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1 A bill to be entitled
 2 An act relating to economic development; amending s.
 3 210.20, F.S.; revising the payment and distribution of
 4 funds in the Cigarette Tax Collection Trust Fund;
 5 providing specified purposes for the use of funds
 6 appropriated out of the trust fund; amending s.
 7 210.201, F.S.; authorizing moneys transferred to the
 8 Board of Directors of the H. Lee Moffitt Cancer Center
 9 and Research Institute to be used to secure financing
 10 to pay costs for specified purposes at certain
 11 facilities and other properties; amending s. 212.08,
 12 F.S.; providing an exemption from the tax on sales,
 13 use, and other transactions for electricity used by
 14 packinghouses; defining the term "packinghouse";
 15 expanding exemptions from the sales and use tax on
 16 labor, parts, and equipment used in repairs of certain
 17 aircraft; exempting certain items used to manufacture,
 18 produce, or modify aircraft and gas turbine engines and
 19 parts from the tax on sales, use, and other
 20 transactions; revising a condition for an exemption for
 21 machinery and equipment; amending s. 220.14, F.S.;
 22 increasing the amount of income that is exempt from
 23 taxation; amending s. 220.63, F.S.; increasing the
 24 amount of income that is exempt from the franchise tax
 25 imposed on banks and savings associations; amending s.
 26 288.1254, F.S.; revising eligibility criteria for
 27 certain tax credits authorized under the entertainment
 28 industry financial incentive program; amending s.

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29 288.9914, F.S.; revising limits on tax credits that
 30 may be claimed by qualified community development
 31 entities under the New Markets Development Program;
 32 amending s. 288.9915, F.S.; revising restrictions on a
 33 qualified community development entity making cash
 34 interest payments on certain long-term debt
 35 securities; creating s. 290.00729, F.S.; authorizing
 36 Charlotte County to apply to the Department of
 37 Economic Opportunity for designation of an enterprise
 38 zone; providing application requirements; authorizing
 39 the Department of Economic Opportunity to designate an
 40 enterprise zone in Charlotte County; requiring that
 41 the Department of Economic Opportunity establish the
 42 initial effective date for the enterprise zone;
 43 creating s. 290.00731, F.S.; authorizing Citrus County
 44 to apply to the Department of Economic Opportunity for
 45 designation of an enterprise zone; providing an
 46 application deadline and requirements; authorizing the
 47 Department of Economic Opportunity to designate an
 48 enterprise zone in Citrus County; requiring the
 49 Department of Economic Opportunity to establish the
 50 effective date of the enterprise zone; authorizing the
 51 Department of Revenue to adopt emergency rules;
 52 providing effective dates.

53
 54 Be It Enacted by the Legislature of the State of Florida:
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56 Section 1. Paragraph (b) of subsection (2) of section
 57 210.20, Florida Statutes, is amended and paragraph (c) is added
 58 to subsection (2) of that section, to read:

59 210.20 Employees and assistants; distribution of funds.—

60 (2) As collections are received by the division from such
 61 cigarette taxes, it shall pay the same into a trust fund in the
 62 State Treasury designated "Cigarette Tax Collection Trust Fund"
 63 which shall be paid and distributed as follows:

64 (b)1. Beginning January 1, 1999, and continuing for 10
 65 years thereafter, the division shall from month to month certify
 66 to the Chief Financial Officer the amount derived from the
 67 cigarette tax imposed by s. 210.02, less the service charges
 68 provided for in s. 215.20 and less 0.9 percent of the amount
 69 derived from the cigarette tax imposed by s. 210.02, which shall
 70 be deposited into the Alcoholic Beverage and Tobacco Trust Fund,
 71 specifying an amount equal to 2.59 percent of the net
 72 collections, and that amount shall be paid to the Board of
 73 Directors of the H. Lee Moffitt Cancer Center and Research
 74 Institute, established under s. 1004.43, by warrant drawn by the
 75 Chief Financial Officer upon the State Treasury. These funds are
 76 hereby appropriated monthly out of the Cigarette Tax Collection
 77 Trust Fund, to be used for the purpose of constructing,
 78 furnishing, and equipping a cancer research facility at the
 79 University of South Florida adjacent to the H. Lee Moffitt
 80 Cancer Center and Research Institute. In fiscal years 1999-2000
 81 and thereafter with the exception of fiscal year 2008-2009, the
 82 appropriation to the H. Lee Moffitt Cancer Center and Research
 83 Institute authorized by this subparagraph shall not be less than

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84 the amount that would have been paid to the H. Lee Moffitt
 85 Cancer Center and Research Institute for fiscal year 1998-1999
 86 had payments been made for the entire fiscal year rather than
 87 for a 6-month period thereof.

