

1 A bill to be entitled
2 An act relating to the entertainment industry;
3 amending s. 288.125, F.S.; revising applicability of
4 the term "entertainment industry"; transferring,
5 renumbering, and amending s. 288.1251, F.S.; renaming
6 the Office of Film and Entertainment as the Division
7 of Film and Entertainment within Enterprise Florida,
8 Inc.; requiring the division to serve as a liaison
9 between the entertainment industry and other agencies,
10 commissions, and organizations; requiring the Governor
11 to appoint the film and entertainment commissioner;
12 revising the requirements of the division's strategic
13 plan; repealing s. 288.1252, F.S., relating to the
14 Florida Film and Entertainment Advisory Council;
15 transferring, renumbering, and amending s. 288.1253,
16 F.S.; conforming provisions to changes made by the
17 act; amending s. 288.1254, F.S.; revising and deleting
18 definitions; requiring additional information in
19 certain applications related to qualified productions;
20 establishing procedures for queuing applications
21 received after a specific period; providing procedures
22 for submitting applications for high-impact production
23 commitments; specifying the period during which
24 applications remain in the queue for tax credits;
25 establishing parameters to be used by the department
26 in certifying tax credits; requiring certified

27 production companies to provide specified workforce
28 data; requiring certified production companies to
29 contribute a specific percentage of awards to certain
30 entities; requiring certain production companies to
31 provide internship opportunities; prohibiting certain
32 production companies from submitting tax credit
33 application under certain circumstances; requiring
34 certain production companies to take specified actions
35 to promote the state; revising provisions related to
36 distributions of tax credits; revising provisions for
37 certification of tax credits in excess of allocated
38 amounts; revising dates for the repeal of certain tax
39 credits; redefining terms; requiring the Department of
40 Economic Opportunity, rather than the Office of Film
41 and Entertainment, to be responsible for applications
42 for the entertainment industry financial incentive
43 program; revising provisions relating to the
44 application process, tax credit eligibility, transfer
45 of tax credits, election and distribution of tax
46 credits, allocation of tax credits, forfeiture of tax
47 credits, and annual report; revising the repeal date
48 for the program; conforming provisions to changes made
49 by the act; specifying a date on which the
50 applications on file with the department and not yet
51 certified are deemed denied; amending s. 288.1258,
52 F.S.; conforming provisions to changes made by the

53 act; prohibiting an approved production company from
54 simultaneously receiving benefits under specified
55 provisions for the same production while protecting
56 other specified benefits; requiring the department to
57 develop a standardized application form in cooperation
58 with the division and other agencies; requiring the
59 qualified production company to submit aggregate data
60 on specified topics; authorizing a qualified
61 production company to renew its certificate of
62 exemption for a specified period; amending s. 288.92,
63 F.S.; requiring Enterprise Florida, Inc., to have a
64 division relating to film and entertainment; amending
65 s. 477.0135, F.S.; conforming a provision to changes
66 made by the act; reenacting ss. 212.08(5)(q) and
67 220.1899(3), F.S., relating to administration of the
68 entertainment industry tax credit with respect to the
69 sales and use tax and the corporate income tax,
70 respectively, to incorporate the amendment made by the
71 act to s. 288.1254, F.S., in references thereto;
72 providing an effective date.

73
74 Be It Enacted by the Legislature of the State of Florida:

75
76 Section 1. Section 288.125, Florida Statutes, is amended
77 to read:

78 288.125 Definition of "entertainment industry."—For the

79 | purposes of ss. 288.1254, 288.1258, 288.914, and 288.915,
 80 | ~~288.1251-288.1258,~~ the term "entertainment industry" means those
 81 | persons or entities engaged in the operation of motion picture
 82 | or television studios or recording studios; those persons or
 83 | entities engaged in the preproduction, production, or
 84 | postproduction of motion pictures, made-for-television movies,
 85 | television programming, digital media projects, commercial
 86 | advertising, music videos, or sound recordings; and those
 87 | persons or entities providing products or services directly
 88 | related to the preproduction, production, or postproduction of
 89 | motion pictures, made-for-television movies, television
 90 | programming, digital media projects, commercial advertising,
 91 | music videos, or sound recordings, including, but not limited
 92 | to, the broadcast industry.

93 | Section 2. Section 288.1251, Florida Statutes, is
 94 | transferred, renumbered as section 288.914, Florida Statutes,
 95 | and amended to read:

96 | 288.914 ~~288.1251~~ Promotion and development of
 97 | entertainment industry; Division ~~Office~~ of Film and
 98 | Entertainment; creation; purpose; powers and duties.-

99 | (1) CREATION.-

100 | ~~(a)~~ The Division of Film and Entertainment is ~~There is~~
 101 | ~~hereby~~ created within Enterprise Florida, Inc., ~~the department~~
 102 | ~~the Office of Film and Entertainment~~ for the purpose of
 103 | developing, recruiting, marketing, promoting, and providing
 104 | services to the state's entertainment industry. The division

105 shall serve as a liaison between the entertainment industry and
 106 other state and local governmental agencies, local film
 107 commissions, and labor organizations.

108 (2)(b) COMMISSIONER.—The Governor shall appoint a film and
 109 entertainment commissioner, who shall serve at the pleasure of
 110 the Governor and is subject to confirmation by the Senate
 111 ~~department shall conduct a national search for a qualified~~
 112 ~~person to fill the position of Commissioner of Film and~~
 113 ~~Entertainment when the position is vacant. The executive~~
 114 ~~director of the department has the responsibility to hire the~~
 115 ~~film commissioner.~~ Qualifications for the film and entertainment
 116 commissioner include, but are not limited to, the following:

117 (a)1. A working knowledge of and experience with the
 118 equipment, personnel, financial, and day-to-day production
 119 operations of the industries to be served by the division.
 120 ~~Office of Film and Entertainment;~~

121 (b)2. Marketing and promotion experience related to the
 122 film and entertainment industries to be served.†

123 (c)3. Experience working with a variety of individuals
 124 representing large and small entertainment-related businesses,
 125 industry associations, local community entertainment industry
 126 liaisons, and labor organizations.† ~~and~~

127 (d)4. Experience working with a variety of state and local
 128 governmental agencies.

129 (3)(2) POWERS AND DUTIES.—

130 (a) The division ~~Office of Film and Entertainment,~~ in

131 performance of its duties, shall develop and~~:~~

132 ~~1. In consultation with the Florida Film and Entertainment~~
 133 ~~Advisory Council,~~ annually update a 5-year ~~the~~ strategic plan
 134 ~~every 5 years~~ to guide the activities of the division ~~Office of~~
 135 ~~Film and Entertainment~~ in the areas of entertainment industry
 136 development, recruitment, marketing, promotion, liaison
 137 services, field office administration, and information. The plan
 138 shall~~:~~

139 ~~a. be annual in construction and ongoing in nature.~~

140 ~~b. At a minimum, the plan must provide the following:~~

141 1. The ~~Include recommendations relating to the~~
 142 organizational structure of the division, including any field
 143 offices outside the state ~~office.~~

144 ~~2.e.~~ The coordination of the division with local or
 145 regional offices maintained by counties and regions of the
 146 state, local film commissions, and labor organizations, and the
 147 coordination of such entities with each other to facilitate a
 148 working relationship.

149 3. Strategies to identify, solicit, and recruit
 150 entertainment production opportunities for the state, including
 151 implementation of programs for rural and urban areas designed to
 152 develop and promote the state's entertainment industry.

153 ~~4. Include~~ An annual budget projection for the division
 154 ~~office~~ for each year of the plan.

155 ~~d. Include an operational model for the office to use in~~
 156 ~~implementing programs for rural and urban areas designed to:~~

157 ~~(I) Develop and promote the state's entertainment~~
 158 ~~industry.~~

159 ~~(II) Have the office serve as a liaison between the~~
 160 ~~entertainment industry and other state and local governmental~~
 161 ~~agencies, local film commissions, and labor organizations.~~

162 ~~(III) Gather statistical information related to the~~
 163 ~~state's entertainment industry.~~

164 5.~~(IV)~~ Provide Information and services ~~service~~ to
 165 businesses, communities, organizations, and individuals engaged
 166 in entertainment industry activities.

