

1 A bill to be entitled
2 An act relating to tax credits for investment in rural
3 communities; creating s. 288.062, F.S.; providing a
4 short title; providing definitions; requiring the
5 Department of Commerce to accept applications for
6 approval as rural funds in a specified manner;
7 requiring certain information to be submitted in an
8 application; requiring the department to approve or
9 deny applications within a specified timeframe;
10 prohibiting the department from approving more than a
11 certain amount of investment authority; requiring the
12 department to deny applications under certain
13 circumstances; authorizing an applicant whose
14 application was denied to provide additional
15 information within a certain timeframe to cure defects
16 in the application; requiring the department to review
17 and reconsider such applications within a certain
18 timeframe; prohibiting the department from reducing
19 the investment authority of an application or denying
20 an application unless certain circumstances are met;
21 requiring the department to certify approved
22 applications; providing requirements for certified
23 rural funds; requiring the department to provide a tax
24 credit certificate to certain taxpayers; requiring the
25 department to revoke a rural fund's certification

26 | under specified conditions; requiring the department
27 | to distribute revoked investment authority among
28 | certain rural funds; authorizing rural funds to
29 | allocate associated investor contribution authority to
30 | certain taxpayers; granting a credit against state tax
31 | liability for specified investors; providing
32 | restrictions on the credit; requiring that taxpayers
33 | claiming a credit submit a copy of the tax credit
34 | certificate with their tax return; requiring the
35 | department to revoke a tax credit certificate under
36 | certain circumstances; authorizing rural funds to
37 | request certain determinations from the department;
38 | specifying a timeframe within which rural funds may
39 | correct violations to avoid revocation of a tax credit
40 | certificate; authorizing the department to distribute
41 | reverted investment authority among certain rural
42 | funds; authorizing rural funds to submit an exit
43 | application; providing a timeframe and procedures for
44 | use by the department in handling exit applications;
45 | prohibiting the department from revoking a rural
46 | fund's tax credit certificate after it exits the
47 | program; requiring rural funds to submit an annual
48 | report to the department beginning on a date certain;
49 | requiring that the annual report include certain
50 | information; prohibiting applications from being

51 | accepted after a date certain; providing an effective
52 | date.

53 |

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

55 |

56 | **Section 1. Section 288.062, Florida Statutes, is created**
57 | **to read:**

58 | 288.062 Florida Rural Jobs Act.-

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

61 | (2) As used in this section the term:

62 | (a) "Affiliate" means an entity that directly, or
63 | indirectly through one or more intermediaries, controls, is
64 | controlled by, or is under common control with another entity.
65 | For the purposes of this paragraph, an entity is controlled by
66 | another entity if the controlling entity holds, directly or
67 | indirectly, the majority voting or ownership interest in the
68 | controlled entity or has control over the day-to-day operations
69 | of the controlled entity.

70 | (b) "Credit allowance date" means the date on which the
71 | department provides a tax credit certificate under paragraph
72 | (8) (a).

73 | (c) "Department" means the Department of Commerce.

74 | (d) "Eligible business" means a business that, at the time
75 | a rural fund initially invests in the business:

76 1. Has fewer than 250 employees; and

77 2. Has its principal business operations in this state.

78 (e) "Eligible investment" means any capital or equity
79 investment in an eligible business or any loan to an eligible
80 business with a stated maturity at least 1 year after the date
81 of issuance.

82 (f) "Investment authority" means the amount certified by
83 the department under subsection (7).

84 (g) "Investor contribution" means a cash investment in a
85 rural fund. The cash investment shall purchase an equity
86 interest in the rural fund or purchase at par value or premium a
87 debt instrument that has a maturity date at least 7 years after
88 the credit allowance date and a repayment schedule that is no
89 greater than level principal amortization over 7 years.

90 (h) "Jobs retained" means the number of full-time high-
91 wage employment positions that existed before the initial
92 eligible investment in an eligible business and for which the
93 eligible business' chief executive officer or similar officer
94 certifies that the employment positions would have been
95 eliminated but for the initial eligible investment.

96 (i) "Principal business operation" means the location or
97 locations at which at least 60 percent of a business' employees
98 work or at which the employees who are paid at least 60 percent
99 of the business' payroll are located. A business that agrees to
100 relocate or hire new employees using the proceeds of an eligible

101 investment to establish its principal business operation in this
102 state is deemed to have its principal business operations in the
103 new location, provided the business satisfies this definition
104 within 180 days after receiving the eligible investment.

105 (j) "Rural fund" means an entity certified by the
106 department under subsection (7).

107 (k) "State tax" means a tax identified in chapter 220, s.
108 624.509, or s. 624.5091.

