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LEGISLATIVE ACTION

Senate

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House

The Committee on Commerce and Tourism (Gruters) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Effective January 1, 2021, section 196.1978,
Florida Statutes, is amended to read:

196.1978 Affordable housing property exemption.—

(1) Property used to provide affordable housing to eligible
persons as defined by s. 159.603 and natural persons or families
meeting the extremely-low-income, very-low-income, low-income,



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11 or moderate-income limits specified in s. 420.0004, which is
12 owned entirely by a nonprofit entity that is a corporation not
13 for profit, qualified as charitable under s. 501(c)(3) of the
14 Internal Revenue Code and in compliance with Rev. Proc. 96-32,
15 1996-1 C.B. 717, is considered property owned by an exempt
16 entity and used for a charitable purpose, and those portions of
17 the affordable housing property that provide housing to natural
18 persons or families classified as extremely low income, very low
19 income, low income, or moderate income under s. 420.0004 are
20 exempt from ad valorem taxation to the extent authorized under
21 s. 196.196. All property identified in this subsection ~~section~~
22 must comply with the criteria provided under s. 196.195 for
23 determining exempt status and applied by property appraisers on
24 an annual basis. The Legislature intends that any property owned
25 by a limited liability company which is disregarded as an entity
26 for federal income tax purposes pursuant to Treasury Regulation
27 301.7701-3(b)(1)(ii) be treated as owned by its sole member.

28 (2)(a) Notwithstanding ss. 196.195 and 196.196, property in
29 a multifamily project that meets the requirements of this
30 paragraph is considered property used for a charitable purpose
31 and shall receive a 100 ~~50~~ percent discount from the amount of
32 ad valorem tax otherwise owed beginning in the 16th ~~with the~~
33 ~~January 1 assessment after the 15th completed~~ year of the term
34 of the recorded agreement on those portions of the affordable
35 housing property that provide housing to natural persons or
36 families meeting the extremely-low-income, very-low-income, or
37 low-income limits specified in s. 420.0004. The multifamily
38 project must:

39 1. Contain more than 70 units that are used to provide



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40 affordable housing to natural persons or families meeting the
41 extremely-low-income, very-low-income, or low-income persons
42 limits specified in s. 420.0004; and

43 2. Be subject to an agreement with the Florida Housing
44 Finance Corporation recorded in the official records of the
45 county in which the property is located to provide affordable
46 housing to natural persons or families meeting the extremely-
47 low-income, very-low-income, or low-income limits specified in
48 s. 420.0004.

49
50 This discount terminates if the property no longer serves
51 extremely-low-income, very-low-income, or low-income persons
52 pursuant to the recorded agreement.

53 (b) To receive the discount under paragraph (a), a
54 qualified applicant must submit an application to the county
55 property appraiser by March 1.

56 (c) The property appraiser shall apply the discount by
57 reducing the taxable value on those portions of the affordable
58 housing property that provide housing to natural persons or
59 families meeting the extremely-low-income, very-low-income, or
60 low-income limits specified in s. 420.0004 before certifying the
61 tax roll to the tax collector.

62 1. The property appraiser shall first ascertain all other
63 applicable exemptions, including exemptions provided pursuant to
64 local option, and deduct all other exemptions from the assessed
65 value.

66 2. One hundred ~~Fifty~~ percent of the remaining value shall
67 be subtracted to yield the discounted taxable value.

68 3. The resulting taxable value shall be included in the



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69 certification for use by taxing authorities in setting millage.

70 4. The property appraiser shall place the discounted amount
71 on the tax roll when it is extended.

72 Section 2. Effective July 1, 2020, paragraph (fff) of
73 subsection (7) of section 212.08, Florida Statutes, is amended,
74 and paragraph (u) is added to subsection (5) of that section, to
75 read:

76 212.08 Sales, rental, use, consumption, distribution, and
77 storage tax; specified exemptions.—The sale at retail, the
78 rental, the use, the consumption, the distribution, and the
79 storage to be used or consumed in this state of the following
80 are hereby specifically exempt from the tax imposed by this
81 chapter.

