

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; creating s.
7 287.09475, F.S.; establishing the Florida
8 Microfinancing Tax Credit program; providing
9 legislative findings; providing definitions; providing
10 eligibility requirements for participation in the
11 program; establishing a tax credit cap amount;
12 authorizing an increase of such amount under certain
13 circumstances; specifying procedures and requirements
14 that a taxpayer must follow to be eligible to receive
15 and retain a tax credit; specifying obligations of
16 eligible microfinancing organizations for program
17 participation; authorizing a certain percentage of
18 eligible contributions to be collected for
19 administrative expenses; specifying how net
20 contributions are to be handled; authorizing an
21 eligible microfinancing organization to transfer funds
22 under specified circumstances; specifying
23 responsibilities of an eligible person to participate
24 in the program; specifying council obligations as part
25 of the program; requiring an annual report to the

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

51 organizations; requiring the Department of Revenue to
52 disregard certain tax credits for certain purposes;
53 creating s. 212.1835, F.S.; providing for a credit
54 against sales and use tax for certain eligible
55 microfinancing organizations; requiring the Department
56 of Revenue to disregard certain tax credits for
57 certain purposes; amending s. 220.13, F.S.; revising
58 the determination of additions to adjusted federal
59 income for certain eligible microfinancing
60 organizations; providing for construction of certain
61 provision; providing for retroactive application;
62 creating s. 220.1877, F.S.; providing for a credit
63 against the corporate income tax for certain eligible
64 microfinancing organizations; providing limitations;
65 providing for adjustments; creating s. 561.1215, F.S.;
66 providing for a credit against certain alcoholic
67 beverage taxes for certain eligible microfinancing
68 organizations; requiring the Department of Revenue to
69 disregard certain tax credits for certain purposes;
70 creating s. 624.51057, F.S.; providing for credits
71 against the insurance premium tax for contributions to
72 certain eligible microfinancing organizations;
73 authorizing the Department of Revenue to adopt
74 emergency rules; providing applicability; providing an
75 effective date.

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

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

287.0947 Florida ~~Advisory~~ Council on Small and Minority Business Development; creation; membership; duties.—

(1) There is created within the Department of ~~Secretary of~~ Management Services ~~may create~~ the Florida ~~Advisory~~ Council on Small and Minority Business Development with the purpose of advising and assisting the secretary in carrying out the secretary's duties with respect to minority businesses and economic and business development and administering the Florida Microfinancing Tax Credit Program as created in s. 287.09475. It is the intent of the Legislature that the membership of such council include practitioners, laypersons, financiers, and others with business development experience who can provide invaluable insight and expertise for this state in the diversification of its markets and networking of business opportunities. The council shall initially consist of 19 persons, each of whom is or has been actively engaged in small and minority business development, either in private industry, in governmental service, or as a scholar of recognized achievement in the study of such matters. Initially, the council shall consist of members representing all regions of the state

101 and shall include at least one member from each group identified
102 within the definition of "minority person" in s. 288.703(4),
103 considering also gender and nationality subgroups, and shall
104 consist of the following:

105 (a) Four members consisting of representatives of local
106 and federal small and minority business assistance programs or
107 community development programs.

108 (b) Eight members composed of representatives of the
109 minority private business sector, including certified minority
110 business enterprises and minority supplier development councils,
111 among whom at least two shall be women and at least four shall
112 be minority persons.

113 (c) Two representatives of local government, one of whom
114 shall be a representative of a large local government, and one
115 of whom shall be a representative of a small local government.

116 (d) Two representatives from the banking and insurance
117 industry.

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

120 (f) A member from the board of directors of Enterprise
121 Florida, Inc.

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123 A candidate for appointment may be considered if eligible to be
124 certified as an owner of a minority business enterprise, or if
125 otherwise qualified under the criteria above. Vacancies may be

126 filled by appointment of the secretary, in the manner of the
127 original appointment.

