

By Senator Gruters

23-00366A-22

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1 A bill to be entitled
2 An act relating to the entertainment industry;
3 creating the Targeted High Wage Production Program
4 within the Department of Economic Opportunity under
5 the supervision of the Commissioner of Film and
6 Entertainment; providing a purpose for the program;
7 defining terms; requiring that film, television, and
8 digital media projects being produced in this state
9 meet specified criteria to be eligible for tax credit
10 awards; authorizing applicants to receive awards up to
11 a specified amount, including bonuses; requiring a
12 certified project to make a good faith effort to use
13 existing providers of infrastructure or equipment in
14 this state and to employ residents of this state;
15 requiring the commissioner to set application windows;
16 providing requirements for the department relating to
17 earmarking and setting aside tax credit awards;
18 requiring applicants to either accept a partial tax
19 credit award or reject the partial award and drop out
20 of the program under certain circumstances; providing
21 procedures and requirements for applicants; requiring
22 the commissioner to take specified actions within a
23 reasonable period of time; requiring the Florida Film
24 and Entertainment Advisory Council to determine a
25 score for each qualified project using specified
26 criteria; requiring the commissioner to determine the
27 priority order and scoring system of the specified
28 criteria with assistance from the council and certain
29 other persons; requiring the council to use specified

23-00366A-22

2022946__

30 criteria; requiring the commissioner to take specified
31 actions in a timely manner relating to the
32 certification or rejection of qualified projects;
33 requiring the department to certify projects and
34 maximum tax credit awards to qualified applicants and
35 the executive director of the Department of Revenue;
36 requiring the commissioner to develop a process to
37 verify the actual qualified expenditures and bonus
38 eligibility of a certified project after the project's
39 work in this state is complete; providing requirements
40 for the verification process; requiring that the award
41 be issued within a reasonable period of time upon
42 approval of the final award amount; requiring that
43 certain marketing be included with a project;
44 requiring certified projects to allow certain persons
45 to visit the production site upon request of the
46 commissioner and after providing the commissioner with
47 reasonable notice; specifying that the commissioner or
48 his or her affiliate is not required to visit the
49 production site; requiring the department to
50 disqualify a project under certain circumstances;
51 providing for liability and imposing civil and
52 criminal penalties for an applicant that submits
53 fraudulent information; requiring certified production
54 companies to make elections relating to tax credit
55 awards; providing requirements and prohibitions
56 relating to tax credits; authorizing certain entities
57 to transfer tax credits under certain circumstances;
58 providing requirements and prohibitions relating to

23-00366A-22

2022946__

59 transferring tax credits; authorizing certain entities
60 to relinquish tax credits for payments; providing
61 requirements and prohibitions relating to
62 relinquishing tax credits; providing for the annual
63 allocation of tax credits for the program; authorizing
64 the department to adopt rules; authorizing the
65 Department of Revenue to conduct certain examinations
66 and audits and pursue recovery of tax credits;
67 authorizing the Department of Revenue to adopt rules;
68 authorizing the Department of Economic Opportunity to
69 revoke or modify certain decisions relating to tax
70 credit eligibility under certain circumstances;
71 requiring the department to notify the Department of
72 Revenue of any such revocation or modification;
73 requiring applicants to notify the Department of
74 Revenue of any change in tax credit claimed; providing
75 for forfeiture of tax credits; requiring the
76 commissioner to provide an annual report to the
77 Governor and the Legislature on a specified date;
78 providing that certain appropriated funds are not
79 subject to reversion; providing for the expiration of
80 the program; providing an effective date.

81

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

83

84 Section 1. The Targeted High Wage Production Program.—

85 (1) CREATION AND PURPOSE OF PROGRAM.—The Targeted High Wage
86 Production Program is created within the Department of Economic
87 Opportunity under the supervision of the Commissioner of Film

23-00366A-22

2022946__

88 and Entertainment.

