

By Senator Powell

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1                                   A bill to be entitled  
2       An act relating to small business microfinancing;  
3       amending s. 287.0947, F.S.; renaming the Florida  
4       Advisory Council on Small and Minority Business  
5       Development; requiring the council to administer the  
6       Florida Microfinancing Tax Credit Program; conforming  
7       a provision to changes made by the act; creating s.  
8       287.09475, F.S.; establishing the Florida  
9       Microfinancing Tax Credit Program; providing  
10      legislative findings and intent; providing  
11      definitions; providing eligibility requirements for  
12      participation in the program; establishing a tax  
13      credit cap amount; authorizing an increase of such  
14      amount under certain circumstances; specifying  
15      procedures and requirements for applying for, carrying  
16      forward, conveying, assigning, transferring, and  
17      rescinding the tax credit; specifying procedures for  
18      calculating certain tax underpayments and determining  
19      certain penalties and interest; specifying obligations  
20      of eligible microfinancing organizations for program  
21      participation; authorizing a certain percentage of  
22      eligible contributions to be collected for  
23      administrative expenses; specifying how net  
24      contributions are to be handled; authorizing an  
25      eligible microfinancing organization to transfer funds  
26      under specified circumstances; providing for  
27      confidentiality of certain information and  
28      documentation; specifying responsibilities of an  
29      eligible person to participate in the program;

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30 specifying council obligations as part of the program;  
31 requiring an annual report to the Department of  
32 Management Services providing program parameters;  
33 requiring quarterly reports by an eligible  
34 microfinancing organization; specifying authorized  
35 microfinancing amounts; requiring an eligible person  
36 to verify specified information regarding opening or  
37 expanding a small business to the eligible  
38 microfinancing organization; requiring eligible  
39 contributions received by an eligible microfinancing  
40 organization to be deposited in a specific manner;  
41 providing that credit earned remains unaffected if any  
42 other tax credit is declared unconstitutional or is  
43 invalid; specifying the application requirements for  
44 microfinancing organizations to participate in the  
45 program; specifying the disposition of remaining funds  
46 held by a microfinancing organization that is  
47 disapproved for participation in the program;  
48 providing renewal criteria; requiring the Department  
49 of Revenue, the Department of Management Services, and  
50 the council to develop a cooperative agreement to  
51 administer the program; authorizing the Department of  
52 Revenue and the Department of Management Services with  
53 input from the council to adopt certain rules;  
54 creating s. 211.0255, F.S.; providing for a credit  
55 against the oil and gas production tax for program  
56 contributions for certain eligible microfinancing  
57 organizations; requiring the Department of Revenue to  
58 disregard certain tax credits for certain purposes;

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59 creating s. 212.1835, F.S.; providing for a credit  
60 against the sales and use tax for certain eligible  
61 microfinancing organizations; requiring the Department  
62 of Revenue to disregard certain tax credits for  
63 certain purposes; amending s. 220.13, F.S.; revising  
64 the determination of additions to adjusted federal  
65 income for certain eligible microfinancing  
66 organizations; providing for construction of certain  
67 provisions; creating s. 220.1877, F.S.; providing for  
68 a credit against the corporate income tax for certain  
69 eligible microfinancing organizations; providing  
70 limitations; providing for adjustments; creating s.  
71 561.1215, F.S.; providing for a credit against certain  
72 alcoholic beverage taxes for certain eligible  
73 microfinancing organizations; requiring the Division  
74 of Alcoholic Beverages and Tobacco of the Department  
75 of Business and Professional Regulation to disregard  
76 certain tax credits for certain purposes; creating s.  
77 624.51057, F.S.; providing for credits against the  
78 insurance premium tax for contributions to certain  
79 eligible microfinancing organizations; authorizing the  
80 Department of Revenue to adopt emergency rules;  
81 providing applicability; providing an effective date.

82  
83 Be It Enacted by the Legislature of the State of Florida:

84  
85 Section 1. Section 287.0947, Florida Statutes, is amended  
86 to read:

87 287.0947 Florida ~~Advisory~~ Council on Small and Minority

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88 Business Development; creation; membership; duties.-

89       (1) There is created within the Department of Secretary of  
90 Management Services ~~may create~~ the Florida ~~Advisory~~ Council on  
91 Small and Minority Business Development with the purpose of  
92 advising and assisting the secretary in carrying out the  
93 secretary's duties with respect to minority businesses and  
94 economic and business development and administering the Florida  
95 Microfinancing Tax Credit Program as created in s. 287.09475. It  
96 is the intent of the Legislature that the membership of such  
97 council include practitioners, laypersons, financiers, and  
98 others with business development experience who can provide  
99 invaluable insight and expertise for this state in the  
100 diversification of its markets and networking of business  
101 opportunities. The council shall initially consist of 19  
102 persons, each of whom is or has been actively engaged in small  
103 and minority business development, either in private industry,  
104 in governmental service, or as a scholar of recognized  
105 achievement in the study of such matters. Initially, the council  
106 shall consist of members representing all regions of the state  
107 and shall include at least one member from each group identified  
108 within the definition of "minority person" in s. 288.703(4),  
109 considering also gender and nationality subgroups, and shall  
110 consist of the following:

111       (a) Four members consisting of representatives of local and  
112 federal small and minority business assistance programs or  
113 community development programs.

114       (b) Eight members composed of representatives of the  
115 minority private business sector, including certified minority  
116 business enterprises and minority supplier development councils,

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117 among whom at least two shall be women and at least four shall  
118 be minority persons.

