

By the Committee on Commerce; and Senators Haridopolos, Justice,
and Gaetz

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1 A bill to be entitled
2 An act relating to entertainment industry economic
3 development; amending s. 288.1254, F.S.; revising the
4 entertainment industry financial incentive program to
5 provide corporate income tax and sales and use tax
6 credits to qualified entertainment entities rather
7 than reimbursements from appropriations; revising
8 provisions relating to definitions, creation and
9 scope, application procedures, approval process,
10 eligibility, required documents, qualified and
11 certified productions, and annual reports; providing
12 duties and responsibilities of the Office of Film and
13 Entertainment, the Office of Tourism, Trade, and
14 Economic Development, and the Department of Revenue
15 relating to the tax credits; providing criteria and
16 limitations for awards of tax credits; providing for
17 uses, allocations, election, distributions, and
18 carryforward of the tax credits; providing for
19 withdrawal of tax credit eligibility; providing for
20 use of consolidated returns; providing for partnership
21 and noncorporate distributions of tax credits;
22 providing for succession of tax credits; providing
23 requirements for transfer of tax credits; authorizing
24 the Office of Tourism, Trade, and Economic Development
25 to adopt rules, policies, and procedures; authorizing
26 the Department of Revenue to adopt rules and conduct
27 audits; providing for revocation and forfeiture of tax
28 credits; providing liability for reimbursement of
29 certain costs and fees associated with a fraudulent

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30 claim; requiring an annual report to the Governor and
31 the Legislature; providing for future repeal; amending
32 s. 220.02, F.S.; including tax credits enumerated in
33 s. 288.1254, F.S., in the order of application of
34 credits against certain taxes; amending s. 213.053,
35 F.S.; authorizing the Department of Revenue to provide
36 tax credit information to the Office of Film and
37 Entertainment and the Office of Tourism, Trade, and
38 Economic Development; amending s. 212.08, F.S.;

39 limiting application of the entertainment industry tax
40 credits; providing procedures; providing for
41 severability; providing an effective date.

42
43 Be It Enacted by the Legislature of the State of Florida:

44
45 Section 1. Section 288.1254, Florida Statutes, is amended
46 to read:

47 (Substantial rewording of section. See
48 s. 288.1254, F.S., for present text.)

49 288.1254 Entertainment industry financial incentive
50 program.—

51 (1) DEFINITIONS.—As used in this section, the term:

52 (a) "Certified production" means a qualified production
53 that has tax credits allocated to it by the Office of Tourism,
54 Trade, and Economic Development based on the production's
55 estimated qualified expenditures, up to the production's maximum
56 certified amount of tax credits, by the Office of Tourism,
57 Trade, and Economic Development. The term does not include a
58 production if the first date that it incurs production

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59 expenditures in this state occurs before the production is
60 certified by the Office of Tourism, Trade, and Economic
61 Development.

62 (b) "Digital media project" means a production of
63 interactive entertainment that is produced for distribution in
64 commercial or educational markets. The term includes a video
65 game or production intended for Internet or wireless
66 distribution. The term does not include a production deemed by
67 the Office of Film and Entertainment to contain obscene content
68 as defined in s. 847.001(10).

69 (c) "High-impact television series" means a production
70 created to run multiple production seasons and having an
71 estimated order of at least seven episodes per season and
72 qualified expenditures of at least \$625,000 per episode.

73 (d) "Off-season certified production" means a production,
74 other than a digital media project or an animated production,
75 commercial, music video, or documentary, which films 75 percent
76 or more of its principal photography days from June 1 through
77 November 30.

78 (e) "Principal photography" means the filming of major or
79 significant components of the qualified production which involve
80 lead actors.