82 (5) EXEMPTIONS; ACCOUNT OF USE.—

83 (u) Aircraft equipment used in governmental contracts.—
84 Equipment, including electric and hydraulic ground power units,
85 jet starter units, oxygen servicing and test equipment, engine
86 trim boxes, and communications and avionics test sets, which is
87 used to service, test, operate, upgrade, or configure aircraft
88 for advanced training purposes as part of any contract with the
89 United States Department of Defense or with a military branch of
90 a recognized foreign government, is exempt from the tax imposed
91 by this chapter.

92 (7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any
93 entity by this chapter do not inure to any transaction that is
94 otherwise taxable under this chapter when payment is made by a
95 representative or employee of the entity by any means,
96 including, but not limited to, cash, check, or credit card, even
97 when that representative or employee is subsequently reimbursed



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98 by the entity. In addition, exemptions provided to any entity by
99 this subsection do not inure to any transaction that is
100 otherwise taxable under this chapter unless the entity has
101 obtained a sales tax exemption certificate from the department
102 or the entity obtains or provides other documentation as
103 required by the department. Eligible purchases or leases made
104 with such a certificate must be in strict compliance with this
105 subsection and departmental rules, and any person who makes an
106 exempt purchase with a certificate that is not in strict
107 compliance with this subsection and the rules is liable for and
108 shall pay the tax. The department may adopt rules to administer
109 this subsection.

110 (fff) *Aircraft temporarily in the state.*-

111 1. An aircraft owned by a nonresident is exempt from the
112 use tax imposed under this chapter if the aircraft enters and
113 remains in this state for less than a total of 21 days during
114 the 6-month period after the date of purchase. The temporary use
115 of the aircraft and subsequent removal from this state may be
116 proven by invoices for fuel, tie-down, or hangar charges issued
117 by out-of-state vendors or suppliers or similar documentation
118 that clearly and specifically identifies the aircraft. The
119 exemption provided in this subparagraph is in addition to the
120 exemptions provided in subparagraphs 2. and 3. ~~subparagraph 2.~~
121 and s. 212.05(1)(a).

122 2. An aircraft owned by a nonresident is exempt from the
123 use tax imposed under this chapter if the aircraft enters or
124 remains in this state exclusively for purposes of flight
125 training, repairs, alterations, refitting, or modification. Such
126 purposes shall be supported by written documentation issued by



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127 in-state vendors or suppliers which clearly and specifically
128 identifies the aircraft. The exemption provided in this
129 subparagraph is in addition to the exemptions provided in
130 subparagraph 1. and s. 212.05(1)(a).

131 3. An aircraft owned by a nonresident is exempt from the
132 use tax imposed under this chapter if the aircraft enters or
133 remains in this state exclusively to be used in service of a
134 contract with the United States Department of Defense or with a
135 military branch of a recognized foreign government. The
136 exemption provided in this subparagraph is in addition to the
137 exemptions provided in subparagraph 1. and s. 212.05(1)(a).

138 Section 3. Effective October 1, 2020, paragraph (jjj) of
139 subsection (7) of section 212.08, Florida Statutes, is amended
140 to read:

141 212.08 Sales, rental, use, consumption, distribution, and
142 storage tax; specified exemptions.—The sale at retail, the
143 rental, the use, the consumption, the distribution, and the
144 storage to be used or consumed in this state of the following
145 are hereby specifically exempt from the tax imposed by this
146 chapter.

147 (7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any
148 entity by this chapter do not inure to any transaction that is
149 otherwise taxable under this chapter when payment is made by a
150 representative or employee of the entity by any means,
151 including, but not limited to, cash, check, or credit card, even
152 when that representative or employee is subsequently reimbursed
153 by the entity. In addition, exemptions provided to any entity by
154 this subsection do not inure to any transaction that is
155 otherwise taxable under this chapter unless the entity has



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156 obtained a sales tax exemption certificate from the department
157 or the entity obtains or provides other documentation as
158 required by the department. Eligible purchases or leases made
159 with such a certificate must be in strict compliance with this
160 subsection and departmental rules, and any person who makes an
161 exempt purchase with a certificate that is not in strict
162 compliance with this subsection and the rules is liable for and
163 shall pay the tax. The department may adopt rules to administer
164 this subsection.