88 2. Beginning July 1, 2002, and continuing through June 30,
 89 2004, the division shall, in addition to the distribution
 90 authorized in subparagraph 1., from month to month certify to
 91 the Chief Financial Officer the amount derived from the
 92 cigarette tax imposed by s. 210.02, less the service charges
 93 provided for in s. 215.20 and less 0.9 percent of the amount
 94 derived from the cigarette tax imposed by s. 210.02, which shall
 95 be deposited into the Alcoholic Beverage and Tobacco Trust Fund,
 96 specifying an amount equal to 0.2632 percent of the net
 97 collections, and that amount shall be paid to the Board of
 98 Directors of the H. Lee Moffitt Cancer Center and Research
 99 Institute, established under s. 1004.43, by warrant drawn by the
 100 Chief Financial Officer. Beginning July 1, 2004, and continuing
 101 through June 30, 2012 ~~2020~~, the division shall, in addition to
 102 the distribution authorized in subparagraph 1., from month to
 103 month certify to the Chief Financial Officer the amount derived
 104 from the cigarette tax imposed by s. 210.02, less the service
 105 charges provided for in s. 215.20 and less 0.9 percent of the
 106 amount derived from the cigarette tax imposed by s. 210.02,
 107 which shall be deposited into the Alcoholic Beverage and Tobacco
 108 Trust Fund, specifying an amount equal to 1.47 percent of the
 109 net collections, and that amount shall be paid to the Board of
 110 Directors of the H. Lee Moffitt Cancer Center and Research
 111 Institute, established under s. 1004.43, by warrant drawn by the

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112 Chief Financial Officer. Beginning July 1, 2012, and continuing
 113 through June 30, 2020, the division shall from month to month
 114 certify to the Chief Financial Officer the amount derived from
 115 the cigarette tax imposed by s. 210.02, less the service charges
 116 provided for in s. 215.20 and less 0.9 percent of the amount
 117 derived from the cigarette tax imposed by s. 210.02, which shall
 118 be deposited into the Alcoholic Beverage and Tobacco Trust Fund,
 119 specifying an amount equal to 2.75 percent of the net
 120 collections, and that amount shall be paid to the Board of
 121 Directors of the H. Lee Moffitt Cancer Center and Research
 122 Institute, established under s. 1004.43, by warrant drawn by the
 123 Chief Financial Officer. These funds are appropriated monthly
 124 out of the Cigarette Tax Collection Trust Fund, to be used for
 125 lawful purposes, including ~~the purpose of~~ constructing,
 126 furnishing, ~~and~~ equipping, financing, operating, and maintaining
 127 a cancer research and clinical and related facilities;
 128 furnishing, equipping, operating, and maintaining other
 129 properties owned or leased by ~~facility at the University of~~
 130 ~~South Florida adjacent to~~ the H. Lee Moffitt Cancer Center and
 131 Research Institute; and paying costs incurred in connection with
 132 purchasing, financing, operating, and maintaining such
 133 equipment, facilities, and properties. In fiscal years 2004-2005
 134 and thereafter, the appropriation to the H. Lee Moffitt Cancer
 135 Center and Research Institute authorized by this subparagraph
 136 shall not be less than the amount that would have been paid to
 137 the H. Lee Moffitt Cancer Center and Research Institute in
 138 fiscal year 2001-2002, had this subparagraph been in effect.

