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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/31/2025	.	
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The Committee on Commerce and Tourism (Simon) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 288.062, Florida Statutes, is created to
read:

288.062 Florida Rural Jobs Act.—

(1) This section may be cited as the "Florida Rural Jobs
Act."

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



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11 (a) "Affiliate" means an entity that directly, or
12 indirectly through one or more intermediaries, controls, is
13 controlled by, or is under common control with another entity.
14 For the purposes of this paragraph, an entity is controlled by
15 another entity if the controlling entity holds, directly or
16 indirectly, the majority voting or ownership interest in the
17 controlled entity or has control over the day-to-day operations
18 of the controlled entity.

19 (b) "Credit allowance date" means the date on which the
20 department provides a tax credit certificate under paragraph
21 (8) (b).

22 (c) "Department" means the Department of Commerce.

23 (d) "Eligible business" means a business that, at the time
24 a rural fund initially invests in the business:

25 1. Has fewer than 250 employees; and

26 2. Has its principal business operations located in this
27 state.

28 (e) "Eligible investment" means any capital or equity
29 investment in an eligible business, or any loan to an eligible
30 business with a stated maturity of at least 1 year from the date
31 of issuance, provided that the eligible business has its
32 principal business operations located in a rural community in
33 this state, unless this requirement is waived by the department
34 pursuant to subsection (11).

35 (f) "Investment authority" means the amount certified by
36 the department under paragraph (7) (b).

37 (g) "Investor contribution" means a cash investment in a
38 rural fund. The cash investment must be used to purchase an
39 equity interest in the rural fund or purchase at par value or



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40 premium a debt instrument that has a maturity date at least 7
41 years after the credit allowance date and a repayment schedule
42 that is no greater than level principal amortization over 7
43 years.

44 (h) "Jobs retained" means the number of full-time
45 employment positions that existed before the initial eligible
46 investment in an eligible business and for which the eligible
47 business's chief executive officer or similar officer certifies
48 that the employment positions would have been eliminated but for
49 the initial eligible investment.

50 (i) "Principal business operations" means the location or
51 locations at which at least 60 percent of a business's employees
52 work or at which the employees who are paid at least 60 percent
53 of the business's payroll are located. A business that agrees to
54 relocate or hire new employees using the proceeds of an eligible
55 investment to establish its principal business operations in
56 this state is deemed to have its principal business operations
57 in the new location, provided the business satisfies this
58 definition within 180 days after receiving the eligible
59 investment.

60 (j) "Rural community" means:

61 1. A county with a population of 75,000 or less;
62 2. A county with a population of 125,000 or less, if the
63 county is contiguous to a county with a population of 75,000 or
64 less;

65 3. Any municipality in a county that meets the above
66 criteria;

67 4. An unincorporated federal enterprise community or an
68 incorporated rural city with a population of 25,000 or less and



69 with an employment base focused on traditional agriculture or
70 resource-based industries, which community or city is located in
71 a county not defined as rural and has at least three or more
72 economic distress factors; or

73 5. A designated rural area of opportunity as defined in s.
74 288.0656(2).

75 (k) "Rural fund" means an entity certified by the
76 department under paragraph (7)(a).

77 (l) "State tax" means a tax identified in s. 624.509 or s.
78 624.5091.

79 (3) On or before November 1, 2025, the department shall
80 accept applications for approval as a rural fund on a form
81 adopted by the department. The application must include all of
82 the following:

83 (a) The total investment authority sought by the applicant.

84 (b) Evidence that the applicant or an affiliate of the
85 applicant is licensed as a rural business investment company as
86 defined in 7 U.S.C. s. 2009cc or as a small business investment
87 company under 15 U.S.C. s. 681. The applicant or the affiliate
88 must include a certificate executed by an executive officer of
89 the applicant attesting that such license remains in effect and
90 has not been revoked.

91 (c) Evidence that, as of the date the application is
92 submitted, the applicant or affiliates of the applicant have
93 invested at least \$100 million in nonpublic companies located in
94 counties within the United States with a population of less than
95 75,000 as of the United States Decennial Census of 2010.

96 (d) An estimate of the total number of new annual jobs that
97 will be created and total jobs retained over the life of the



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98 program in this state because of the applicant's proposed
99 eligible investments.