119 (c) Two representatives of local government, one of whom  
120 shall be a representative of a large local government, and one  
121 of whom shall be a representative of a small local government.

122 (d) Two representatives from the banking and insurance  
123 industry.

124 (e) Two members from the private business sector,  
125 representing the construction and commodities industries.

126 (f) A member from the board of directors of Enterprise  
127 Florida, Inc.

128

129 A candidate for appointment may be considered if eligible to be  
130 certified as an owner of a minority business enterprise, or if  
131 otherwise qualified under the criteria above. Vacancies may be  
132 filled by appointment of the secretary, in the manner of the  
133 original appointment.

134 (2) Each appointed member shall serve for a term of 2 years  
135 from the date of appointment, except that a vacancy shall be  
136 filled by appointment for the remainder of the unexpired term.  
137 The council shall annually elect a chair and a vice chair. The  
138 council shall adopt internal procedures or bylaws necessary for  
139 efficient operations. Members of the council shall serve without  
140 compensation or honorarium but shall be entitled to per diem and  
141 travel expenses pursuant to s. 112.061 for the performance of  
142 duties for the council. The executive administrator of the  
143 commission may remove a council member for cause.

144 (3) Within 30 days after its initial meeting, the council  
145 shall elect from among its members a chair and a vice chair.

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146 (4) The council shall meet at the call of its chair, at the  
147 request of a majority of its membership, at the request of the  
148 commission or its executive administrator, or at such times as  
149 may be prescribed by rule, but not less than once a year, to  
150 offer its views on issues related to small and minority business  
151 development of concern to this state. A majority of the members  
152 of the council shall constitute a quorum.

153 (5) The powers and duties of the council include, but are  
154 not limited to: researching and reviewing the role of small and  
155 minority businesses in the state's economy; reviewing issues and  
156 emerging topics relating to small and minority business economic  
157 development; studying the ability of financial markets and  
158 institutions to meet small business credit needs and determining  
159 the impact of government demands on credit for small businesses;  
160 assessing the implementation of s. 187.201(21), requiring a  
161 state economic development comprehensive plan, as it relates to  
162 small and minority businesses; assessing the reasonableness and  
163 effectiveness of efforts by any state agency or by all state  
164 agencies collectively to assist minority business enterprises;  
165 and advising the Governor, the secretary, and the Legislature on  
166 matters relating to small and minority business development  
167 which are of importance to the international strategic planning  
168 and activities of this state.

169 (6) In addition to its other duties, the council shall  
170 administer the Florida Microfinancing Tax Credit Program  
171 established under s. 287.09475.

172 (7) On or before March ~~January~~ 1 of each year, the council  
173 shall present an annual report to the secretary that sets forth  
174 in appropriate detail the business transacted by the council

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175 during the year and any recommendations to the secretary,  
176 including those to improve business opportunities for small and  
177 minority business enterprises. The report shall include the  
178 information set forth in s. 287.09475(7)(c).

179 Section 2. Section 287.09475, Florida Statutes, is created  
180 to read:

181 287.09475 Florida Microfinancing Tax Credit Program.—

182 (1) FINDINGS AND PURPOSE.—

183 (a) The Legislature finds that:

184 1. The Legislature has the inherent power to determine  
185 subjects of taxation for general or particular public purposes.

186 2. Expanding economic opportunities and improving the  
187 ability of minority persons to access capital for the purpose of  
188 opening or expanding small businesses within this state are  
189 valid public purposes that the Legislature may promote using its  
190 sovereign power to determine subjects of taxation and exemptions  
191 from taxation.

192 3. Expanding economic opportunities to persons who have had  
193 little access to traditional forms of loans and the creation of  
194 a healthy environment through competition in the marketplace are  
195 critical to improving the business environment in this state and  
196 to ensuring that all small minority-owned business enterprises  
197 have the same opportunity to access capital as larger businesses  
198 and to which they are entitled.

199 (b) The purpose of this section is to:

200 1. Enable taxpayers to make private, voluntary  
201 contributions to the Microfinancing Tax Credit Program in order  
202 to promote the general welfare.

203 2. Provide taxpayers who wish to help minority persons with

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204 limited financial resources and an inability to access  
205 traditional sources of loans, to exercise their basic right to  
206 obtain capital and funding in order to open or expand small  
207 businesses.

208 3. Improve the job opportunities in this state by expanding  
209 the opportunity of minority persons to open or expand small  
210 businesses and hire employees.

211 (2) DEFINITIONS.—As used in this section, the term:

212 (a) "Annual tax credit amount" means, for any state fiscal  
213 year, the sum of the amount of tax credits approved under  
214 paragraph (4) (b), which are approved for a taxpayer whose  
215 taxable year begins on or after January 1 of the calendar year  
216 preceding the start of the applicable state fiscal year.

217 (b) "Council" means the Florida Council on Small and  
218 Minority Business Development.

219 (c) "Department" means the Department of Revenue.

220 (d) "Direct certification list" means the certified list of  
221 minority persons who desire to open or expand a small business  
222 but who have documented an inability to access traditional  
223 sources of funding through banks or other financial institutions  
224 and have been denied repeated attempts in obtaining traditional  
225 sources of funding.

226 (e) "Eligible contribution" means a monetary contribution  
227 from a taxpayer, subject to the restrictions provided in this  
228 section, to an eligible microfinancing organization.

229 (f) "Eligible microfinancing organization" means a  
230 charitable organization that:

231 1. Is exempt from federal income tax pursuant to s.  
232 501(c) (3) of the Internal Revenue Code.



