

## **CS/HB 7109 — Qualified Target Industry Tax Refund Program**

by the Economic Development & Community Affairs Policy Council, the Economic Development Policy Committee, and Rep. Carroll (CS/CS/SB 1856 by the Finance and Tax Committee, the Commerce Committee, and the Commerce Committee)

This bill reenacts the Qualified Target Industry (QTI) Tax Refund Program, which was scheduled to sunset on June 30, 2010. It also modifies the program in the following ways:

- Extends the QTI program until June 30, 2020.
- Directs the Governor's Office of Tourism, Trade, and Economic Development (OTTED) to begin doing post-award evaluations of QTI recipients, for agreements signed after July 1, 2010.
- Directs OTTED and Enterprise Florida, Inc., (EFI) to review and revise the targeted industry list, with assistance from academics and stakeholders, every 3 years to make sure it remains relevant to Florida's economic recruitment needs, and submit the revised list to the Governor, the President of the Senate, and the Speaker of the House of Representatives.
- Creates a definition of return on investment (ROI) for QTI projects, which means "the gain in state revenues as a percentage of the state's investment. The state's investment includes state grants, tax exemptions, tax refunds, tax credits, and other state incentives."
- Directs the Legislature's Office of Economic and Demographic Research (EDR) to evaluate EFI's computer model, which is used to calculate a proposed QTI project's ROI, to make sure that it is accurate and incorporates Florida-centric information. This evaluation must occur every 3 years.
- Specifically makes renewable-energy economic development projects eligible for the QTI incentive.
- Gives OTTED the discretion to lower the minimum wage threshold from 115 percent to 100 percent of the local or statewide average wage for manufacturing companies.
- Allows leased employees to be included in the calculation for the number of jobs created by a QTI business.
- Renames the "economic stimulus exemption" to the more accurate "economic recovery extension," because it allows OTTED to suspend tax refunds to a QTI business that is unable to uphold its commitments under the QTI agreement because of economic reasons.

If approved by the Governor, these provisions take effect July 1, 2010.

*Vote: Senate 36-0; House 110-0*