165 (jjj) *Certain machinery and equipment.*—

166 1. Industrial machinery and equipment purchased by eligible
167 manufacturing businesses which is used at a fixed location in
168 this state for the manufacture, processing, compounding, or
169 production of items of tangible personal property for sale is
170 exempt from the tax imposed by this chapter. If, at the time of
171 purchase, the purchaser furnishes the seller with a signed
172 certificate certifying the purchaser's entitlement to exemption
173 pursuant to this paragraph, the seller is not required to
174 collect the tax on the sale of such items, and the department
175 shall look solely to the purchaser for recovery of the tax if it
176 determines that the purchaser was not entitled to the exemption.

177 2. For purposes of this paragraph, the term:

178 a. "Eligible manufacturing business" means any business
179 whose primary business activity at the location where the
180 industrial machinery and equipment is located is within the
181 industries classified under NAICS codes 31, 32, 33, 112511, and
182 423930.

183 b. "Eligible postharvest activity business" means a
184 business whose primary business activity, at the location where



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185 the postharvest machinery and equipment is located, is within
186 the industries classified under NAICS code 115114.

187 c. "NAICS" means those classifications contained in the
188 North American Industry Classification System, as published in
189 2007 by the Office of Management and Budget, Executive Office of
190 the President.

191 d. "Primary business activity" means an activity
192 representing more than 50 percent of the activities conducted at
193 the location where the industrial machinery and equipment or
194 postharvest machinery and equipment is located.

195 e. "Industrial machinery and equipment" means tangible
196 personal property or other property that has a depreciable life
197 of 3 years or more and that is used as an integral part in the
198 manufacturing, processing, compounding, or production of
199 tangible personal property for sale. The term includes tangible
200 personal property or other property that has a depreciable life
201 of 3 years or more which is used as an integral part in the
202 recycling of metals for sale. A building and its structural
203 components are not industrial machinery and equipment unless the
204 building or structural component is so closely related to the
205 industrial machinery and equipment that it houses or supports
206 that the building or structural component can be expected to be
207 replaced when the machinery and equipment are replaced. Heating
208 and air conditioning systems are not industrial machinery and
209 equipment unless the sole justification for their installation
210 is to meet the requirements of the production process, even
211 though the system may provide incidental comfort to employees or
212 serve, to an insubstantial degree, nonproduction activities. The
213 term includes parts and accessories for industrial machinery and



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214 equipment only to the extent that the parts and accessories are
215 necessary for the continued operation of the industrial
216 machinery or equipment or were purchased before the date the
217 machinery and equipment were ~~are~~ placed in service.

218 f. "Postharvest activities" means services performed on
219 crops, after their harvest, with the intent of preparing them
220 for market or further processing. Postharvest activities
221 include, but are not limited to, crop cleaning, sun drying,
222 shelling, fumigating, curing, sorting, grading, packing, and
223 cooling.

224 g. "Postharvest machinery and equipment" means tangible
225 personal property or other property with a depreciable life of 3
226 years or more which is used primarily for postharvest
227 activities. A building and its structural components are not
228 postharvest industrial machinery and equipment unless the
229 building or structural component is so closely related to the
230 postharvest machinery and equipment that it houses or supports
231 that the building or structural component can be expected to be
232 replaced when the postharvest machinery and equipment is
233 replaced. Heating and air conditioning systems are not
234 postharvest machinery and equipment unless the sole
235 justification for their installation is to meet the requirements
236 of the postharvest activities process, even though the system
237 may provide incidental comfort to employees or serve, to an
238 insubstantial degree, nonpostharvest activities.

239 3. Postharvest machinery and equipment purchased by an
240 eligible postharvest activity business which is used at a fixed
241 location in this state is exempt from the tax imposed by this
242 chapter. All labor charges for the repair of, and parts and



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243 materials used in the repair of and incorporated into, such
244 postharvest machinery and equipment are also exempt. If, at the
245 time of purchase, the purchaser furnishes the seller with a
246 signed certificate certifying the purchaser's entitlement to
247 exemption pursuant to this subparagraph, the seller is not
248 required to collect the tax on the sale of such items, and the
249 department shall look solely to the purchaser for recovery of
250 the tax if it determines that the purchaser was not entitled to
251 the exemption.