167 ~~(V) Administer field offices outside the state and~~
 168 ~~coordinate with regional offices maintained by counties and~~
 169 ~~regions of the state, as described in sub-sub-subparagraph (II),~~
 170 ~~as necessary.~~

171 6.e. ~~Include~~ Performance standards and measurable outcomes
 172 for the programs to be implemented by the division ~~office~~.
 173

174 The plan shall be reviewed annually and approved by the board of
 175 directors of Enterprise Florida, Inc.

176 ~~f. Include an assessment of, and make recommendations on,~~
 177 ~~the feasibility of creating an alternative public-private~~
 178 ~~partnership for the purpose of contracting with such a~~
 179 ~~partnership for the administration of the state's entertainment~~
 180 ~~industry promotion, development, marketing, and service~~
 181 ~~programs.~~

182 2. ~~Develop, market, and facilitate a working relationship~~

183 ~~between state agencies and local governments in cooperation with~~
184 ~~local film commission offices for out-of-state and indigenous~~
185 ~~entertainment industry production entities.~~

186 ~~3. Implement a structured methodology prescribed for~~
187 ~~coordinating activities of local offices with each other and the~~
188 ~~commissioner's office.~~

189 (b) The division shall also:

190 1.4. Represent the state's indigenous entertainment
191 industry to key decisionmakers within the national and
192 international entertainment industry, and to state and local
193 officials.

194 2.5. Prepare an inventory and analysis of the state's
195 entertainment industry, including, but not limited to,
196 information on crew, related businesses, support services, job
197 creation, talent, and economic impact and coordinate with local
198 offices to develop an information tool for common use. Any
199 economic impact analysis created pursuant to this paragraph
200 shall be made in coordination with the Office of Economic and
201 Demographic Research.

202 3.6. Identify, solicit, and recruit entertainment
203 production opportunities for the state.

204 4.7. Assist rural communities and other small communities
205 in the state in developing the expertise and capacity necessary
206 for such communities to develop, market, promote, and provide
207 services to the state's entertainment industry.

208 (c) (b) The division ~~Office of Film and Entertainment~~, in

209 the performance of its duties, may:

210 1. Conduct or contract for specific promotion and
 211 marketing functions, including, but not limited to, production
 212 of a statewide directory, production and maintenance of an
 213 Internet website, establishment and maintenance of a toll-free
 214 telephone number, organization of trade show participation, and
 215 appropriate cooperative marketing opportunities.

216 2. Conduct its affairs, carry on its operations, establish
 217 offices, and exercise the powers granted by this act in any
 218 state, territory, district, or possession of the United States.

219 3. Carry out any program of information, special events,
 220 or publicity designed to attract entertainment industry to
 221 Florida.

222 4. Develop relationships and leverage resources with other
 223 public and private organizations or groups in their efforts to
 224 publicize to the entertainment industry in this state, other
 225 states, and other countries the depth of Florida's entertainment
 226 industry talent, crew, production companies, production
 227 equipment resources, related businesses, and support services,
 228 including the establishment of and expenditure for a program of
 229 cooperative advertising with these public and private
 230 organizations and groups in accordance with the provisions of
 231 chapter 120.

232 5. Provide and arrange for reasonable and necessary
 233 promotional items and services for such persons as the division
 234 ~~office~~ deems proper in connection with the performance of the

235 promotional and other duties of the division ~~office~~.

236 6. Prepare an ~~annual~~ economic impact analysis in
 237 coordination with the Office of Economic and Demographic
 238 Research on entertainment industry-related activities in the
 239 state.

240 7. Request or accept any grant, payment, or gift of funds
 241 or property made by this state, the United States, or any
 242 department or agency thereof, or by any individual, firm,
 243 corporation, municipality, county, or organization, for ~~any or~~
 244 ~~all of the purposes of the Office of Film and Entertainment's 5-~~
 245 year strategic plan or those permitted activities enumerated in
 246 this paragraph. Such funds shall be deposited in a separate
 247 account ~~the Grants and Donations Trust Fund of the Executive~~
 248 ~~Office of the Governor~~ for use by the division ~~Office of Film~~
 249 ~~and Entertainment~~ in carrying out its responsibilities and
 250 duties as delineated in law. The division ~~office~~ may expend such
 251 funds in accordance with the terms and conditions of any such
 252 grant, payment, or gift in the pursuit of its administration or
 253 in support of fulfilling its duties and responsibilities. The
 254 division ~~office~~ shall separately account for the public funds
 255 and the private funds deposited into the account ~~trust fund~~.

256 Section 3. Section 288.1252, Florida Statutes, is
 257 repealed.

258 Section 4. Section 288.1253, Florida Statutes, is
 259 transferred, renumbered as section 288.915, Florida Statutes,
 260 and amended to read:

261 288.915 ~~288.1253~~ Travel and entertainment expenses.—

262 (1) As used in this section, the term "travel expenses"
 263 means the actual, necessary, and reasonable costs of
 264 transportation, meals, lodging, and incidental expenses normally
 265 incurred by an employee of the Division Office of Film and
 266 Entertainment within Enterprise Florida, Inc., as which costs
 267 ~~are~~ defined and prescribed by ~~rules adopted by the~~ department
 268 rule, subject to approval by the Chief Financial Officer.

269 (2) Notwithstanding ~~the provisions of~~ s. 112.061, the
 270 department shall adopt rules by which the Division of Film and
 271 Entertainment ~~it~~ may make expenditures by reimbursement to: the
 272 Governor, the Lieutenant Governor, security staff of the
 273 Governor or Lieutenant Governor, the Commissioner of Film and
 274 Entertainment, or staff of the division Office ~~of Film and~~
 275 ~~Entertainment~~ for travel expenses or entertainment expenses
 276 incurred by such individuals solely and exclusively in
 277 connection with the performance of the statutory duties of the
 278 division Office ~~of Film and Entertainment~~. The rules are subject
 279 to approval by the Chief Financial Officer before adoption. The
 280 rules shall require the submission of paid receipts, or other
 281 proof of expenditure prescribed by the Chief Financial Officer,
 282 with any claim for reimbursement.

283 (3) The Division Office of Film and Entertainment shall
 284 include in the annual report for the entertainment industry
 285 ~~financial incentive~~ program required under s. 288.1254
 286 ~~288.1254(10)~~ a report of the division's office's expenditures

287 for the previous fiscal year. The report must summarize ~~consist~~
 288 ~~of a summary of~~ all travel, entertainment, and incidental
 289 expenses incurred within the United States and all travel,
 290 entertainment, and incidental expenses incurred outside the
 291 United States, as well as summarize ~~a summary of~~ all successful
 292 projects that developed from such travel.

293 (4) The Division ~~Office~~ of Film and Entertainment and its
 294 employees and representatives, when authorized, may accept and
 295 use complimentary travel, accommodations, meeting space, meals,
 296 equipment, transportation, and any other goods or services
 297 necessary for or beneficial to the performance of the division's
 298 ~~office's~~ duties and purposes, so long as such acceptance or use
 299 is not in conflict with part III of chapter 112. The department
 300 shall, by rule, develop internal controls to ensure that such
 301 goods or services accepted or used pursuant to this subsection
 302 are limited to those that will assist solely and exclusively in
 303 the furtherance of the division's ~~office's~~ goals and are in
 304 compliance with part III of chapter 112.

305 (5) Any claim submitted under this section is not required
 306 to be sworn to before a notary public or other officer
 307 authorized to administer oaths, but any claim authorized or
 308 required to be made under any provision of this section shall
 309 contain a statement that the expenses were actually incurred as
 310 necessary travel or entertainment expenses in the performance of
 311 official duties of the Division ~~Office~~ of Film and Entertainment
 312 and shall be verified by written declaration that it is true and

313 correct as to every material matter. Any person who willfully
 314 makes and subscribes to any claim that ~~which~~ he or she does not
 315 believe to be true and correct as to every material matter or
 316 who willfully aids or assists in, procures, or counsels or
 317 advises with respect to, the preparation or presentation of a
 318 claim pursuant to this section that is fraudulent or false as to
 319 any material matter, whether such falsity or fraud is with the
 320 knowledge or consent of the person authorized or required to
 321 present the claim, commits a misdemeanor of the second degree,
 322 punishable as provided in s. 775.082 or s. 775.083. Whoever
 323 receives a reimbursement by means of a false claim is civilly
 324 liable, in the amount of the overpayment, for the reimbursement
 325 of the public fund from which the claim was paid.