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233 2. Is a Florida entity formed under chapter 605, chapter  
234 607, or chapter 617 and whose principal office is located in  
235 this state.

236 3. Complies with subsections (5) and (11).

237 (g) "Eligible person" means a minority person who meets the  
238 requirements in subsection (6).

239 (h) "Minority person" means a minority person as defined in  
240 s. 288.703.

241 (i) "Owner or operator" means an owner, president, officer,  
242 or director of an eligible microfinancing organization or a  
243 person with equivalent decisionmaking authority over an eligible  
244 microfinancing organization.

245 (j) "Small business" means a small business as defined in  
246 s. 288.703 which is owned and operated by a minority person.

247 (k) "Tax credit cap amount" means the maximum annual tax  
248 credit amount that the department may approve for a state fiscal  
249 year.

250 (3) PROGRAM ESTABLISHMENT; ELIGIBILITY OF MINORITY  
251 PERSONS.—

252 (a) The Florida Microfinancing Tax Credit Program is  
253 established.

254 (b) A minority person is eligible for microfinancing under  
255 this section if the minority person desires to open or expand a  
256 small business and meets the criteria set forth by the council.  
257 A minority person who initially receives financing based on  
258 eligibility as determined by the council and later is able to  
259 acquire financing at an interest rate determined reasonable by  
260 the council must repay the financed amount and obtain  
261 traditional financing.

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262 (4) MICROFINANCING FUNDING TAX CREDITS; LIMITATIONS.-

263 (a)1. The tax credit cap amount is \$XX million in the 2019-  
264 2020 state fiscal year.

265 2. In the 2020-2021 state fiscal year and each state fiscal  
266 year thereafter, the tax credit cap amount is the tax credit cap  
267 amount in the prior state fiscal year. However, in any state  
268 fiscal year when the annual tax credit amount for the prior  
269 state fiscal year is equal to or greater than 90 percent of the  
270 tax credit cap amount applicable to that state fiscal year, the  
271 tax credit cap amount shall increase by 25 percent. The  
272 Secretary of Management Services and the department shall  
273 publish on their websites information identifying the tax credit  
274 cap amount when it is increased.

275 (b) A taxpayer may submit an application to the department  
276 for a tax credit or credits under one or more of s. 211.0255, s.  
277 212.1835, s. 220.1877, s. 561.1215, or s. 624.51057.

278 1. The taxpayer shall specify in the application each tax  
279 for which the taxpayer requests a credit and the applicable  
280 taxable year for a credit under s. 220.1877 or s. 624.51057 or  
281 the applicable state fiscal year for a credit under s. 211.0255,  
282 s. 212.1835, or s. 561.1215. For purposes of s. 220.1877, a  
283 taxpayer may apply for a credit to be used for a prior taxable  
284 year before the date the taxpayer is required to file a return  
285 for that year pursuant to s. 220.222. The department shall  
286 approve tax credits on a first-come, first-served basis.

287 2. Within 10 days after approving or denying an  
288 application, the department shall provide a copy of its approval  
289 or denial letter to the eligible microfinancing organization  
290 specified by the taxpayer in the application.

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291 (c) If a tax credit approved under paragraph (b) is not  
292 fully used within the specified state fiscal year for credits  
293 under s. 211.0255, s. 212.1835, or s. 561.1215 or against taxes  
294 due for the specified taxable year for credits under s. 220.1877  
295 or s. 624.51057 because of insufficient tax liability on the  
296 part of the taxpayer, the unused amount shall be carried forward  
297 for a period not to exceed 10 years. For purposes of s.  
298 220.1877, a credit carried forward may be used in a subsequent  
299 year after applying the other credits and unused carryovers in  
300 the order provided in s. 220.02(8).

301 (d) A taxpayer may not convey, assign, or transfer an  
302 approved tax credit or a carryforward tax credit to another  
303 entity unless all of the assets of the taxpayer are conveyed,  
304 assigned, or transferred in the same transaction. However, a tax  
305 credit under s. 211.0255, s. 212.1835, s. 220.1877, s. 561.1215,  
306 or s. 624.51057 may be conveyed, transferred, or assigned  
307 between members of an affiliated group of corporations if the  
308 type of tax credit under s. 211.0255, s. 212.1835, s. 220.1877,  
309 s. 561.1215, or s. 624.51057 remains the same. A taxpayer shall  
310 notify the department of its intent to convey, transfer, or  
311 assign a tax credit to another member within an affiliated group  
312 of corporations. The amount conveyed, transferred, or assigned  
313 is available to another member of the affiliated group of  
314 corporations upon approval by the department.

315 (e) Within any state fiscal year, a taxpayer may rescind  
316 all or part of a tax credit approved under paragraph (b). The  
317 amount rescinded shall become available for that state fiscal  
318 year to another eligible taxpayer as approved by the department  
319 if the taxpayer receives notice from the department that the

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320 rescindment has been accepted by the department. Any amount  
321 rescinded under this paragraph shall become available to an  
322 eligible taxpayer on a first-come, first-served basis based on  
323 tax credit applications received after the date the rescindment  
324 is accepted by the department.

325 (f) Within 10 days after approving or denying the  
326 conveyance, transfer, or assignment of a tax credit under  
327 paragraph (d), or the rescindment of a tax credit under  
328 paragraph (e), the department shall provide a copy of its  
329 approval or denial letter to the eligible person specified by  
330 the taxpayer. The department shall also include the eligible  
331 person specified by the taxpayer on all letters or  
332 correspondence of acknowledgment for tax credits under s.  
333 212.1835.