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

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

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

148 (5) The powers and duties of the council include, but are
149 not limited to: researching and reviewing the role of small and
150 minority businesses in the state's economy; reviewing issues and

151 emerging topics relating to small and minority business economic
152 development; studying the ability of financial markets and
153 institutions to meet small business credit needs and determining
154 the impact of government demands on credit for small businesses;
155 assessing the implementation of s. 187.201(21), requiring a
156 state economic development comprehensive plan, as it relates to
157 small and minority businesses; assessing the reasonableness and
158 effectiveness of efforts by any state agency or by all state
159 agencies collectively to assist minority business enterprises;
160 and advising the Governor, the secretary, and the Legislature on
161 matters relating to small and minority business development
162 which are of importance to the international strategic planning
163 and activities of this state.

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

167 (7) On or before March ~~January~~ 1 of each year, the council
168 shall present an annual report to the secretary that sets forth
169 in appropriate detail the business transacted by the council
170 during the year and any recommendations to the secretary,
171 including those to improve business opportunities for small and
172 minority business enterprises. The report shall include the
173 information set forth in s. 287.09475(7)(c).

174 Section 2. Section 287.09475, Florida Statutes, is created
175 to read:

287.09475 Florida Microfinancing Tax Credit Program.—

(1) FINDINGS AND PURPOSE.—

(a) The Legislature finds that:

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

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

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

(b) The purpose of this section is to:

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

2. Provide taxpayers who wish to help minority persons with limited financial resources and an inability to access traditional sources of loans, to exercise their basic right to

201 obtain capital and funding in order to open or expand small
202 businesses.

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

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

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

212 (b) "Council" means the Florida Council on Small and
213 Minority Business Development.

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

215 (d) "Direct certification list" means the certified list
216 of minority people who desire to open or expand a small business
217 but who have documented an inability to access traditional
218 sources of funding through banks or other financial institutions
219 and have been denied repeated attempts in obtaining traditional
220 sources of funding.

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

224 (f) "Eligible microfinancing organization" means a
225 charitable organization that:

226 1. Is exempt from federal income tax pursuant to s.
227 501(c)(3) of the Internal Revenue Code.

228 2. Is a Florida entity formed under chapter 605, chapter
229 607, or chapter 617 and whose principal office is located in the
230 state.

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

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

234 (h) "Minority person" means a minority person as defined
235 in s. 288.703.

236 (i) "Owner or operator" means an owner, president,
237 officer, or director of an eligible microfinancing organization
238 or a person with equivalent decisionmaking authority over an
239 eligible microfinancing organization.

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

242 (k) "Tax credit cap amount" means the maximum annual tax
243 credit amount that the department may approve for a state fiscal
244 year.

245 (3) PROGRAM ESTABLISHMENT; ELIGIBILITY OF MINORITY
246 PERSONS.—

247 (a) The Florida Microfinancing Tax Credit Program is
248 established.

249 (b) A minority person is eligible for microfinancing under
250 this section if the minority person desires to open or expand a

251 small business and meets the criteria set forth by the council.
252 A minority person who initially receives financing based on
253 eligibility as determined by the council and later is able to
254 acquire financing at an interest rate determined reasonable by
255 the council, must repay the financed amount and obtain
256 traditional financing.

257 (4) MICROFINANCING FUNDING TAX CREDITS; LIMITATIONS.—

258 (a)1. The tax credit cap amount is \$XX million in the
259 2019-2020 state fiscal year.

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

270 (b) A taxpayer may submit an application to the department
271 for a tax credit or credits under one or more of s. 211.0255, s.
272 212.1835, s. 220.1877, s. 561.1215, or s. 624.51057.

273 1. The taxpayer shall specify in the application each tax
274 for which the taxpayer requests a credit and the applicable
275 taxable year for a credit under s. 220.1877 or s. 624.51057 or

276 the applicable state fiscal year for a credit under s. 211.0255,
277 s. 212.1835, or s. 561.1215. For purposes of s. 220.1877, a
278 taxpayer may apply for a credit to be used for a prior taxable
279 year before the date the taxpayer is required to file a return
280 for that year pursuant to s. 220.222. The department shall
281 approve tax credits on a first-come, first-served basis.

282 2. Within 10 days after approving or denying an
283 application, the department shall provide a copy of its approval
284 or denial letter to the eligible microfinancing organization
285 specified by the taxpayer in the application.