326 Section 5. Subsections (1) through (7) and (11) of section
 327 288.1254, Florida Statutes, are amended to read:

328 288.1254 Entertainment industry financial incentive
 329 economic development tax credit program.—

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

331 (a) "Certified production" means a qualified production
 332 that has tax credits allocated to it by the department based on
 333 the production's estimated qualified expenditures, up to the
 334 production's maximum certified amount of tax credits, by the
 335 department. The term does not include a production if its first
 336 day of principal photography or project start date in this state
 337 occurs before the production is certified by the department,
 338 unless the production spans more than 1 fiscal year, was a

339 certified production on its first day of principal photography
 340 or project start date in this state, and submits an application
 341 for continuing the same production for the subsequent fiscal
 342 year.

343 (b) "Digital media project" means a production of
 344 interactive entertainment that is produced for distribution in
 345 commercial or educational markets. The term includes a video
 346 game or production intended for Internet or wireless
 347 distribution, an interactive website, digital animation, and
 348 visual effects, including, but not limited to, three-dimensional
 349 movie productions and movie conversions. The term does not
 350 include a production that contains content that is obscene as
 351 defined in s. 847.001.

352 (c) "High-impact digital media project" means a digital
 353 media project that has qualified expenditures greater than \$4.5
 354 million.

355 (d) "High-impact television production series" means:

356 1. A production series created to run multiple production
 357 seasons which has and having an estimated order of at least
 358 seven episodes per season and qualified expenditures of at least
 359 \$1 million ~~\$625,000~~ per episode; or

360 2. A telenovela that has qualified expenditures of more
 361 than \$4.5 million; a minimum of 45 principal photography days
 362 filmed in this state; a production cast, including background
 363 actors and crew, of which at least 90 percent are legal
 364 residents of the state; and at least 90 percent of the

365 production occurring in this state.

366 (e) "Off-season certified production" means a feature
367 film, independent film, or television series or pilot that films
368 75 percent or more of its principal photography days from June 1
369 through November 30.

370 (f) "Principal photography" means the filming of major or
371 significant components of the qualified production which involve
372 lead actors.

373 (g) "Production" means a theatrical or direct-to-video
374 motion picture; a made-for-television motion picture; visual
375 effects or digital animation sequences produced in conjunction
376 with a motion picture; a commercial; a music video; an
377 industrial or educational film; an infomercial; a documentary
378 film; a television pilot program; a presentation for a
379 television pilot program; a television series, including, but
380 not limited to, a drama, a reality show, a comedy, a soap opera,
381 a telenovela, a game show, an awards show, or a miniseries
382 production; a direct-to-Internet television series; or a digital
383 media project by the entertainment industry. One season of a
384 television series is considered one production. The term does
385 not include a weather or market program; a sporting event or a
386 sporting event broadcast; a gala; a production that solicits
387 funds; a home shopping program; a political program; a political
388 documentary; political advertising; a gambling-related project
389 or production; a concert production; a local, regional, or
390 Internet-distributed-only news show or current-events show; a

391 sports news or sports recap show; a pornographic production; or
392 any production deemed obscene under chapter 847. A production
393 may be produced on or by film, tape, or otherwise by means of a
394 motion picture camera; electronic camera or device; tape device;
395 computer; any combination of the foregoing; or any other means,
396 method, or device.

397 (h) "Production expenditures" means the costs of tangible
398 and intangible property used for, and services performed
399 primarily and customarily in, production, including
400 preproduction and postproduction, but excluding costs for
401 development, marketing, and distribution. The term includes, but
402 is not limited to:

403 1. Wages, salaries, or other compensation paid to legal
404 residents of this state, including amounts paid through payroll
405 service companies, for technical and production crews,
406 directors, producers, and performers.

407 2. Net expenditures for sound stages, backlots, production
408 editing, digital effects, sound recordings, sets, and set
409 construction.

410 3. Net expenditures for rental equipment, including, but
411 not limited to, cameras and grip or electrical equipment.

412 4. Up to \$300,000 of the costs of newly purchased computer
413 software and hardware unique to the project, including servers,
414 data processing, and visualization technologies, which are
415 located in and used exclusively in the state for the production
416 of digital media.

417 5. Expenditures for meals, travel, and accommodations. For
 418 purposes of this paragraph, the term "net expenditures" means
 419 the actual amount of money a qualified production spent for
 420 equipment or other tangible personal property, after subtracting
 421 any consideration received for reselling or transferring the
 422 item after the qualified production ends, if applicable.

423 (i) "Qualified expenditures" means production expenditures
 424 incurred in this state by a qualified production for:

425 1. Goods purchased or leased from, or services, including,
 426 but not limited to, insurance costs and bonding, payroll
 427 services, and legal fees, which are provided by, a vendor or
 428 supplier in this state that is registered with the Department of
 429 State or the Department of Revenue, has a physical location in
 430 this state, and employs one or more legal residents of this
 431 state. This does not include rebilled goods or services provided
 432 by an in-state company from out-of-state vendors or suppliers.
 433 When services provided by the vendor or supplier include
 434 personal services or labor, only personal services or labor
 435 provided by residents of this state, evidenced by the required
 436 documentation of residency in this state, qualify.

437 2. Payments to legal residents of this state in the form
 438 of salary, wages, or other compensation up to a maximum of
 439 \$400,000 per resident unless otherwise specified in subsection
 440 (4). A completed declaration of residency in this state must
 441 accompany the documentation submitted to the office for
 442 reimbursement.

443
444 For a qualified production involving an event, such as an awards
445 show, the term does not include expenditures solely associated
446 with the event itself and not directly required by the
447 production. The term does not include expenditures incurred
448 before certification, with the exception of those incurred for a
449 commercial, a music video, or the pickup of additional episodes
450 of a high-impact television series within a single season. Under
451 no circumstances may the qualified production include in the
452 calculation of ~~for~~ qualified expenditures the original purchase
453 price for equipment or other tangible property that is later
454 sold or transferred by the qualified production for
455 consideration. In such cases, the qualified expenditure is the
456 net of the original purchase price minus the consideration
457 received upon sale or transfer.

458 (j) "Qualified production" means a production in this
459 state meeting the requirements of this section. The term does
460 not include a production:

461 1. In which, for the first 2 years of the incentive
462 program, less than 50 percent, and thereafter, less than 60
463 percent, of the positions that make up its production cast and
464 below-the-line production crew, or, in the case of digital media
465 projects, less than 75 percent of such positions, are filled by
466 legal residents of this state, whose residency is demonstrated
467 by a valid Florida driver license or other state-issued
468 identification confirming residency, or students enrolled full-

469 | time in a film-and-entertainment-related course of study at an
 470 | institution of higher education in this state; or

471 | 2. That contains obscene content as defined in s.
 472 | 847.001(10).

473 | (k) "Qualified production company" means a corporation,
 474 | limited liability company, partnership, or other legal entity
 475 | engaged in one or more productions in this state.

476 | (l) "Qualified digital media production facility" means a
 477 | building or series of buildings and their improvements in which
 478 | data processing, visualization, and sound synchronization
 479 | technologies are regularly applied for the production of
 480 | qualified digital media projects or the digital animation
 481 | components of qualified productions.

482 | (m) "Qualified production facility" means a building or
 483 | complex of buildings and their improvements and associated
 484 | backlot facilities in which regular filming activity for film or
 485 | television has occurred for a period of no less than 1 year and
 486 | which contain at least one sound stage of at least 7,800 square
 487 | feet.

