

26 requirements for a process to verify actual qualified
27 expenditures and bonus eligibility; requiring an
28 independent certified public accountant to conduct a
29 compliance audit and submit a certain report to the
30 commissioner; requiring the commissioner to review the
31 report and provide certain information to the
32 department; requiring a tax credit award to be issued
33 within a reasonable period of time after approval by
34 the department; requiring a certified project to
35 include a certain marketing component; requiring
36 certified projects to allow certain persons to visit
37 the production site upon request of the commissioner;
38 requiring the department to disqualify a project under
39 certain circumstances; providing for liability of, and
40 imposing civil penalties on, an applicant that submits
41 fraudulent information; providing for the election and
42 distribution of tax credits; authorizing the
43 carryforward of tax credits for up to 5 taxable years;
44 allowing the tax credits on a consolidated return
45 basis up to a certain amount; authorizing the
46 distribution of tax credits to company partners or
47 members in certain circumstances; providing that tax
48 credits may succeed to a surviving or acquired entity;
49 authorizing the transfer of tax credits in certain
50 circumstances; authorizing a certified project to

51 | relinquish tax credits to the Department of Revenue in
52 | exchange for certain payments; providing that the
53 | aggregate amount of tax credits allocated to the
54 | program shall equal a certain amount for certain
55 | fiscal years; authorizing the Department of Revenue to
56 | conduct certain examinations and audits, pursue the
57 | recovery of certain funds, and take certain actions;
58 | providing for forfeiture of tax credits in certain
59 | circumstances; providing that tax credits are not
60 | subject to reversion; authorizing the Department of
61 | Economic Opportunity and the Department of Revenue to
62 | adopt rules; requiring an annual report to the
63 | Governor and Legislature; providing for expiration of
64 | the program on a specified date; providing for
65 | reversion of remaining unawarded tax credits to the
66 | General Revenue Fund by a specified date; amending s.
67 | 220.02, F.S.; providing the order in which the Florida
68 | First Production Partnership Program tax credit shall
69 | be applied against certain taxes; amending s. 220.13,
70 | F.S.; revising the definition of the term "adjusted
71 | federal income" to add the amount taken as a Florida
72 | First Production Partnership Program tax credit to a
73 | taxpayer's taxable income; providing an effective
74 | date.

75

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

77
78 Section 1. Section 288.1259, Florida Statutes, is created
79 to read:

80 288.1259 Florida First Production Partnership Program.—

81 (1) DEFINITIONS.—As used in this section, unless the
82 context otherwise requires, the term:

83 (a) "Certified project" means a qualified project that has
84 been scored by the council, has been determined by the
85 commissioner to meet or exceed the desired economic impact and
86 other criteria of the program, and has tax credits allocated to
87 it based on the project's estimated qualified expenditures.

88 (b) "Commissioner" means the Commissioner of Film and
89 Entertainment.

90 (c) "Council" means the Florida Film and Entertainment
91 Advisory Council.

92 (d) "Digital media project" means a commercial video game,
93 including an educational video game, which includes at least 30
94 minutes of game play time.

95 (e) "Family-friendly" means having cross-generational
96 appeal; being appropriate in theme, content, and language for a
97 broad family audience that includes children as young as 5-years
98 old; embodying a responsible resolution of issues; not
99 containing any gratuitous act of drinking, drunkenness, or
100 violence or any act of illicit drug use, sex, nudity, or vulgar

101 or profane language; and not portraying smoking any substance in
102 a positive light.

103 (f) "Film project" means a theatrical, direct-to-video,
104 television, cable, Internet, streaming service, or animated
105 narrative motion picture at least 75 minutes in length.

106 (g) "Florida resident" means a person who has a valid
107 Florida driver license or Florida identification card issued
108 under s. 322.051 and has signed an affidavit confirming
109 residency.

110 (h) "Local inducement" means a cash or goods and services
111 equivalent offered by a local government, entity, or business to
112 induce a project to work in a specific area in this state which
113 has a value equal to at least 1 percent of the actual tax credit
114 award that the project is eligible to receive.

115 (i) "Office" means the Office of Film and Entertainment
116 within the department.

117 (j) "Principal photography" means:

118 1. For a film project or television project, the filming
119 of major or significant components of the project which involve
120 lead actors.

121 2. For a digital media project, the period of time during
122 which the work of the majority of the crew is dedicated solely
123 to the project.