139 (c) Beginning July 1, 2012, and continuing through June

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140 30, 2020, the division shall from month to month certify to the
 141 Chief Financial Officer the amount derived from the cigarette
 142 tax imposed by s. 210.02, less the service charges provided for
 143 in s. 215.20 and less 0.9 percent of the amount derived from the
 144 cigarette tax imposed by s. 210.02, which shall be deposited
 145 into the Alcoholic Beverage and Tobacco Trust Fund, specifying
 146 an amount equal to 1 percent of the net collections, and that
 147 amount shall be deposited into the Biomedical Research Trust
 148 Fund in the Department of Health. These funds are appropriated
 149 annually in an amount not to exceed \$3 million from the
 150 Biomedical Research Trust Fund for the Department of Health and
 151 the Sanford-Burnham Medical Research Institute to work in
 152 conjunction for the purpose of establishing activities and grant
 153 opportunities in relation to biomedical research.

154 Section 2. Section 210.201, Florida Statutes, is amended
 155 to read:

156 210.201 H. Lee Moffitt Cancer Center and Research
 157 Institute facilities ~~Cancer research facility at the University~~
 158 ~~of South Florida;~~ establishment; funding.—The Board of Directors
 159 of the H. Lee Moffitt Cancer Center and Research Institute shall
 160 construct, furnish, and equip, and shall covenant to complete,
 161 the cancer research and clinical and related facilities of
 162 ~~facility at the University of South Florida adjacent to the H.~~
 163 Lee Moffitt Cancer Center and Research Institute funded with
 164 proceeds from the Cigarette Tax Collection Trust Fund pursuant
 165 to s. 210.20. Moneys transferred to the Board of Directors of
 166 the H. Lee Moffitt Cancer Center and Research Institute pursuant
 167 to s. 210.20 may ~~shall~~ be used to secure financing to pay costs

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168 related to constructing, furnishing, ~~and~~ equipping, operating,
 169 and maintaining ~~the~~ cancer research and clinical and related
 170 facilities; furnishing, equipping, operating, and maintaining
 171 other leased or owned properties; and paying costs incurred in
 172 connection with purchasing, financing, operating, and
 173 maintaining such equipment, facilities, and properties as
 174 provided in s. 210.20 ~~facility~~. Such financing may include the
 175 issuance of tax-exempt bonds or other forms of indebtedness by a
 176 local authority, municipality, or county pursuant to parts II
 177 and III of chapter 159. Such bonds shall not constitute state
 178 bonds for purposes of s. 11, Art. VII of the State Constitution,
 179 but shall constitute bonds of a "local agency," as defined in s.
 180 159.27(4). The cigarette tax dollars pledged to facilities ~~this~~
 181 ~~facility~~ pursuant to s. 210.20 may be replaced annually by the
 182 Legislature from tobacco litigation settlement proceeds.

183 Section 3. Paragraph (e) of subsection (5) and paragraphs
 184 (ee) and (rr) of subsection (7) of section 212.08, Florida
 185 Statutes, are amended, and paragraph (hhh) is added to
 186 subsection (7) of that section, to read:

187 212.08 Sales, rental, use, consumption, distribution, and
 188 storage tax; specified exemptions.—The sale at retail, the
 189 rental, the use, the consumption, the distribution, and the
 190 storage to be used or consumed in this state of the following
 191 are hereby specifically exempt from the tax imposed by this
 192 chapter.

193 (5) EXEMPTIONS; ACCOUNT OF USE.—

194 (e) Gas or electricity used for certain agricultural
 195 purposes.—

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196 1. Butane gas, propane gas, natural gas, and all other
 197 forms of liquefied petroleum gases are exempt from the tax
 198 imposed by this chapter if used in any tractor, vehicle, or
 199 other farm equipment which is used exclusively on a farm or for
 200 processing farm products on the farm and no part of which gas is
 201 used in any vehicle or equipment driven or operated on the
 202 public highways of this state. This restriction does not apply
 203 to the movement of farm vehicles or farm equipment between
 204 farms. The transporting of bees by water and the operating of
 205 equipment used in the apiary of a beekeeper is also deemed an
 206 exempt use.