488 | ~~(n) "Regional population ratio" means the ratio of the~~
 489 | ~~population of a region to the population of this state. The~~
 490 | ~~regional population ratio applicable to a given fiscal year is~~
 491 | ~~the regional population ratio calculated by the Office of Film~~
 492 | ~~and Entertainment using the latest official estimates of~~
 493 | ~~population certified under s. 186.901, available on the first~~
 494 | ~~day of that fiscal year.~~

495 ~~(e) "Regional tax credit ratio" means a ratio the~~
 496 ~~numerator of which is the sum of tax credits awarded to~~
 497 ~~productions in a region to date plus the tax credits certified,~~
 498 ~~but not yet awarded, to productions currently in that region and~~
 499 ~~the denominator of which is the sum of all tax credits awarded~~
 500 ~~in the state to date plus all tax credits certified, but not yet~~
 501 ~~awarded, to productions currently in the state. The regional tax~~
 502 ~~credit ratio applicable to a given year is the regional tax~~
 503 ~~credit ratio calculated by the Office of Film and Entertainment~~
 504 ~~using credit award and certification information available on~~
 505 ~~the first day of that fiscal year.~~

506 ~~(p) "Underutilized region" for a given state fiscal year~~
 507 ~~means a region with a regional tax credit ratio applicable to~~
 508 ~~that fiscal year that is lower than its regional population~~
 509 ~~ratio applicable to that fiscal year. The following regions are~~
 510 ~~established for purposes of making this determination:~~

511 ~~1. North Region, consisting of Alachua, Baker, Bay,~~
 512 ~~Bradford, Calhoun, Clay, Columbia, Dixie, Duval, Escambia,~~
 513 ~~Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Holmes, Jackson,~~
 514 ~~Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Nassau,~~
 515 ~~Okaloosa, Putnam, Santa Rosa, St. Johns, Suwannee, Taylor,~~
 516 ~~Union, Wakulla, Walton, and Washington Counties.~~

517 ~~2. Central East Region, consisting of Brevard, Flagler,~~
 518 ~~Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St.~~
 519 ~~Lucie, and Volusia Counties.~~

520 ~~3. Central West Region, consisting of Citrus, Hernando,~~

521 ~~Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota,~~
 522 ~~and Sumter Counties.~~

523 ~~4. Southwest Region, consisting of Charlotte, Collier,~~
 524 ~~DeSoto, Glades, Hardee, Hendry, Highlands, and Lee Counties.~~

525 ~~5. Southeast Region, consisting of Broward, Martin, Miami-~~
 526 ~~Dade, Monroe, and Palm Beach Counties.~~

527 (n)-(g) "Interactive website" means a website or group of
 528 websites that includes interactive and downloadable content, and
 529 creates 25 new Florida full-time equivalent positions operating
 530 from a principal place of business located within Florida. An
 531 interactive website or group of websites must provide
 532 documentation to the Division of Film and Entertainment that
 533 those jobs were created ~~to the Office of Film and Entertainment~~
 534 prior to the award of tax credits. Each subsequent program
 535 application must provide proof that 25 Florida full-time
 536 equivalent positions are maintained.

537 (2) CREATION AND PURPOSE OF PROGRAM.—The entertainment
 538 industry financial incentive program is created within the
 539 Division ~~Office~~ of Film and Entertainment. The purpose of this
 540 program is to encourage the use of this state as a site for
 541 filming, for the digital production of films, and to develop and
 542 sustain the workforce and infrastructure for film, digital
 543 media, and entertainment production.

544 (3) APPLICATION PROCEDURE; APPROVAL PROCESS.—

545 (a) Program application.—A qualified production company
 546 producing a qualified production in this state may submit a

547 program application to the Division ~~Office~~ of Film and
548 Entertainment for the purpose of determining qualification for
549 an award of tax credits authorized by this section no earlier
550 than 180 days before the first day of principal photography or
551 project start date in this state. The applicant shall provide
552 the division ~~Office of Film and Entertainment~~ with information
553 required to determine whether the production is a qualified
554 production and to determine the qualified expenditures and other
555 information necessary for the division ~~office~~ to determine
556 eligibility for the tax credit.

557 (b) Required documentation.—The Division ~~Office~~ of Film
558 and Entertainment shall develop an application form for
559 qualifying an applicant as a qualified production. The form must
560 include, but need not be limited to, production-related
561 information concerning employment of residents in this state, a
562 detailed budget of planned qualified expenditures and
563 nonqualified expenditures in this state, and the applicant's
564 signed affirmation that the information on the form has been
565 verified and is correct. The Division ~~Office~~ of Film and
566 Entertainment and local film commissions shall distribute the
567 form.

568 (c) Application process.—

569 1. The Division of Film and Entertainment shall establish
570 a process to receive and review applications.

571 2. The Office of Economic and Demographic Research shall
572 create or approve a model to be used by the Division of Film and

573 Entertainment to determine the expected economic benefit of the
574 proposed production in each application. The expected economic
575 benefit derived from such model shall be quantified in a numeric
576 score awarded to the application. That score is the "production
577 priority score."

578 3. The Division of Film and Entertainment shall designate
579 two application cycles per fiscal year for qualified production
580 companies to submit applications pursuant to this section. Each
581 application cycle shall consist of an application submittal
582 deadline and a review period. The two application deadlines
583 shall be separated by at least 4 months. The first application
584 cycle shall be application cycle "A" and the second cycle shall
585 be application cycle "B." Each applicant must designate the
586 cycle for which the applicant is applying.

587 4. The Division of Film and Entertainment shall determine
588 the length of the review period for each application cycle, not
589 to exceed 30 days, and must immediately follow its corresponding
590 deadline. During each review period, the Division of Film and
591 Entertainment shall:

592 a. Review each timely received application to ensure that
593 the application is complete and label each application according
594 to its queue as set forth in subsection (4).

595 b. Use the model created or approved by the Office of
596 Economic and Demographic Research to determine each
597 application's production priority score.

598 c. Submit each complete and timely received application,

599 along with its production priority score, to the department.

600 5. Applications not timely received may not carry forward
601 to a subsequent application cycle. ~~The Office of Film and~~
602 ~~Entertainment shall establish a process by which an application~~
603 ~~is accepted and reviewed and by which tax credit eligibility and~~
604 ~~award amount are determined. The Office of Film and~~
605 ~~Entertainment may request assistance from a duly appointed local~~
606 ~~film commission in determining compliance with this section.~~

607 6. A certified high-impact television series may submit an
608 initial application for no more than two successive seasons,
609 notwithstanding the fact that the successive seasons have not
610 been ordered. The successive season's qualified expenditure
611 amounts shall be based on the current season's estimated
612 qualified expenditures. Upon the completion of production of
613 each season, a high-impact television series may submit an
614 application for no more than one additional season.

615 (d) Certification. ~~The Office of Film and Entertainment~~
616 ~~shall review the application within 15 business days after~~
617 ~~receipt. Upon its determination that the application contains~~
618 ~~all the information required by this subsection and meets the~~
619 ~~criteria set out in this section, the Office of Film and~~
620 ~~Entertainment shall qualify the applicant and recommend to the~~
621 ~~department that the applicant be certified for the maximum tax~~
622 ~~credit award amount.~~

623 1. Within 5 business days after the end of an application
624 cycle review period, ~~receipt of the recommendation,~~ the

625 department shall ~~reject the recommendation or~~ certify the
 626 maximum ~~recommended~~ tax credit award, if any, to each the
 627 applicant and give priority to applicants that received the
 628 highest production priority score. The department may only
 629 compare an application's production priority score to
 630 applications of the same queue pursuant to subsection (4). The
 631 department shall submit certified applications to the executive
 632 director of the Department of Revenue.

633 2. The department may only certify up to 50 percent of the
 634 credits available in a fiscal year for application cycle "A" of
 635 such fiscal year. All remaining tax credits in a fiscal year may
 636 be certified in application cycle "B."

637 3. In any fiscal year, the department may only certify the
 638 amount of tax credits allocated for that fiscal year.

639 (e) Employment.—

640 1. Upon certification by the department, the production
 641 company must provide the Division of Film and Entertainment with
 642 a single point of contact and information related to the
 643 production's need for Florida workforce, goods, and services.
 644 The division shall publish this information on its website,
 645 including the type of production, the project's anticipated
 646 start date, and anticipated principal photography locations. The
 647 department may adopt rules to implement this paragraph.

648 2. A production company, upon receiving the tax credit
 649 award, shall contribute 5 percent of the award to a workforce
 650 training program or an institution of higher education in this

651 state that is designated by the department as an approved
652 recipient of workforce development funds under this paragraph.

653 3. A production company that has entered into a high-
654 impact production commitment shall provide internship
655 opportunities for at least five Florida residents from an
656 approved recipient of workforce development funds under this
657 paragraph. Such internship opportunities shall be advertised on
658 the state's job bank system.