124 (k) "Production start date" means:

125 1. For a film project or television project, the start

126 date of principal photography, as listed in the project's
127 application to the program.

128 2. For a digital media project, the start date of final
129 storyboards or a later date as specified in the project's
130 application to the program.

131 (l) "Program" means the Florida First Production
132 Partnership Program.

133 (m) "Qualified expenditures" means expenditures made in
134 this state and paid to residents of this state or to businesses
135 registered in this state and made solely for preproduction,
136 production, or postproduction of a qualified project, including
137 the following:

138 1. Rented or leased goods or services provided by a vendor
139 or supplier in this state which is registered with the
140 Department of State or the Department of Revenue, has a physical
141 address in this state other than a post office box, and employs
142 one or more Florida residents on a full-time basis. When
143 services provided by the vendor or supplier include personal
144 services or labor, only expenditures for personal services or
145 labor provided by Florida residents qualify.

146 2. Payments to Florida residents in the form of salary or
147 wages up to a maximum of \$200,000 per resident, including
148 amounts paid per diem and amounts paid through payroll service
149 companies, and benefits, including pension, health, and welfare
150 benefits, for technical and production crews, directors,

151 producers, and performers. For purposes of this subparagraph,
152 payments do not include salary or wages paid to executives,
153 legal staff, or other corporate staff who are not employed to
154 work solely on the project.

155 3. Rented or leased cars, trucks, and trailers if the
156 cars, trucks, or trailers are registered with the Department of
157 Highway Safety and Motor Vehicles.

158 4. Purchases of catered meals and on-set craft service
159 supplies from Florida residents or companies in this state.

160 5. Rented hotel rooms or other accommodations in this
161 state for cast or crew.

162
163 The term does not include expenditures for rebilled goods or
164 services provided by an in-state company from out-of-state
165 vendors or suppliers; expenditures made before qualification for
166 the program; expenditures made by Internet transaction;
167 expenditures for airfare; any costs associated with development,
168 marketing, or distribution of a project; or, for the purposes of
169 a digital media project, expenditures made more than 9 months
170 after the project's first qualified expenditure.

171 (n) "Qualified project" means a film project, television
172 project, or digital media project that meets the application
173 requirements and for which a complete application for the
174 program has been submitted to the commissioner and accepted for
175 consideration by the office. The term does not include a weather

176 or market program, a sporting event or a sporting event
177 broadcast, a gala, an awards show, a production that solicits
178 funds, a home shopping program, a political program, a gambling-
179 related project or production, a concert production, a news or
180 current events show, a sports or sports recap show, a
181 pornographic production, or any project or production deemed by
182 the office to contain content that is obscene as defined in s.
183 847.001.

184 (o) "Television project" means a television pilot program
185 or a television series that meets the following requirements:

186 1. The project is a scripted drama, comedy, animation, or
187 reality show.

188 2. The project has a runtime to fit at least a 30-minute
189 program slot, but is not longer than required to fit a 60-minute
190 program slot.

191 3. For a series, the project has at least seven episodes
192 or, if the project is a reality program or series, at least 10
193 episodes.

194 (p) "Underutilized area" means any county in this state
195 except Broward County, Hillsborough County, Miami-Dade County,
196 Orange County, Pinellas County, or Seminole County.

197 (2) CREATION AND PURPOSE.—

198 (a) The Florida First Production Partnership Program is
199 created within the department.

200 (b) The purpose of the program is to boost this state's

201 economic prosperity by:

202 1. Encouraging the growth of project production across
 203 this state in areas that offer local inducements.

204 2. Certifying the highest scoring projects, which provide
 205 the greatest return on investment and economic benefit to this
 206 state.

207 3. Creating high-paying jobs in an industry with an
 208 average salary approximately 50 percent higher than the average
 209 in this state.

210 4. Enhancing tourism by choosing projects that encourage
 211 tourists to visit this state.

212 5. Broadening the program's statewide impact by offering a
 213 modest bonus for projects that take place in underutilized
 214 areas.

215 6. Encouraging more family-friendly projects in this
 216 state.

217 7. Encouraging the hiring of state residents by requiring
 218 that at least 60 percent of a project's employees be state
 219 residents.

220 (c) This purpose shall be accomplished by providing a tax
 221 credit award to certified projects that receive a local
 222 inducement and which provide the greatest return on investment
 223 and economic benefit to this state.