207 2. Electricity used directly or indirectly for production,
 208 packing, or processing of agricultural products on the farm, or
 209 used directly or indirectly in a packinghouse, is exempt from
 210 the tax imposed by this chapter. As used in this subsection, the
 211 term "packinghouse" means any building or structure where fruits
 212 and vegetables are packed or otherwise prepared for market or
 213 shipment in fresh form for wholesale distribution. The exemption
 214 does not apply to electricity used in buildings or structures
 215 where agricultural products are sold at retail. This exemption
 216 applies only if the electricity used for the exempt purposes is
 217 separately metered. If the electricity is not separately
 218 metered, it is conclusively presumed that some portion of the
 219 electricity is used for a nonexempt purpose, and all of the
 220 electricity used for such purposes is taxable.

221 (7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any
 222 entity by this chapter do not inure to any transaction that is
 223 otherwise taxable under this chapter when payment is made by a

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224 representative or employee of the entity by any means,
 225 including, but not limited to, cash, check, or credit card, even
 226 when that representative or employee is subsequently reimbursed
 227 by the entity. In addition, exemptions provided to any entity by
 228 this subsection do not inure to any transaction that is
 229 otherwise taxable under this chapter unless the entity has
 230 obtained a sales tax exemption certificate from the department
 231 or the entity obtains or provides other documentation as
 232 required by the department. Eligible purchases or leases made
 233 with such a certificate must be in strict compliance with this
 234 subsection and departmental rules, and any person who makes an
 235 exempt purchase with a certificate that is not in strict
 236 compliance with this subsection and the rules is liable for and
 237 shall pay the tax. The department may adopt rules to administer
 238 this subsection.

239 (ee) Aircraft repair and maintenance labor charges.—There
 240 shall be exempt from the tax imposed by this chapter all labor
 241 charges for the repair and maintenance of qualified aircraft,
 242 aircraft of more than 2,000 ~~15,000~~ pounds maximum certified
 243 takeoff weight, and rotary wing aircraft of more than 10,000
 244 pounds maximum certified takeoff weight. Except as otherwise
 245 provided in this chapter, charges for parts and equipment
 246 furnished in connection with such labor charges are taxable.

247 (rr) Equipment used in aircraft repair and maintenance.—
 248 There shall be exempt from the tax imposed by this chapter
 249 replacement engines, parts, and equipment used in the repair or
 250 maintenance of qualified aircraft, aircraft of more than 2,000
 251 ~~15,000~~ pounds maximum certified takeoff weight, and rotary wing

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252 aircraft of more than 10,300 pounds maximum certified takeoff
 253 weight, when such parts or equipment are installed on such
 254 aircraft that is being repaired or maintained in this state.

255 (hhh) Items used in manufacturing and fabricating aircraft
 256 and gas turbine engines.—Chemicals, machinery, parts, and
 257 equipment used and consumed in the manufacture or fabrication of
 258 aircraft engines and gas turbine engines, including cores,
 259 electrical discharge machining supplies, brass electrodes,
 260 ceramic guides, reamers, grinding and deburring wheels, Norton
 261 vortex wheels, argon, nitrogen, helium, fluid abrasive cutters,
 262 solvents and soaps, boroscopes, penetrants, patterns, dies, and
 263 molds consumed in the production of castings are exempt from the
 264 tax imposed by this chapter.

265 Section 4. Effective January 1, 2013, paragraph (b) of
 266 subsection (5) of section 212.08, Florida Statutes, is amended
 267 to read:

268 212.08 Sales, rental, use, consumption, distribution, and
 269 storage tax; specified exemptions.—The sale at retail, the
 270 rental, the use, the consumption, the distribution, and the
 271 storage to be used or consumed in this state of the following
 272 are hereby specifically exempt from the tax imposed by this
 273 chapter.

274 (5) EXEMPTIONS; ACCOUNT OF USE.—

275 (b) Machinery and equipment used to increase productive
 276 output.—

277 1. Industrial machinery and equipment purchased for
 278 exclusive use by a new business in spaceport activities as
 279 defined by s. 212.02 or for use in new businesses that

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280 manufacture, process, compound, or produce for sale items of
 281 tangible personal property at fixed locations are exempt from
 282 the tax imposed by this chapter upon an affirmative showing by
 283 the taxpayer to the satisfaction of the department that such
 284 items are used in a new business in this state. Such purchases
 285 must be made before ~~prior to~~ the date the business first begins
 286 its productive operations, and delivery of the purchased item
 287 must be made within 12 months after that date.