659 (f) Grounds for denial.—The Division Office of Film and
660 Entertainment shall deny an application if it determines that
661 the application is not complete or the production or application
662 does not meet the requirements of this section. Within 90 days
663 after submitting a program application, except with respect to
664 applications in the independent and emerging media queue, a
665 production must provide proof of project financing to the
666 Division Office of Film and Entertainment, otherwise the project
667 is deemed denied and withdrawn. A project that has been
668 withdrawn may submit a new application upon providing the
669 Division Office of Film and Entertainment proof of financing.

670 (g) ~~(f)~~ Verification of actual qualified expenditures.—

671 1. The Division Office of Film and Entertainment shall
672 develop a process to verify the actual qualified expenditures of
673 a certified production. The process must require:

674 a. A certified production to submit, in a timely manner
675 after production ends in this state and after making all of its
676 qualified expenditures in this state, data substantiating each

677 qualified expenditure, including documentation on the net
678 expenditure on equipment and other tangible personal property by
679 the qualified production, to an independent certified public
680 accountant licensed in this state.~~†~~

681 b. Such accountant to conduct a compliance audit, at the
682 certified production's expense, to substantiate each qualified
683 expenditure and submit the results as a report, along with the
684 required substantiating data, to the Division ~~Office~~ of Film and
685 Entertainment.~~†~~ and

686 c. The Division ~~Office~~ of Film and Entertainment to review
687 the accountant's submittal and report to the department the
688 final verified amount of actual qualified expenditures made by
689 the certified production.

690 2. The department shall determine and approve the final
691 tax credit award amount to each certified applicant based on the
692 final verified amount of actual qualified expenditures and shall
693 notify the executive director of the Department of Revenue in
694 writing that the certified production has met the requirements
695 of the incentive program and of the final amount of the tax
696 credit award. The final tax credit award amount may not exceed
697 the maximum tax credit award amount certified under paragraph
698 (d).

699 (h) ~~(g)~~ Promoting Florida.—The Division ~~Office~~ of Film and
700 Entertainment shall ensure that, as a condition of receiving a
701 tax credit under this section, marketing materials promoting
702 this state as a tourist destination or film and entertainment

703 production destination are included, when appropriate, at no
704 cost to the state, which must, at a minimum, include placement
705 of a "Filmed in Florida" or "Produced in Florida" logo in the
706 end credits. The placement of a "Filmed in Florida" or "Produced
707 in Florida" logo on all packaging material and hard media is
708 also required, unless such placement is prohibited by licensing
709 or other contractual obligations. The size and placement of such
710 logo shall be commensurate to other logos used. If no logos are
711 used, the statement "Filmed in Florida using Florida's
712 Entertainment Industry Financial Incentive," or a similar
713 statement approved by the Division Office of Film and
714 Entertainment, shall be used. The Division Office of Film and
715 Entertainment shall provide a logo and supply it for the
716 purposes specified in this paragraph. A 30-second "Visit
717 Florida" promotional video must also be included on all optical
718 disc formats of a film, unless such placement is prohibited by
719 licensing or other contractual obligations. The 30-second
720 promotional video shall be approved and provided by the Florida
721 Tourism Industry Marketing Corporation in consultation with the
722 Commissioner of Film and Entertainment. A qualified production
723 company that receives certification for tax credits under this
724 section shall include, at no additional cost to the state, a
725 link to the Florida Tourism Industry Marketing Corporation
726 website or another website designated by the department on the
727 company's website for the entire term of the commitment. If the
728 company is unable to provide such link on its website, it must

729 provide a promotional opportunity of equal or greater value as
 730 approved by and at the sole discretion of the department.

731 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;
 732 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;
 733 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND
 734 ACQUISITIONS.—

735 ~~(a) Priority for tax credit award.—The priority of a~~
 736 ~~qualified production for tax credit awards must be determined on~~
 737 ~~a first-come, first-served basis within its appropriate queue.~~
 738 ~~Each qualified production must be placed into the appropriate~~
 739 ~~queue and is subject to the requirements of that queue.~~

740 (a)(b) Tax credit eligibility.—Each qualified production
 741 must be placed into the appropriate queue and is subject to the
 742 requirements of that queue.

743 1. General production queue.—Ninety-four percent of tax
 744 credits authorized pursuant to subsection (6) in any state
 745 fiscal year must be dedicated to the general production queue.
 746 The general production queue consists of all qualified
 747 productions other than those eligible for the commercial and
 748 music video queue or the independent and emerging media
 749 production queue. A qualified production that demonstrates a
 750 minimum of \$625,000 in qualified expenditures is eligible for
 751 tax credits equal to 20 percent of its actual qualified
 752 expenditures, up to a maximum of \$8 million. A qualified
 753 production that incurs qualified expenditures during multiple
 754 state fiscal years may combine those expenditures to satisfy the

755 \$625,000 minimum threshold.

756 a. An off-season certified production that is a feature
757 film, independent film, or television series or pilot is
758 eligible for an additional 5 percent tax credit on actual
759 qualified expenditures. An off-season certified production that
760 does not complete 75 percent of principal photography due to a
761 disruption caused by a hurricane or tropical storm may not be
762 disqualified from eligibility for the additional 5 percent
763 credit as a result of the disruption.

764 ~~b. If more than 45 percent of the sum of total tax credits~~
765 ~~initially certified and awarded after April 1, 2012, total tax~~
766 ~~credits initially certified after April 1, 2012, but not yet~~
767 ~~awarded, and total tax credits available for certification after~~
768 ~~April 1, 2012, but not yet certified has been awarded for high-~~
769 ~~impact television series, then no high-impact television series~~
770 ~~is eligible for tax credits under this subparagraph. Tax credits~~
771 ~~initially certified for a high-impact television series after~~
772 ~~April 1, 2012, may not be awarded if the award will cause the~~
773 ~~percentage threshold in this sub-subparagraph to be exceeded.~~
774 ~~This sub-subparagraph does not prohibit the award of tax credits~~
775 ~~certified before April 1, 2012, for high-impact television~~
776 ~~series.~~

777 ~~e. Subject to sub-subparagraph b., first priority in the~~
778 ~~queue for tax credit awards not yet certified shall be given to~~
779 ~~high-impact television series and high-impact digital media~~
780 ~~projects. For the purposes of determining priority between a~~

781 ~~high-impact television series and a high-impact digital media~~
782 ~~project, the first position must go to the first application~~
783 ~~received. Thereafter, priority shall be determined by~~
784 ~~alternating between a high-impact television series and a high-~~
785 ~~impact digital media project on a first come, first served~~
786 ~~basis. However, if the Office of Film and Entertainment receives~~
787 ~~an application for a high-impact television series or high-~~
788 ~~impact digital media project that would be certified but for the~~
789 ~~alternating priority, the office may certify the project as~~
790 ~~being in the priority position if an application that would~~
791 ~~normally be the priority position is not received within 5~~
792 ~~business days.~~

793 ~~d. A qualified production for which at least 67 percent of~~
794 ~~its principal photography days occur within a region designated~~
795 ~~as an underutilized region at the time that the production is~~
796 ~~certified is eligible for an additional 5 percent tax credit.~~

797 ~~b.e.~~ A qualified production may receive an additional 15-
798 percent tax credit on qualified expenditures on wages, salaries,
799 or other compensation paid to the following individuals employed
800 by the qualified production: that employs students enrolled
801 full-time in a film and entertainment-related or digital media-
802 related course of study at an institution of higher education in
803 this state, individuals participating in the road-to-
804 independence program under s. 409.1451, individuals with
805 developmental disabilities as defined in s. 393.063 who reside
806 in the state, and veterans residing in the state ~~is eligible for~~

807 ~~an additional 15 percent tax credit on qualified expenditures~~
808 ~~that are wages, salaries, or other compensation paid to such~~
809 ~~students.~~ The additional 15 percent tax credit is also
810 applicable to persons hired within 12 months after graduating
811 from a film and entertainment-related or digital media-related
812 course of study at an institution of higher education in this
813 state. The additional 15 percent tax credit applies to qualified
814 expenditures that are wages, salaries, or other compensation
815 paid to such recent graduates for 1 year after the date of
816 hiring.