224 (3) TAX CREDIT AWARD ELIGIBILITY.—

225 (a) To be eligible for a tax credit award, an applicant

226 must be registered to do business in this state, registered with
227 the Department of Revenue, and producing a project that:

- 228 1. Has received a local inducement.
- 229 2. Has projected qualified expenditures of:
 - 230 a. For a film project or a digital media project, at least
231 \$1.5 million; or
 - 232 b. For a television project, at least \$500,000 per
233 episode.
- 234 3. Is projected to employ a crew, including cast and
235 stand-ins but not including extras or background performers,
236 that is at least 60 percent composed of residents of this state,
237 one of whom must be a veteran.
- 238 4. Is projected to spend at least 70 percent of its total
239 production days in this state.
- 240 5. Will not receive a sales and use tax certificate of
241 exemption pursuant to s. 288.1258 for the project.

242 (b) A certified project may receive a tax credit award in
243 the amount of up to 15 percent or, if eligible to receive a 5
244 percent bonus, up to 20 percent of its verified qualified
245 expenditures, up to a maximum tax credit award of \$2 million. A
246 certified project may receive a 5 percent bonus if 60 percent of
247 the project's production in this state will take place in an
248 underutilized area or if its content is deemed family-friendly.

249 (c) A certified project must make a good faith effort to
250 use existing providers of infrastructure or equipment in this

251 state, when available, including providers of camera gear, grip
252 and lighting equipment, vehicles, and postproduction services,
253 and to employ cast and crew who are residents of this state.

254 (4) APPLICATION PERIODS.—

255 (a) The office must accept applications during two
256 application periods each fiscal year. The commissioner shall set
257 the dates for each application period. The first application
258 period may begin before the start of the fiscal year and must
259 end no later than 5 business days after July 1. The second
260 application period must end no later than 5 business days after
261 December 1.

262 (b) The department may earmark and set aside for certified
263 projects applying during the first application period of a
264 fiscal year up to 60 percent of any tax credit awards available
265 for the fiscal year. Available tax credits not earmarked and set
266 aside during the first application period roll over for use in
267 the next application period.

268 (c) If all tax credits are earmarked and set aside for
269 certified projects, additional applications may not be accepted
270 until more tax credits become available for the program.

271 (d) An applicant may be offered a partial tax credit award
272 if tax credits equal to the total tax credit amount for which
273 the project is eligible are not available during the application
274 period in which it applies. The applicant may accept the partial
275 tax credit award in lieu of the total tax credit award amount

276 for which it is eligible or reject the partial tax credit award
277 and withdraw its application from consideration. The applicant
278 must notify the commissioner in writing of such acceptance or
279 rejection before the application period ends. A project that
280 accepts a partial tax credit award is not eligible for any
281 additional tax credits that may become available after the
282 application period ends.

283 (5) APPLICATION PROCESS.—

284 (a) A company that plans to produce a film project,
285 television project, or digital media project in this state may
286 submit an application to the commissioner:

287 1. For a project with a production start date that is
288 within 6 months after July 1, during the first application
289 period; or

290 2. For a project with a production start date that is
291 within 6 months after January 1, during the second application
292 period.

293 (b) An applicant or its parent company may submit
294 applications for up to five projects in a fiscal year but only
295 one such project may be certified. However, a television series
296 and the pilot upon which the series is based may be certified in
297 the same fiscal year.

298 (c) The application must include the following:

299 1. Proof of project funding.

300 2. Project-related employment information, including

- 301 employment numbers for residents of this state.
- 302 3. A full line-item budget and a detailed qualified
303 expenditures budget.
- 304 4. A detailed distribution plan to assist with determining
305 the potential economic impact of the project to this state.
- 306 5. The applicant's expected total qualified expenditures
307 for wages paid to residents of this state.
- 308 6. The applicant's expected total qualified expenditures
309 and nonqualified expenditures in this state.
- 310 7. For a film project, the latest script, a production
311 schedule, a day out of days report, and a list of the expected
312 shooting locations.
- 313 8. For a digital media project, a detailed game design
314 document, including a production schedule.
- 315 9. For a television project that is a pilot, a final
316 script, a production schedule, a day out of days report, and a
317 list of the expected shooting locations.
- 318 10. For a television project that is a series, the latest
319 scripts for at least two episodes and a production schedule, a
320 day out of days report, and a list of the expected shooting
321 locations for the first episode.
- 322 11. An affirmation signed by the applicant that the
323 information on the application is correct.
- 324 12. The expected local inducement in cash or goods and
325 services as a monetary amount.