252 Section 4. Section 220.191, Florida Statutes, is amended to
253 read:

254 220.191 Capital investment tax credit.—

255 (1) DEFINITIONS.—As used in ~~For purposes of~~ this section,
256 the term:

257 (a) "Commencement of operations" means the beginning of
258 active operations by a qualifying business of the principal
259 function for which a qualifying project was constructed.

260 (b) "Cumulative capital investment" means the total capital
261 investment in land, buildings, ~~and~~ equipment, and intellectual
262 property made in connection with a qualifying project during the
263 period from the beginning of construction or the start date of
264 the project to the commencement of operations or the completion
265 of the project, as applicable.

266 (c) "Eligible capital costs" means all expenses incurred by
267 a qualifying business in connection with the acquisition,
268 construction, installation, ~~and~~ equipping, and development of a
269 qualifying project during the period from the beginning of
270 construction or the start date of the project to the
271 commencement of operations or the completion of the project, as



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272 applicable, including, but not limited to:

273 1. The costs of acquiring, constructing, installing,
274 equipping, and financing a qualifying project, including all
275 obligations incurred for labor and obligations to contractors,
276 subcontractors, builders, and materialmen.

277 2. The costs of acquiring land or rights to land and any
278 cost incidental thereto, including recording fees.

279 3. The costs of architectural and engineering services,
280 including test borings, surveys, estimates, plans and
281 specifications, preliminary investigations, environmental
282 mitigation, and supervision of construction, as well as the
283 performance of all duties required by or consequent to the
284 acquisition, construction, installation, and equipping of a
285 qualifying project.

286 4. The costs associated with the installation of fixtures
287 and equipment; surveys, including archaeological and
288 environmental surveys; site tests and inspections; subsurface
289 site work and excavation; removal of structures, roadways, and
290 other surface obstructions; filling, grading, paving, and
291 provisions for drainage, storm water retention, and installation
292 of utilities, including water, sewer, sewage treatment, gas,
293 electricity, communications, and similar facilities; and offsite
294 construction of utility extensions to the boundaries of the
295 property.

296 5. For the development of intellectual property, the wages,
297 salaries, or other compensation paid to legal residents of this
298 state and the costs of newly purchased computer software and
299 hardware unique to the project, including servers, data
300 processing, and visualization technologies, which are located



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301 and used exclusively in this state for the project.

302

303 Eligible capital costs shall not include the cost of any
304 property previously owned or leased by the qualifying business.

305 (d) "Income generated by or arising out of the qualifying
306 project" means the qualifying project's annual taxable income as
307 determined by generally accepted accounting principles and under
308 s. 220.13.

309 (e) "Intellectual property" means a copyrightable project
310 for which the eligible capital costs are principally paid
311 directly or indirectly for the creation of the project. As used
312 in this paragraph, the term "copyrightable project" includes,
313 but is not limited to, a copyrightable software or multimedia
314 application and its expansion content made available to an end
315 user, internal development platforms that support the production
316 of multiple applications, cloud-based services that support the
317 functionality of multiple applications, and copyrighted projects
318 registered with the United States Copyright Office which include
319 digital visualization and sound synchronization technologies.
320 The project may not be intended for distribution solely inside
321 this state, and at least 75 percent of forecasted revenues for
322 the project must be from outside this state.

323 (f) "Jobs" means full-time equivalent positions, as that
324 term is consistent with terms used by the Department of Economic
325 Opportunity and the United States Department of Labor for
326 purposes of reemployment assistance tax administration and
327 employment estimation, resulting directly from a project in this
328 state. The term does not include temporary construction jobs
329 involved in the construction of the project facility.



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330 (g)~~(f)~~ "Qualifying business" means a business which
331 establishes a qualifying project in this state and which is
332 certified by the Department of Economic Opportunity to receive
333 tax credits pursuant to this section.