100 (e) A business plan that includes a revenue impact
101 assessment projecting state and local tax revenues to be
102 generated, as well as state expenditures to be reduced, by the
103 applicant's proposed eligible investments, prepared by a
104 nationally recognized third-party independent economic
105 forecasting firm using a dynamic economic forecasting model that
106 analyzes the applicant's business plan over the 10 years after
107 the date the application is submitted to the department.

108 (4) (a) Within 30 days after receipt of a completed
109 application, the department shall approve or deny the
110 application.

111 (b) The department shall deem applications received on the
112 same day as having been received simultaneously. If requests for
113 investment authority exceed the remaining tax credit limitation
114 under paragraph (c), the department must proportionally reduce
115 the investment authority and the investor contributions for each
116 approved application that day to avoid exceeding the limit.

117 (c) The department shall approve investment authority up to
118 an amount that would allow no more than \$7.143 million in tax
119 credits to be taken in any 1 year, excluding any credits carried
120 forward pursuant to paragraph (10) (a).

121 (5) The department must deny an application if:

122 (a) The application is incomplete;

123 (b) The applicant does not satisfy the criteria set forth
124 in subsection (3);

125 (c) The revenue impact assessment submitted under paragraph
126 (3) (e) does not demonstrate that the applicant's business plan



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127 will result in a positive revenue impact on this state over a
128 10-year period which exceeds the cumulative amount of tax
129 credits that would be issued to the applicant's investors; or

130 (d) The department has already approved the maximum amount
131 of investment authority and investor contributions allowed under
132 subsection (4).

133 (6) If the department denies an application, the applicant,
134 within 15 days after the denial, may provide additional
135 information to the department to cure any defects in the
136 application as identified by the department. The department
137 shall review and reconsider such applications within 15 days
138 after receipt and before approving any pending applications
139 submitted after the original submission date of the reconsidered
140 application.

141 (7) The department may not reduce the requested investment
142 authority or deny a rural fund application for reasons other
143 than those described in subsection (4) or subsection (5). After
144 approving an application, the department shall certify:

145 (a) The applicant as a rural fund.

146 (b) The amount of the applicant's investment authority.

147 (8) (a) Within 90 days after receiving the certification
148 issued under subsection (7), the rural fund shall collect all
149 investor contributions and collect additional investments of
150 cash which, when added to the investor contributions, at least
151 equal the rural fund's investment authority. Within 95 days
152 after receiving the certification issued under subsection (7),
153 the rural fund shall send to the department documentation that
154 the rural fund has collected the amounts described in this
155 subsection. At least 10 percent of the rural fund's investment



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156 authority must consist of equity investments contributed by
157 affiliates of the rural fund. The rural fund shall report to the
158 department the date on which the investor contributions and
159 additional investments of cash were collected.

160 (b) Upon receipt of the documentation required by paragraph
161 (a), the department shall provide to each taxpayer who has made
162 an investor contribution in the amount of the investor
163 contribution a tax credit certificate.

164 (9) If the rural fund fails to comply with paragraph
165 (8)(a), the department must revoke the rural fund's
166 certification, and the corresponding investment authority and
167 investor contributions will not count toward the limits on the
168 program size set forth in subsection (4). The department shall
169 first award revoked investment authority pro rata to each rural
170 fund that was awarded less than the investment authority for
171 which it applied, and a rural fund may allocate the associated
172 investor contribution authority to any taxpayer with state tax
173 liability in its discretion. Any remaining investment authority
174 may be awarded by the department to new applicants.

175 (10)(a) Any entity that makes an investor contribution is
176 vested with an earned credit against state tax liability equal
177 to that investor's investor contribution. The credit may be used
178 over 7 years such that 7.14 percent of the credit is applied in
179 each of the taxable years that include the year of the credit
180 allowance date through the sixth anniversary of the credit
181 allowance date. Any amount of the credit which the entity is
182 unable to claim in a taxable year may be carried forward for use
183 in an entity's 10 subsequent taxable years.