326 13. The applicant's Florida tax identification number.

327 (d) Within a reasonable period of time after the last
328 business day of each application period, the commissioner shall:

329 1. Review all applications submitted during the
330 application period and determine the eligibility of each
331 applicant.

332 2. Determine each applicant's expected qualified
333 expenditures and verify that the amount of each applicant's
334 local inducement is greater than 1 percent of the tax credit
335 award that the applicant is eligible to receive.

336 3. Determine the maximum tax credit award that each
337 eligible applicant may be awarded.

338 4. Determine whether each applicant's project is family-
339 friendly.

340 5. Determine the percentage of each applicant's project
341 that is proposed to occur in an underutilized area.

342 6. Determine whether each eligible applicant is a
343 corporation registered in this state.

344 7. Contact each applicant with any questions as necessary.

345 8. Gather any additional information needed to address the
346 criteria specified in subsection (6).

347 9. Provide to each council member a package containing the
348 details of each eligible applicant's project.

349 10. Set, and provide notice to the council of, the date
350 and time of a council meeting for the purpose of assessing each

351 qualified project. The council may meet in person or by
352 conference call.

353 (e) The council shall determine a score for each qualified
354 project using the criteria specified in subsection (6), giving
355 the highest scores to projects determined to provide the
356 greatest economic impact and return on investment to this state.

357 (6) CRITERIA FOR DETERMINING PROJECT SCORES.—

358 (a) The priority order and scoring system of the criteria
359 specified in paragraph (b) must be determined by the
360 commissioner, with assistance from the council and other persons
361 selected by the commissioner, before the first application
362 period.

363 (b) The criteria used by the council to determine the
364 score for each qualified project shall include, at a minimum,
365 all of the following:

366 1. The amount of the project's expected qualified
367 expenditures.

368 2. The amount of the local inducement, giving more weight
369 to cash than to goods and services.

370 3. The amount of wages that will be paid to Florida
371 residents.

372 4. The number of full-time equivalent jobs that will be
373 created by the project.

374 5. Whether the project will provide any pension, health,
375 or welfare benefits to its workforce in this state.

376 6. The estimated direct and indirect tourism benefits of
377 the project based on the submitted distribution plan.

378 7. The expected duration of employment of Florida
379 residents who will be employed by the project.

380 8. The percentage of the project that will be produced in
381 an underutilized area.

382 9. Whether the project is family-friendly.

383 10. Whether the project involves any writers, producers,
384 or stars who are Florida residents.

385 11. Whether a film, television, or digital media school in
386 this state will assist with the production of the project.

387 12. Whether the project leadership team has a successful
388 project history.

389 13. The number of Florida resident veterans who will be
390 employed by the project.

391 14. The number of graduates of film schools in this state
392 that the project will hire as cast or crew.

393 (7) NOTIFICATION OF DECISION.—

394 (a) After the council determines each qualified project's
395 score, the commissioner shall, in a timely manner:

396 1. Make a final determination on certifying or rejecting
397 the qualified project, giving substantial consideration to the
398 score determined by the council.

399 2. Provide to the department a list of certified projects
400 which includes the maximum tax credit amount that each

401 respective certified project may be awarded.

402 3. Notify each certified project of the specified
 403 percentage of qualified expenditures for which it is eligible to
 404 receive a tax credit award and the maximum tax credit that it
 405 may be awarded.

406 4. Provide a notice of rejection to each rejected
 407 applicant. Failure to notify an applicant of its rejection does
 408 not deem the applicant a certified project.

409 (b) Upon receiving the list of certified projects from the
 410 commissioner, the department shall certify such list to the
 411 executive director of the Department of Revenue.

412 (8) VERIFICATION PROCESS.—

413 (a) The commissioner shall develop a process to verify the
 414 actual qualified expenditures and bonus eligibility of a
 415 certified project after the project's work in this state is
 416 complete. The verification process must require all of the
 417 following:

418 1. Each certified project must submit to the commissioner
 419 electronically or in hard copy, or both, all of the following
 420 information:

421 a. Data substantiating each qualified expenditure which
 422 has been audited by an independent certified public accountant
 423 in accordance with subparagraph 4.

424 b. Copies of documents verifying the residency of Florida
 425 residents employed by the project.