81 (f) "Production" means a theatrical or direct-to-video
82 motion picture; a made-for-television motion picture; visual
83 effects or digital animation sequences produced in conjunction
84 with a motion picture; a commercial; a music video; an
85 industrial or educational film; an infomercial; a documentary
86 film; a television pilot program; a presentation for a
87 television pilot program; a television series, including, but

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88 not limited to, a drama, a reality show, a comedy, a soap opera,
89 a telenovela, a game show, or a miniseries production; or a
90 digital media project by the entertainment industry. One season
91 of a television series is considered one production. The term
92 does not include a weather or market program; a sporting event;
93 a sports show; a gala; a production that solicits funds; a home
94 shopping program; a political program; a political documentary;
95 political advertising; a gambling-related project or production;
96 a concert production; or a local, regional, or Internet-
97 distributed-only news show, current-events show, pornographic
98 production, or current-affairs show. A production may be
99 produced on or by film, tape, or otherwise by means of a motion
100 picture camera; electronic camera or device; tape device;
101 computer; any combination of the foregoing; or any other means,
102 method, or device now used or later adopted.

103 (g) "Production expenditures" means the costs of tangible
104 and intangible property used for, and services performed
105 primarily and customarily in, production, including
106 preproduction and postproduction, but excluding costs for
107 development, marketing, and distribution. The term includes, but
108 is not limited to:

109 1. Wages, salaries, or other compensation paid to legal
110 residents of this state, including amounts paid through payroll
111 service companies, for technical and production crews,
112 directors, producers, and performers.

113 2. Expenditures for sound stages, backlots, production
114 editing, digital effects, sound recordings, sets, and set
115 construction.

116 3. Expenditures for rental equipment, including, but not

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117 limited to, cameras and grip or electrical equipment.

118 4. Up to \$300,000 of the costs of newly purchased computer
119 software and hardware unique to the project, including servers,
120 data processing, and visualization technologies, which are
121 located in and used exclusively in the state for the production
122 of digital media.

123 5. Expenditures for meals, travel, and accommodations.

124 (h) "Qualified expenditures" means production expenditures
125 incurred in this state by a qualified production for:

126 1. Goods purchased or leased from, or services, including,
127 but not limited to, insurance costs and bonding, payroll
128 services, and legal fees, which are provided by a vendor or
129 supplier in this state which is registered with the Department
130 of State or the Department of Revenue, is doing business in the
131 state, and whose primary employees involved in facilitating the
132 transaction are legal residents of and doing business in this
133 state.

134 2. Payments to legal residents of this state in the form of
135 salary, wages, or other compensation up to a maximum of \$650,000
136 per resident unless otherwise specified in subsection (4).

137
138 For a qualified production involving an event, such as an awards
139 show, the term does not include expenditures solely associated
140 with the event itself and not directly required by the
141 production. The term does not include expenditures incurred
142 before certification, with the exception of those incurred for a
143 commercial, a music video, or the pickup of additional episodes
144 of a high-impact television series within a single season.

145 (i) "Qualified production" means a production in this state

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146 meeting the requirements of this section. The term does not
147 include a production:

148 1. In which, for the first 2 years of the incentive
149 program, less than 50 percent, and, thereafter, less than 60
150 percent, of the positions that make up its production cast and
151 below-the-line production crew, or, in the case of digital media
152 projects, less than 75 percent of such positions, are filled by
153 legal residents of this state, whose residency is demonstrated
154 by a valid Florida driver's license or other state-issued
155 identification confirming residency, or students enrolled full-
156 time in a film-and-entertainment-related course of study at an
157 institution of higher education in this state; or

158 2. That is deemed by the Office of Film and Entertainment
159 to contain obscene content as defined in s. 847.001(10).

160 (j) "Qualified production company" means a corporation,
161 limited liability company, partnership, or other legal entity
162 engaged in one or more productions in this state.

163 (2) CREATION AND PURPOSE OF PROGRAM.—The entertainment
164 industry financial incentive program is created within the
165 Office of Film and Entertainment. The purpose of this program is
166 to encourage the use of this state as a site for filming, for
167 the digital production of films, and to develop and sustain the
168 workforce and infrastructure for film, digital media, and
169 entertainment production.

170 (3) APPLICATION PROCEDURE; APPROVAL PROCESS.—

171 (a) Program application.—A qualified production company
172 producing a qualified production in this state may submit a
173 program application to the Office of Film and Entertainment for
174 the purpose of determining qualification for an award of tax

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175 credits authorized by this section no earlier than 6 months
176 before the first date that production expenditures are incurred
177 in this state. The applicant shall provide the Office of Film
178 and Entertainment with information required to determine whether
179 the production is a qualified production and to determine the
180 qualified expenditures and other information necessary for the
181 office to determine eligibility for the tax credit.