334 (h)~~(g)~~ "Qualifying project" means a facility or project in
335 this state meeting one or more of the following criteria:

336 1. A new or expanding facility in this state which creates
337 at least 100 new jobs in this state and is in one of the high-
338 impact sectors identified by Enterprise Florida, Inc., and
339 certified by the Department of Economic Opportunity pursuant to
340 s. 288.108(6), including, but not limited to, aviation,
341 aerospace, automotive, and silicon technology industries.
342 However, between July 1, 2011, and June 30, 2014, the
343 requirement that a facility be in a high-impact sector is waived
344 for any otherwise eligible business from another state which
345 locates all or a portion of its business to a Disproportionally
346 Affected County. For purposes of this section, the term
347 "Disproportionally Affected County" means Bay County, Escambia
348 County, Franklin County, Gulf County, Okaloosa County, Santa
349 Rosa County, Walton County, or Wakulla County.

350 2. A new or expanded facility in this state which is
351 engaged in a target industry designated pursuant to the
352 procedure specified in s. 288.106(2) and which is induced by
353 this credit to create or retain at least 1,000 jobs in this
354 state, provided that at least 100 of those jobs are new, pay an
355 annual average wage of at least 130 percent of the average
356 private sector wage in the area as defined in s. 288.106(2), and
357 make a cumulative capital investment of at least \$100 million.
358 Jobs may be considered retained only if there is significant



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359 evidence that the loss of jobs is imminent. Notwithstanding
360 subsection (2), annual credits against the tax imposed by this
361 chapter may not exceed 50 percent of the increased annual
362 corporate income tax liability or the premium tax liability
363 generated by or arising out of a project qualifying under this
364 subparagraph. A facility that qualifies under this subparagraph
365 for an annual credit against the tax imposed by this chapter may
366 take the tax credit for a period not to exceed 5 years.

367 3. A new or expanded headquarters facility in this state
368 which locates in an enterprise zone and brownfield area and is
369 induced by this credit to create at least 1,500 jobs which on
370 average pay at least 200 percent of the statewide average annual
371 private sector wage, as published by the Department of Economic
372 Opportunity, and which new or expanded headquarters facility
373 makes a cumulative capital investment in this state of at least
374 \$250 million.

375 4. For the creation of intellectual property, a qualifying
376 project may be made up of one or more projects with different
377 start and completion dates. The annual average wage of the
378 project jobs in this state must be at least 150 percent of the
379 average private sector wage in the area as defined in s.
380 288.106(2)(c).

381 (2)(a) An annual credit against the tax imposed by this
382 chapter shall be granted to any qualifying business in an amount
383 equal to 5 percent of the eligible capital costs generated by a
384 qualifying project, for a period not to exceed 20 years
385 beginning with the commencement of operations of the project.
386 Unless assigned as described in this subsection, the tax credit
387 shall be granted against only the corporate income tax liability



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388 or the premium tax liability generated by or arising out of the
389 qualifying project, and the sum of all tax credits provided
390 pursuant to this section shall not exceed 100 percent of the
391 eligible capital costs of the project. In no event may any
392 credit granted under this section be carried forward or backward
393 by any qualifying business with respect to a subsequent or prior
394 year. The annual tax credit granted under this section shall not
395 exceed the following percentages of the annual corporate income
396 tax liability or the premium tax liability generated by or
397 arising out of a qualifying project:

398 1. One hundred percent for a qualifying project which
399 results in a cumulative capital investment of at least \$100
400 million.

401 2. Seventy-five percent for a qualifying project which
402 results in a cumulative capital investment of at least \$50
403 million but less than \$100 million.

404 3. Fifty percent for a qualifying project which results in
405 a cumulative capital investment of at least \$25 million but less
406 than \$50 million.

407 (b) A qualifying project which results in a cumulative
408 capital investment of less than \$25 million is not eligible for
409 the capital investment tax credit. An insurance company claiming
410 a credit against premium tax liability under this program shall
411 not be required to pay any additional retaliatory tax levied
412 pursuant to s. 624.5091 as a result of claiming such credit.

413 Because credits under this section are available to an insurance
414 company, s. 624.5091 does not limit such credit in any manner.