89 (a) The purpose of the performance-based program is to
90 boost this state's economic prosperity by:

91 1. Creating high-paying jobs in an industry with an average
92 salary 60 percent higher than the state average;

93 2. Enhancing tourism by choosing projects that encourage
94 tourists to visit this state;

95 3. Broadening the film, television, and digital media
96 industry's impact on the state by offering a modest bonus for
97 projects that take place in underutilized areas; and

98 4. Encouraging more family-friendly productions to be
99 produced in this state.

100 (b) This purpose shall be accomplished by providing a
101 limited tax credit award to projects that provide the highest
102 return on investment and economic benefit to the state which is
103 not awardable until after a project has made its expenditures in
104 this state and the expenditures have been verified by the
105 department.

106 (2) DEFINITIONS.—As used in this act, unless the context
107 otherwise requires, the term:

108 (a) "Certified project" means a qualified project that has
109 been scored by the council, has been determined by the
110 commissioner to meet or exceed the desired economic impact and
111 other criteria of the program, and has tax credits allocated to
112 it based on the project's estimated qualified expenditures. The
113 term does not include a project that may be considered obscene
114 as defined in s. 847.001, Florida Statutes.

115 (b) "Commissioner" means the Commissioner of Film and
116 Entertainment as described in s. 288.1251(1)(b), Florida

23-00366A-22

2022946__

117 Statutes.

118 (c) "Council" means the Florida Film and Entertainment
119 Advisory Council.

120 (d) "Department" means the Department of Economic
121 Opportunity.

122 (e) "Digital media project" means a commercial video game,
123 including an educational video game, which includes at least 30
124 minutes of game play time.

125 (f) "Family friendly" means having cross-generational
126 appeal; being appropriate in theme, content, and language for a
127 broad family audience; embodying a responsible resolution of
128 issues; not containing any act of drunkenness, illicit drug use,
129 sex, nudity, gratuitous violence, or vulgar or profane language;
130 and not portraying smoking any substance in a positive manner.

131 (g) "Film project" means a theatrical, direct-to-video,
132 television, cable, Internet, streaming service, or animated
133 narrative motion picture at least 75 minutes in length. The term
134 does not include a project deemed by the office to have content
135 that is obscene, as defined in s. 847.001, Florida Statutes.

136 (h) "Florida resident" means a person who has a valid
137 Florida driver license or Florida identification card issued
138 under s. 322.051, Florida Statutes, and has signed an affidavit
139 confirming residency.

140 (i) "Office" means the Office of Film and Entertainment
141 within the department.

142 (j) "Principal photography" means, for a film project or
143 television project, the filming of major or significant
144 components of the project which involve lead actors, or, for a
145 digital media project, the period of time during which the work

23-00366A-22

2022946__

146 of the majority of the crew is dedicated solely to the project.

147 (k) "Production start date" means:

148 1. For film and television projects, the start date of
149 principal photography, as listed in the project's application.

150 2. For digital media projects, the start date of final
151 storyboards or a later date as specified in the project's
152 application.

153 (l) "Qualified expenditures" means:

154 1. Expenditures made in this state and paid to residents of
155 this state or to businesses registered in this state and made
156 solely for preproduction, production, or postproduction of the
157 qualified project, including the following:

158 a. Rented or leased goods or services provided by a vendor
159 or supplier in this state which is registered with the
160 Department of State or the Department of Revenue; which has a
161 physical address in this state other than a post office box; and
162 which employs one or more Florida residents on a full-time
163 basis. The term does not include rebilled goods or services
164 provided by an in-state company from out-of-state vendors or
165 suppliers. When services provided by the vendor or supplier
166 include personal services or labor, only personal services or
167 labor provided by Florida residents qualify.

