1430 or less.

1431 (b) A portable self-powered radio, two-way radio, or
1432 weather-band radio selling for \$50 or less.

1433 (c) A tarpaulin or other flexible waterproof sheeting
1434 selling for \$50 or less.

1435 (d) An item normally sold as, or generally advertised as,
1436 a ground anchor system or tie-down kit selling for \$50 or less.

1437 (e) A gas or diesel fuel tank selling for \$25 or less.

1438 (f) A package of AA-cell, C-cell, D-cell, 6-volt, or 9-
1439 volt batteries, excluding automobile and boat batteries, selling
1440 for \$30 or less.

1441 (g) A nonelectric food storage cooler selling for \$30 or
1442 less.

1443 (h) A portable generator used to provide light or
1444 communications or preserve food in the event of a power outage
1445 selling for \$750 or less.

1446 (i) Reusable ice selling for \$10 or less.

1447 (2) The Department of Revenue may, and all conditions are
1448 deemed met to, adopt emergency rules pursuant to s. 120.54(4),
1449 Florida Statutes, to administer this section.

1450 (3) The tax exemptions provided in this section do not
1451 apply to sales within a theme park or entertainment complex as
1452 defined in s. 509.013(9), Florida Statutes, within a public
1453 lodging establishment as defined in s. 509.013(4), Florida
1454 Statutes, or within an airport as defined in s. 330.27(2),
1455 Florida Statutes.

1456 Section 27. Tax exemptions, exclusions, and reductions.—

1457 (1) This section provides for the review and repeal or
1458 reenactment of any exemption, exclusion, tax credit, or tax
1459 reduction enacted or modified on or after July 1, 2019.

1460 (2) In the 5th year after enactment of a new tax
1461 exemption, exclusion, or tax credit, or reduction of an existing
1462 tax, the exemption, exclusion, tax credit, or reduction shall
1463 stand repealed on October 2nd of the 5th year, unless the
1464 Legislature acts to reenact the exemption, exclusion, tax
1465 credit, or reduction.

1466 (3) Each law that enacts a new tax exemption, exclusion,
1467 or tax credit or reduces a tax must state that it is repealed at
1468 the end of 5 years and must be reviewed by the Legislature
1469 before the scheduled review date.

1470 (4) (a) By June 1 in the year before the repeal of an
1471 exemption, exclusion or tax credit or the reduction of a tax,
1472 the Office of Legislative Services shall certify to the
1473 President of the Senate and the Speaker of the House of
1474 Representatives the language and statutory citation of each

1475 exemption, exclusion, tax credit, or tax reduction.

1476 (b) An exemption, exclusion, tax credit, or tax reduction
1477 that is not certified to the President of the Senate and the
1478 Speaker of the House of Representatives is not subject to
1479 legislative review and repeal under this section. If the office
1480 fails to certify an exemption that it subsequently determines
1481 should have been certified, it shall include the exemption,
1482 exclusion, tax credit, or tax reduction in the following year's
1483 certification after that determination.

1484 (5) As part of the review process, the Legislature must
1485 consider the following:

1486 (a) The identification of the entity that the exemption,
1487 exclusion, tax credit, or tax reduction specifically benefits
1488 and in the aggregate, how much money the state does not collect
1489 by retaining such exemption, exclusion, tax credit, or tax
1490 reduction.

1491 (b) The date when the exemption, exclusion, tax credit, or
1492 tax reduction was first enacted; what identifiable public
1493 purpose the exemption, exclusion, tax credit, or tax reduction
1494 served; and whether such public purpose still remains.

1495 (c) Whether assurances provided or estimates used to
1496 justify the exemption, exclusion, tax credit, or tax reduction
1497 were realized, and if not, an explanation of why such exemption,
1498 exclusion, tax credit, or tax reduction should remain.

1499 (d) Alternative uses for the funds if such tax exemption,

1500 exclusion, tax credit, or tax reduction were repealed.

1501 Section 28. Subsections (1) and (3) of section 1012.59,
1502 Florida Statutes, are amended to read:

1503 1012.59 Certification fees.—

1504 (1) The State Board of Education, by rule, shall establish
1505 separate fees for applications, ~~examinations~~, certification,
1506 certification renewal, late renewal, recordmaking, and
1507 recordkeeping, and may establish procedures for scheduling and
1508 administering an examination upon an applicant's request. Each
1509 fee shall be based on department estimates of the revenue
1510 required to implement the provisions of law with respect to
1511 certification of school personnel. The application fee shall be
1512 nonrefundable. ~~Each examination fee shall be sufficient to cover~~
1513 ~~the actual cost of developing and administering the examination.~~

1514 (3) The State Board of Education shall waive initial
1515 general knowledge, professional education, and ~~subject area~~
1516 ~~examination fees~~ and certification fees for:

1517 (a) A member of the United States Armed Forces or a
1518 reserve component thereof who is serving or has served on active
1519 duty or the spouse of such a member.

1520 (b) The surviving spouse of a member of the United States
1521 Armed Forces or a reserve component thereof who was serving on
1522 active duty at the time of death.