415 (c) A qualifying business that establishes a qualifying
416 project that includes locating a new solar panel manufacturing



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417 facility in this state that generates a minimum of 400 jobs
418 within 6 months after commencement of operations with an average
419 salary of at least \$50,000 may assign or transfer the annual
420 credit, or any portion thereof, granted under this section to
421 any other business. However, the amount of the tax credit that
422 may be transferred in any year shall be the lesser of the
423 qualifying business's state corporate income tax liability for
424 that year, as limited by the percentages applicable under
425 paragraph (a) and as calculated prior to taking any credit
426 pursuant to this section, or the credit amount granted for that
427 year. A business receiving the transferred or assigned credits
428 may use the credits only in the year received, and the credits
429 may not be carried forward or backward. To perfect the transfer,
430 the transferor shall provide the department with a written
431 transfer statement notifying the department of the transferor's
432 intent to transfer the tax credits to the transferee; the date
433 the transfer is effective; the transferee's name, address, and
434 federal taxpayer identification number; the tax period; and the
435 amount of tax credits to be transferred. The department shall,
436 upon receipt of a transfer statement conforming to the
437 requirements of this paragraph, provide the transferee with a
438 certificate reflecting the tax credit amounts transferred. A
439 copy of the certificate must be attached to each tax return for
440 which the transferee seeks to apply such tax credits.

441 (d) If the credit granted under subparagraph (a)1. is not
442 fully used in any one year because of insufficient tax liability
443 on the part of the qualifying business, the unused amounts may
444 be used in any one year or years beginning with the 21st year
445 after the commencement of operations of the project and ending



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446 the 30th year after the commencement of operations of the
447 project.

448 (3) (a) Notwithstanding subsection (2), a credit against the
449 tax imposed by this chapter, against state taxes collected or
450 accrued under chapter 212, or against a stated combination of
451 the two taxes shall be granted to a qualifying business that
452 establishes a qualifying project pursuant to subparagraph
453 (1) (h) 4. for which the cumulative capital investment of one or
454 more projects is an aggregate of at least \$50 million per year
455 for 3 years, and the capital investment of each individual
456 project is at least \$3.75 million. The tax credit shall be
457 granted in an amount equal to 20 percent of the eligible capital
458 costs generated by the qualifying project. The tax credit shall
459 be granted against the tax liability of the qualifying business.

460 (b) If the credit granted under this subsection is not
461 fully used in 1 year because of insufficient tax liability on
462 the part of the qualifying business, the unused amounts may be
463 transferred or used in any one year or years beginning with the
464 year of the completion date of the project and ending the 9th
465 year after the completion date of the project. A business
466 receiving the transferred credits may use the credits only in
467 the year received, and the credits may not be carried forward or
468 backward. A transfer must be perfected in accordance with the
469 requirements of paragraph (2) (c).

470 (4) (a) Notwithstanding subsection (2), an annual credit
471 against the tax imposed by this chapter shall be granted to a
472 qualifying business which establishes a qualifying project
473 pursuant to subparagraph (1) (h) 3. ~~(1) (g) 3.~~, in an amount equal
474 to the lesser of \$15 million or 5 percent of the eligible



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475 capital costs made in connection with a qualifying project, for
476 a period not to exceed 20 years beginning with the commencement
477 of operations of the project. The tax credit shall be granted
478 against the corporate income tax liability of the qualifying
479 business and as further provided in paragraph (c). The total tax
480 credit provided pursuant to this subsection shall be equal to no
481 more than 100 percent of the eligible capital costs of the
482 qualifying project.

483 (b) If the credit granted under this subsection is not
484 fully used in any one year because of insufficient tax liability
485 on the part of the qualifying business, the unused amount may be
486 carried forward for a period not to exceed 20 years after the
487 commencement of operations of the project. The carryover credit
488 may be used in a subsequent year when the tax imposed by this
489 chapter for that year exceeds the credit for which the
490 qualifying business is eligible in that year under this
491 subsection after applying the other credits and unused
492 carryovers in the order provided by s. 220.02(8).

