



1           1. The costs of equipping, operating, and maintaining  
2 a facility owned by the taxpayer, located on the taxpayer's  
3 premises, and used exclusively for the purpose of promoting  
4 the physical fitness of the taxpayer's employees in this  
5 state, including, but not limited to, a gymnasium, weight  
6 training room, aerobics workout space, swimming pool, running  
7 track, or any indoor or outdoor court, field, or other site  
8 used for competitive sports events or games;

9           2. The costs, to the extent not covered in  
10 subparagraph 1., of equipping and providing any related  
11 financial support for an amateur athletic team that engages in  
12 vigorous athletic activity and is under the sponsorship of the  
13 taxpayer, either alone or jointly with one or more other  
14 employers, if the membership of the team consists entirely of  
15 employees of the taxpayer in this state or the taxpayer and  
16 another employer or employers with whom the taxpayer has  
17 joined to provide employee fitness equipment and financial  
18 support;

19           3. The cost of subsidizing an employee's membership to  
20 a health studio as defined in s. 501.0125 and located in  
21 Florida; and

22           4. Fifty percent of the cost of employing a qualified  
23 person or organization to provide, on the taxpayer's business  
24 premises in this state:

25           a. Information and guidance on subjects relating to  
26 personal and family health, such as nutrition, hygiene, and  
27 methods of preventing, recognizing, and combating substance  
28 abuse; or

29           b. Instruction in and opportunity for fitness  
30 enhancement activity, including, but not limited to, dance or  
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1 other aerobic exercise, yoga, muscle stretching, and martial  
2 arts routines.

3 (b) Credits authorized under this section for any  
4 taxpayer may not exceed 50 percent of the tax due under this  
5 chapter for any taxable year.

6 (c) Credits authorized under this section for any  
7 taxpayer may not exceed \$50 multiplied by the average of the  
8 number of full-time equivalent employees of the taxpayer in  
9 this state as of the last day of the 3rd, 6th, 9th, and 12th  
10 months of the taxable year.

11 (d) Two or more taxpayers may join together to  
12 establish and operate an employee fitness facility, provide  
13 employee fitness equipment and financial support, or provide  
14 employee fitness instruction in accordance with this section.  
15 The participating taxpayers may apportion the annual employee  
16 fitness credits in any manner they consider appropriate, but a  
17 jointly operated employee fitness facility established under  
18 this section may not receive more than \$50 multiplied by the  
19 average of the number of full-time equivalent employees of the  
20 participating taxpayers in this state as of the last day of  
21 the 3rd, 6th, 9th, and 12th months of the taxable year.

22 (e) A taxpayer, or two or more taxpayers acting  
23 jointly, may employ a not-for-profit or for-profit corporation  
24 to:

- 25 1. Operate an employee fitness facility;  
26 2. Provide employee fitness equipment and financial  
27 support; or  
28 3. Provide employee fitness instruction,  
29  
30 on the taxpayer's premises in this state.  
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1       (f) If the credit granted under this section is not  
2 fully used in any one year because of insufficient tax  
3 liability on the part of the corporation, the unused amount  
4 may be carried forward for a period not to exceed 5 years. The  
5 carryover credit may be used in a subsequent year when the tax  
6 imposed by this chapter for that year exceeds the credit for  
7 which the corporation is eligible in that year under this  
8 section after applying the other credits and unused carryovers  
9 in the order provided by s. 220.02(8).

10       (g) A taxpayer that files a consolidated return in  
11 this state as a member of an affiliated group under s. 220.131  
12 may be allowed the credit on a consolidated return basis.

13       (h) A taxpayer that is eligible to receive credit  
14 under s. 624.5108 is ineligible to receive credit under this  
15 section.

16       (i) An expenditure by a taxpayer to provide any of the  
17 employee fitness benefits described in paragraph (a) does not  
18 qualify for a credit under this section unless the benefit is  
19 extended equally to all full-time employees in this state.

20       (j) Credits authorized under this section are not  
21 available to any professional sports franchise or facility or  
22 to any taxpayer whose primary business activity is operating a  
23 fitness facility or providing any services eligible for  
24 credits under this section.

25       (2) ADMINISTRATION.--

26       (a) The Department of Revenue shall adopt rules and  
27 forms necessary to administer this section, including rules to  
28 provide for cooperative arrangements between taxpayers and  
29 not-for-profit or for-profit corporations.

30       (b) Verification of payments to a not-for-profit or  
31 for-profit corporation or to a person who provides health or

1 fitness instruction to a taxpayer's employees must be in  
2 writing and must be retained by the taxpayer in support of the  
3 credit claimed on the tax return.