182 (b) Required documentation.—The Office of Film and
183 Entertainment shall develop an application form for qualifying
184 an applicant as a qualified production. The form must include,
185 but need not be limited to, production-related information
186 concerning employment of residents in this state, a detailed
187 budget of planned qualified expenditures, and the applicant's
188 signed affirmation that the information on the form has been
189 verified and is correct. The Office of Film and Entertainment
190 and local film commissions shall distribute the form.

191 (c) Application process.—The Office of Film and
192 Entertainment shall establish a process by which an application
193 is accepted and reviewed and by which tax credit eligibility and
194 the award amount are determined. The Office of Film and
195 Entertainment may request assistance from a duly appointed local
196 film commission in determining compliance with this section.

197 (d) Certification.—The Office of Film and Entertainment
198 shall review the application within 15 business days after
199 receipt. Upon its determination that the application contains
200 all the information required by this subsection and meets the
201 criteria set out in this section, the Office of Film and
202 Entertainment shall qualify the applicant and recommend to the
203 Office of Tourism, Trade, and Economic Development that the

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204 applicant be certified for the maximum tax credit award amount.
205 Within 5 business days after receipt of the recommendation, the
206 Office of Tourism, Trade, and Economic Development shall reject
207 the recommendation or certify the maximum recommended tax credit
208 award, if any, to the applicant and to the executive director of
209 the Department of Revenue.

210 (e) Grounds for denial.—The Office of Film and
211 Entertainment shall deny an application if it determines that
212 the application is incomplete or the production or application
213 does not meet the requirements of this section.

214 (f) Verification of actual qualified expenditures.—

215 1. The Office of Film and Entertainment shall develop a
216 process to verify the actual qualified expenditures of a
217 certified production. The process must require:

218 a. A certified production to submit, in a timely manner
219 after principal photography, digital production, or the digital
220 media project ends and after making all of its qualified
221 expenditures, data substantiating each qualified expenditure to
222 an independent certified public accountant licensed in this
223 state;

224 b. Such accountant to conduct a compliance audit, at the
225 certified production's expense, to substantiate each qualified
226 expenditure and submit the results as a report, along with the
227 required substantiating data, to the Office of Film and
228 Entertainment; and

229 c. The Office of Film and Entertainment to review the
230 accountant's submittal and report to the Office of Tourism,
231 Trade, and Economic Development the final verified amount of
232 actual qualified expenditures made by the certified production.

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233 2. The Office of Tourism, Trade, and Economic Development
234 shall determine and approve the final tax credit award amount to
235 each certified applicant based on the final verified amount of
236 actual qualified expenditures and shall notify the executive
237 director of the Department of Revenue in writing that the
238 certified production has met the requirements of the incentive
239 program and of the final amount of the tax credit award. The
240 final tax credit award amount may not exceed the maximum tax
241 credit award amount certified under paragraph (d).

242 (g) Promoting Florida.—The Office of Film and Entertainment
243 shall ensure that, as a condition of receiving a tax credit
244 under this section, marketing materials promoting this state as
245 a tourist destination or film and entertainment production
246 destination are included, when appropriate, at no cost to the
247 state, which must, at a minimum, include placement of a "Filmed
248 in Florida" or "Produced in Florida" logo in the opening credits
249 and end credits and on all packaging material and hard media,
250 unless prohibited by licensing or other contractual obligations.
251 The size and placement of such logo shall be commensurate to
252 other logos used. If no logos are used, the statement "Filmed in
253 Florida using Florida's Entertainment Industry Financial
254 Incentive," or a similar statement approved by the Office of
255 Film and Entertainment, shall be used. The Office of Film and
256 Entertainment shall provide a logo and supply it for the
257 purposes specified in this paragraph.

258 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;
259 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;
260 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND
261 ACQUISITIONS.—

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262 (a) Priority for tax credit award.—The priority of a
263 qualified production for tax credit awards must be determined on
264 a first-come, first-served basis within its appropriate queue.
265 Each qualified production must be placed into the appropriate
266 queue and is subject to the requirements of that queue.