168 b. Payments to Florida residents in the form of salary or
169 wages up to a maximum of \$200,000 per resident, including
170 amounts paid per diem to a worker who is a Florida resident and
171 amounts paid through payroll service companies, and benefits
172 such as pension, health, and welfare payments for technical and
173 production crews, directors, producers, and performers. For
174 purposes of this sub-subparagraph, payments do not include wages

23-00366A-22

2022946__

175 for executives, legal staff, or other corporate staff who are
176 not employed to work solely on the project.

177 c. Rented or leased cars, trucks, and trailers, if the
178 vehicles or trailers are registered with the Florida Department
179 of Highway Safety and Motor Vehicles.

180 d. Purchases of catered meals and on-set craft service
181 supplies.

182 e. Rented hotel rooms or other accommodations for cast or
183 crew.

184 2. The term does not include expenditures not expressly
185 identified in subparagraph 1., expenditures made before
186 qualification for the program, expenditures made via Internet
187 transactions, expenditures for airfare, or any costs associated
188 with development, marketing, or distribution.

189 3. For the purposes of a digital media project, the term
190 includes only those qualified expenditures made within 9 months
191 after the project's first qualified expenditure.

192 (m) "Qualified project" means a film project, television
193 project, or digital media project that meets the application
194 requirements and for which a complete application for the
195 program has been submitted to the commissioner and accepted for
196 consideration by the office. The term does not apply to any
197 company doing subsidiary work on a certified production,
198 including, but not limited to, postproduction, visual effects,
199 and music. The term does not include a weather or market
200 program; a sporting event or a sporting event broadcast; a gala;
201 an awards show; a production that solicits funds; a home
202 shopping program; a political program; a gambling-related
203 project or production; a concert production; a news or current

23-00366A-22

2022946__

204 events show; a sports or sports recap show; a pornographic
 205 production; or any production deemed obscene under chapter 847,
 206 Florida Statutes.

207 (n) "Television project" means a television pilot program
 208 or a television series that:

209 1. Is a scripted drama, comedy, animation, or reality show;

210 2. Has a runtime to fit, at a minimum, a 30-minute program
 211 slot, but no longer than required to fit a 60-minute program
 212 slot; and

213 3. If the television project is a television series, has a
 214 minimum of 7 episodes, or, if the television project is a
 215 reality program or series, has at least 10 episodes.

216 4. Does not include content that is deemed by the office to
 217 be obscene, as defined in s. 847.001, Florida Statutes.

218 (o) "Underutilized area" means any county in this state
 219 other than Broward County, Hillsborough County, Miami-Dade
 220 County, Orange County, Pinellas County, or Seminole County.

221 (3) TAX CREDIT AWARD ELIGIBILITY.—

222 (a) To be eligible for a tax credit award, an applicant
 223 must be registered to do business in this state and must be
 224 producing a project that:

225 1. Has projected qualified expenditures of:

226 a. For a film project, at least \$1.5 million;

227 b. For a television project, at least \$500,000 per episode;

228 or

229 c. For a digital media project, at least \$1.5 million;

230 2. Is projected to employ a crew, including cast and stand-
 231 ins, but not including extras, also known as background
 232 performers, of which at least 60 percent will be residents of

23-00366A-22

2022946

233 this state and at least one member will be a military veteran;

234 3. Is projected to spend at least 70 percent of its total
235 production days in this state; and

236 4. Will not receive a sales tax certificate of exemption
237 pursuant to s. 288.1258, Florida Statutes, for the project.

238 (b) A certified project may receive a tax credit award in
239 the amount of up to 20 percent of its verified qualified
240 expenditures. A bonus may be earned in the amount of an
241 additional 3 percentage points if 60 percent of the project's
242 production in this state will take place in an underutilized
243 area or if its content is deemed family friendly. A certified
244 project may not receive more than one bonus, and the total that
245 may be awarded under any tax credit award may not exceed 23
246 percent of its verified qualified expenditures or \$2 million,
247 whichever is less.

248 (c) A certified project must make a good faith effort to
249 use existing providers of infrastructure or equipment in this
250 state, when available, including providers of camera gear, grip
251 and lighting equipment, vehicles, and postproduction services,
252 and to employ residents of this state as cast and crew.