817 ~~c.f.~~ A qualified production for which 50 percent or more
818 of its principal photography occurs at a qualified production
819 facility, or a qualified digital media project or the digital
820 animation component of a qualified production for which 50
821 percent or more of the project's or component's qualified
822 expenditures are related to a qualified digital media production
823 facility, is eligible for an additional 5 percent tax credit on
824 actual qualified expenditures for production activity at that
825 facility.

826 ~~d.g.~~ A qualified production is not eligible for tax
827 credits provided under this paragraph totaling more than 25 ~~30~~
828 percent of its actual qualified expenses.

829 2. Commercial and music video queue.—Three percent of tax
830 credits authorized pursuant to subsection (6) in any state
831 fiscal year must be dedicated to the commercial and music video
832 queue. A qualified production company that produces national or

833 regional commercials or music videos may be eligible for a tax
834 credit award if it demonstrates a minimum of \$100,000 in
835 qualified expenditures per national or regional commercial or
836 music video and exceeds a combined threshold of \$500,000 after
837 combining actual qualified expenditures from qualified
838 commercials and music videos during a single state fiscal year.
839 After a qualified production company that produces commercials,
840 music videos, or both reaches the threshold of \$500,000, it is
841 eligible to apply for certification for a tax credit award. The
842 maximum credit award shall be equal to 20 percent of its actual
843 qualified expenditures up to a maximum of \$500,000. If there is
844 a surplus at the end of a fiscal year after the department
845 ~~Office of Film and Entertainment~~ certifies and determines the
846 tax credits for all qualified commercial and video projects,
847 such surplus tax credits shall be carried forward to the
848 following fiscal year and are available to any eligible
849 qualified productions under the general production queue.

850 3. Independent and emerging media production queue.—Three
851 percent of tax credits authorized pursuant to subsection (6) in
852 any state fiscal year must be dedicated to the independent and
853 emerging media production queue. This queue is intended to
854 encourage independent film and emerging media production in this
855 state. Any qualified production, excluding commercials,
856 infomercials, or music videos, which demonstrates at least
857 \$100,000, but not more than \$625,000, in total qualified
858 expenditures is eligible for tax credits equal to 20 percent of

859 its actual qualified expenditures. If a surplus exists at the
860 end of a fiscal year after the department ~~Office of Film and~~
861 ~~Entertainment~~ certifies and determines the tax credits for all
862 qualified independent and emerging media production projects,
863 such surplus tax credits shall be carried forward to the
864 following fiscal year and are available to any eligible
865 qualified productions under the general production queue.

866 4. Family-friendly productions.—A certified theatrical or
867 direct-to-video motion picture production or video game
868 determined by the Commissioner of Film and Entertainment, ~~with~~
869 ~~the advice of the Florida Film and Entertainment Advisory~~
870 ~~Council~~, to be family-friendly, based on review of the script
871 and review of the final release version, is eligible for an
872 additional tax credit equal to 5 percent of its actual qualified
873 expenditures. Family-friendly productions are those that have
874 cross-generational appeal; would be considered suitable for
875 viewing by children age 5 or older; are appropriate in theme,
876 content, and language for a broad family audience; embody a
877 responsible resolution of issues; and do not exhibit or imply
878 any act of smoking, sex, nudity, or vulgar or profane language.

879 (b) ~~(e)~~ Withdrawal of tax credit eligibility.—A qualified or
880 certified production must continue on a reasonable schedule,
881 which includes beginning principal photography or the production
882 project in this state no more than 45 calendar days before or
883 after the principal photography or project start date provided
884 in the production's program application. The department shall

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

887 (c)~~(d)~~ Election and distribution of tax credits.—

888 1. A certified production company receiving a tax credit
 889 award under this section shall, at the time the credit is
 890 awarded by the department after production is completed and all
 891 requirements to receive a credit award have been met, make an
 892 irrevocable election to apply the credit against taxes due under
 893 chapter 220, against state taxes collected or accrued under
 894 chapter 212, or against a stated combination of the two taxes.
 895 The election is binding upon any distributee, successor,
 896 transferee, or purchaser. The department shall notify the
 897 Department of Revenue of any election made pursuant to this
 898 paragraph.

899 2. A qualified production company is eligible for tax
 900 credits against its sales and use tax liabilities and corporate
 901 income tax liabilities as provided in this section. However, tax
 902 credits awarded under this section may not be claimed against
 903 sales and use tax liabilities or corporate income tax
 904 liabilities for any tax period beginning before July 1, 2011,
 905 regardless of when the credits are applied for or awarded.

906 (d)~~(e)~~ Tax credit carryforward.—If the certified
 907 production company cannot use the entire tax credit in the
 908 taxable year or reporting period in which the credit is awarded,
 909 any excess amount may be carried forward to a succeeding taxable
 910 year or reporting period. A tax credit applied against taxes

911 imposed under chapter 212 may be carried forward for a maximum
 912 of 5 years after the date the credit is awarded. A tax credit
 913 applied against taxes imposed under chapter 220 may be carried
 914 forward for a maximum of 5 years after the date the credit is
 915 awarded, after which the credit expires and may not be used.

916 (e)~~(f)~~ Consolidated returns.—A certified production
 917 company that files a Florida consolidated return as a member of
 918 an affiliated group under s. 220.131(1) may be allowed the
 919 credit on a consolidated return basis up to the amount of the
 920 tax imposed upon the consolidated group under chapter 220.

921 (f)~~(g)~~ Partnership and noncorporate distributions.—A
 922 qualified production company that is not a corporation as
 923 defined in s. 220.03 may elect to distribute tax credits awarded
 924 under this section to its partners or members in proportion to
 925 their respective distributive income or loss in the taxable year
 926 in which the tax credits were awarded.

927 (g)~~(h)~~ Mergers or acquisitions.—Tax credits available
 928 under this section to a certified production company may succeed
 929 to a surviving or acquiring entity subject to the same
 930 conditions and limitations as described in this section;
 931 however, they may not be transferred again by the surviving or
 932 acquiring entity.

933 (5) TRANSFER OF TAX CREDITS.—

934 (a) Authorization.—Upon application to ~~the Office of Film~~
 935 ~~and Entertainment~~ and approval by the department, a certified
 936 production company, or a partner or member that has received a

937 distribution under paragraph (4)(g), may elect to transfer, in
938 whole or in part, any unused credit amount granted under this
939 section. An election to transfer any unused tax credit amount
940 under chapter 212 or chapter 220 must be made no later than 5
941 years after the date the credit is awarded, after which period
942 the credit expires and may not be used. The department shall
943 notify the Department of Revenue of the election and transfer.

944 (b) Number of transfers permitted.—A certified production
945 company that elects to apply a credit amount against taxes
946 remitted under chapter 212 is permitted a one-time transfer of
947 unused credits to one transferee. A certified production company
948 that elects to apply a credit amount against taxes due under
949 chapter 220 is permitted a one-time transfer of unused credits
950 to no more than four transferees, and such transfers must occur
951 in the same taxable year.

952 (c) Transferee rights and limitations.—The transferee is
953 subject to the same rights and limitations as the certified
954 production company awarded the tax credit, except that the
955 initial transferee shall be permitted a one-time transfer of
956 unused credits to no more than two subsequent transferees, and
957 such transfers must occur in the same taxable year as the
958 credits were received by the initial transferee, after which the
959 subsequent transferees may not sell or otherwise transfer the
960 tax credit.

961 (6) RELINQUISHMENT OF TAX CREDITS.—

962 (a) Beginning July 1, 2011, a certified production

963 | company, or any person who has acquired a tax credit from a
 964 | certified production company pursuant to subsections (4) and
 965 | (5), may elect to relinquish the tax credit to the Department of
 966 | Revenue in exchange for 90 percent of the amount of the
 967 | relinquished tax credit.

968 | (b) The Department of Revenue may approve payments to
 969 | persons relinquishing tax credits pursuant to this subsection.

970 | (c) Subject to legislative appropriation, the Department
 971 | of Revenue shall request the Chief Financial Officer to issue
 972 | warrants to persons relinquishing tax credits. Payments under
 973 | this subsection shall be made from the funds from which the
 974 | proceeds from the taxes against which the tax credits could have
 975 | been applied pursuant to the irrevocable election made by the
 976 | certified production company under subsection (4) are deposited.