109 (3) On or before November 1, 2025, the department shall
110 accept applications for approval as a rural fund on a form
111 adopted by the department. The application shall include the
112 following:

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

115 (b) Evidence that the applicant or an affiliate of the
116 applicant is licensed as a rural business investment company
117 under 7 U.S.C. s. 2009cc or as a small business investment
118 company under 15 U.S.C. s. 681. The applicant or the affiliate
119 must include a certificate executed by an executive officer of
120 the applicant attesting that such license remains in effect and
121 has not been revoked.

122 (c) Evidence that, as of the date the application is
123 submitted, the applicant or affiliates of the applicant have
124 invested at least \$100 million in nonpublic companies located in
125 counties within the United States with a population of fewer

126 than 75,000 as of the United States Decennial Census of 2010.

127 (d) An estimate of the total number of new annual jobs
128 that will be created and jobs that will be retained over the
129 life of the program in this state because of the applicant's
130 eligible investments.

131 (e) A business plan that includes a revenue impact
132 assessment projecting state and local tax revenues to be
133 generated, as well as state expenditures to be reduced, by the
134 applicant's proposed eligible investments, prepared by a
135 nationally recognized third-party independent economic
136 forecasting firm using a dynamic economic forecasting model that
137 analyzes the applicant's business plan over the 10 years after
138 the date the application is submitted to the department.

139 (4) (a) Within 30 days after receipt of a completed
140 application the department shall approve or deny the
141 application.

142 (b) The department shall deem applications that are
143 received on the same day as having been received simultaneously.
144 If requests for investment authority exceed the remaining tax
145 credit limitation under paragraph (c), the department shall
146 proportionally reduce the investment authority and the investor
147 contributions for each approved application that day to avoid
148 exceeding the limit.

149 (c) The department shall approve investment authority up
150 to an amount that would allow no more than \$7.143 million in tax

151 credits to be taken in any one year, excluding any credits
152 carried forward pursuant to paragraph (10)(c).

153 (5) The department shall deny an application if:

154 (a) The application is incomplete.

155 (b) The applicant does not satisfy the criteria set forth
156 in subsection (3).

157 (c) The revenue impact assessment submitted under
158 paragraph (3)(e) does not demonstrate that the applicant's
159 business plan will result in a positive revenue impact on this
160 state over a 10-year period which exceeds the cumulative amount
161 of tax credits that would be issued to the applicant's
162 investors.

163 (d) The department has already approved the maximum amount
164 of investment authority and investor contributions allowed under
165 subsection (4).

166 (6) If the department denies an application, the
167 applicant, within 15 days after the denial, may provide
168 additional information to the department to cure any defects in
169 the application identified by the department. The department
170 shall review and reconsider such applications within 15 days
171 after receipt and before approving any pending applications
172 submitted after the original submission date of the reconsidered
173 application.

174 (7) The department shall not reduce the requested
175 investment authority or deny a rural fund application for

176 reasons other than those described in subsection (4) or
177 subsection (5). After approving an application, the department
178 shall certify:

179 (a) The applicant as a rural fund.

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

181 (8) (a) Within 90 days after receiving the certification
182 issued under subsection (7), the rural fund shall collect all
183 investor contributions and collect additional investments of
184 cash which, when added to the investor contributions, at least
185 equal the rural fund's investment authority. Within 95 days
186 after receiving the certification issued under subsection (7),
187 the rural fund shall send to the department documentation that
188 the rural fund has collected the amounts described in this
189 subsection. At least 10 percent of the rural fund's investment
190 authority must consist of equity investments contributed by
191 affiliates of the rural fund. The rural fund shall report to the
192 department the date on which the investor contributions and
193 additional investments of cash were collected.

194 (b) Upon receipt of the documentation required by
195 paragraph (a), the department shall provide to each taxpayer who
196 has made an investor contribution in the amount of the investor
197 contribution a tax credit certificate.

198 (9) If the rural fund fails to comply with subsection (8),
199 the department shall revoke the rural fund's certification and
200 the corresponding investment authority and investor

201 contributions will not count toward the limits on the program
202 size set forth in subsection (4). The department shall first
203 award revoked investment authority pro rata to each rural fund
204 that was awarded less than the investment authority for which it
205 applied, and a rural fund may allocate the associated investor
206 contribution authority to any taxpayer with state tax liability
207 in its discretion. Any remaining investment authority may be
208 awarded by the department to new applicants.

209 (10) (a) Any taxpayer that makes an investor contribution
210 is vested with an earned credit against state tax liability
211 equal to that investor's investor contribution. The credit may
212 be used over 7 years such that 7.14 percent of the credit is
213 applied in each of the taxable years that includes the year of
214 the credit allowance date through the fourth anniversary of the
215 credit allowance date, unless a specific request is made to
216 carry forward the credit allowance for a period not to exceed 10
217 years.

218 (b) The credit is nonrefundable and may not be sold,
219 transferred, or allocated to any other entity other than an
220 affiliate that was an affiliate at the time of the submission of
221 the investor's affidavit included in the rural fund's
222 application.