334 (g) For purposes of calculating the underpayment of  
335 estimated corporate income taxes pursuant to s. 220.34 and tax  
336 installment payments for taxes on insurance premiums or  
337 assessments under s. 624.5092, the final amount due is the  
338 amount after credits earned under s. 220.1877 or s. 624.51057  
339 for contributions to eligible persons are deducted.

340 1. For purposes of determining if a penalty or interest  
341 shall be imposed for underpayment of estimated corporate income  
342 tax pursuant to s. 220.34(2)(d)1., a taxpayer may, after earning  
343 a credit under s. 220.1877, reduce the estimated payment in that  
344 taxable year by the amount of the credit.

345 2. For purposes of determining if a penalty under s.  
346 624.5092 shall be imposed, an insurer may, after earning a  
347 credit under s. 624.51057, reduce the following installment  
348 payment of 27 percent of the amount of the net tax due as

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349 reported on the return for the preceding year under s.  
350 624.5092(2)(b) by the amount of the credit. This subparagraph  
351 applies to contributions made on or after July 1, 2020.

352 (5) OBLIGATIONS OF ELIGIBLE MICROFINANCING ORGANIZATIONS.-  
353 An eligible microfinancing organization:

354 (a) Must comply with the following background check  
355 requirements:

356 1. The owner or operator, before employing others or  
357 engaging to provide services, is subject to level 2 background  
358 screening as provided under chapter 435. The fingerprints for  
359 the background screening must be electronically submitted to the  
360 Department of Law Enforcement and can be taken by an authorized  
361 law enforcement agency or by an employee of the eligible  
362 microfinancing organization or a private company who is trained  
363 to take fingerprints. The results of the state and national  
364 criminal history check shall be provided to the Department of  
365 Management Services for screening under chapter 435.

366 2. Fingerprints submitted to the Department of Law  
367 Enforcement as required by this paragraph must be retained by  
368 the Department of Law Enforcement in a manner approved by rule  
369 and entered in the statewide automated biometric identification  
370 system authorized by s. 943.05(2)(b). The fingerprints must  
371 thereafter be available for all purposes and uses authorized for  
372 arrest fingerprints entered in the statewide automated biometric  
373 identification system pursuant to s. 943.051.

374 3. The Department of Law Enforcement shall search all  
375 arrest fingerprints received under s. 943.051 against the  
376 fingerprints retained in the statewide automated biometric  
377 identification system under subparagraph 2. Any arrest record

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378 that is identified with an owner's or operator's fingerprints  
379 must be reported to the Department of Management Services. The  
380 Department of Management Services shall participate in this  
381 search process by paying an annual fee to the Department of Law  
382 Enforcement and by informing the Department of Law Enforcement  
383 of any change in the employment, engagement, or association  
384 status of the owners or operators whose fingerprints are  
385 retained under subparagraph 2. The Department of Law Enforcement  
386 shall adopt a rule setting the amount of the annual fee to be  
387 imposed upon the Department of Management Services for  
388 performing these services and establishing the procedures for  
389 the retention of owner and operator fingerprints and the  
390 dissemination of search results. The fee may be borne by the  
391 owner or operator.

392 4. An eligible microfinancing organization whose owner or  
393 operator fails the level 2 background screening is not eligible  
394 to provide small business financing to an eligible person under  
395 this section.

396 5. An eligible microfinancing organization whose owner or  
397 operator in the last 7 years has filed for personal bankruptcy  
398 or corporate bankruptcy in a corporation of which he or she  
399 owned more than 20 percent shall not be eligible to provide  
400 small business financing under this section.

401 6. In addition to the offenses listed in s. 435.04, an  
402 owner or operator who is required to undergo background  
403 screening pursuant to this part or authorizing statutes must not  
404 have an arrest awaiting final disposition for, must not have  
405 been found guilty of, or entered a plea of nolo contendere to,  
406 regardless of adjudication, and must not have been adjudicated

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407 delinquent, and the record must not have been sealed or expunged  
408 for, any of the following offenses or any similar offense of  
409 another jurisdiction:

410 a. Any authorizing statutes, if the offense was a felony.

411 b. This chapter, if the offense was a felony.

412 c. Section 817.034, relating to fraudulent acts through  
413 mail, wire, radio, electromagnetic, photoelectronic, or  
414 photooptical systems.

415 d. Section 817.234, relating to false and fraudulent  
416 insurance claims.

417 e. Section 817.568, relating to criminal use of personal  
418 identification information.

419 f. Section 817.60, relating to obtaining a credit card  
420 through fraudulent means.

421 g. Section 817.61, relating to fraudulent use of credit  
422 cards, if the offense was a felony.

423 h. Section 831.01, relating to forgery.

424 i. Section 831.02, relating to uttering forged instruments.

425 j. Section 831.07, relating to forging bank bills, checks,  
426 drafts, or promissory notes.

427 k. Section 831.09, relating to uttering forged bank bills,  
428 checks, drafts, or promissory notes.

429 l. Section 831.30, relating to fraud in obtaining medicinal  
430 drugs.

431 m. Section 831.31, relating to the sale, manufacture,  
432 delivery, or possession with the intent to sell, manufacture, or  
433 deliver any counterfeit controlled substance, if the offense was  
434 a felony.

435 (b) Must provide small business financing from eligible

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436 contributions to eligible persons for opening or expanding a  
437 small business.