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

296 (d) A taxpayer may not convey, assign, or transfer an
297 approved tax credit or a carryforward tax credit to another
298 entity unless all of the assets of the taxpayer are conveyed,
299 assigned, or transferred in the same transaction. However, a tax
300 credit under s. 211.0255, s. 212.1835, s. 220.1877, s. 561.1215,

301 or s. 624.51057 may be conveyed, transferred, or assigned
302 between members of an affiliated group of corporations if the
303 type of tax credit under s. 211.0255, s. 212.1835, s. 220.1877,
304 s. 561.1215, or s. 624.51057 remains the same. A taxpayer shall
305 notify the department of its intent to convey, transfer, or
306 assign a tax credit to another member within an affiliated group
307 of corporations. The amount conveyed, transferred, or assigned
308 is available to another member of the affiliated group of
309 corporations upon approval by the department.

310 (e) Within any state fiscal year, a taxpayer may rescind
311 all or part of a tax credit approved under paragraph (b). The
312 amount rescinded shall become available for that state fiscal
313 year to another eligible taxpayer as approved by the department
314 if the taxpayer receives notice from the department that the
315 rescindment has been accepted by the department. Any amount
316 rescinded under this paragraph shall become available to an
317 eligible taxpayer on a first-come, first-served basis based on
318 tax credit applications received after the date the rescindment
319 is accepted by the department.

320 (f) Within 10 days after approving or denying the
321 conveyance, transfer, or assignment of a tax credit under
322 paragraph (d), or the rescindment of a tax credit under
323 paragraph (e), the department shall provide a copy of its
324 approval or denial letter to the eligible person specified by
325 the taxpayer. The department shall also include the eligible

326 person specified by the taxpayer on all letters or
 327 correspondence of acknowledgment for tax credits under s.
 328 212.1835.

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

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

340 2. For purposes of determining if a penalty under s.
 341 624.5092 shall be imposed, an insurer may, after earning a
 342 credit under s. 624.51057, reduce the following installment
 343 payment of 27 percent of the amount of the net tax due as
 344 reported on the return for the preceding year under s.
 345 624.5092(2)(b) by the amount of the credit. This subparagraph
 346 applies to contributions made on or after July 1, 2020.

347 (5) OBLIGATIONS OF ELIGIBLE MICROFINANCING ORGANIZATIONS.—
 348 An eligible microfinancing organization:

349 (a) Must comply with the following background check
 350 requirements:

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

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

369 3. The Department of Law Enforcement shall search all
370 arrest fingerprints received under s. 943.051 against the
371 fingerprints retained in the statewide automated biometric
372 identification system under subparagraph 2. Any arrest record
373 that is identified with an owner's or operator's fingerprints
374 must be reported to the Department Management Services. The
375 Department of Management Services shall participate in this

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

387 4. An eligible microfinancing organization whose owner or
388 operator fails the level 2 background screening is not eligible
389 to provide small business financing to an eligible person under
390 this section.

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

396 6. In addition to the offenses listed in s. 435.04, an
397 owner or operator who is required to undergo background
398 screening pursuant to this part or authorizing statutes must not
399 have an arrest awaiting final disposition for, must not have
400 been found guilty of, or entered a plea of nolo contendere to,

401 regardless of adjudication, and must not have been adjudicated
402 delinquent, and the record must not have been sealed or expunged
403 for, any of the following offenses or any similar offense of
404 another jurisdiction:

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

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

407 c. Section 817.034, relating to fraudulent acts through
408 mail, wire, radio, electromagnetic, photoelectronic, or
409 photooptical systems.

410 d. Section 817.234, relating to false and fraudulent
411 insurance claims.

412 e. Section 817.568, relating to criminal use of personal
413 identification information.

414 f. Section 817.60, relating to obtaining a credit card
415 through fraudulent means.

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

418 h. Section 831.01, relating to forgery.

419 i. Section 831.02, relating to uttering forged
420 instruments.

421 j. Section 831.07, relating to forging bank bills, checks,
422 drafts, or promissory notes.

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

425 l. Section 831.30, relating to fraud in obtaining

426 medicinal drugs.

427 m. Section 831.31, relating to the sale, manufacture,
428 delivery, or possession with the intent to sell, manufacture, or
429 deliver any counterfeit controlled substance, if the offense was
430 a felony.