267 (b) Tax credit eligibility.—

268 1. General production queue.—Ninety-four percent of tax
269 credits authorized in any state fiscal year must be dedicated to
270 the general production queue. The general production queue
271 consists of all qualified productions other than those eligible
272 for the commercial and music video queue or the independent
273 production queue. A qualified production that demonstrates a
274 minimum of \$625,000 in qualified expenditures is eligible for
275 tax credits equal to 20 percent of its actual qualified
276 expenditures, up to a maximum of \$8 million. A qualified
277 production that incurs qualified expenditures during multiple
278 state fiscal years may combine those expenditures to satisfy the
279 \$625,000 minimum threshold.

280 a. An off-season certified production that is a feature
281 film, independent film, or television series or pilot is
282 eligible for an additional 5 percent tax credit on actual
283 qualified expenditures. An off-season certified production that
284 does not complete 75 percent of principal photography due to a
285 disruption caused by a hurricane or tropical storm may not be
286 disqualified from eligibility for the additional 5 percent
287 credit as a result of the disruption.

288 b. A qualified high-impact television series shall be
289 allowed first position in this queue for tax credit awards not
290 yet certified.

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291 2. Commercial and music video queue.—Three percent of tax
292 credits authorized in any state fiscal year must be dedicated to
293 the commercial and music video queue. A qualified production
294 company that produces national or regional commercials or music
295 videos may be eligible for a tax credit award if it demonstrates
296 a minimum of \$100,000 in qualified expenditures per national or
297 regional commercial or music video and exceeds a combined
298 threshold of \$500,000 after combining actual qualified
299 expenditures from qualified commercials and music videos during
300 a single state fiscal year. After a qualified production company
301 that produces commercials, music videos, or both reaches the
302 threshold of \$500,000, it is eligible to apply for certification
303 for a tax credit award. The maximum credit award shall be equal
304 to 20 percent of its actual qualified expenditures up to a
305 maximum of \$500,000. If there is a surplus at the end of a
306 fiscal year after the Office of Film and Entertainment certifies
307 and determines the tax credits for all qualified commercial and
308 video projects, such surplus tax credits shall be carried
309 forward to the following fiscal year and be available to any
310 eligible qualified productions under the general production
311 queue.

312 3. Independent production queue.—Three percent of tax
313 credits authorized in any state fiscal year must be dedicated to
314 the independent production queue. An independent Florida film or
315 digital media project that meets the criteria of this
316 subparagraph and demonstrates a minimum of \$100,000, but not
317 more than \$625,000, in total qualified expenditures is eligible
318 for tax credits equal to 20 percent of its actual qualified
319 expenditures. To qualify for this tax credit, a qualified

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320 production must:

321 a. Be planned as a feature film or documentary of at least
322 70 minutes in length or be a digital media project.

323 b. Employ legal residents of this state in at least two of
324 the following key positions: writer, director, producer, star,
325 or composer; or, in the case of a digital media project, employ
326 legal residents of this state in at least two positions
327 functionally equivalent to the positions of writer, director,
328 producer, star, or composer.

329 4. Family friendly productions.—A certified production
330 determined by the Commissioner of Film and Entertainment, with
331 the advice of the Florida Film and Entertainment Advisory
332 Council, to be family friendly, based on the review of the
333 script and the review of the final release version, is eligible
334 for an additional tax credit equal to 5 percent of its actual
335 qualified expenditures. Family friendly productions are those
336 that have cross-generational appeal; would be considered
337 suitable for viewing by children age 5 or older; are appropriate
338 in theme, content, and language for a broad family audience;
339 embody a responsible resolution of issues; and do not exhibit or
340 imply any act of smoking, sex, nudity, gratuitous violence, or
341 vulgar or profane language.

342 (c) *Withdrawal of tax credit eligibility.*—A qualified or
343 certified production must continue on a reasonable schedule,
344 which means beginning principal photography, or, in the case of
345 a digital media project, the start date of the production, in
346 this state no more than 45 calendar days before or after the
347 date provided in the production's program application. The
348 Office of Tourism, Trade, and Economic Development shall

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349 withdraw the eligibility of a qualified or certified production
350 that does not continue on a reasonable schedule.