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

226 (d) A taxpayer claiming a credit under this section shall
227 submit a copy of the tax credit certificate with the taxpayer's
228 return for each taxable year for which the credit is claimed.

229 (11) The department must revoke the tax credit
230 certificates issued under paragraph (8)(b) if any of the
231 following occurs with respect to a rural fund before the rural
232 fund exits the program in accordance with paragraph (15):

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

236 (b) The rural fund does not invest 100 percent of its
237 investment authority in eligible investments in this state
238 within 3 years after the credit allowance date.

239 (c) The rural fund, after initially satisfying paragraph
240 (b), fails to maintain eligible investments equal to 100 percent
241 of its investment authority until the sixth anniversary of the
242 credit allowance date. For purposes of this paragraph, an
243 investment is maintained even if it is sold or repaid, so long
244 as the rural fund reinvests an amount equal to the capital
245 returned or recovered from the original investment, exclusive of
246 any profits realized, in other eligible investments in this
247 state within 12 months after the receipt of such capital.
248 Amounts received periodically by a rural fund shall be treated
249 as continuously invested in eligible investments if the amounts
250 are reinvested in one or more eligible investments by the end of

251 the following calendar year; however, there is no requirement to
252 reinvest capital after the sixth anniversary for purposes of
253 eligibility under this paragraph.

254 (d) The rural fund, before exiting the program in
255 accordance with paragraph (15) or 30 days after the seventh
256 anniversary of the credit allowance date, makes a distribution
257 or payment that results in the rural fund having less than 100
258 percent of its investment authority invested in eligible
259 investments in this state or available for investment in
260 eligible investments and held in cash and other marketable
261 securities.

262 (e) The rural fund invests in an eligible business that
263 directly, or indirectly through an affiliate, owns, has the
264 right to acquire an ownership interest in, makes a loan to, or
265 makes an investment in the rural fund of an affiliate of the
266 rural fund or an investor in the rural fund.

267
268 The department in its sole discretion may, upon request, and if
269 the department believes that the investment aligns with the
270 purposes of this section, allow paragraphs (a), (b), and (c) be
271 satisfied by investments in businesses that are not eligible
272 businesses or located in nonrural areas.

273 (12) Before making an eligible investment, a rural fund
274 may request a written opinion from the department as to whether
275 the business in which it proposes to invest satisfies the

276 definition of an eligible business. The department, not later
277 than the 15th business day after the date of receipt of the
278 request, shall provide the rural fund with a determination
279 letter providing its opinion. If the department fails to issue a
280 determination letter by the 15th business day, the business in
281 which the rural fund proposes to invest shall be considered an
282 eligible business.

283 (13) Before revoking a tax credit certificate under
284 subsection (11), the department shall notify the rural fund of
285 the reasons for the pending revocation. The rural fund shall
286 have 180 days after the date the notice was received to correct
287 any violation outlined in the notice to the satisfaction of the
288 department and avoid revocation of the tax credit certificate.

289 (14) If the department revokes any tax credit certificates
290 under subsection (11), the associated investment authority and
291 investor contributions shall not count toward the limit on total
292 investment authority and investor contributions described in
293 subsection (4). The department must award any remaining
294 investment authority to restore any reduction under paragraph
295 (4) (b).

296 (15) On or after the seventh anniversary of the credit
297 allowance date, a rural fund may apply to the department to exit
298 the program and no longer be subject to regulation. The
299 department shall approve or deny the application within 15 days
300 after receipt. In evaluating the application, the fact that no

301 tax credit certificates have been revoked and that the rural
302 fund has not received a notice of revocation that has not been
303 cured pursuant to subsection (13) is sufficient evidence to
304 prove that the rural fund is eligible for exit. The department
305 shall not unreasonably deny an application submitted under this
306 subsection. If the application is denied, the notice shall
307 include the reasons for the determination.

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

310 (17) (a) Each rural fund shall submit to the department a
311 report on or before the 15th business day after the second and
312 third anniversaries of the credit allowance date which provides
313 documentation has invested the amounts required in paragraphs
314 (11) (a) and (b). Such report shall also include:

315 1. The name and location of each eligible business
316 receiving an eligible investment, including either the
317 determination letter under subsection (12) or evidence that the
318 business qualified as an eligible business at the time the
319 investment was made, if not previously reported.

320 2. A bank statement evidencing each eligible investment,
321 if not previously reported.

322 3. The number of jobs created and retained as a result of
323 each eligible investment, and the average salary of each
324 position.

325 4. Any other information required by the department.

326 (b) On or before March 1 of the subsequent calendar year
327 after the final report required in paragraph (a), and annually
328 until its exit from the program in accordance with paragraph
329 (15), the rural fund shall submit to the department a report
330 that identifies each eligible investment made by the rural fund
331 and shall include:

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

334 2. Any other information required by the department.

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

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