- 426 c. The final script.
- 427 d. The most recent production board and shooting schedule.
- 428 e. The most recent credit list showing where the logos and
429 statements required under subsection (9) will appear.
- 430 f. A cast list and a final crew list, including contact
431 information for cast or crew who are Florida residents.
- 432 g. Verifiable documentation of local inducements.
- 433 h. For at least one Florida resident veteran employed by
434 the project, a copy of the veteran's DD Form 214 as issued by
435 the United States Department of Defense or another acceptable
436 form of identification as specified by the Department of
437 Veterans' Affairs.
- 438 i. Any other information determined necessary by the
439 commissioner.
- 440 2. The lead producer or studio executive in charge of the
441 certified project must sign and submit to the commissioner a
442 written declaration signed under the penalty of perjury as
443 provided in s. 92.525 stating that all salaries, wages, and
444 other compensation submitted as qualified expenditures are in
445 compliance with this section.
- 446 3. The information and written declaration required by
447 subparagraphs 1. and 2. must be received by the commissioner
448 within 120 days after the certified project has made its last
449 qualified expenditure, but no later than 1 year after its
450 production start date. Pursuant to rules adopted by the

451 department, the commissioner may, upon a showing of good cause,
 452 grant a one-time extension of this deadline.

453 4. An independent certified public accountant who is
 454 licensed in and a resident of this state must conduct a
 455 compliance audit, paid for by the certified project, to
 456 substantiate the project's qualified expenditures and submit to
 457 the commissioner a report of the audit findings, including
 458 substantiating data, within a reasonable period of time after
 459 receipt of records from the certified project.

460 (b) The commissioner shall review the report required
 461 under subparagraph (a)4. within a reasonable period of time
 462 after receipt of the report and shall provide to the department
 463 the verified amount of actual qualified expenditures made by the
 464 certified project and the amount of the tax credit award due to
 465 the project.

466 (c) Within a reasonable period of time after approval by
 467 the department of the final tax credit award amount due to a
 468 certified project, the tax credit award shall be issued.

469 (9) MARKETING AND TOURISM REQUIREMENT.—

470 (a) A certified project must include a marketing component
 471 that promotes this state as a tourist destination or film,
 472 television, and digital media production destination in order to
 473 receive a tax credit award under this section. The commissioner
 474 shall ensure that the project meets this requirement. If logos
 475 appear in the end credits of the project, a "Filmed in Florida"

476 or "Produced in Florida" logo and, if applicable, the logo of
477 the local film office must be included in the end credits. The
478 size and placement of such logos must be commensurate to other
479 logos included in the end credits. If logos do not appear in the
480 end credits of the project, the statement "Filmed in Florida" or
481 "Produced in Florida" or a similar statement approved by the
482 commissioner must be included in the end credits. A digital
483 media project must also supply a 5-second or longer animated
484 logo that includes the statement "Produced in Florida" or other
485 text and the logo of the local digital media office, if
486 applicable, as preapproved by the commissioner, displayed in a
487 highly-visible, high-traffic area easily seen by a consumer of
488 the digital media project. The commissioner shall provide the
489 logos required by this paragraph, except that a local film
490 office logo shall be provided by such local film office.

491 (b) A certified project must allow the commissioner, or
492 his or her designee, and at least two guests to visit the
493 production site upon the request of the commissioner. Upon
494 receiving such request, the certified project must provide the
495 commissioner, or his or her designee, with a reasonable date and
496 time for such visit.

497 (c) A certified project must provide to the commissioner
498 at least five preapproved photos of the project and grant the
499 commissioner free use of the photos to promote this state as a
500 film, television, and digital media production location and

501 tourist destination.

502 (10) DISQUALIFICATION.—The department shall disqualify a
503 certified project and may not issue a tax credit award to the
504 project if the project:

505 (a) Does not begin principal photography in this state
506 within the period beginning 30 days before and ending 90 days
507 after the project's listed production start date, except that
508 the commissioner may, pursuant to department rule, grant a one-
509 time extension of this deadline upon a showing of good cause;

510 (b) Does not abide by the policies, procedures, deadlines,
511 or requirements of the application or verification process;

512 (c) Does not notify the commissioner of a change in the
513 production start date before commencing production;

514 (d) Submits fraudulent information; or

515 (e) Uses a sales and use tax certificate of exemption
516 issued under s. 288.1258.