431 (b) Must provide small business financing from eligible
432 contributions to eligible persons for opening or expanding a
433 small business.

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

437 (d) May not restrict or reserve small business financing
438 to particular areas of the state or provide small business
439 financing to a close relative, as that term is defined in s.
440 381.986, of an owner or operator.

441 (e)1. May use up to 3 percent of eligible contributions
442 received during the year in which such contributions are
443 collected for administrative expenses if the organization has
444 operated as an eligible microfinancing organization for at least
445 the preceding 3 fiscal years and did not have any findings of
446 material weakness or material noncompliance in its most recent
447 audit. Such administrative expenses must be reasonable and
448 necessary for the organization's management and distribution of
449 eligible contributions under this section. Funds authorized
450 under this subparagraph may not be used for lobbying or

451 political activity or expenses related to lobbying or political
452 activity. Up to one-third of the funds authorized for
453 administrative expenses under this subparagraph may be used for
454 expenses related to the recruitment of contributions from
455 taxpayers. An eligible microfinancing organization may not
456 charge an application fee.

457 2. Must expend for annual or partial-year small business
458 financing an amount equal to or greater than 75 percent of the
459 net eligible contributions remaining after administrative
460 expenses during the state fiscal year in which such
461 contributions are collected. No more than 25 percent of such net
462 eligible contributions may be carried forward to the following
463 state fiscal year. Any amounts carried forward shall be expended
464 for annual or partial-year small business financing in the
465 following state fiscal year. Net eligible contributions
466 remaining on June 30 of each year that are in excess of the 25
467 percent that may be carried forward shall be transferred to
468 other eligible microfinancing organizations to provide small
469 business financing for eligible persons. All transferred funds
470 must be deposited by each eligible microfinancing organization
471 receiving such funds into its microfinancing account. All
472 transferred amounts received by any eligible microfinancing
473 organization must be separately disclosed in the annual
474 financial audit required under paragraph (g).

475 3. Must annually document the inability of the recipient

476 of microfinancing to refinance the outstanding loan amount
477 provided by the microfinancing organization through the
478 financing with traditional banks or financial institutions.

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

491 (g) Must provide to the Auditor General and the Department
492 Management Services a report on the results of an annual
493 financial audit of its accounts and records conducted by an
494 independent certified public accountant in accordance with
495 auditing standards generally accepted in the United States,
496 government auditing standards, and rules promulgated by the
497 Auditor General. The audit report must include a report on
498 financial statements presented in accordance with generally
499 accepted accounting principles. Audit reports must be provided
500 to the Auditor General and the Department of Management Services

501 by June 1. The Auditor General shall review all audit reports
502 submitted pursuant to this paragraph. The Auditor General shall
503 request any significant items that were omitted in violation of
504 a rule adopted by the Auditor General. The items must be
505 provided within 45 days after the date of the request. If the
506 microfinancing funding organization does not comply with the
507 Auditor General's request, the Auditor General shall notify the
508 Legislative Auditing Committee.

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

514 (i) Must provide to the Auditor General any information or
515 documentation requested in connection with an operational audit
516 of a microfinancing funding organization conducted pursuant to
517 s. 11.45.

518
519 Information and documentation provided to the Department of
520 Management Services and the Auditor General relating to the
521 identity of a taxpayer who provides an eligible contribution
522 under this section shall remain confidential at all times in
523 accordance with s. 213.053.

524 (6) ELIGIBLE PERSON RESPONSIBILITIES FOR MICROFINANCING
525 PROGRAM PARTICIPATION.—

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

533 (b) The eligible person must inform the council and the
534 eligible microfinancing organization which provided financing to
535 the eligible person if the person will not open, or will close
536 or contract, the size of the small business.

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

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

541 (b) Establish a process to certify eligible persons and
542 maintain a direct certification list accessible by eligible
543 microfinancing organizations.

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

546 1. The number of eligible persons who completed
547 applications, by county.

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

550 3. The number of eligible persons who received funding for

551 small business financing, based on information provided by each
552 eligible microfinancing organization.

553 d. The amount of funds received, the amount of funds
554 distributed in small business financing, and an accounting of
555 remaining funds and the obligation of those funds.