438 (c) Must provide microfinancing to an eligible person to  
439 open or expand a small business on a first-come, first-served  
440 basis.

441 (d) May not restrict or reserve small business financing to  
442 particular areas of this state or provide small business  
443 financing to a close relative, as that term is defined in s.  
444 381.986, of an owner or operator.

445 (e)1. May use up to 3 percent of eligible contributions  
446 received during the year in which such contributions are  
447 collected for administrative expenses if the organization has  
448 operated as an eligible microfinancing organization for at least  
449 the preceding 3 fiscal years and did not have any findings of  
450 material weakness or material noncompliance in its most recent  
451 audit. Such administrative expenses must be reasonable and  
452 necessary for the organization's management and distribution of  
453 eligible contributions under this section. Funds authorized  
454 under this subparagraph may not be used for lobbying or  
455 political activity or expenses related to lobbying or political  
456 activity. Up to one-third of the funds authorized for  
457 administrative expenses under this subparagraph may be used for  
458 expenses related to the recruitment of contributions from  
459 taxpayers. An eligible microfinancing organization may not  
460 charge an application fee.

461 2. Must expend for annual or partial-year small business  
462 financing an amount equal to or greater than 75 percent of the  
463 net eligible contributions remaining after administrative  
464 expenses during the state fiscal year in which such



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465 contributions are collected. No more than 25 percent of such net  
466 eligible contributions may be carried forward to the following  
467 state fiscal year. Any amounts carried forward shall be expended  
468 for annual or partial-year small business financing in the  
469 following state fiscal year. Net eligible contributions  
470 remaining on June 30 of each year that are in excess of the 25  
471 percent that may be carried forward shall be transferred to  
472 other eligible microfinancing organizations to provide small  
473 business financing for eligible persons. All transferred funds  
474 must be deposited by each eligible microfinancing organization  
475 receiving such funds into its microfinancing account. All  
476 transferred amounts received by any eligible microfinancing  
477 organization must be separately disclosed in the annual  
478 financial audit required under paragraph (g).

479 3. Must annually document the inability of the recipient of  
480 microfinancing to refinance the outstanding loan amount provided  
481 by the microfinancing organization through the financing with  
482 traditional banks or financial institutions.

483 (f) With the prior approval of the Department of Management  
484 Services, may transfer funds to another eligible microfinancing  
485 organization if additional funds are required to meet  
486 microfinancing demand at the receiving microfinancing  
487 organization. A transfer is limited to the greater of \$10,000 or  
488 20 percent of the total contributions received by the  
489 microfinancing organization making the transfer. All transferred  
490 funds must be deposited by the receiving microfinancing  
491 organization into its microfinancing accounts. All transferred  
492 amounts received by any microfinancing organization must be  
493 separately disclosed in the annual financial and compliance

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494 audit required in this section.

495 (g) Must provide to the Auditor General and the Department  
496 of Management Services a report on the results of an annual  
497 financial audit of its accounts and records conducted by an  
498 independent certified public accountant in accordance with  
499 auditing standards generally accepted in the United States,  
500 government auditing standards, and rules promulgated by the  
501 Auditor General. The audit report must include a report on  
502 financial statements presented in accordance with generally  
503 accepted accounting principles. Audit reports must be provided  
504 to the Auditor General and the Department of Management Services  
505 by June 1. The Auditor General shall review all audit reports  
506 submitted pursuant to this paragraph. The Auditor General shall  
507 request any significant items that were omitted in violation of  
508 a rule adopted by the Auditor General. The items must be  
509 provided within 45 days after the date of the request. If the  
510 microfinancing funding organization does not comply with the  
511 Auditor General's request, the Auditor General shall notify the  
512 Legislative Auditing Committee.

513 (h) Must prepare and submit quarterly reports to the  
514 Department of Management Services pursuant to paragraph (7)(g).  
515 In addition, the council must submit in a timely manner any  
516 information requested by the Department of Management Services  
517 relating to the microfinancing program.

518 (i) Must provide to the Auditor General any information or  
519 documentation requested in connection with an operational audit  
520 of a microfinancing funding organization conducted pursuant to  
521 s. 11.45.

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523 Information and documentation provided to the Department of  
524 Management Services and the Auditor General relating to the  
525 identity of a taxpayer who provides an eligible contribution  
526 under this section shall remain confidential at all times in  
527 accordance with s. 213.053.

528 (6) ELIGIBLE PERSON RESPONSIBILITIES FOR MICROFINANCING  
529 PROGRAM PARTICIPATION.—

530 (a) The eligible person must provide written documentation  
531 including the information specified by the council concerning  
532 the small business which an eligible person will open or expand.  
533 At a minimum, the documentation must provide the eligible  
534 person's financial plan for the new or expanded small business  
535 that demonstrates sufficient funds, after microfinancing, will  
536 exist to operate throughout the year.

537 (b) The eligible person must inform the council and the  
538 eligible microfinancing organization which provided financing to  
539 the eligible person if the person will not open, or will close  
540 or contract, the size of the small business.

541 (7) COUNCIL OBLIGATIONS.—The council shall:

542 (a) Annually submit to the department, by March 1, a list  
543 of eligible microfinancing organizations that meet the  
544 requirements of paragraph (2) (f).

545 (b) Establish a process to certify eligible persons and  
546 maintain a direct certification list accessible by eligible  
547 microfinancing organizations.

548 (c) Annually, by March 1, submit to the Department of  
549 Management Services, a report that includes:

550 1. The number of eligible persons who completed  
551 applications, by county.