351 (d) Election and distribution of tax credits.—

352 1. A certified production company receiving a tax credit
353 award under this section shall, at the time the credit is
354 awarded by the Office of Tourism, Trade, and Economic
355 Development after production is completed and all requirements
356 to receive a credit award have been met, make an irrevocable
357 election to apply the credit against taxes due under chapter
358 220, against taxes collected or accrued under chapter 212,
359 except that the credit authorized under this section may not be
360 applied against discretionary sales surtaxes authorized under s.
361 212.055, or against a stated combination of the two taxes. The
362 election is binding upon any distributee, successor, transferee,
363 or purchaser. The Office of Tourism, Trade, and Economic
364 Development shall notify the Department of Revenue of any
365 election made pursuant to this paragraph.

366 2. For the fiscal years beginning July 1, 2010, and ending
367 June 30, 2015, a qualified production company is eligible for
368 tax credits against its sales and use tax liabilities and
369 corporate income tax liabilities as provided in this section.
370 However, tax credits awarded under this section may not be
371 claimed against sales and use tax liabilities or corporate
372 income tax liabilities for any tax period beginning before July
373 1, 2011, regardless of when the credits are applied for or
374 awarded.

375 (e) Tax credit carryforward.—If the certified production
376 company cannot use the entire tax credit in the taxable year or
377 reporting period in which the credit is awarded, any excess

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378 amount may be carried forward to a succeeding taxable year or
379 reporting period. A tax credit applied against taxes imposed
380 under chapter 212 may be carried forward for a maximum of 5
381 years after the date the credit is awarded. A tax credit applied
382 against taxes imposed under chapter 220 may be carried forward
383 for a maximum of 5 years after the date the credit is awarded,
384 after which the credit expires and may not be used.

385 (f) Consolidated returns.—A certified production company
386 that files a Florida consolidated return as a member of an
387 affiliated group under s. 220.131(1) may be allowed the credit
388 on a consolidated return basis up to the amount of the tax
389 imposed upon the consolidated group under chapter 220.

390 (g) Partnership and noncorporate distributions.—A qualified
391 production company that is not a corporation as defined in s.
392 220.03 may elect to distribute tax credits awarded under this
393 section to its partners or members in proportion to their
394 respective distributive income or loss in the taxable fiscal
395 year in which the tax credits were awarded.

396 (h) Mergers or acquisitions.—Tax credits available under
397 this section to a certified production company may succeed to a
398 surviving or acquiring entity subject to the same conditions and
399 limitations as described in this section; however, they may not
400 be transferred again by the surviving or acquiring entity.

401 (5) TRANSFER OF TAX CREDITS.—

402 (a) Authorization.—Upon application to the Office of Film
403 and Entertainment and approval by the Office of Tourism, Trade,
404 and Economic Development, a certified production company, or a
405 partner or member that has received a distribution under
406 paragraph (4) (g), may elect to transfer, in whole or in part,

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407 any unused credit amount granted under this section. An election
408 to transfer any unused tax credit amount under chapter 212 or
409 chapter 220 must be made no later than 5 years after the date
410 the credit is awarded, after which period the credit expires and
411 may not be used. The Office of Tourism, Trade, and Economic
412 Development shall notify the Department of Revenue of the
413 election and transfer.

414 (b) Number of transfers permitted.—A certified production
415 company that elects to apply a credit amount against taxes
416 remitted under chapter 212 is permitted a one-time transfer of
417 unused credits to one transferee. The credit against sales tax
418 is available to the transferee only through a refund of
419 previously paid taxes pursuant to s. 212.08(5)(g). A certified
420 production company that elects to apply a credit amount against
421 taxes due under chapter 220 is permitted a one-time transfer of
422 unused credits to no more than four transferees, and such
423 transfers must occur in the same taxable year.

424 (c) Transferee rights and limitations.—The transferee is
425 subject to the same rights and limitations as the certified
426 production company awarded the tax credit, except that the
427 transferee may not sell or otherwise transfer the tax credit.

428 (d) Rulemaking.—The Department of Revenue may adopt rules
429 to administer this subsection, as provided in subsection (7).