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

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

560 (e) Notify an eligible microfinancing organization of any
561 of the organization's identified eligible persons who are
562 receiving small business microfinancing through traditional
563 banks or financial institutions.

564 (f) Notify an eligible microfinancing organization of any
565 of the organization's identified eligible persons who are
566 receiving small business microfinancing from other eligible
567 microfinancing organizations.

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

574 (8) MICROFINANCING AMOUNT AND PAYMENT.—

575 (a) The microfinancing amount provided to any eligible

576 person by an eligible microfinancing organization shall be for
577 any amounts as determined by the microfinancing organization but
578 in any event, not less than \$500 or more than \$5,000.

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

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

589 (10) PRESERVATION OF CREDIT.—If any provision or portion
590 of this section, s. 211.0255, s. 212.1835, s. 220.1877, s.
591 561.1215, or s. 624.51057 or the application thereof to any
592 person or circumstance is held unconstitutional by any court or
593 is otherwise declared invalid, the unconstitutionality or
594 invalidity shall not affect any credit earned under s. 211.0255,
595 s. 212.1835, s. 220.1877, s. 561.1215, or s. 624.51057 by any
596 taxpayer with respect to any contribution paid to an eligible
597 microfinancing organization before the date of a determination
598 of unconstitutionality or invalidity. Such credit shall be
599 allowed at such time and in such a manner as if a determination
600 of unconstitutionality or invalidity had not been made, provided

601 that nothing in this subsection by itself or in combination with
602 any other provision of law shall result in the allowance of any
603 credit to any taxpayer in excess of 1 dollar of credit for each
604 dollar paid to an eligible microfinancing organization.

605 (11) MICROFINANCING ORGANIZATIONS; APPLICATION.—In order
606 to participate in the microfinancing program created under this
607 section, a charitable organization that seeks to be a
608 microfinancing organization must submit an application for
609 initial approval or renewal to the council no later than
610 September 1 of each year in which the organization intends to
611 offer small business financing.

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

613 1. A copy of the organization's incorporation documents
614 and registration with the Division of Corporations of the
615 Department of State.

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

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

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

624 5. The organization's organizational chart.

625 6. A description of the criteria and methodology that the

626 organization will use to determine microfinancing amounts for
627 each eligible person what will receive financing by the
628 organization.

629 7. A description of the application process, including
630 deadlines and any associated fees.

631 8. A description of the deadlines for microfinancing
632 payments.

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

637 10. A copy of the organization's statutorily required audit
638 to the Department of Management Services and the Auditor
639 General.

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

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

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

661 (e) A microfinancing organization is a renewing
662 organization if it maintains continuous approval and
663 participation in the program. An organization that chooses not
664 to participate for 1 year or more or is disapproved to
665 participate for 1 year or more must submit an application for
666 initial approval in order to participate in the program again.

667 (12) ADMINISTRATION; RULES.—

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

671 (b) The department shall adopt rules necessary to
672 administer this section and ss. 211.0255, 212.1835, 220.1877,
673 561.1215, and 624.51057, including rules establishing
674 application forms, procedures governing the approval of tax
675 credits and carryforward tax credits under subsection (4), and

676 procedures to be followed by taxpayers when claiming approved
677 tax credits on their returns.

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

689 Section 3. Section 211.0255, Florida Statutes, is created
690 to read:

691 211.0255 Credit for contributions to eligible
692 microfinancing organizations.—There is allowed a credit of 100
693 percent of an eligible contribution made to an eligible
694 microfinancing organization under s. 287.09475 against any tax
695 due under s. 211.02 or s. 211.025. However, a credit allowed
696 under this section may not exceed 50 percent of the tax due on
697 the return the credit is taken. For purposes of the
698 distributions of tax revenue under s. 211.06, the department
699 shall disregard any tax credits allowed under this section to
700 ensure that any reduction in tax revenue received which is

701 attributable to the tax credits results only in a reduction in
702 distributions to the General Revenue Fund. The provisions of s.
703 287.09475 apply to the credit authorized by this section.