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552       2. The number of eligible persons who were approved for  
553 small business financing, by county.

554       3. The number of eligible persons who received funding for  
555 small business financing, based on information provided by each  
556 eligible microfinancing organization.

557       4. The amount of funds received, the amount of funds  
558 distributed in small business financing, and an accounting of  
559 remaining funds and the obligation of those funds.

560       5. A detailed accounting of how each eligible organization  
561 spent the administrative funds allowable under paragraph (5) (e).

562       (d) Annually verify the eligibility of expenditures for  
563 eligible persons using the audit required by paragraph (5) (g).

564       (e) Notify an eligible microfinancing organization of any  
565 of the organization's identified eligible persons who are  
566 receiving small business microfinancing through traditional  
567 banks or financial institutions.

568       (f) Notify an eligible microfinancing organization of any  
569 of the organization's identified eligible persons who are  
570 receiving small business microfinancing from other eligible  
571 microfinancing organizations.

572       (g) Require quarterly reports by an eligible microfinancing  
573 organization regarding the number of eligible persons  
574 participating in the small business microfinancing program, the  
575 locations of the small businesses, and other information deemed  
576 necessary by the Department of Management Services.

577       (8) MICROFINANCING AMOUNT AND PAYMENT.—

578       (a) The microfinancing amount provided to any eligible  
579 person by an eligible microfinancing organization shall be for  
580 any amounts as determined by the microfinancing organization but

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581 in any event, not less than \$500 or more than \$5,000.

582 (b) An eligible microfinancing organization shall obtain  
583 verification from the eligible person of his or her opening or  
584 expanding a small business within the date specified in  
585 documents provided to the council and the continued viability of  
586 the small business, for each period covered by a microfinancing  
587 payment.

588 (9) DEPOSITS OF ELIGIBLE CONTRIBUTIONS.—All eligible  
589 contributions received by an eligible microfinancing  
590 organization shall be deposited in a manner consistent with s.  
591 17.57(2).

592 (10) PRESERVATION OF CREDIT.—If any provision or portion of  
593 this section, s. 211.0255, s. 212.1835, s. 220.1877, s.  
594 561.1215, or s. 624.51057 or the application thereof to any  
595 person or circumstance is held unconstitutional by any court or  
596 is otherwise declared invalid, the unconstitutionality or  
597 invalidity shall not affect any credit earned under s. 211.0255,  
598 s. 212.1835, s. 220.1877, s. 561.1215, or s. 624.51057 by any  
599 taxpayer with respect to any contribution paid to an eligible  
600 microfinancing organization before the date of a determination  
601 of unconstitutionality or invalidity. Such credit shall be  
602 allowed at such time and in such a manner as if a determination  
603 of unconstitutionality or invalidity had not been made, provided  
604 that nothing in this subsection by itself or in combination with  
605 any other provision of law shall result in the allowance of any  
606 credit to any taxpayer in excess of 1 dollar of credit for each  
607 dollar paid to an eligible microfinancing organization.

608 (11) MICROFINANCING ORGANIZATIONS; APPLICATION.—In order to  
609 participate in the microfinancing program created under this

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610 section, a charitable organization that seeks to be a  
611 microfinancing organization must submit an application for  
612 initial approval or renewal to the council no later than  
613 September 1 of each year in which the organization intends to  
614 offer small business financing.

615 (a) An application for initial approval must include:

616 1. A copy of the organization's incorporation documents and  
617 registration with the Division of Corporations of the Department  
618 of State.

619 2. A copy of the organization's Internal Revenue Service  
620 determination letter as a s. 501(c)(3) not-for-profit  
621 organization.

622 3. A description of the organization's financial plan that  
623 demonstrates sufficient funds to operate throughout the year.

624 4. A description of the geographic region that the  
625 organization intends to serve and an analysis of the demand and  
626 unmet need for eligible persons in that area.

627 5. The organization's organizational chart.

628 6. A description of the criteria and methodology that the  
629 organization will use to determine microfinancing amounts for  
630 each eligible person who will receive financing by the  
631 organization.

632 7. A description of the application process, including  
633 deadlines and any associated fees.

634 8. A description of the deadlines for microfinancing  
635 payments.

636 9. The organization's completed Internal Revenue Service  
637 Form 990 submitted no later than November 30 of the year before  
638 the year that the organization intends to offer the small

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639 business financing.

640 10. A copy of the organization's statutorily required audit  
641 to the Department of Management Services and the Auditor  
642 General.

643 (b) In consultation with the Department of Management  
644 Services, the council shall review the application. The council  
645 shall notify the organization in writing of any deficiencies  
646 within 30 days after receipt of an application and allow the  
647 organization 30 days to correct any deficiencies.

648 (c) Within 30 days after receipt of the finalized  
649 application, the council must either approve or disapprove the  
650 application. If the council disapproves the organization's  
651 application, it shall provide the organization with a written  
652 explanation of that determination. The council's action is not  
653 subject to chapter 120.

654 (d) All remaining funds held by a microfinancing  
655 organization that is disapproved for participation must be  
656 transferred to other eligible microfinancing organizations to  
657 provide small business financing for eligible persons. All  
658 transferred funds must be deposited by each eligible  
659 microfinancing organization receiving such funds into its  
660 microfinancing account. All transferred amounts received by any  
661 eligible microfinancing organization must be separately  
662 disclosed in the annual financial audit required under paragraph  
663 (5) (g).