977 | (7) ANNUAL ALLOCATION OF TAX CREDITS.—

978 | (a) The aggregate amount of the tax credits that may be
 979 | certified pursuant to paragraph (3) (d) may not exceed:

- 980 | 1. For fiscal year 2010-2011, \$53.5 million.
- 981 | 2. For fiscal year 2011-2012, \$74.5 million.
- 982 | 3. For fiscal years 2012-2013, 2013-2014, 2014-2015, and
 983 | 2015-2016, \$42 million per fiscal year.

984 | (b) Any portion of the maximum amount of tax credits
 985 | established per fiscal year in paragraph (a) that is not
 986 | certified as of the end of a fiscal year shall be carried
 987 | forward and made available for certification during the
 988 | following 2 fiscal years in addition to the amounts available

989 for certification under paragraph (a) for those fiscal years.

990 (c) Upon approval of the final tax credit award amount
 991 pursuant to subparagraph (3)(f)2., an amount equal to the
 992 difference between the maximum tax credit award amount
 993 previously certified under paragraph (3)(d) and the approved
 994 final tax credit award amount shall immediately be available for
 995 recertification during the current and following fiscal years in
 996 addition to the amounts available for certification under
 997 paragraph (a) for those fiscal years.

998 ~~(d) If, during a fiscal year, the total amount of credits~~
 999 ~~applied for, pursuant to paragraph (3)(a), exceeds the amount of~~
 1000 ~~credits available for certification in that fiscal year, such~~
 1001 ~~excess shall be treated as having been applied for on the first~~
 1002 ~~day of the next fiscal year in which credits remain available~~
 1003 ~~for certification.~~

1004 (11) REPEAL.—This section is repealed July 1, 2016, except
 1005 that:

1006 (a) Tax credits certified under paragraph (3)(d) before
 1007 July 1, 2016, may be awarded under paragraph (3)(f) on or after
 1008 July 1, 2016, if the other requirements of this section are met.

1009 (b) Tax credits carried forward under paragraph (4)(d)
 1010 ~~(4)(e)~~ remain valid for the period specified.

1011 (c) Subsections (5), (8), and (9) shall remain in effect
 1012 until July 1, 2021.

1013 Section 6. Section 288.1258, Florida Statutes, is amended
 1014 to read:

1015 288.1258 Entertainment industry qualified production
 1016 companies; application procedure; categories; duties of the
 1017 Department of Revenue; records and reports.—

1018 (1) PRODUCTION COMPANIES AUTHORIZED TO APPLY.—

1019 (a) Any production company engaged in this state in the
 1020 production of motion pictures, made-for-TV motion pictures,
 1021 television series, commercial advertising, music videos, or
 1022 sound recordings may submit an application to the Department of
 1023 Revenue to be approved by the Department of Economic Opportunity
 1024 ~~Office of Film and Entertainment~~ as a qualified production
 1025 company for the purpose of receiving a sales and use tax
 1026 certificate of exemption from the Department of Revenue to
 1027 exempt purchases on or after the date on which a complete
 1028 application is filed with the Department of Revenue for
 1029 exemptions under ss. 212.031, 212.06, and 212.08.

1030 (b) As used in ~~For the purposes of~~ this section,
 1031 "qualified production company" means any production company that
 1032 has submitted a properly completed application to the Department
 1033 of Revenue and that is subsequently qualified by the Department
 1034 of Economic Opportunity ~~Office of Film and Entertainment.~~

1035 (2) APPLICATION PROCEDURE.—

1036 (a) The Department of Revenue shall ~~will~~ review all
 1037 submitted applications for the required information. Within 10
 1038 working days after the receipt of a properly completed
 1039 application, the Department of Revenue shall ~~will~~ forward the
 1040 completed application to the Department of Economic Opportunity

1041 ~~Office of Film and Entertainment~~ for approval.

1042 (b)1. The Department of Economic Opportunity ~~Office of~~
 1043 ~~Film and Entertainment~~ shall establish a process by which an
 1044 entertainment industry production company may be approved by the
 1045 department ~~office~~ as a qualified production company and may
 1046 receive a certificate of exemption from the Department of
 1047 Revenue for the sales and use tax exemptions under ss. 212.031,
 1048 212.06, and 212.08.

1049 2. Upon determination by the department ~~Office of Film and~~
 1050 ~~Entertainment~~ that a production company meets the established
 1051 approval criteria and qualifies for exemption, the department
 1052 ~~Office of Film and Entertainment~~ shall return the approved
 1053 application or application renewal or extension to the
 1054 Department of Revenue, which shall issue a certificate of
 1055 exemption.

1056 3. The department ~~Office of Film and Entertainment~~ shall
 1057 deny an application or application for renewal or extension from
 1058 a production company if it determines that the production
 1059 company does not meet the established approval criteria.

1060 (c) The department ~~Office of Film and Entertainment~~ shall
 1061 develop, with the cooperation of the Department of Revenue, the
 1062 Division of Film and Entertainment within Enterprise Florida,
 1063 Inc., and local government entertainment industry promotion
 1064 agencies, a standardized application form for use in approving
 1065 qualified production companies.

1066 1. The application form shall include, but not be limited

1067 to, production-related information on employment, proposed
 1068 budgets, planned purchases of items exempted from sales and use
 1069 taxes under ss. 212.031, 212.06, and 212.08, a signed
 1070 affirmation from the applicant that any items purchased for
 1071 which the applicant is seeking a tax exemption are intended for
 1072 use exclusively as an integral part of entertainment industry
 1073 preproduction, production, or postproduction activities engaged
 1074 in primarily in this state, and a signed affirmation from the
 1075 department ~~Office of Film and Entertainment~~ that the information
 1076 on the application form has been verified and is correct. In
 1077 lieu of information on projected employment, proposed budgets,
 1078 or planned purchases of exempted items, a production company
 1079 seeking a 1-year certificate of exemption may submit summary
 1080 historical data on employment, production budgets, and purchases
 1081 of exempted items related to production activities in this
 1082 state. Any information gathered from production companies for
 1083 the purposes of this section shall be considered confidential
 1084 taxpayer information and shall be disclosed only as provided in
 1085 s. 213.053.

1086 2. The application form may be distributed to applicants
 1087 by the department, the Division ~~Office~~ of Film and Entertainment
 1088 or local film commissions.

1089 (d) All applications, renewals, and extensions for
 1090 designation as a qualified production company shall be processed
 1091 by the department ~~Office of Film and Entertainment~~.

1092 (e) If ~~In the event that~~ the Department of Revenue

1093 determines that a production company no longer qualifies for a
 1094 certificate of exemption, or has used a certificate of exemption
 1095 for purposes other than those authorized by this section and
 1096 chapter 212, the Department of Revenue shall revoke the
 1097 certificate of exemption of that production company, and any
 1098 sales or use taxes exempted on items purchased or leased by the
 1099 production company during the time such company did not qualify
 1100 for a certificate of exemption or improperly used a certificate
 1101 of exemption shall become immediately due to the Department of
 1102 Revenue, along with interest and penalty as provided by s.
 1103 212.12. In addition to the other penalties imposed by law, any
 1104 person who knowingly and willfully falsifies an application, or
 1105 uses a certificate of exemption for purposes other than those
 1106 authorized by this section and chapter 212, commits a felony of
 1107 the third degree, punishable as provided in ss. 775.082,
 1108 775.083, and 775.084.

1109 (3) CATEGORIES.—

1110 (a)1. A production company may be qualified for
 1111 designation as a qualified production company for a period of 1
 1112 year if the company has operated a business in Florida at a
 1113 permanent address for a period of 12 consecutive months. Such a
 1114 qualified production company shall receive a single 1-year
 1115 certificate of exemption from the Department of Revenue for the
 1116 sales and use tax exemptions under ss. 212.031, 212.06, and
 1117 212.08, which certificate shall expire 1 year after issuance or
 1118 upon the cessation of business operations in the state, at which

1119 | time the certificate shall be surrendered to the Department of
 1120 | Revenue.