704 Section 4. Section 212.1835, Florida Statutes, is created
705 to read:

706 212.1835 Credit for contributions to eligible
707 microfinancing organizations.—There is allowed a credit of 100
708 percent of an eligible contribution made to an eligible
709 microfinancing organization under s. 287.09475 against any tax
710 imposed by the state and due under this chapter from a direct
711 pay permitholder as a result of the direct pay permit held
712 pursuant to s. 212.183. For purposes of the dealer's credit
713 granted for keeping prescribed records, filing timely tax
714 returns, and properly accounting and remitting taxes under s.
715 212.12, the amount of tax due used to calculate the credit shall
716 include any eligible contribution made to an eligible
717 microfinancing organization from a direct pay permitholder. For
718 purposes of the distributions of tax revenue under s. 212.20,
719 the department shall disregard any tax credits allowed under
720 this section to ensure that any reduction in tax revenue
721 received that is attributable to the tax credits results only in
722 a reduction in distributions to the General Revenue Fund. The
723 provisions of s. 287.09475 apply to the credit authorized by
724 this section.

725 Section 5. Paragraph (a) of subsection (1) of section

726 | 220.13, Florida Statutes, is amended to read:

727 | 220.13 "Adjusted federal income" defined.—

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

733 | (a) Additions.—There shall be added to such taxable
734 | income:

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

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

750 | 2. The amount of interest which is excluded from taxable

751 income under s. 103(a) of the Internal Revenue Code or any other
752 federal law, less the associated expenses disallowed in the
753 computation of taxable income under s. 265 of the Internal
754 Revenue Code or any other law, excluding 60 percent of any
755 amounts included in alternative minimum taxable income, as
756 defined in s. 55(b)(2) of the Internal Revenue Code, if the
757 taxpayer pays tax under s. 220.11(3).

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

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

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

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

775 7. That portion of assessments to fund a guaranty

776 association incurred for the taxable year which is equal to the
 777 amount of the credit allowable for the taxable year.

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

783 9. The amount taken as a credit for the taxable year under
 784 s. 220.1895.

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

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

794 12. The amount taken as a credit for the taxable year
 795 under s. 220.192.

796 13. The amount taken as a credit for the taxable year
 797 under s. 220.193.

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

801 15. The costs to acquire a tax credit pursuant to s.
 802 288.1254(5) that are deducted from or otherwise reduce federal
 803 taxable income for the taxable year.

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

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

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

818 Section 6. Section 220.1877, Florida Statutes, is created
 819 to read:

820 220.1877 Credit for contributions to eligible
 821 microfinancing organizations.—

822 (1) There is allowed a credit of 100 percent of an
 823 eligible contribution made to an eligible microfinancing
 824 organization under s. 287.09475 against any tax due for a
 825 taxable year under this chapter after the application of any

826 other allowable credits by the taxpayer. An eligible
827 contribution must be made to an eligible microfinancing
828 organization on or before the date the taxpayer is required to
829 file a return pursuant to s. 220.222. The credit granted by this
830 section shall be reduced by the difference between the amount of
831 federal corporate income tax taking into account the credit
832 granted by this section and the amount of federal corporate
833 income tax without application of the credit granted by this
834 section.

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

840 (3) The provisions of s. 287.09475 apply to the credit
841 authorized by this section.

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

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

849 (b) The taxpayer's noncompliance with the requirement to
850 pay tentative taxes shall result in the revocation and

851 rescindment of any such credit.

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

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

857 561.1215 Credit for contributions to eligible
858 microfinancing organizations.—There is allowed a credit of 100
859 percent of an eligible contribution made to an eligible
860 microfinancing organization under s. 287.09475 against any tax
861 due under s. 563.05, s. 564.06, or s. 565.12, except excise
862 taxes imposed on wine produced by manufacturers in this state
863 from products grown in this state. However, a credit allowed
864 under this section may not exceed 90 percent of the tax due on
865 the return the credit is taken. For purposes of the
866 distributions of tax revenue under ss. 561.121 and 564.06(10),
867 the division shall disregard any tax credits allowed under this
868 section to ensure that any reduction in tax revenue received
869 that is attributable to the tax credits results only in a
870 reduction in distributions to the General Revenue Fund. The
871 provisions of s. 287.09475 apply to the credit authorized by
872 this section.

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

875 624.51057 Credit for contributions to eligible

876 microfinancing organizations.—

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