430 (6) ANNUAL ALLOCATION OF TAX CREDITS.—

431 (a) The aggregate amount of the tax credits that may be
432 certified pursuant to paragraph (3)(d) may not exceed \$75
433 million per fiscal year.

434 (b) Any portion of the maximum amount of tax credits
435 established per fiscal year in paragraph (a) which is not

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436 certified as of the end of a fiscal year shall be carried
437 forward and made available for certification during the
438 following two fiscal years in addition to the amounts available
439 for certification under paragraph (a) for those fiscal years.

440 (c) Upon approval of the final tax credit award amount
441 pursuant to subparagraph (3)(f)2., an amount equal to the
442 difference between the maximum tax credit award amount
443 previously certified under paragraph (3)(d) and the approved
444 final tax credit award amount shall immediately be available for
445 recertification during the current and following fiscal years in
446 addition to the amounts available for certification under
447 paragraph (a) for those fiscal years. Credit amounts are
448 available for recertification only once under this paragraph.

449 (d) If, during a fiscal year, the total amount of credits
450 applied for, pursuant to paragraph (3)(a), exceeds the amount of
451 credits available for certification in that fiscal year, such
452 excess shall be treated as having been applied for on the first
453 day of the next fiscal year in which credits remain available
454 for certification.

455 (7) RULES, POLICIES, AND PROCEDURES.—

456 (a) The Office of Tourism, Trade, and Economic Development
457 may adopt rules pursuant to ss. 120.536(1) and 120.54 and
458 develop policies and procedures to implement and administer this
459 section, including, but not limited to, rules specifying
460 requirements for the application and approval process, records
461 required for substantiation for tax credits, procedures for
462 making the election in paragraph (4)(d), the manner and form of
463 documentation required to claim tax credits awarded or
464 transferred under this section, and marketing requirements for

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465 tax credit recipients.

466 (b) The Department of Revenue may adopt rules pursuant to
467 ss. 120.536(1) and 120.54 to administer this section, including
468 rules governing the examination and audit procedures required to
469 administer this section and the manner and form of documentation
470 required to claim tax credits awarded or transferred under this
471 section.

472 (8) AUDIT AUTHORITY; REVOCATION AND FORFEITURE OF TAX
473 CREDITS; FRAUDULENT CLAIMS.—

474 (a) Audit authority.—The Department of Revenue may conduct
475 examinations and audits as provided in s. 213.34 to verify that
476 tax credits under this section are received, transferred, and
477 applied according to the requirements of this section. If the
478 Department of Revenue determines that tax credits are not
479 received, transferred, or applied as required by this section,
480 it may, in addition to the remedies provided in this subsection,
481 pursue recovery of such funds pursuant to the laws and rules
482 governing the assessment of taxes.

483 (b) Revocation of tax credits.—The Office of Tourism,
484 Trade, and Economic Development may revoke or modify any written
485 decision qualifying, certifying, or otherwise granting
486 eligibility for tax credits under this section if it is
487 discovered that the tax credit applicant submitted any false
488 statement, representation, or certification in any application,
489 record, report, plan, or other document filed in an attempt to
490 receive tax credits under this section. The Office of Tourism,
491 Trade, and Economic Development shall immediately notify the
492 Department of Revenue of any revoked or modified orders
493 affecting previously granted tax credits. Additionally, the

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494 applicant must notify the Department of Revenue of any change in
495 its tax credit claimed.

496 (c) Forfeiture of tax credits.—A determination by the
497 Department of Revenue, as a result of an audit or examination by
498 the Department of Revenue or from information received from the
499 Office of Film and Entertainment, that an applicant received tax
500 credits pursuant to this section to which the applicant was not
501 entitled is grounds for forfeiture of previously claimed and
502 received tax credits. The applicant is responsible for returning
503 forfeited tax credits to the Department of Revenue, and such
504 funds shall be paid into the General Revenue Fund of the state.
505 Tax credits purchased in good faith are not subject to
506 forfeiture unless the transferee submitted fraudulent
507 information in the purchase or failed to meet the requirements
508 in subsection (5).