253 (4) APPLICATION WINDOWS.—Applications must be accepted for
254 the program during two application windows each fiscal year. The
255 commissioner shall set a start date for both application
256 windows. However, the first application window may begin before
257 the start of the fiscal year and must end no later than 5
258 business days after July 1, and the second application window
259 must end no later than 5 business days after December 1.

260 (a) The department may not earmark or set aside more than
261 60 percent of any tax credit awards available for any given

23-00366A-22

2022946__

262 fiscal year for applications submitted during each fiscal year's
263 first application window. Tax credit award funds not earmarked
264 or set aside for applicants applying during one application
265 window roll over for use in the next application window.

266 (b) If all tax credit awards are earmarked and set aside
267 for certified projects, additional applications may not be
268 accepted until more funds become available for the program.

269 (c) If during any application period only a partial amount
270 of tax credit awards are available to certify to a project
271 compared to the full amount for which it would be eligible, the
272 applicant must elect to either accept the partial tax credit
273 award as the maximum certified tax credit award it would be
274 eligible for or reject it and drop out of the program. The
275 applicant must notify the commissioner in writing of its
276 decision before the application period ends. If additional tax
277 credit awards become available after the application period, the
278 project of an applicant that accepted a partial tax credit award
279 is not eligible for any such awards.

280 (5) APPLICATION PROCESS.—

281 (a) A company that plans to produce a film, television, or
282 digital project in this state may submit an application to the
283 commissioner during one of the two application windows. Each
284 fiscal year, a project must have a production start date that is
285 within 6 months after July 1 if applying in the first window or
286 within 6 months after January 1 if applying in the second
287 window.

288 (b) An applicant or its parent company may submit an
289 application for no more than five projects in any single fiscal
290 year. However, except in the case of a television pilot and the

23-00366A-22

2022946__

291 television series the pilot is based on being certified within
292 the same fiscal year, only one project per applicant may be
293 certified within a fiscal year.

294 (c) The application must include:

295 1. Proof of funding;

296 2. Project-related employment information, including
297 employment numbers for residents of this state;

298 3. A full line-item budget and a detailed qualified
299 expenditures budget;

300 4. A detailed distribution plan to assist with determining
301 the potential economic impact of the project in this state;

302 5. The applicant's expected total qualified expenditures
303 for wages paid to residents of this state;

304 6. The applicant's expected total qualified expenditures
305 and nonqualified expenditures in this state;

306 7. For a film project, the latest script, a production
307 schedule, a Day Out of Days report, and a list of the expected
308 shooting locations;

309 8. For a digital media project, a detailed game design
310 document, including a production schedule;

311 9. For a television project that is a pilot, a final
312 script, a production schedule, a Day Out of Days report, and a
313 list of the expected shooting locations;

314 10. For a television project that is a series, the latest
315 scripts for at least two episodes and a production schedule, a
316 Day Out of Days report, and a list of the expected shooting
317 locations for the first episode;

318 11. An affirmation signed by the applicant that the
319 information on the application is correct; and

23-00366A-22

2022946__

320 12. The applicant's Florida tax identification number.

321 (d) Within a reasonable period of time after the last
322 business day of each application window, the commissioner shall:

323 1. Review all applications submitted during the application
324 window and determine the eligibility of each applicant;

325 2. Determine each applicant's expected qualified
326 expenditures;

327 3. Determine the maximum tax credit each qualified
328 applicant may be awarded;

329 4. Determine whether a qualified applicant's project is
330 deemed family friendly;

331 5. Determine the percentage of the applicant's production,
332 if any, which is proposed to occur in an underutilized area;

333 6. Determine whether each qualified applicant is a
334 corporation registered in this state;

335 7. Contact each applicant with any questions, as necessary;

336 8. Gather any additional information needed to address the
337 criteria specified under subsection (6);

338 9. Assemble a package containing the details of each
339 qualified applicant's project and deliver it to each council
340 member; and

341 10. Give notice to the council of the date and time when
342 the council must convene to assess each qualified project. The
343 council may meet in person or by conference call.