1121 | 2. ~~The Office of Film and Entertainment shall develop a~~
 1122 | ~~method by which~~ A qualified production company may submit a new
 1123 | application for annually renew a 1-year certificate of exemption
 1124 | upon expiration of that company's certificate of exemption;
 1125 | however, upon approval by the department, such qualified
 1126 | production company may annually renew the 1-year certificate of
 1127 | exemption for a period of up to 5 years without submitting
 1128 | ~~requiring the production company to resubmit~~ a new application
 1129 | during that 5-year period.

1130 | 3. Each year, or upon surrender of the certificate of
 1131 | exemption to the Department of Revenue, the ~~Any~~ qualified
 1132 | production company shall may submit to the department aggregate
 1133 | data for production-related information on employment,
 1134 | expenditures in this state, capital investment, and purchases of
 1135 | items exempted from sales and use taxes under ss. 212.031,
 1136 | 212.06, and 212.08 for inclusion in the annual report required
 1137 | under subsection (5) ~~a new application for a 1-year certificate~~
 1138 | ~~of exemption upon the expiration of that company's certificate~~
 1139 | ~~of exemption.~~

1140 | (b)1. A production company may be qualified for
 1141 | designation as a qualified production company for a period of 90
 1142 | days. Such production company shall receive a single 90-day
 1143 | certificate of exemption from the Department of Revenue for the
 1144 | sales and use tax exemptions under ss. 212.031, 212.06, and

1145 212.08, which certificate shall expire 90 days after issuance or
 1146 upon the cessation of business operations in the state, at which
 1147 time, with extensions contingent upon approval of the Office of
 1148 Film and Entertainment. the certificate shall be surrendered to
 1149 the Department of Revenue ~~upon its expiration.~~

1150 2. A qualified production company may submit a new
 1151 application for a 90-day certificate of exemption each quarter
 1152 upon expiration of that company's certificate of exemption;
 1153 however, upon approval of the department, such qualified
 1154 production company may renew the 90-day certificate of exemption
 1155 for up to 1 year without submitting a new application during
 1156 that 1-year period.

1157 3.2. Each 90 days, or upon surrender of the certificate of
 1158 exemption to the Department of Revenue, the qualified Any
 1159 production company shall ~~may~~ submit to the department aggregate
 1160 data for production-related information on employment,
 1161 expenditures in this state, capital investment, and purchases of
 1162 items exempted from sales and use taxes under ss. 212.031,
 1163 212.06, and 212.08 for inclusion in the annual report required
 1164 under subsection (5) a new application for a 90-day certificate
 1165 of exemption upon the expiration of that company's certificate
 1166 of exemption.

1167 (4) DUTIES OF THE DEPARTMENT OF REVENUE.—

1168 (a) The Department of Revenue shall review the initial
 1169 application and notify the applicant of any omissions and
 1170 request additional information if needed. An application shall

1171 be complete upon receipt of all requested information. The
 1172 Department of Revenue shall forward all complete applications to
 1173 the department ~~Office of Film and Entertainment~~ within 10
 1174 working days.

1175 (b) The Department of Revenue shall issue a numbered
 1176 certificate of exemption to a qualified production company
 1177 within 5 working days of the receipt of an approved application,
 1178 application renewal, or application extension from the
 1179 department ~~Office of Film and Entertainment~~.

1180 (c) The Department of Revenue may adopt ~~promulgate~~ such
 1181 rules and shall prescribe and publish such forms as may be
 1182 necessary to effectuate the purposes of this section or any of
 1183 the sales tax exemptions which are reasonably related to the
 1184 provisions of this section.

1185 (d) The Department of Revenue is authorized to establish
 1186 audit procedures in accordance with the provisions of ss.
 1187 212.12, 212.13, and 213.34 which relate to the sales tax
 1188 exemption provisions of this section.

1189 (5) RELATIONSHIP OF TAX EXEMPTIONS AND INCENTIVES TO
 1190 INDUSTRY GROWTH; REPORT TO THE LEGISLATURE.—The department
 1191 ~~Office of Film and Entertainment~~ shall keep annual records from
 1192 the information provided on taxpayer applications for tax
 1193 exemption certificates ~~beginning January 1, 2001~~. These records
 1194 also must reflect a ratio of the annual amount of sales and use
 1195 tax exemptions under this section, plus the tax credits
 1196 ~~incentives~~ awarded pursuant to s. 288.1254 to the estimated

1197 amount of funds expended by certified productions. In addition,
 1198 the department ~~office~~ shall maintain data showing annual growth
 1199 in Florida-based entertainment industry companies and
 1200 entertainment industry employment and wages. The employment
 1201 information must include ~~an estimate of~~ the full-time equivalent
 1202 positions created by each production that received tax credits
 1203 pursuant to s. 288.1254. The department ~~Office of Film and~~
 1204 ~~Entertainment~~ shall include this information in the annual
 1205 report for the entertainment industry ~~financial incentive~~
 1206 program required under s. 288.1254 ~~288.1254(10)~~.

1207 Section 7. Subsection (1) of section 288.92, Florida
 1208 Statutes, is amended to read:

1209 288.92 Divisions of Enterprise Florida, Inc.—

1210 (1) Enterprise Florida, Inc., may create and dissolve
 1211 divisions as necessary to carry out its mission. Each division
 1212 shall have distinct responsibilities and complementary missions.
 1213 At a minimum, Enterprise Florida, Inc., shall have divisions
 1214 related to the following areas:

- 1215 (a) International Trade and Business Development. †
- 1216 (b) Business Retention and Recruitment. †
- 1217 (c) Tourism Marketing. †
- 1218 (d) Minority Business Development. † ~~and~~
- 1219 (e) Sports Industry Development. ~~†~~
- 1220 (f) Film and Entertainment.

1221 Section 8. Subsection (5) of section 477.0135, Florida
 1222 Statutes, is amended to read:

1223 477.0135 Exemptions.—

1224 (5) A license is not required of any individual providing
 1225 makeup, special effects, or cosmetology services to an actor,
 1226 stunt person, musician, extra, or other talent during a
 1227 production recognized by the Department of Economic Opportunity
 1228 ~~Office of Film and Entertainment~~ as a qualified production as
 1229 defined in s. 288.1254(1). Such services are not required to be
 1230 performed in a licensed salon. Individuals exempt under this
 1231 subsection may not provide such services to the general public.

1232 Section 9. For the purpose of incorporating the amendment
 1233 made by this act to section 288.1254, Florida Statutes, in a
 1234 reference thereto, paragraph (q) of subsection (5) of section
 1235 212.08, Florida Statutes, is reenacted to read:

1236 212.08 Sales, rental, use, consumption, distribution, and
 1237 storage tax; specified exemptions.—The sale at retail, the
 1238 rental, the use, the consumption, the distribution, and the
 1239 storage to be used or consumed in this state of the following
 1240 are hereby specifically exempt from the tax imposed by this
 1241 chapter.

1242 (5) EXEMPTIONS; ACCOUNT OF USE.—

1243 (q) Entertainment industry tax credit; authorization;
 1244 eligibility for credits.—The credits against the state sales tax
 1245 authorized pursuant to s. 288.1254 shall be deducted from any
 1246 sales and use tax remitted by the dealer to the department by
 1247 electronic funds transfer and may only be deducted on a sales
 1248 and use tax return initiated through electronic data

PCS for CS/HB 451

2015

1249 interchange. The dealer shall separately state the credit on the
1250 electronic return. The net amount of tax due and payable must be
1251 remitted by electronic funds transfer. If the credit for the
1252 qualified expenditures is larger than the amount owed on the
1253 sales and use tax return that is eligible for the credit, the
1254 unused amount of the credit may be carried forward to a
1255 succeeding reporting period as provided in s. 288.1254(4)(e). A
1256 dealer may only obtain a credit using the method described in
1257 this subparagraph. A dealer is not authorized to obtain a credit
1258 by applying for a refund.

1259 Section 10. Paragraph (3) of section 220.1899, Florida
1260 Statutes, is amended to read:

1261 220.1899 Entertainment industry tax credit.—

1262 (3) To the extent that the amount of a tax credit exceeds
1263 the amount due on a return, the balance of the credit may be
1264 carried forward to a succeeding taxable year pursuant to s.
1265 288.1254(4)(d) ~~288.1254(4)(e)~~.

1266 Section 11. This act shall take effect July 1, 2015.