509 (d) Fraudulent claims.—Any applicant that submits
510 fraudulent information under this section is liable for
511 reimbursement of the reasonable costs and fees associated with
512 the review, processing, investigation, and prosecution of the
513 fraudulent claim. An applicant that obtains a credit payment
514 under this section through a claim that is fraudulent is liable
515 for reimbursement of the credit amount plus a penalty in an
516 amount double the credit amount. The penalty is in addition to
517 any criminal penalty to which the applicant is liable for the
518 same acts. The applicant is also liable for costs and fees
519 incurred by the state in investigating and prosecuting the
520 fraudulent claim.

521 (9) ANNUAL REPORT.—Each October 1, the Office of Film and
522 Entertainment shall provide an annual report for the previous

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523 fiscal year to the Governor, the President of the Senate, and
524 the Speaker of the House of Representatives which outlines the
525 return on investment and economic benefits to the state.

526 (10) REPEAL.—This section is repealed July 1, 2015, except
527 that the tax credit carryforward provided in this section shall
528 continue to be valid for the period specified.

529 Section 2. Subsection (8) of section 220.02, Florida
530 Statutes, is amended to read:

531 220.02 Legislative intent.—

532 (8) It is the intent of the Legislature that credits
533 against either the corporate income tax or the franchise tax be
534 applied in the following order: those enumerated in s. 631.828,
535 those enumerated in s. 220.191, those enumerated in s. 220.181,
536 those enumerated in s. 220.183, those enumerated in s. 220.182,
537 those enumerated in s. 220.1895, those enumerated in s. 221.02,
538 those enumerated in s. 220.184, those enumerated in s. 220.186,
539 those enumerated in s. 220.1845, those enumerated in s. 220.19,
540 those enumerated in s. 220.185, those enumerated in s. 220.187,
541 those enumerated in s. 220.192, those enumerated in s. 220.193,
542 ~~and~~ those enumerated in s. 288.9916, and those enumerated in s.
543 288.1254.

544 Section 3. Paragraph (z) is added to subsection (8) of
545 section 213.053, Florida Statutes, to read:

546 213.053 Confidentiality and information sharing.—

547 (8) Notwithstanding any other provision of this section,
548 the department may provide:

549 (z) Information relative to tax credits taken under s.
550 288.1254 to the Office of Film and Entertainment and the Office
551 of Tourism, Trade, and Economic Development.

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553 Disclosure of information under this subsection shall be
554 pursuant to a written agreement between the executive director
555 and the agency. Such agencies, governmental or nongovernmental,
556 shall be bound by the same requirements of confidentiality as
557 the Department of Revenue. Breach of confidentiality is a
558 misdemeanor of the first degree, punishable as provided by s.
559 775.082 or s. 775.083.

560 Section 4. Paragraph (q) of subsection (5) of section
561 212.08, Florida Statutes, is added to that subsection, to read:

562 212.08 Sales, rental, use, consumption, distribution, and
563 storage tax; specified exemptions.—The sale at retail, the
564 rental, the use, the consumption, the distribution, and the
565 storage to be used or consumed in this state of the following
566 are hereby specifically exempt from the tax imposed by this
567 chapter.

568 (5) EXEMPTIONS; ACCOUNT OF USE.—

569 (q) Entertainment industry tax credit; authorization;
570 eligibility for credits.—The credit against sales tax authorized
571 pursuant to s. 288.1254 is available to the holder of a
572 certificate only through a refund of previously paid taxes. To
573 receive a refund, a transferee must submit an application for
574 refund to the Department of Revenue within 12 months after
575 receipt of the transferred credit. Refunds shall be paid from
576 the General Revenue Fund. If the credit for the qualified
577 expenditures is larger than the amount owed on the sales and use
578 tax return on which the credit may be claimed, the unused amount
579 of the credit may be carried forward to a succeeding reporting
580 period as provided in s. 288.1254(4)(e).

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581 Section 5. If any provision of this act or the application
582 thereof to any person or circumstance is held invalid, the
583 invalidity shall not affect other provisions or applications of
584 the act which can be given effect without the invalid provision
585 or application, and to this end the provisions of this act are
586 severable.

587 Section 6. This act shall take effect July 1, 2010.