288 2. Industrial machinery and equipment purchased for
 289 exclusive use by an expanding facility which is engaged in
 290 spaceport activities as defined by s. 212.02 or for use in
 291 expanding manufacturing facilities or plant units which
 292 manufacture, process, compound, or produce for sale items of
 293 tangible personal property at fixed locations in this state are
 294 exempt from any amount of tax imposed by this chapter upon an
 295 affirmative showing by the taxpayer to the satisfaction of the
 296 department that such items are used to increase the productive
 297 output of such expanded facility or business by not less than 5
 298 ~~10~~ percent.

299 3.a. To receive an exemption provided by subparagraph 1.
 300 or subparagraph 2., a qualifying business entity shall apply to
 301 the department for a temporary tax exemption permit. The
 302 application shall state that a new business exemption or
 303 expanded business exemption is being sought. Upon a tentative
 304 affirmative determination by the department pursuant to
 305 subparagraph 1. or subparagraph 2., the department shall issue
 306 such permit.

307 b. The applicant shall maintain all necessary books and

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308 records to support the exemption. Upon completion of purchases
 309 of qualified machinery and equipment pursuant to subparagraph 1.
 310 or subparagraph 2., the temporary tax permit shall be delivered
 311 to the department or returned to the department by certified or
 312 registered mail.

313 c. If, in a subsequent audit conducted by the department,
 314 it is determined that the machinery and equipment purchased as
 315 exempt under subparagraph 1. or subparagraph 2. did not meet the
 316 criteria mandated by this paragraph or if commencement of
 317 production did not occur, the amount of taxes exempted at the
 318 time of purchase shall immediately be due and payable to the
 319 department by the business entity, together with the appropriate
 320 interest and penalty, computed from the date of purchase, in the
 321 manner prescribed by this chapter.

322 d. If a qualifying business entity fails to apply for a
 323 temporary exemption permit or if the tentative determination by
 324 the department required to obtain a temporary exemption permit
 325 is negative, a qualifying business entity shall receive the
 326 exemption provided in subparagraph 1. or subparagraph 2. through
 327 a refund of previously paid taxes. No refund may be made for
 328 such taxes unless the criteria mandated by subparagraph 1. or
 329 subparagraph 2. have been met and commencement of production has
 330 occurred.

331 4. The department shall adopt rules governing applications
 332 for, issuance of, and the form of temporary tax exemption
 333 permits; provisions for recapture of taxes; and the manner and
 334 form of refund applications, and may establish guidelines as to
 335 the requisites for an affirmative showing of increased

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336 productive output, commencement of production, and qualification
 337 for exemption.

338 5. The exemptions provided in subparagraphs 1. and 2. do
 339 not apply to machinery or equipment purchased or used by
 340 electric utility companies, communications companies, oil or gas
 341 exploration or production operations, publishing firms that do
 342 not export at least 50 percent of their finished product out of
 343 the state, any firm subject to regulation by the Division of
 344 Hotels and Restaurants of the Department of Business and
 345 Professional Regulation, or any firm that does not manufacture,
 346 process, compound, or produce for sale items of tangible
 347 personal property or that does not use such machinery and
 348 equipment in spaceport activities as required by this paragraph.
 349 The exemptions provided in subparagraphs 1. and 2. shall apply
 350 to machinery and equipment purchased for use in phosphate or
 351 other solid minerals severance, mining, or processing
 352 operations.

353 6. For the purposes of the exemptions provided in
 354 subparagraphs 1. and 2., these terms have the following
 355 meanings:

356 a. "Industrial machinery and equipment" means tangible
 357 personal property or other property that has a depreciable life
 358 of 3 years or more and that is used as an integral part in the
 359 manufacturing, processing, compounding, or production of
 360 tangible personal property for sale or is exclusively used in
 361 spaceport activities. A building and its structural components
 362 are not industrial machinery and equipment unless the building
 363 or structural component is so closely related to the industrial

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364 machinery and equipment that it houses or supports that the
 365 building or structural component can be expected to be replaced
 366 when the machinery and equipment are replaced. Heating and air-
 367 conditioning systems are not industrial machinery and equipment
 368 unless the sole justification for their installation is to meet
 369 the requirements of the production process, even though the
 370 system may provide incidental comfort to employees or serve, to
 371 an insubstantial degree, nonproduction activities. The term
 372 includes parts and accessories only to the extent that the
 373 exemption thereof is consistent with the provisions of this
 374 paragraph.