664 (e) A microfinancing organization is a renewing  
665 organization if it maintains continuous approval and  
666 participation in the program. An organization that chooses not  
667 to participate for 1 year or more or is disapproved to

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668 participate for 1 year or more must submit an application for  
669 initial approval in order to participate in the program again.

670 (12) ADMINISTRATION; RULES.—

671 (a) The department, the Department of Management Services,  
672 and the council shall develop a cooperative agreement to assist  
673 in the administration of this section.

674 (b) The department shall adopt rules necessary to  
675 administer this section and ss. 211.0255, 212.1835, 220.1877,  
676 561.1215, and 624.51057, including rules establishing  
677 application forms, procedures governing the approval of tax  
678 credits and carryforward tax credits under subsection (4), and  
679 procedures to be followed by taxpayers when claiming approved  
680 tax credits on their returns.

681 (c) The Department of Management Services, in coordination  
682 with the council, shall adopt rules to administer the  
683 responsibilities of the Department of Management Services and  
684 the council under this section. The rules shall provide  
685 guidelines for receiving, reviewing, and approving applications  
686 for new and renewing microfinancing organizations. The rules  
687 must include a process for compiling input and recommendations  
688 from the Department of Revenue and the Department of Management  
689 Services. The rules must require that the microfinancing  
690 organization make a brief presentation to assist the council in  
691 its decision.

692 Section 3. Section 211.0255, Florida Statutes, is created  
693 to read:

694 211.0255 Credit for contributions to eligible  
695 microfinancing organizations.—There is allowed a credit of 100  
696 percent of an eligible contribution made to an eligible



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697 microfinancing organization under s. 287.09475 against any tax  
698 due under s. 211.02 or s. 211.025. However, a credit allowed  
699 under this section may not exceed 50 percent of the tax due on  
700 the return the credit is taken. For purposes of the  
701 distributions of tax revenue under s. 211.06, the department  
702 shall disregard any tax credits allowed under this section to  
703 ensure that any reduction in tax revenue received which is  
704 attributable to the tax credits results only in a reduction in  
705 distributions to the General Revenue Fund. The provisions of s.  
706 287.09475 apply to the credit authorized by this section.

707 Section 4. Section 212.1835, Florida Statutes, is created  
708 to read:

709 212.1835 Credit for contributions to eligible  
710 microfinancing organizations.—There is allowed a credit of 100  
711 percent of an eligible contribution made to an eligible  
712 microfinancing organization under s. 287.09475 against any tax  
713 imposed by the state and due under this chapter from a direct  
714 pay permitholder as a result of the direct pay permit held  
715 pursuant to s. 212.183. For purposes of the dealer's credit  
716 granted for keeping prescribed records, filing timely tax  
717 returns, and properly accounting and remitting taxes under s.  
718 212.12, the amount of tax due used to calculate the credit shall  
719 include any eligible contribution made to an eligible  
720 microfinancing organization from a direct pay permitholder. For  
721 purposes of the distributions of tax revenue under s. 212.20,  
722 the department shall disregard any tax credits allowed under  
723 this section to ensure that any reduction in tax revenue  
724 received that is attributable to the tax credits results only in  
725 a reduction in distributions to the General Revenue Fund. The

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726 provisions of s. 287.09475 apply to the credit authorized by  
727 this section.

728 Section 5. Paragraph (a) of subsection (1) of section  
729 220.13, Florida Statutes, is amended to read:

730 220.13 "Adjusted federal income" defined.—

731 (1) The term "adjusted federal income" means an amount  
732 equal to the taxpayer's taxable income as defined in subsection  
733 (2), or such taxable income of more than one taxpayer as  
734 provided in s. 220.131, for the taxable year, adjusted as  
735 follows:

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

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

742 b. Notwithstanding sub-subparagraph a., if a credit taken  
743 under s. 220.1875 or s. 220.1877 is added to taxable income in a  
744 previous taxable year under subparagraph 11. and is taken as a  
745 deduction for federal tax purposes in the current taxable year,  
746 the amount of the deduction allowed shall not be added to  
747 taxable income in the current year. The exception in this sub-  
748 subparagraph is intended to ensure that the credit under s.  
749 220.1875 or s. 220.1877 is added in the applicable taxable year  
750 and does not result in a duplicate addition in a subsequent  
751 year.

752 2. The amount of interest which is excluded from taxable  
753 income under s. 103(a) of the Internal Revenue Code or any other  
754 federal law, less the associated expenses disallowed in the

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755 computation of taxable income under s. 265 of the Internal  
756 Revenue Code or any other law, excluding 60 percent of any  
757 amounts included in alternative minimum taxable income, as  
758 defined in s. 55(b)(2) of the Internal Revenue Code, if the  
759 taxpayer pays tax under s. 220.11(3).

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

764 4. That portion of the wages or salaries paid or incurred  
765 for the taxable year which is equal to the amount of the credit  
766 allowable for the taxable year under s. 220.181. This  
767 subparagraph shall expire on the date specified in s. 290.016  
768 for the expiration of the Florida Enterprise Zone Act.

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

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

777 7. That portion of assessments to fund a guaranty  
778 association incurred for the taxable year which is equal to the  
779 amount of the credit allowable for the taxable year.

780 8. In the case of a nonprofit corporation which holds a  
781 pari-mutuel permit and which is exempt from federal income tax  
782 as a farmers' cooperative, an amount equal to the excess of the  
783 gross income attributable to the pari-mutuel operations over the

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784 attributable expenses for the taxable year.

785 9. The amount taken as a credit for the taxable year under  
786 s. 220.1895.