344 (e) The council shall determine a score for each qualified
345 project using the criteria specified under subsection (6), with
346 the highest scores going to projects determined to provide the
347 best economic impact and return on investment to this state.

348 (6) CRITERIA FOR DETERMINING PROJECT SCORES.—

23-00366A-22

2022946__

349 (a) The priority order and scoring system of the criteria
350 specified in paragraph (b) must be determined by the
351 commissioner, with assistance from the council and other
352 persons, as determined by the commissioner, before the first
353 application window.

354 (b) The council shall use, at a minimum, the following
355 criteria in determining a qualified project's score:

356 1. The amount of the project's overall qualified
357 expenditures.

358 2. The amount of the project's Florida-resident wages.

359 3. The number of full-time equivalent jobs created by the
360 project.

361 4. Whether the project provides pension, health, and
362 welfare benefits to its workforce in this state.

363 5. The estimated direct and indirect tourism benefit of the
364 project, based on the submitted distribution plan.

365 6. The duration of Florida-resident employment for the
366 project.

367 7. What percentage of the project, if any, is being made in
368 an underutilized area.

369 8. Whether the project is family friendly.

370 9. Whether the project has a Florida-resident writer,
371 producer, director, or star.

372 10. Whether a Florida film, television, or digital media
373 school will assist with the production of the project.

374 11. Whether the project leadership team has a successful
375 track record.

376 12. The number of Florida-resident veterans the project
377 will hire.

23-00366A-22

2022946__

378 13. The number of Florida film school graduates the project
379 will hire as cast or crew.

380 (7) NOTIFICATION OF DECISION.—

381 (a) After the council determines a project's score, the
382 commissioner shall, in a timely manner:

383 1. Make a final determination on certifying or rejecting
384 each qualified project, giving consideration to the council's
385 scoring.

386 2. Provide a list of certified projects to the department
387 which includes the associated maximum tax credit that each
388 respective applicant may be awarded.

389 3. Notify each certified project of the specified
390 percentage of qualified expenditures for which it is eligible
391 and the maximum tax credit it may be awarded.

392 4. Provide a notice of rejection to each rejected
393 applicant; however, the failure to notify an applicant of its
394 rejection does not deem the applicant's project a certified
395 project.

396 (b) Based on the final determination of the commissioner,
397 the department shall certify the project and its maximum tax
398 credit award, if any, to the applicant and to the executive
399 director of the Department of Revenue.

400 (8) VERIFICATION PROCESS.—

401 (a) The commissioner shall develop a process to verify the
402 actual qualified expenditures and bonus eligibility of a
403 certified project after the project's work in this state is
404 complete. The process must require all of the following:

405 1. Submission to the commissioner of at least all of the
406 following information, electronically or in hard copy, or both,

23-00366A-22

2022946__

407 by each certified project:

408 a. Data substantiating each qualified expenditure which has
409 been audited by an independent certified public accountant
410 licensed in this state, as required under subparagraph 4.;

411 b. Copies of documents verifying residency of persons
412 represented as being residents of this state, including an
413 affidavit signed by each resident;

414 c. The final script;

415 d. The most recent production board and shooting schedule;

416 e. The most recent credit list showing where the credits
417 required under subsection (9) will appear;

418 f. A cast list and a final crew list with contact
419 information;

420 g. For any veterans employed by the project, a copy of at
421 least one DD Form 214, as issued by the United States Department
422 of Defense, or another acceptable form of identification as
423 specified by the Department of Veterans' Affairs; and

424 h. Any other information determined necessary by the
425 commissioner.