517 (11) FRAUD.—An applicant that submits fraudulent
518 information under this section is liable for reimbursement of
519 the reasonable costs and fees associated with the review,
520 processing, investigation, and prosecution of the fraudulent
521 submission. A certified project that obtains a tax credit award
522 under this section through a claim that is fraudulent shall
523 reimburse the program for the tax credit awarded and reasonable
524 costs and fees associated with the review, processing,
525 investigation, and prosecution of the fraudulent claim and shall

526 pay a civil penalty in an amount equal to double the tax credit
527 award amount and any criminal penalty assessed against the
528 certified project.

529 (12) ELECTION AND DISTRIBUTION OF TAX CREDITS.—

530 (a) A certified project receiving a tax credit award under
531 this section shall, at the time the credit is awarded by the
532 department after production is completed and all requirements to
533 receive a tax credit award have been met, make an irrevocable
534 election to the department and apply the credit against taxes
535 due under chapter 212, against taxes due under chapter 220, or
536 against a stated combination of the two taxes. The election is
537 binding upon any distributee, successor, transferee, or
538 purchaser. The department shall notify the Department of Revenue
539 of any election pursuant to this paragraph in a timely manner.

540 (b) A certified project is eligible for tax credits
541 against its sales and use tax liabilities and corporate income
542 tax liabilities as provided in this section. However, tax
543 credits awarded under this section may not be claimed against
544 sales and use tax liabilities or corporate income tax
545 liabilities for any tax period beginning before January 1, 2024,
546 regardless of when the credits are applied for or awarded. A
547 certified project that claims a tax credit must file returns and
548 pay taxes by electronic means in accordance with s. 213.755.

549 (c) If the certified project cannot use the entire tax
550 credit in the taxable year or reporting period in which the

551 credit is awarded, any excess amount may be carried forward to
552 succeeding taxable years or reporting periods. A tax credit
553 applied against taxes imposed under chapter 212 or chapter 220
554 may be carried forward for up to 5 taxable years after the date
555 on which the credit is awarded, after which the credit expires
556 and may not be used.

557 (d) A certified project that files a consolidated return
558 as a member of an affiliated group under s. 220.131(1) may be
559 allowed the credit on a consolidated return basis up to the
560 amount of the tax imposed upon the consolidated group under
561 chapter 220.

562 (e) A certified project that is not a corporation as
563 defined in s. 220.03(1) (e) may elect to distribute tax credits
564 awarded under this section to its partners or members in
565 proportion to their respective distributive income or loss in
566 the taxable year in which the tax credits were awarded.

567 (f) Tax credits available under this section to a
568 certified project may succeed to a surviving or acquiring entity
569 subject to the same conditions and limitations as described in
570 this section; however, the credits may not be transferred by the
571 surviving or acquiring entity.

572 (13) TRANSFER OF TAX CREDITS.—

573 (a) Upon application to the office and approval by the
574 department, a certified project, or a partner or member of a
575 certified project that has received a distribution under

576 paragraph (12) (e), may elect to transfer, in whole or in part,
577 any unused credit amount granted under this section. An election
578 to transfer any unused tax credit amount under chapter 212 or
579 chapter 220 must be made no later than 5 taxable years after the
580 date on which the credit is awarded, after which period the
581 credit expires and may not be used. The department shall notify
582 the Department of Revenue of the election and transfer in a
583 timely manner. The transferee must be the certified project's
584 parent company or a subsidiary company or business with NAICS
585 code 512110, 512120, 512191, 512199, 512240, 512250, 512290,
586 515120, 515210, 517410, 541922, 711130, 711410, or 711510.

587 (b) A certified project that elects to apply a credit
588 amount against taxes remitted under chapter 212 is allowed a
589 one-time transfer of unused credits to one transferee. A
590 certified project that elects to apply a credit amount against
591 taxes due under chapter 220 is allowed a one-time transfer of
592 unused credits to up to four transferees, and such transfers
593 must occur in the same taxable year.

594 (c) A transferee is subject to the same rights and
595 limitations as the certified project awarded the tax credit
596 except that the transferee may not subsequently transfer the tax
597 credit.

598 (14) RELINQUISHMENT OF TAX CREDITS.-

599 (a) Beginning January 1, 2024, a certified project, or any
600 person who has acquired a tax credit from a certified project

601 pursuant to subsection (12) or subsection (13), may elect to
602 relinquish the tax credit to the Department of Revenue in
603 exchange for payment of 85 percent of the amount of the
604 relinquished tax credit.

605 (b) The Department of Revenue may approve payments to
606 entities relinquishing tax credits pursuant to this subsection.