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

790 11. The amount taken as a credit for the taxable year under  
791 s. 220.1875. The addition in this subparagraph is intended to  
792 ensure that the same amount is not allowed for the tax purposes  
793 of this state as both a deduction from income and a credit  
794 against the tax. This addition is not intended to result in  
795 adding the same expense back to income more than once.

796 12. The amount taken as a credit for the taxable year under  
797 s. 220.192.

798 13. The amount taken as a credit for the taxable year under  
799 s. 220.193.

800 14. Any portion of a qualified investment, as defined in s.  
801 288.9913, which is claimed as a deduction by the taxpayer and  
802 taken as a credit against income tax pursuant to s. 288.9916.

803 15. The costs to acquire a tax credit pursuant to s.  
804 288.1254(5) that are deducted from or otherwise reduce federal  
805 taxable income for the taxable year.

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

808 17. The amount taken as a credit for the taxable year under  
809 s. 220.196. The addition in this subparagraph is intended to  
810 ensure that the same amount is not allowed for the tax purposes  
811 of this state as both a deduction from income and a credit  
812 against the tax. The addition is not intended to result in

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

814 18. The amount taken as a credit for the taxable year under  
815 s. 220.1877. The addition in this subparagraph is intended to  
816 ensure that the same amount is not allowed for the tax purposes  
817 of this state as both a deduction from income and a credit  
818 against the tax. This addition is not intended to result in  
819 adding the same expense back to income more than once.

820 Section 6. Section 220.1877, Florida Statutes, is created  
821 to read:

822 220.1877 Credit for contributions to eligible  
823 microfinancing organizations.—

824 (1) There is allowed a credit of 100 percent of an eligible  
825 contribution made to an eligible microfinancing organization  
826 under s. 287.09475 against any tax due for a taxable year under  
827 this chapter after the application of any other allowable  
828 credits by the taxpayer. An eligible contribution must be made  
829 to an eligible microfinancing organization on or before the date  
830 the taxpayer is required to file a return pursuant to s.  
831 220.222. The credit granted by this section shall be reduced by  
832 the difference between the amount of federal corporate income  
833 tax taking into account the credit granted by this section and  
834 the amount of federal corporate income tax without application  
835 of the credit granted by this section.

836 (2) A taxpayer who files a Florida consolidated return as a  
837 member of an affiliated group pursuant to s. 220.131(1) may be  
838 allowed the credit on a consolidated return basis; however, the  
839 total credit taken by the affiliated group is subject to the  
840 limitation established under subsection (1).

841 (3) The provisions of s. 287.09475 apply to the credit

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842 authorized by this section.

843 (4) If a taxpayer applies and is approved for a credit  
844 under s. 287.09475 after timely requesting an extension to file  
845 under s. 220.222(2):

846 (a) The credit does not reduce the amount of tax due for  
847 purposes of the department's determination as to whether the  
848 taxpayer was in compliance with the requirement to pay tentative  
849 taxes under ss. 220.222 and 220.32.

850 (b) The taxpayer's noncompliance with the requirement to  
851 pay tentative taxes shall result in the revocation and  
852 rescindment of any such credit.

853 (c) The taxpayer shall be assessed for any taxes,  
854 penalties, or interest due from the taxpayer's noncompliance  
855 with the requirement to pay tentative taxes.

856 Section 7. Section 561.1215, Florida Statutes, is created  
857 to read:

858 561.1215 Credit for contributions to eligible  
859 microfinancing organizations.—There is allowed a credit of 100  
860 percent of an eligible contribution made to an eligible  
861 microfinancing organization under s. 287.09475 against any tax  
862 due under s. 563.05, s. 564.06, or s. 565.12, except excise  
863 taxes imposed on wine produced by manufacturers in this state  
864 from products grown in this state. However, a credit allowed  
865 under this section may not exceed 90 percent of the tax due on  
866 the return the credit is taken. For purposes of the  
867 distributions of tax revenue under ss. 561.121 and 564.06(10),  
868 the division shall disregard any tax credits allowed under this  
869 section to ensure that any reduction in tax revenue received  
870 that is attributable to the tax credits results only in a

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871 reduction in distributions to the General Revenue Fund. The  
872 provisions of s. 287.09475 apply to the credit authorized by  
873 this section.

874 Section 8. Section 624.51057, Florida Statutes, is created  
875 to read:

876 624.51057 Credit for contributions to eligible  
877 microfinancing organizations.-

878 (1) There is allowed a credit of 100 percent of an eligible  
879 contribution made to an eligible microfinancing organization  
880 under s. 287.09475 against any tax due for a taxable year under  
881 s. 624.509(1) after deducting from such tax deductions for  
882 assessments made pursuant to s. 440.51; credits for taxes paid  
883 under ss. 175.101 and 185.08; credits for income taxes paid  
884 under chapter 220; and the credit allowed under s. 624.509(5),  
885 as such credit is limited by s. 624.509(6). An insurer claiming  
886 a credit against premium tax liability under this section is not  
887 required to pay any additional retaliatory tax levied pursuant  
888 to s. 624.5091 as a result of claiming such credit. Section  
889 624.5091 does not limit such credit in any manner.

890 (2) The provisions of s. 287.09475 apply to the credit  
891 authorized by this section.

892 Section 9. The amendments made by this act to ss. 220.13,  
893 220.1877, and 287.09475, Florida Statutes, apply to taxable  
894 years beginning on or after January 1, 2020.

895 Section 10. This act shall take effect upon becoming a law.