

1 A bill to be entitled
 2 An act relating to food deserts; creating s. 220.197,
 3 F.S.; defining terms; establishing the food desert
 4 business tax credit for certain businesses that sell
 5 nutrient-dense food items in areas designated as food
 6 deserts; providing for the amount of the credit;
 7 requiring taxpayers to submit an application to the
 8 Department of Revenue in order to claim the tax
 9 credit; requiring the department and the Department of
 10 Agriculture and Consumer Services to review and make
 11 recommendations to the Legislature regarding the
 12 continuation of the tax credit; providing penalties
 13 for fraudulent claims for the tax credit; authorizing
 14 rulemaking authority; providing applicability;;
 15 providing an effective date.

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 17 Be It Enacted by the Legislature of the State of Florida:

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 19 Section 1. Section 220.197, Florida Statutes, is created
 20 to read:

21 220.197 Food desert business tax credit.—

22 (1) As used in this section, the term:

23 (a) "Food desert business" means a taxpayer that:

24 1. Is in the trade or business of selling products at
 25 wholesale or retail and has total gross sales of less than \$15
 26 million per year;

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27 2. Purchases at least 15 percent of its inventory from in-
28 state companies;

29 3. Derives at least 20 percent of its gross receipts from
30 the retail sale of nutrient-dense foods; and

31 4. Operates the business in a food desert zone.

32 (b) "Food desert zone" means a census tract that has been
33 identified by the Economic Research Service of the United States
34 Department of Agriculture as:

35 1. Having a poverty rate of at least 20 percent or having
36 a median family income at or below 80 percent of the median
37 family income for this state; and

38 2. Having at least 500 persons, or at least 33 percent of
39 the population, who, in an urban area, live more than 1 mile
40 from a supermarket or, in a rural area, live more than 10 miles
41 from a supermarket.

42 (c) "Nutrient-dense food" means a food that has a high
43 level of nutrients in relationship to the number of calories it
44 contains. The term includes fresh vegetables and fruits, whole
45 grains, nuts, seeds, beans and legumes, and low-fat dairy
46 products.

47 (d) "Supermarket" means a food store that has at least \$2
48 million in annual sales and contains all of the major food
49 departments found in a large retail grocery store.

50 (2) A food desert business is eligible for a tax credit of
51 20 percent of the annual gross sales of the business against its
52 corporate annual income tax liability under this chapter. The

53 food desert business tax credit:

54 (a) Is earned on the last day of each taxable year and may
55 be claimed against the income tax for the taxable year that
56 includes the day on which the credit is earned;

57 (b) May not be sold or transferred; and

58 (c) If not fully taken in any single year because of
59 insufficient tax liability on the part of the business, may be
60 carried forward for up to 2 years.

61 (3) In order to claim the food desert business tax credit,
62 a taxpayer must first submit an application and receive approval
63 to claim the credit from the department.

64 (4) The food desert business tax credit shall be reviewed
65 by the department in consultation with the Department of
66 Agriculture and Consumer Services 3 taxable years after it has
67 been in place. At such time, the departments shall make a
68 recommendation to the Legislature for the elimination or
69 continuance of the credit, which must be based on the success of
70 the credit in bringing and maintaining food desert businesses in
71 food desert zones.

72 (5) A taxpayer that fraudulently claims to be qualified
73 for the food desert business tax credit commits a misdemeanor of
74 the second degree, punishable as provided in s. 775.082 or s.
75 775.083. The taxpayer is also administratively liable for
76 repayment of a tax credit that is fraudulently taken plus a
77 mandatory penalty of 100 percent of the amount of the tax credit
78 plus interest at the rate provided under this chapter.

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79 (6) The department, in consultation with the Department of
80 Agriculture and Consumer Services, may adopt rules to administer
81 this section. Such rules may identify the areas of the state
82 designated as food desert zones, provide an application process
83 and forms for applying for the tax credit, and require the
84 retention of records and the submission of specific documents by
85 a taxpayer applying for and claiming the tax credit.

86 (7) This section applies to taxable years beginning on or
87 after January 1, 2016.

88 Section 2. This act shall take effect July 1, 2015.