4 (c) Application for credit for payments made to  
5 construct or rehabilitate a facility used for the purpose of  
6 promoting the physical fitness of the taxpayer's employees in  
7 this state must be submitted to the department within 6 months  
8 after the local building inspector deems that the construction  
9 or rehabilitation of the facility is substantially completed.  
10 Application for credit for eligible expenditures pursuant to  
11 paragraph (1)(a) must be submitted to the department with the  
12 tax return on which the credit is claimed.

13 (d) A business that files an amended return for a  
14 taxable year may not receive any amount of credit or credit  
15 carryforward pursuant to this section in excess of the amount  
16 claimed by the business on its original return for the taxable  
17 year. This subsection does not apply to increases in the  
18 amount of credit claimed under this section on an amended  
19 return due to the use of any credit amount previously carried  
20 forward for the taxable year on the original return or any  
21 eligible prior year under paragraph (1)(f).

22 (3) EXPIRATION.--This section expires on December 31,  
23 2017, except that paragraph (1)(f), which relates to carryover  
24 credits, does not expire on that date.

25 (4) DEFINITIONS.--As used in this section, the term:

26 (a) "Amateur athletic team" means a team of persons  
27 who engage in competitive athletic events for which no  
28 monetary remuneration is provided, all of whom are employed by  
29 the taxpayer or an employer with whom the taxpayer has joined  
30 to provide employee fitness equipment and financial support.

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1           (b) "Qualified person" means a person certified by a  
2 recognized national organization to provide the instruction  
3 for which a tax credit is being sought.

4           (c) "Vigorous athletic activity" means exertion that  
5 makes a person sweat and breathe hard, such as basketball,  
6 soccer, running, swimming laps, fast bicycling, fast dancing,  
7 and similar aerobic activities.

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

10           220.02 Legislative intent.--

11           (8) It is the intent of the Legislature that credits  
12 against either the corporate income tax or the franchise tax  
13 be applied in the following order: those enumerated in s.  
14 631.828, those enumerated in s. 220.191, those enumerated in  
15 s. 220.181, those enumerated in s. 220.183, those enumerated  
16 in s. 220.182, those enumerated in s. 220.1895, those  
17 enumerated in s. 221.02, those enumerated in s. 220.184, those  
18 enumerated in s. 220.186, those enumerated in s. 220.1845,  
19 those enumerated in s. 220.19, those enumerated in s. 220.185,  
20 those enumerated in s. 220.187, those enumerated in s.  
21 220.192, ~~and~~ those enumerated in s. 220.193, and those  
22 enumerated in s. 220.1925.

23           Section 3. Paragraph (a) of subsection (1) of section  
24 220.13, Florida Statutes, is amended to read:

25           220.13 "Adjusted federal income" defined.--

26           (1) The term "adjusted federal income" means an amount  
27 equal to the taxpayer's taxable income as defined in  
28 subsection (2), or such taxable income of more than one  
29 taxpayer as provided in s. 220.131, for the taxable year,  
30 adjusted as follows:  
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1           (a) Additions.--There shall be added to such taxable  
2 income:

3           1. The amount of any tax upon or measured by income,  
4 excluding taxes based on gross receipts or revenues, paid or  
5 accrued as a liability to the District of Columbia or any  
6 state of the United States which is deductible from gross  
7 income in the computation of taxable income for the taxable  
8 year.

9           2. The amount of interest which is excluded from  
10 taxable income under s. 103(a) of the Internal Revenue Code or  
11 any other federal law, less the associated expenses disallowed  
12 in the computation of taxable income under s. 265 of the  
13 Internal Revenue Code or any other law, excluding 60 percent  
14 of any amounts included in alternative minimum taxable income,  
15 as defined in s. 55(b)(2) of the Internal Revenue Code, if the  
16 taxpayer pays tax under s. 220.11(3).

17           3. In the case of a regulated investment company or  
18 real estate investment trust, an amount equal to the excess of  
19 the net long-term capital gain for the taxable year over the  
20 amount of the capital gain dividends attributable to the  
21 taxable year.

22           4. That portion of the wages or salaries paid or  
23 incurred for the taxable year which is equal to the amount of  
24 the credit allowable for the taxable year under s. 220.181.  
25 This subparagraph shall expire on the date specified in s.  
26 290.016 for the expiration of the Florida Enterprise Zone Act.