184 (b) A credit earned pursuant to paragraph (a) may not be



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185 refunded or sold on the open market. Credits earned pursuant to
186 paragraph (a) may be transferred to affiliates of a taxpayer.
187 Credits earned by or allocated to a partnership, limited
188 liability company, or S corporation may be allocated to the
189 partners, members, or shareholders of such entity for their use
190 in accordance with the provisions of any agreement among such
191 partners, members, or shareholders. A rural fund shall notify
192 the department of the names of all taxpayers eligible to use
193 credits upon any allocation, change in allocation, or transfer.
194 Such allocations and transfers may not be considered a sale for
195 the purposes of this section.

196 (c) The amount of the credit claimed by a taxpayer may not
197 exceed the amount of such taxpayer's state tax liability for the
198 tax year for which the credit is claimed.

199 (d) A taxpayer claiming a credit under this section must
200 submit a copy of the tax credit certificate with the taxpayer's
201 return for each taxable year for which the credit is claimed.

202 (11) The department must revoke the tax credit certificates
203 issued under paragraph (8) (b) if any of the following occurs
204 with respect to a rural fund before the rural fund exits the
205 program in accordance with subsection (15):

206 (a) The rural fund does not invest 60 percent of its
207 investment authority in eligible investments in this state
208 within 2 years after the credit allowance date.

209 (b) The rural fund does not invest 100 percent of its
210 investment authority in eligible investments in this state
211 within 3 years after the credit allowance date, with at least 70
212 percent of such eligible investments made in a rural area.

213 (c) The rural fund, after initially satisfying paragraph



214 (b), fails to maintain eligible investments equal to 100 percent
215 of its investment authority until the sixth anniversary of the
216 credit allowance date, with at least 70 percent of such eligible
217 investments made in a rural area. For purposes of this
218 paragraph, an investment is maintained even if it is sold or
219 repaid, so long as the rural fund reinvests an amount equal to
220 the capital returned or recovered from the original investment,
221 exclusive of any profits realized, in other eligible investments
222 in this state within 12 months after the receipt of such
223 capital. Amounts received periodically by a rural fund must be
224 treated as continuously invested in eligible investments if the
225 amounts are reinvested in one or more eligible investments by
226 the end of the following calendar year; however, there is no
227 requirement to reinvest capital after the sixth anniversary for
228 purposes of eligibility under this paragraph.

229 (d) The rural fund, before exiting the program in
230 accordance with subsection (15) or 30 days after the seventh
231 anniversary of the credit allowance date, makes a distribution
232 or payment that results in the rural fund having less than 100
233 percent of its investment authority invested in eligible
234 investments in this state or available for investment in
235 eligible investments and held in cash and other marketable
236 securities.

237 (e) The rural fund invests in an eligible business that
238 directly, or indirectly through an affiliate, owns, has the
239 right to acquire an ownership interest in, makes a loan to, or
240 makes an investment in the rural fund of an affiliate of the
241 rural fund or an investor in the rural fund.
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243 The department may, upon a request made pursuant to subsection
244 (12), waive the requirements relating to an eligible business or
245 rural area and permit the investment to count toward the
246 satisfaction of paragraphs (a), (b), and (c), if the department
247 determines that the investment is rural in nature, employs
248 individuals from rural areas, or otherwise provides substantial
249 benefit to residents of rural areas and is likely to
250 significantly advance the economic growth of the state.

251 (12) Before making an eligible investment, a rural fund may
252 request a written opinion from the department as to whether the
253 business in which it proposes to invest satisfies the definition
254 of an eligible business. The department, no later than 15
255 business days after the date of receipt of the request, shall
256 provide the rural fund with a determination letter providing its
257 opinion. If the department fails to issue a determination letter
258 within that timeframe, the business in which the rural fund
259 proposes to invest must be considered an eligible business.

260 (13) Before revoking a tax credit certificate under
261 subsection (11), the department shall notify the rural fund of
262 the reasons for the pending revocation. The rural fund shall
263 have 180 days after the date the notice was received to correct
264 any violation outlined in the notice to the satisfaction of the
265 department and avoid revocation of the tax credit certificate.

266 (14) If the department revokes any tax credit certificates
267 under subsection (11), the associated investment authority and
268 investor contributions may not be counted toward the limit on
269 total investment authority and investor contributions described
270 in subsection (4). The department shall award any remaining
271 investment authority to restore any reduction under paragraph



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272 (4) (b) .