493 (c) The credit granted under this subsection may be used in
494 whole or in part by the qualifying business or any corporation
495 that is either a member of that qualifying business's affiliated
496 group of corporations, is a related entity taxable as a
497 cooperative under subchapter T of the Internal Revenue Code, or,
498 if the qualifying business is an entity taxable as a cooperative
499 under subchapter T of the Internal Revenue Code, is related to
500 the qualifying business. Any entity related to the qualifying
501 business may continue to file as a member of a Florida-nexus
502 consolidated group pursuant to a prior election made under s.
503 220.131(1), Florida Statutes (1985), even if the parent of the



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504 group changes due to a direct or indirect acquisition of the
505 former common parent of the group. Any credit can be used by any
506 of the affiliated companies or related entities referenced in
507 this paragraph to the same extent as it could have been used by
508 the qualifying business. However, any such use shall not operate
509 to increase the amount of the credit or extend the period within
510 which the credit must be used.

511 (5)~~(4)~~ Prior to receiving tax credits pursuant to this
512 section, a qualifying business must achieve and maintain the
513 minimum employment goals beginning with the commencement of
514 operations or the completion date of ~~a~~ a qualifying project and
515 continuing each year thereafter during which tax credits are
516 available pursuant to this section.

517 (6)~~(5)~~ Applications shall be reviewed and certified
518 pursuant to s. 288.061. The Department of Economic Opportunity,
519 upon a recommendation by Enterprise Florida, Inc., shall first
520 certify a business as eligible to receive tax credits pursuant
521 to this section prior to the commencement of operations or the
522 completion date of a qualifying project, and such certification
523 shall be transmitted to the Department of Revenue. Upon receipt
524 of the certification, the Department of Revenue shall enter into
525 a written agreement with the qualifying business specifying, at
526 a minimum, the method by which income generated by or arising
527 out of the qualifying project will be determined.

528 (7)~~(6)~~ The Department of Economic Opportunity, in
529 consultation with Enterprise Florida, Inc., is authorized to
530 develop the necessary guidelines and application materials for
531 the certification process described in subsection (6) ~~(5)~~.

532 (8)~~(7)~~ It shall be the responsibility of the qualifying



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533 business to affirmatively demonstrate to the satisfaction of the
534 Department of Revenue that such business meets the job creation
535 and capital investment requirements of this section.

536 ~~(9)~~ (8) The Department of Revenue may specify by rule the
537 methods by which a project's pro forma annual taxable income is
538 determined.

539 Section 5. Paragraph (d) of subsection (2) of section
540 288.1089, Florida Statutes, is amended to read:

541 288.1089 Innovation Incentive Program.—

542 (2) As used in this section, the term:

543 (d) "Cumulative investment" means cumulative capital
544 investment and all eligible capital costs, as defined in former
545 s. 220.191, Florida Statutes 2019.

546 Section 6. Except as otherwise expressly provided in this
547 act, this act shall take effect upon becoming a law.

548
549 ===== T I T L E A M E N D M E N T =====

550 And the title is amended as follows:

551 Delete everything before the enacting clause
552 and insert:

553 A bill to be entitled
554 An act relating to tax exemptions; amending s.
555 196.1978, F.S.; revising the affordable housing
556 property exemption to exempt from ad valorem taxation,
557 rather than provide a discount to, certain multifamily
558 projects after a certain timeframe; making clarifying
559 changes; amending s. 212.08, F.S.; providing a sales
560 tax exemption for certain aircraft equipment used as
561 part of certain governmental contracts; providing a



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562 use tax exemption for certain aircraft owned by
563 nonresidents and used in service of certain
564 governmental contracts; providing construction;
565 providing a sales tax exemption for parts and
566 accessories necessary for the continued operation of
567 certain industrial machinery or equipment; amending s.
568 220.191, F.S.; redefining terms; defining the term
569 "intellectual property"; providing a credit against
570 the corporate income tax, the sales and use tax, or a
571 stated combination of the two taxes to a qualifying
572 business that establishes a qualifying project for the
573 creation of intellectual property which meets certain
574 capital investment criteria; specifying the
575 calculation of the credit; authorizing the carryover
576 or transfer of credits, subject to certain conditions;
577 conforming provisions to changes made by the act;
578 amending s. 288.1089, F.S.; revising the definition of
579 the term "cumulative investment" to conform to changes
580 made by the act; providing effective dates.