27           5. That portion of the ad valorem school taxes paid or  
28 incurred for the taxable year which is equal to the amount of  
29 the credit allowable for the taxable year under s. 220.182.  
30 This subparagraph shall expire on the date specified in s.  
31 290.016 for the expiration of the Florida Enterprise Zone Act.

1           6. The amount of emergency excise tax paid or accrued  
2 as a liability to this state under chapter 221 which tax is  
3 deductible from gross income in the computation of taxable  
4 income for the taxable year.

5           7. That portion of assessments to fund a guaranty  
6 association incurred for the taxable year which is equal to  
7 the amount of the credit allowable for the taxable year.

8           8. In the case of a nonprofit corporation which holds  
9 a pari-mutuel permit and which is exempt from federal income  
10 tax as a farmers' cooperative, an amount equal to the excess  
11 of the gross income attributable to the pari-mutuel operations  
12 over the attributable expenses for the taxable year.

13           9. The amount taken as a credit for the taxable year  
14 under s. 220.1895.

15           10. Up to nine percent of the eligible basis of any  
16 designated project which is equal to the credit allowable for  
17 the taxable year under s. 220.185.

18           11. The amount taken as a credit for the taxable year  
19 under s. 220.187.

20           12. The amount taken as a credit for the taxable year  
21 under s. 220.192.

22           13. The amount taken as a credit for the taxable year  
23 under s. 220.193.

24           14. The amount taken as a credit under s. 220.1925.

25           Section 4. Section 624.5108, Florida Statutes, is  
26 created to read:

27           624.5108 Employee fitness tax credits; definitions;  
28 authorization; limitations; eligibility and application  
29 requirements; administration; expiration.--

30           (1) DEFINITIONS.--As used in this section, the term:  
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1           (a) "Amateur athletic team" means a team of persons  
2 who engage in competitive athletic events for which no  
3 monetary remuneration is provided, all of whom are employed by  
4 the taxpayer or an employer with whom the taxpayer has joined  
5 to provide employee fitness equipment and financial support.

6           (b) "Department" means the Department of Revenue.

7           (c) "Employee fitness costs" means:

8           1. The costs of equipping, operating, and maintaining  
9 a facility owned by the taxpayer, located on the taxpayer's  
10 premises, and used exclusively for the purpose of promoting  
11 the physical fitness of the taxpayer's employees in this  
12 state, including, but not limited to, a gymnasium, weight  
13 training room, aerobics workout space, swimming pool, running  
14 track, or any indoor or outdoor court, field, or other site  
15 used for competitive sports events or games;

16           2. The costs, to the extent not covered in  
17 subparagraph 1., of equipping and providing any related  
18 financial support for an amateur athletic team that engages in  
19 vigorous athletic activity under the sponsorship of the  
20 taxpayer, either alone or jointly with one or more other  
21 employers, if the membership of the team consists entirely of  
22 employees of the taxpayer in this state or the taxpayer and  
23 another employer or employers, as appropriate; and

24           3. The cost of subsidizing an employee's membership to  
25 a health studio as defined in s. 501.0125 and located in  
26 Florida; and

27           4. Fifty percent of the cost of employing a qualified  
28 person or organization to provide, on the taxpayer's business  
29 premises in this state:

30           a. Information and guidance on subjects relating to  
31 personal and family health, such as nutrition, hygiene, and

1 methods of preventing, recognizing, and combating substance  
2 abuse; or

3 b. Instruction in and opportunity for fitness  
4 enhancement activity, including, but not limited to, dance or  
5 other aerobic exercise, yoga, muscle stretching, and martial  
6 arts routines.

7 (d) "Qualified person" means a person certified by a  
8 recognized national organization to provide the instruction  
9 for which a tax credit is being sought.

10 (e) "Vigorous athletic activity" means exertion that  
11 makes a person sweat and breathe hard, such as basketball,  
12 soccer, running, swimming laps, fast bicycling, fast dancing,  
13 and similar aerobic activities.

14 (2) AUTHORIZATION TO GRANT TAX CREDITS; LIMITATIONS.--

15 (a) A credit of 10 percent of employee fitness costs  
16 incurred by an insurer during the taxable year is allowed  
17 against any tax due for a taxable year under ss. 624.509 and  
18 624.510.

19 (b) Credits authorized under this section for any  
20 taxpayer may not exceed 50 percent of the tax due under this  
21 chapter for any taxable year.

22 (c) Credits authorized under this section for any  
23 taxpayer may not exceed \$50 multiplied by the average of the  
24 number of full-time equivalent employees of the insurer in  
25 this state as of the last day of the 3rd, 6th, 9th, and 12th  
26 months of the taxable year.

