

Bredfeldt, Erik A.

From: Von Hoff, Burt <Burt.VonHoff@deo.myflorida.com>
Sent: Monday, August 17, 2015 3:42 PM
To: Bredfeldt, Erik A.
Subject: FW: Chapter 2015-221, Laws of Florida
Attachments: 2015-33A-Staff Analysis June 19 2015.pdf; Chapter 2015-221 An Act Relating to Taxation (HB 33-A).pdf

Erik,
 We are forwarding an e-mail message we sent out earlier regarding the legislative revisions.

Burt.

From: Von Hoff, Burt
Sent: Monday, June 22, 2015 11:17 AM
To: Von Hoff, Burt
Subject: Chapter 2015-221, Laws of Florida

Greetings from Tallahassee!

We are attaching a copy of Chapter 2015-221, Laws of Florida, an Act relating to Taxation, as well as the final staff analysis for House Bill 33A. This bill was initially introduced as PCB FTC 15-05: Taxation, was amended as House Bill 7141 and later as House Bill 33A.

Chapter 2015-221 was approved by Governor Rick Scott on June 16, 2015

We are re-printing portions of the staff analysis that provide a summary of the revisions to the:

- Florida Enterprise Zone Program; and
- Community Contribution Tax Credit Program.

FLORIDA ENTERPRISE ZONE PROGRAM

The Enterprise Zone Program is scheduled to sunset on December 31, 2015.

Proposed Changes

The bill creates an unnumbered section of law which preserves state incentives for certain businesses with incentive agreements with the state that are currently located within enterprise zones. The bill defines the term “eligible business” to mean a business that entered into a contract with the DEO between January 1, 2012, and July 1, 2015, for a project that is located in an enterprise zone under the following programs:

- The Local Government Distressed Area Matching Grant Program;
- The Qualified Defense Contractor and Space Flight Business Tax Refund Program;

- The Qualified Target Industry (QTI) Business Tax Refund Program;
- The Brownfield Redevelopment Bonus Refund Program;
- The High-Impact Business Performance (HIPI) Grant Program;
- The Quick Action Closing Fund (QAC) Program; and
- The Innovation Incentive Program (IIP).

The bill provides that an eligible business may apply for the following enterprise zone incentives, if t contract with the DEO is still deemed active by the department and has not expired or terminated:

- Exemption for a Licensed Child Care Facility operating in an Enterprise Zone;
- Sales Tax Refund for Building Materials;
- Sales Tax Refund for Business Property;
- Sales Tax Exemption for Electrical Energy;
- Enterprise Zone Jobs Tax Credit (Sales & Use Tax);
- Enterprise Zone Jobs Tax Credit (Corporate Income Tax); and
- Enterprise Zone Property Tax Credit (Corporate Income Tax).

DEO will certify that applicants are eligible for enterprise zone incentives prior to the Department of Revenue's final processing of incentive applications.

This section of law is effective January 1, 2016, and expires on December 31, 2018.

COMMUNITY CONTRIBUTION TAX CREDIT PROGRAM

Proposed Changes

The bill extends the expiration date of the Community Contribution Tax Credit Program to June 30, 2018, expands eligibility to include projects designed to provide housing opportunities for persons with special needs, and provides \$21.4 million in annual funding for projects that provide homeownership opportunities for low-income and very-low-income households or housing opportunities for persons with special needs and \$3.5 million for all other projects. "Persons with special needs" is defined in current statute to include adults requiring independent living services, young adults formerly in foster care, survivors of domestic violence, and people receiving Social Security Disability Insurance, Supplemental Security Income, or veterans' disability benefits.

The bill also allows projects which are required to take place in a designated Enterprise Zone to continue to qualify for the Community Contribution Tax Credit after the Enterprise Zone program sunsets by stating that a project may qualify if it is in an area that was in an Enterprise Zone as of May 1, 2015. The bill also prevents the definitions of "community contribution" and "project" needed for administration of the program from sun-setting prior to the sunset of the program.

We hope this information will be helpful.

Please let us know if you have any questions.

Best Wishes,



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