607 (c) Subject to legislative appropriation, the Department
608 of Revenue shall request the Chief Financial Officer to issue
609 warrants to entities relinquishing tax credits. Payments under
610 this subsection shall be made from the funds from which the
611 proceeds from the taxes against which the tax credits could have
612 been applied pursuant to the irrevocable election made by the
613 certified project under subsection (12) are deposited.

614 (15) ANNUAL ALLOCATION OF TAX CREDITS.—

615 (a) The aggregate amount of tax credits allocated to the
616 program shall equal:

- 617 1. For fiscal year 2023-2024, \$20 million.
- 618 2. For fiscal year 2024-2025, \$20 million.
- 619 3. For fiscal year 2025-2026, \$20 million.
- 620 4. For fiscal year 2026-2027, \$20 million.

621 (b) Any portion of the amount of tax credits established
622 per fiscal year in paragraph (a) which is not certified by the
623 end of that fiscal year shall be carried forward and made
624 available for certification during the following 2 fiscal years
625 in addition to the amounts available under paragraph (a) for

626 those fiscal years.

627 (c) Upon approval of the final tax credit award amount
628 pursuant to paragraph (8) (c), an amount equal to the difference
629 between the maximum tax credit award amount previously certified
630 under subsection (7) and the approved final tax credit award
631 amount shall immediately be available for recertification during
632 the current and following fiscal years in addition to the
633 amounts available under paragraph (a) for those fiscal years.

634 (16) AUDIT AUTHORITY; REVOCATION AND FORFEITURE OF TAX
635 CREDITS; FRAUDULENT CLAIMS.—

636 (a) The Department of Revenue may conduct examinations and
637 audits as provided in s. 213.34 to verify that tax credits under
638 this section are received, transferred, and applied according to
639 the requirements of this section. If the Department of Revenue
640 determines that tax credits are not received, transferred, or
641 applied as required by this section, it may, in addition to the
642 remedies provided in this subsection, pursue recovery of such
643 funds pursuant to the laws and rules governing the assessment of
644 taxes.

645 (b) The department may revoke or modify any written
646 decision qualifying, certifying, or otherwise granting
647 eligibility for tax credits under this section if it is
648 discovered that the certified project submitted any false
649 statement, representation, or certification in any application,
650 record, report, plan, or other document filed in an attempt to

651 receive tax credits under this section. The department shall
652 immediately notify the Department of Revenue of any revoked or
653 modified orders affecting previously granted tax credits.

654 Additionally, the certified project must file an amended tax
655 return in a timely manner and is responsible for paying taxes
656 due plus interest due as determined by the Department of
657 Revenue.

658 (c) A determination by the Department of Revenue, as a
659 result of an audit pursuant to paragraph (a) or information
660 received from the office, that a certified project received tax
661 credits pursuant to this section to which the certified project
662 was not entitled is grounds for forfeiture of previously claimed
663 and received tax credits. The certified project is responsible
664 for returning forfeited tax credits to the Department of
665 Revenue, and such funds shall be paid into the General Revenue
666 Fund of this state. The certified project must submit an amended
667 tax return in a timely manner and is responsible for paying
668 taxes due plus interest due as determined by the Department of
669 Revenue. Tax credits purchased in good faith are not subject to
670 forfeiture unless the transferee submitted fraudulent
671 information in the purchase or failed to meet the requirements
672 of subsection (13).

673 (17) TAX CREDITS NOT SUBJECT TO REVERSION.—Notwithstanding
674 s. 216.301, tax credits allocated pursuant to this section are
675 not subject to reversion.

676 (18) RULEMAKING AUTHORITY.—

677 (a) The department may adopt rules and develop policies
678 and procedures to implement and administer this section,
679 including, but not limited to, rules specifying requirements for
680 the application and approval process, records required for
681 substantiation for tax credits, the manner and form of
682 documentation required to claim tax credits awarded or
683 transferred under this section, and marketing requirements for
684 tax credit recipients.

685 (b) The Department of Revenue may adopt rules to implement
686 and administer this section, including, but not limited to,
687 rules governing the examination and audit procedures required to
688 administer this section and the manner and form of documentation
689 required to claim tax credits awarded, transferred, or
690 relinquished under this section.

691 (c) Pursuant to s. 213.06(2), the Department of Revenue
692 may adopt emergency rules to implement and administer this
693 section.