273 (15) On or after the seventh anniversary of the credit
274 allowance date, a rural fund may apply to the department to exit
275 the program and no longer be subject to regulation. The
276 department shall approve or deny the application within 15 days
277 after receipt. In evaluating the application, the fact that no
278 tax credit certificates have been revoked and that the rural
279 fund has not received a notice of revocation that has not been
280 cured pursuant to subsection (13) is sufficient evidence that
281 the rural fund is eligible for exit. The department may not
282 unreasonably deny an application submitted under this
283 subsection. If the application is denied, the notice of denial
284 must include the reasons for the determination.

285 (16) The department may not revoke a tax credit certificate
286 after a rural fund exits the program.

287 (17) (a) Each rural fund shall submit to the department a
288 report on or before the 15th business day after the second and
289 third anniversaries of the credit allowance date which provides
290 documentation that the rural fund has invested the amounts
291 required in paragraphs (11) (a) and (b). Such report must also
292 include all of the following:

293 1. The name and location of each eligible business
294 receiving an eligible investment, including either the written
295 determination under subsection (12) or evidence that the
296 business qualified as an eligible business at the time the
297 investment was made, if not previously reported.

298 2. A bank statement evidencing each eligible investment, if
299 not previously reported.

300 3. The number of jobs created and the number of jobs



301 retained as a result of each eligible investment, and the
302 average salary of each position.

303 4. Any other information required by the department.

304 (b) On or before March 1 of the subsequent calendar year
305 after the final report required in paragraph (a), and annually
306 until its exit from the program in accordance with subsection
307 (15), the rural fund shall submit to the department a report
308 that identifies each eligible investment made by the rural fund,
309 which must include:

310 1. The number of jobs created and the number of jobs
311 retained as a result of the eligible investment, and the annual
312 salary of each position.

313 2. Any other information required by the department.

314 (18) The department may not accept any new applications
315 after December 1, 2034.

316 Section 2. This act shall take effect July 1, 2025.

317
318 ===== T I T L E A M E N D M E N T =====

319 And the title is amended as follows:

320 Delete everything before the enacting clause
321 and insert:

322 A bill to be entitled
323 An act relating to tax credits for investment in rural
324 communities; creating s. 288.062, F.S.; providing a
325 short title; defining terms; requiring the Department
326 of Commerce to accept applications for approval as
327 rural funds in a specified manner; requiring that
328 certain information be submitted in an application;
329 requiring the department to approve or deny



330 applications within a specified timeframe; prohibiting
331 the department from approving more than a certain
332 amount of investment authority; requiring the
333 department to deny applications under certain
334 circumstances; authorizing an applicant whose
335 application was denied to provide additional
336 information within a certain timeframe to cure defects
337 in the application; requiring the department to review
338 and reconsider such applications within a certain
339 timeframe; prohibiting the department from reducing
340 the investment authority of an application or denying
341 an application unless certain conditions are met;
342 requiring the department to certify approved
343 applications; providing requirements for certified
344 rural funds; requiring the department to provide a tax
345 credit certificate to certain taxpayers; requiring the
346 department to revoke a rural fund's certification
347 under specified conditions; requiring the department
348 to distribute revoked investment authority among
349 certain rural funds; authorizing rural funds to
350 allocate associated investor contribution authority to
351 certain taxpayers; granting a credit against state tax
352 liability for specified investors; providing
353 restrictions on the credit; requiring taxpayers
354 claiming a credit to submit a copy of the tax credit
355 certificate with their tax return; requiring the
356 department to revoke a tax credit certificate under
357 certain circumstances; authorizing the department to
358 waive certain requirements relating to an eligible



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359 business or rural area under certain circumstances;
360 authorizing rural funds to request certain
361 determinations from the department; specifying a
362 timeframe within which rural funds may correct
363 violations to avoid revocation of a tax credit
364 certificate; authorizing the department to distribute
365 reverted investment authority among certain rural
366 funds; authorizing rural funds to submit an exit
367 application; providing a timeframe and procedures for
368 the department to use in handling exit applications;
369 prohibiting the department from revoking a rural
370 fund's tax credit certificate after it exits the
371 program; requiring rural funds to submit an annual
372 report to the department beginning on a date certain;
373 requiring that the annual report include certain
374 information; prohibiting applications from being
375 accepted after a date certain; providing an effective
376 date.