375 b. "Productive output" means the number of units actually
 376 produced by a single plant, operation, or product line in a
 377 single continuous 12-month period, irrespective of sales.
 378 Increases in productive output shall be measured by the output
 379 for 12 continuous months selected by the expanding business
 380 after ~~following the~~ completion of the installation of such
 381 machinery or equipment over the output for the 12 continuous
 382 months immediately preceding such installation. However, in no
 383 case may such time period begin later than 2 years after
 384 ~~following the~~ completion of the installation of the new
 385 machinery and equipment. The units used to measure productive
 386 output shall be physically comparable between the two periods,
 387 irrespective of sales.

388 Section 5. Effective January 1, 2013, and applying to tax
 389 years beginning on or after January 1, 2013, subsection (1) of
 390 section 220.14, Florida Statutes, is amended to read:

391 220.14 Exemption.—

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392 (1) In computing a taxpayer's liability for tax under this
 393 code, there shall be exempt from the tax \$50,000 ~~\$25,000~~ of net
 394 income as defined in s. 220.12 or such lesser amount as will,
 395 without increasing the taxpayer's federal income tax liability,
 396 provide the state with an amount under this code which is equal
 397 to the maximum federal income tax credit which may be available
 398 from time to time under federal law.

399 Section 6. Effective January 1, 2013, and applying to tax
 400 years beginning on or after January 1, 2013, subsection (3) of
 401 section 220.63, Florida Statutes, is amended to read:

402 220.63 Franchise tax imposed on banks and savings
 403 associations.—

404 (3) For purposes of this part, the franchise tax base
 405 shall be adjusted federal income, as defined in s. 220.13,
 406 apportioned to this state, plus nonbusiness income allocated to
 407 this state pursuant to s. 220.16, less the deduction allowed in
 408 subsection (5) and less \$50,000 ~~\$25,000~~.

409 Section 7. Paragraph (b) of subsection (4) of section
 410 288.1254, Florida Statutes, is amended to read:

411 288.1254 Entertainment industry financial incentive
 412 program.—

413 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;
 414 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;
 415 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND
 416 ACQUISITIONS.—

417 (b) Tax credit eligibility.—

418 1. General production queue.—Ninety-four percent of tax
 419 credits authorized pursuant to subsection (6) in any state

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420 fiscal year must be dedicated to the general production queue.
 421 The general production queue consists of all qualified
 422 productions other than those eligible for the commercial and
 423 music video queue or the independent and emerging media
 424 production queue. A qualified production that demonstrates a
 425 minimum of \$625,000 in qualified expenditures is eligible for
 426 tax credits equal to 20 percent of its actual qualified
 427 expenditures, up to a maximum of \$8 million. A qualified
 428 production that incurs qualified expenditures during multiple
 429 state fiscal years may combine those expenditures to satisfy the
 430 \$625,000 minimum threshold. If a qualified production claims a
 431 credit from this queue for principal-photography-related
 432 qualified production expenditures, at least 50 percent of the
 433 total principal photography shooting days spent in the
 434 production of that qualified production must be within this
 435 state or at least \$10 million must be spent on qualified
 436 production expenditures within this state.

437 a. An off-season certified production that is a feature
 438 film, independent film, or television series or pilot is
 439 eligible for an additional 5-percent tax credit on actual
 440 qualified expenditures. An off-season certified production that
 441 does not complete 75 percent of principal photography due to a
 442 disruption caused by a hurricane or tropical storm may not be
 443 disqualified from eligibility for the additional 5-percent
 444 credit as a result of the disruption.

445 b. If more than 25 percent of the sum of total tax credits
 446 awarded to productions after July 1, 2010, and total tax credits
 447 certified, but not yet awarded, to productions currently in this

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448 state has been awarded for television series, then no television
 449 series ~~or pilot~~ shall be eligible for tax credits under this
 450 subparagraph.