694 (19) ANNUAL REPORT.—Each November 1, the commissioner
695 shall provide an annual report on the program for the previous
696 fiscal year to the Governor, the President of the Senate, and
697 the Speaker of the House of Representatives. The report must
698 identify the return on investment associated with, and economic
699 benefits to this state attributable to, the program.

700 (20) EXPIRATION.—The Florida First Production Partnership

701 Program expires June 30, 2027, on which date all remaining tax
 702 credits not earmarked and set aside for certified projects shall
 703 revert to the General Revenue Fund. All remaining unawarded tax
 704 credits shall revert to the General Revenue Fund by October 31,
 705 2028.

706 Section 2. Subsection (8) of section 220.02, Florida
 707 Statutes, is amended to read:

708 220.02 Legislative intent.—

709 (8) It is the intent of the Legislature that credits
 710 against either the corporate income tax or the franchise tax be
 711 applied in the following order: those enumerated in s. 631.828,
 712 those enumerated in s. 220.191, those enumerated in s. 220.181,
 713 those enumerated in s. 220.183, those enumerated in s. 220.182,
 714 those enumerated in s. 220.1895, those enumerated in s. 220.195,
 715 those enumerated in s. 220.184, those enumerated in s. 220.186,
 716 those enumerated in s. 220.1845, those enumerated in s. 220.19,
 717 those enumerated in s. 220.185, those enumerated in s. 220.1875,
 718 those enumerated in s. 220.1876, those enumerated in s.
 719 220.1877, those enumerated in s. 220.193, those enumerated in s.
 720 288.9916, those enumerated in s. 220.1899, those enumerated in
 721 s. 220.194, those enumerated in s. 220.196, those enumerated in
 722 s. 220.198, ~~and~~ those enumerated in s. 220.1915, and those
 723 enumerated in s. 288.1259.

724 Section 3. Paragraph (a) of subsection (1) of section
 725 220.13, Florida Statutes, is amended to read:

726 220.13 "Adjusted federal income" defined.—
 727 (1) The term "adjusted federal income" means an amount
 728 equal to the taxpayer's taxable income as defined in subsection
 729 (2), or such taxable income of more than one taxpayer as
 730 provided in s. 220.131, for the taxable year, adjusted as
 731 follows:
 732 (a) Additions.—There shall be added to such taxable
 733 income:
 734 1.a. The amount of any tax upon or measured by income,
 735 excluding taxes based on gross receipts or revenues, paid or
 736 accrued as a liability to the District of Columbia or any state
 737 of the United States which is deductible from gross income in
 738 the computation of taxable income for the taxable year.
 739 b. Notwithstanding sub-subparagraph a., if a credit taken
 740 under s. 220.1875, s. 220.1876, or s. 220.1877 is added to
 741 taxable income in a previous taxable year under subparagraph 11.
 742 and is taken as a deduction for federal tax purposes in the
 743 current taxable year, the amount of the deduction allowed shall
 744 not be added to taxable income in the current year. The
 745 exception in this sub-subparagraph is intended to ensure that
 746 the credit under s. 220.1875, s. 220.1876, or s. 220.1877 is
 747 added in the applicable taxable year and does not result in a
 748 duplicate addition in a subsequent year.
 749 2. The amount of interest which is excluded from taxable
 750 income under s. 103(a) of the Internal Revenue Code or any other

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

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

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

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

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

774 7. That portion of assessments to fund a guaranty
 775 association incurred for the taxable year which is equal to the

776 amount of the credit allowable for the taxable year.

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

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

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

787 11. Any amount taken as a credit for the taxable year
788 under s. 220.1875, s. 220.1876, or s. 220.1877. The addition in
789 this subparagraph is intended to ensure that the same amount is
790 not allowed for the tax purposes of this state as both a
791 deduction from income and a credit against the tax. This
792 addition is not intended to result in adding the same expense
793 back to income more than once.

794 12. The amount taken as a credit for the taxable year
795 under s. 220.193.

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

799 14. The costs to acquire a tax credit pursuant to s.
800 288.1254(5) that are deducted from or otherwise reduce federal

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801 taxable income for the taxable year.

802 15. The amount taken as a credit for the taxable year
803 pursuant to s. 220.194.

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

810 17. The amount taken as a credit for the taxable year
811 pursuant to s. 220.198.

812 18. The amount taken as a credit for the taxable year
813 pursuant to s. 220.1915.

814 19. The amount taken as a credit for the taxable year
815 pursuant to s. 288.1259.

816 Section 4. This act shall take effect upon becoming a law.