426 2. Signing, and submission to the commissioner, by the lead
427 producer or studio executive in charge of the certified project,
428 of an affidavit or a written declaration signed under the
429 penalty of perjury as specified in s. 92.525, Florida Statutes,
430 stating that all salaries, wages, and other compensation
431 submitted as qualified expenditures are in compliance with this
432 section.

433 3. The information and affidavit required by subparagraphs
434 1. and 2. must be received by the commissioner within 120 days
435 after the certified project has made its last qualified

23-00366A-22

2022946__

436 expenditure but no later than 1 year after its production start
437 date. Pursuant to the rules adopted by the department, the
438 commissioner may, upon a showing of good cause, grant a one-time
439 extension of this deadline.

440 4. A compliance audit conducted at the certified project's
441 expense by an independent certified public accountant who is a
442 resident of this state to substantiate the qualified
443 expenditures, and submission of a report of the audit findings,
444 including substantiating data, to the commissioner within a
445 reasonable period of time after the initial receipt of records
446 from the certified project.

447 (b) The commissioner shall review the report and data
448 required under paragraph (a) within a reasonable period of time
449 after receipt of the report and data and shall report to the
450 department the final verified amount of actual qualified
451 expenditures the certified project made and the amount of the
452 total tax credit award due the project.

453 (c) The department shall determine and approve the final
454 tax credit award amount to each certified applicant based on the
455 final verified amount of actual qualified expenditures and shall
456 notify the executive director of the Department of Revenue in
457 writing that the certified production has met the requirements
458 of the incentive program and of the final amount of the tax
459 credit award. The final tax credit award amount may not exceed
460 the maximum tax credit award amount certified under subparagraph
461 (7) (b). The tax credit must be issued within a reasonable period
462 of time.

463 (9) MARKETING AND TOURISM REQUIREMENT.—

464 (a) The commissioner shall ensure, as a condition of

23-00366A-22

2022946__

465 receiving a tax credit under this section, that a certified
466 project includes marketing promoting this state as a tourist
467 destination or film and entertainment production destination. At
468 a minimum, the marketing must include placement in the end
469 credits of a "Filmed in Florida" or "Produced in Florida" logo,
470 with size and placement commensurate to other logos included in
471 the end credits, or, if no logos are used, the statement "Filmed
472 in Florida" or "Produced in Florida" or a similar statement
473 approved by the commissioner and the logo of the local film
474 office, if applicable. A digital media project must also supply
475 a 5-second or longer animated logo with "Produced in Florida" or
476 other text, including the logo of the local digital media
477 office, if applicable, as preapproved by the commissioner, in a
478 manner easily seen by a consumer of the digital media project.
479 The commissioner shall provide the logos for the purposes
480 specified in this paragraph, not including the logo for a local
481 office, which must be provided by the applicable office.

482 (b) A certified project must allow the commissioner, or an
483 affiliate, and a minimum of two guests to visit the production
484 site upon the request of the commissioner. Upon such request,
485 the certified project must give the commissioner reasonable
486 notice of a visit date and time that is acceptable to the
487 production. The commissioner or an affiliate is not required to
488 make a visit to the set.

489 (c) A certified project must provide at least five
490 preapproved photos of the production to the commissioner and
491 grant the commissioner free use of the photos in promoting this
492 state as a film, television, or digital media production
493 location or tourist destination.

23-00366A-22

2022946__

494 (10) DISQUALIFICATION.—The department shall disqualify a
495 certified project and may not issue a tax credit award to the
496 project if the project:

497 (a) Does not begin principal photography in this state
498 within the period beginning 30 days before and ending 90 days
499 after the project's listed production start date. Pursuant to
500 department rule, the commissioner may, upon a showing of good
501 cause, grant a one-time extension of this deadline;

502 (b) Does not abide by the policies, procedures, deadlines,
503 or requirements of the application verification process;

504 (c) Does not notify the commissioner of any change in the
505 production start date before commencing production;

506 (d) Submits fraudulent information; or

507 (e) Uses the state sales tax exemption established under s.
508 288.1258, Florida Statutes.

