

By Senator Gruters

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1 A bill to be entitled
2 An act relating to the research and development tax
3 credit; amending s. 220.196, F.S.; deleting a
4 limitation on industries that qualify for the research
5 and development credit against the corporate income
6 tax; increasing the combined total amount of credits
7 which may be granted to business enterprises during
8 any calendar year; requiring that a specified amount
9 of credits be allocated to certain qualified cleantech
10 businesses; authorizing the Department of Revenue to
11 allocate such amount that is not fully allocated to
12 other qualifying businesses; providing applicability;
13 providing an effective date.

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

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17 Section 1. Paragraphs (a) and (e) of subsection (2) of
18 section 220.196, Florida Statutes, are amended to read:

19 220.196 Research and development tax credit.—

20 (2) TAX CREDIT.—

21 (a) As provided in this section, a business enterprise is
22 eligible for a credit against the tax imposed by this chapter if
23 it:

24 1. Has qualified research expenses in this state in the
25 taxable year exceeding the base amount;

26 2. Claims and is allowed a research credit for such
27 qualified research expenses under 26 U.S.C. s. 41 for the same
28 taxable year as subparagraph 1.; and

29 3. Is a qualified target industry business as defined in s.

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30 288.106(2)(n). ~~Only qualified target industry businesses in the~~
31 ~~manufacturing, life sciences, information technology, aviation~~
32 ~~and aerospace, homeland security and defense, cloud information~~
33 ~~technology, marine sciences, materials science, and~~
34 ~~nanotechnology industries may qualify for a tax credit under~~
35 ~~this section.~~ A business applying for a credit pursuant to this
36 section shall include a letter from the Department of Economic
37 Opportunity certifying whether the business meets the
38 requirements of this subparagraph with its application for
39 credit. The Department of Economic Opportunity shall provide
40 such a letter upon receiving a request.

41 (e) The combined total amount of tax credits which may be
42 granted to all business enterprises under this section during
43 any calendar year is \$50 ~~\$9~~ million, ~~except that the total~~
44 ~~amount that may be awarded in the 2018 calendar year is \$16.5~~
45 ~~million.~~ The first \$10 million must be allocated to qualified
46 businesses in the cleantech industry as certified by the
47 Department of Economic Opportunity. If such amount is not fully
48 allocated to qualified cleantech businesses, the department may
49 allocate the remainder to any qualifying business certified by
50 the Department of Economic Opportunity. Applications may be
51 filed with the department on or after March 20 and before March
52 27 for qualified research expenses incurred within the preceding
53 calendar year. If the total credits for all applicants exceed
54 the maximum amount allowed under this paragraph, the credits
55 shall be allocated on a prorated basis.

56 Section 2. The amendment made by this act to s. 220.196,
57 Florida Statutes, first applies to the 2020 allocation of tax
58 credits for expenses incurred in calendar year 2019.

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Section 3. This act shall take effect upon becoming a law.