27 (d) Two or more taxpayers may join together to  
28 establish and operate an employee fitness facility, provide  
29 employee fitness equipment and financial support, or provide  
30 employee fitness instruction in accordance with this section.  
31 The participating taxpayers may apportion the annual employee

1 fitness credits in any manner they consider appropriate, but a  
2 jointly operated employee fitness facility established under  
3 this section may not receive more than \$50 multiplied by the  
4 average of the number of full-time equivalent employees of the  
5 participating taxpayers in this state as of the last day of  
6 the 3rd, 6th, 9th, and 12th months of the taxable year.

7 (e) A taxpayer, or two or more taxpayers acting  
8 jointly, may employ a not-for-profit or for-profit corporation  
9 to:

- 10 1. Operate an employee fitness facility;
- 11 2. Provide employee fitness equipment and financial  
12 support; or
- 13 3. Provide employee fitness instruction,

14  
15 on the taxpayer's premises in this state.

16 (f) If the credit granted under this section is not  
17 fully used in any one year because of insufficient tax  
18 liability on the part of the insurer, the unused amount may be  
19 carried forward for a period not to exceed 5 years. The  
20 carryover credit may be used in a subsequent year when the tax  
21 imposed by ss. 624.509 and 624.510 for that year exceeds the  
22 credit for which the insurer is eligible in that year under  
23 this section.

24 (3) An expenditure by an insurer to provide any of the  
25 employee fitness benefits described in paragraph (1)(a) does  
26 not qualify for a credit under this section unless the benefit  
27 is extended equally to all full-time employees in this state.

28 (4) ADMINISTRATION.--

29 (a) The Department of Revenue shall adopt rules and  
30 forms necessary to administer this section, including rules to  
31

1 provide for cooperative arrangements between taxpayers and  
2 not-for-profit or for-profit corporations.

3 (b) Verification of payments to a not-for-profit or  
4 for-profit corporation or to a person who provides health or  
5 fitness instruction to a taxpayer's employees must be in  
6 writing and must be retained by the taxpayer in support of the  
7 credit claimed on the tax return.

8 (c) Application for credit for payments made to  
9 construct or rehabilitate a facility used for the purpose of  
10 promoting the physical fitness of a taxpayer's employees in  
11 this state must be submitted to the department within 6 months  
12 after the construction or rehabilitation of the facility is  
13 deemed to be substantially completed by the local building  
14 code inspector. Application for credit for eligible  
15 expenditures pursuant to paragraph (2)(a) must be submitted to  
16 the department with the tax return on which the credit is  
17 claimed.

18 (d) An insurer that files an amended return for a  
19 taxable year is not allowed any amount of credit or credit  
20 carryforward pursuant to this section in excess of the amount  
21 claimed by such insurer on its original return for the taxable  
22 year. The provisions of this subsection do not apply to  
23 increases in the amount of credit claimed under this section  
24 on an amended return due to the use of any credit amount  
25 previously carried forward for the taxable year on the  
26 original return or any eligible prior year under paragraph  
27 (2)(f).

28 (5) EXPIRATION.--This section expires on December 31,  
29 2017, except that paragraph (2)(f), which relates to carryover  
30 credits, does not expire on that date.

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1           Section 5. Subsection (7) of section 624.509, Florida  
2 Statutes, is amended to read:

3           624.509 Premium tax; rate and computation.--

4           (7) Credits and deductions against the tax imposed by  
5 this section shall be taken in the following order: deductions  
6 for assessments made pursuant to s. 440.51; credits for taxes  
7 paid under ss. 175.101 and 185.08; credits for income taxes  
8 paid under chapter 220, the emergency excise tax paid under  
9 chapter 221, and the credit allowed under subsection (5), as  
10 these credits are limited by subsection (6); employee fitness  
11 tax credits authorized under s. 624.5108; and all other  
12 available credits and deductions.

13           Section 6. This act shall take effect January 1, 2008,  
14 and shall apply to tax years beginning on or after that date.

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17           SENATE SUMMARY

18           Provides a credit against the tax on corporate income for  
19 certain taxpayer expenditures relating to providing  
20 employee fitness facilities or supporting fitness-related  
21 activities by employees. Defines terms. Provides the  
22 order in which credits against the corporate income tax  
23 shall be taken. Adds the amount taken as such a credit to  
24 adjusted federal income. Provides a credit against the  
25 tax on insurers for employee fitness costs, as defined in  
26 the act, which are incurred by an insurer. Provides for  
27 the order of credits against the tax on insurers.  
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