451 c. The calculations required by this sub-subparagraph
 452 shall use only credits available to be certified and awarded on
 453 or after July 1, 2011.

454 (I) If the provisions of sub-subparagraph b. are not
 455 applicable and less than 25 percent of the sum of the total tax
 456 credits awarded to productions and the total tax credits
 457 certified, but not yet awarded, to productions currently in this
 458 state has been to high-impact television series, any qualified
 459 high-impact television series shall be allowed first position in
 460 this queue for tax credit awards not yet certified.

461 (II) If less than 20 percent of the sum of the total tax
 462 credits awarded to productions and the total tax credits
 463 certified, but not yet awarded, to productions currently in this
 464 state has been to digital media projects, any digital media
 465 project with qualified expenditures of greater than \$4,500,000
 466 shall be allowed first position in this queue for tax credit
 467 awards not yet certified.

468 (III) For the purposes of determining position between a
 469 high-impact television series allowed first position and a
 470 digital media project allowed first position under this sub-
 471 subparagraph, tax credits shall be awarded on a first-come,
 472 first-served basis.

473 d. A qualified production that incurs at least 85 percent
 474 of its qualified expenditures within a region designated as an
 475 underutilized region at the time that the production is

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476 certified is eligible for an additional 5-percent tax credit.

477 e. Any qualified production that employs students enrolled
 478 full-time in a film and entertainment-related or digital media-
 479 related course of study at an institution of higher education in
 480 this state is eligible for an additional 15-percent tax credit
 481 on qualified expenditures that are wages, salaries, or other
 482 compensation paid to such students. The additional 15-percent
 483 tax credit shall also be applicable to persons hired within 12
 484 months of graduating from a film and entertainment-related or
 485 digital media-related course of study at an institution of
 486 higher education in this state. The additional 15-percent tax
 487 credit shall apply to qualified expenditures that are wages,
 488 salaries, or other compensation paid to such recent graduates
 489 for 1 year from the date of hiring.

490 f. A qualified production for which 50 percent or more of
 491 its principal photography occurs at a qualified production
 492 facility, or a qualified digital media project or the digital
 493 animation component of a qualified production for which 50
 494 percent or more of the project's or component's qualified
 495 expenditures are related to a qualified digital media production
 496 facility, shall be eligible for an additional 5-percent tax
 497 credit on actual qualified expenditures for production activity
 498 at that facility.

499 g. No qualified production shall be eligible for tax
 500 credits provided under this paragraph totaling more than 30
 501 percent of its actual qualified expenses.

502 2. Commercial and music video queue.—Three percent of tax
 503 credits authorized pursuant to subsection (6) in any state

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504 fiscal year must be dedicated to the commercial and music video
 505 queue. A qualified production company that produces national or
 506 regional commercials or music videos may be eligible for a tax
 507 credit award if it demonstrates a minimum of \$100,000 in
 508 qualified expenditures per national or regional commercial or
 509 music video and exceeds a combined threshold of \$500,000 after
 510 combining actual qualified expenditures from qualified
 511 commercials and music videos during a single state fiscal year.
 512 After a qualified production company that produces commercials,
 513 music videos, or both reaches the threshold of \$500,000, it is
 514 eligible to apply for certification for a tax credit award. The
 515 maximum credit award shall be equal to 20 percent of its actual
 516 qualified expenditures up to a maximum of \$500,000. If there is
 517 a surplus at the end of a fiscal year after the Office of Film
 518 and Entertainment certifies and determines the tax credits for
 519 all qualified commercial and video projects, such surplus tax
 520 credits shall be carried forward to the following fiscal year
 521 and be available to any eligible qualified productions under the
 522 general production queue.

523 3. Independent and emerging media production queue.—Three
 524 percent of tax credits authorized pursuant to subsection (6) in
 525 any state fiscal year must be dedicated to the independent and
 526 emerging media production queue. This queue is intended to
 527 encourage Florida independent film and emerging media
 528 production. Any qualified production, excluding commercials,
 529 infomercials, or music videos, that demonstrates at least
 530 \$100,000, but not more than \$625,000, in total qualified
 531 expenditures is eligible for tax credits equal to 20 percent of

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532 its actual qualified expenditures. If a surplus exists at the
 533 end of a fiscal year after the Office of Film and Entertainment
 534 certifies and determines the tax credits for all qualified
 535 independent and emerging media production projects, such surplus
 536 tax credits shall be carried forward to the following fiscal
 537 year and be available to any eligible qualified productions
 538 under the general production queue.