1523 (c) An honorably discharged veteran of the United States
1524 Armed Forces or a veteran of a reserve component thereof who

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1525 served on active duty and the spouse or surviving spouse of such
1526 a veteran.

1527 Section 29. Section 1010.75, Florida Statutes, is amended
1528 to read:

1529 1010.75 Teacher Certification Examination Trust Fund.—The
1530 proceeds for the certification examination fee levied pursuant
1531 to s. 1012.59 before July 1, 2019, shall be remitted by the
1532 Department of Education to the Chief Financial Officer for
1533 deposit into and disbursed from the "Teacher Certification
1534 Examination Trust Fund" as re-created by chapter 99-28, Laws of
1535 Florida.

1536 Section 30. Anti-terrorism and vacant property tax.—

1537 (1) Terrorists and fleeing socialist oligarchs frequently
1538 fund operations and hide their assets by purchasing luxury
1539 condominiums in Florida. This practice has been reported by the
1540 New York Post and the Miami Herald, as well as other media
1541 outlets. In response to this, the Internal Revenue Service has
1542 implemented new disclosure rules to target selected markets in
1543 Florida. However, the practice threatens the safety, stability,
1544 and integrity of the state's housing market. At the same time,
1545 the artificial demand for these often unoccupied luxury
1546 condominiums and houses has shifted market demand for moderate
1547 income and affordable housing, which has exacerbated an existing
1548 crisis for Florida's working families and the businesses that
1549 rely on those housing options. Individuals and entities who are

1550 causing this residential housing market distortion must pay to
1551 correct the problem which will in turn promote the safety,
1552 stability, and integrity of the housing market.

1553 (2) Effective January 1, 2020, an annual anti-terrorism
1554 and vacant property tax of \$1,500 is imposed on all
1555 nonhomesteaded residential real property not subject to an
1556 agricultural exemption. The tax applies to each property that
1557 remains vacant for more than 9 months in a calendar year and is
1558 located in a county with a population of over 74,000. The tax
1559 shall be assessed annually by the property appraiser and must be
1560 remitted to the Department of Revenue for deposit into a
1561 separate account within the State Housing Trust Fund.

1562 (3) (a) The owner of each nonhomesteaded residential
1563 property shall certify in a manner proscribed by the property
1564 appraiser that his or her property was not vacant for more than
1565 9 months in the preceding calendar year. A property is
1566 considered vacant if it is not physically occupied by a tenant
1567 or the property owner for more than 63 days within any 90-day
1568 period during the calendar year. Short term leases or tenancies,
1569 including those facilitated by e-commerce platforms, peer-to-
1570 peer networks, or directly by an owner are considered a vacancy
1571 and subject to the tax, unless the lease or tenancy is for a
1572 period of greater than 1 month in which case the actual term of
1573 the tenancy will count. An owner's liability to pay the tax
1574 under this section is not extinguished through a sublease or

1575 other agreement with a third party to manage or lease a property
1576 and the property is still subject to the vacancy tax.

1577 (b) A person who knowingly provides a false certification
1578 commits perjury and upon conviction, punishable as provided by
1579 law. A person who knowingly provides a second false
1580 certification commits a felony in the second degree, punishable
1581 as provided in s. 775.082, Florida Statutes.

1582 (c) Property appraisers may adopt rules to implement this
1583 subsection.

1584 (4) (a) Revenues generated from the anti-terrorist and
1585 vacant property tax shall be deposited into a separate account
1586 within the State Housing Trust Fund for use exclusively as set
1587 forth in paragraph (b).

1588 (b) The Department of Economic Opportunity shall create
1589 and administer a loan program to provide 0 percent interest
1590 loans to developers and other entities who construct or retrofit
1591 housing for income restricted individuals. To be eligible for a
1592 loan, at least 80 percent of the units to be constructed or
1593 retrofitted must be affordable, as that term is defined in s.
1594 420.602(3), Florida Statutes.

1595 (c) Funds from repayment of loans must return to the
1596 separate account within the trust fund to provide new loans. If
1597 the unencumbered balance in the separate account within the
1598 trust fund exceeds \$100 million, the Department of Economic
1599 Opportunity must inform the Governor, the President of the

1600 Senate, the Speaker of the House of Representatives, the Senate
1601 Minority Leader, and the House Minority Leader, and shall issue
1602 requests for proposals for housing projects designed to address
1603 the housing needs of the Florida workforce. The department must
1604 evaluate, rank, and approve proposals that are received based on
1605 the projects' estimated impact to reduce housing costs, the
1606 substantiated need for workforce housing in the metropolitan
1607 market where the units will be constructed or retrofitted, and
1608 ability of the developer or other entity to repay any loans
1609 provided.

1610 (d) The Department of Economic Opportunity may adopt rules
1611 to implement this subsection.

1612 (5) Notwithstanding s. 215.32, Florida Statutes,
1613 unappropriated cash balances in the separate account within the
1614 State Housing Trust Fund may not be transferred to the Budget
1615 Stabilization Fund, the General Revenue Fund, or any other fund.

1616 Section 31. Except as otherwise expressly provided in this
1617 act and except for this section, which shall take effect upon
1618 this act becoming a law, this act shall take effect July 1,
1619 2019.