539 4. Family-friendly productions.—A certified theatrical or
 540 direct-to-video motion picture production or video game
 541 determined by the Commissioner of Film and Entertainment, with
 542 the advice of the Florida Film and Entertainment Advisory
 543 Council, to be family-friendly, based on the review of the
 544 script and the review of the final release version, is eligible
 545 for an additional tax credit equal to 5 percent of its actual
 546 qualified expenditures. Family-friendly productions are those
 547 that have cross-generational appeal; would be considered
 548 suitable for viewing by children age 5 or older; are appropriate
 549 in theme, content, and language for a broad family audience;
 550 embody a responsible resolution of issues; and do not exhibit or
 551 imply any act of smoking, sex, nudity, or vulgar or profane
 552 language.

553 Section 8. Paragraph (c) of subsection (3) of section
 554 288.9914, Florida Statutes, is amended to read:

555 288.9914 Certification of qualified investments;
 556 investment issuance reporting.—

557 (3) REVIEW.—

558 (c) The department may not approve a cumulative amount of
 559 qualified investments that may result in the claim of more than

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560 \$195 ~~\$97.5~~ million in tax credits during the existence of the
 561 program or more than \$40 ~~\$20~~ million in tax credits in a single
 562 state fiscal year. However, the potential for a taxpayer to
 563 carry forward an unused tax credit may not be considered in
 564 calculating the annual limit.

565 Section 9. Subsection (1) of section 288.9915, Florida
 566 Statutes, is amended to read:

567 288.9915 Use of proceeds from qualified investments;
 568 recordkeeping.—

569 (1) A qualified community development entity may not make
 570 cash interest payments on a long-term debt security that is a
 571 qualified investment in excess of the entity's cumulative
 572 operating income earned during the 7 ~~for 6~~ years after following
 573 ~~the~~ issuance of the security. For purposes of calculating
 574 operating income, the interest expense on the security is
 575 disregarded.

576 Section 10. Section 290.00729, Florida Statutes, is
 577 created to read:

578 290.00729 Enterprise zone designation for Charlotte
 579 County.—Charlotte County may apply to the Department of Economic
 580 Opportunity for designation of one enterprise zone encompassing
 581 an area not to exceed 20 square miles within Charlotte County.
 582 The application must be submitted by December 31, 2012, and must
 583 comply with the requirements in s. 290.0055. Notwithstanding s.
 584 290.0065 limiting the total number of enterprise zones
 585 designated and the number of enterprise zones within a
 586 population category, the department may designate one enterprise
 587 zone under this section. The department shall establish the

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588 initial effective date of the enterprise zone designated under
 589 this section.

590 Section 11. Section 290.00731, Florida Statutes, is
 591 created to read:

592 290.00731 Enterprise zone designation for Citrus County.—
 593 Citrus County may apply to the department for designation of one
 594 enterprise zone for an area within Citrus County. The
 595 application must be submitted by December 31, 2012, and must
 596 comply with the requirements of s. 290.0055. Notwithstanding s.
 597 290.0065 limiting the total number of enterprise zones
 598 designated and the number of enterprise zones within a
 599 population category, the department may designate one enterprise
 600 zone under this section. The department shall establish the
 601 initial effective date of the enterprise zone designated under
 602 this section.

603 Section 12. (1) The executive director of the Department
 604 of Revenue is authorized, and all conditions are deemed met, to
 605 adopt emergency rules under ss. 120.536(1) and 120.54(4),
 606 Florida Statutes, for the purpose of implementing this act.

607 (2) Notwithstanding any provision of law, such emergency
 608 rules shall remain in effect for 6 months after the date adopted
 609 and may be renewed during the pendency of procedures to adopt
 610 permanent rules addressing the subject of the emergency rules.

611 Section 13. Except as otherwise expressly provided in this
 612 act, this act shall take effect July 1, 2012.