509 (11) FRAUD.—An applicant that submits fraudulent
510 information under this section is liable for reimbursement of
511 the reasonable costs and fees associated with the review,
512 processing, investigation, and prosecution of the fraudulent
513 submission. An applicant that obtains a tax credit award under
514 this section through a claim that is fraudulent shall reimburse
515 the program for the tax credit awarded and reasonable costs and
516 fees associated with the review, processing, investigation, and
517 prosecution of the fraudulent claim and shall pay a civil
518 penalty in an amount equal to double the tax credit amount and
519 any criminal penalty assessed against the applicant.

520 (12) ELECTION AND DISTRIBUTION OF TAX CREDITS.—

521 (a) A certified production company receiving a tax credit
522 award under this section shall, at the time the credit is

23-00366A-22

2022946__

523 awarded by the department after production is completed and all
524 requirements to receive a credit award have been met, make an
525 irrevocable election to apply the credit against taxes due under
526 chapter 220, Florida Statutes; against state taxes collected or
527 accrued under chapter 212, Florida Statutes; or against a stated
528 combination of the two taxes. The election is binding upon any
529 distributee, successor, transferee, or purchaser. The department
530 shall notify the Department of Revenue of any election made
531 pursuant to this paragraph.

532 (b) A qualified production company is eligible for tax
533 credits against its sales and use tax liabilities and corporate
534 income tax liabilities as provided in this section. However, tax
535 credits awarded under this section may not be claimed against
536 sales and use tax liabilities or corporate income tax
537 liabilities for any tax period beginning before July 1, 2022,
538 regardless of when the credits are applied for or awarded.

539 (c) If the certified production company cannot use the
540 entire tax credit in the taxable year or reporting period in
541 which the credit is awarded, any excess amount may be carried
542 forward to a succeeding taxable year or reporting period. A tax
543 credit applied against taxes imposed under chapter 212, Florida
544 Statutes, or chapter 220, Florida Statutes, may be carried
545 forward for a maximum of 5 years after the date the credit is
546 awarded, after which the credit expires and may not be used.

547 (d) A certified production company that files a
548 consolidated return as a member of an affiliated group under s.
549 220.131(1), Florida Statutes, may use the credit on a
550 consolidated return basis up to the amount of the tax imposed
551 upon the consolidated group under chapter 220, Florida Statutes.

23-00366A-22

2022946__

552 (e) A certified production company that is not a
553 corporation as defined in s. 220.03(1)(e), Florida Statutes, may
554 elect to distribute tax credits awarded under this section to
555 its partners or members in proportion to their respective
556 distributive income or loss in the taxable year in which the tax
557 credits were awarded.

558 (f) Tax credits available under this section to a certified
559 production company may succeed to a surviving or acquiring
560 entity subject to the same conditions and limitations as
561 described in this section; however, the credits may not be
562 transferred by the surviving or acquiring entity.

563 (13) TRANSFER OF TAX CREDITS.—

564 (a) Upon application to the Office of Film and
565 Entertainment and approval by the department, a certified
566 production company, or a partner or member of a certified
567 production company, that has received a distribution under
568 paragraph (4)(g) may elect to transfer, in whole or in part, any
569 unused credit amount granted under this section. An election to
570 transfer any unused tax credit amount under chapter 212, Florida
571 Statutes, or chapter 220, Florida Statutes, must be made no
572 later than 5 years after the date the credit is awarded, after
573 which period the credit expires and may not be used. The
574 department shall notify the Department of Revenue of the
575 election and transfer. The original transferee and any
576 subsequent transferees must be either the certified company's
577 parent company or a subsidiary company or a business with NAICS
578 code 512110, 512120, 512191, 512199, 512240, 512250, 512290,
579 515120, 515210, 517410, 541922, 711130, 711410, or 711510.

580 (b) A certified production company that elects to apply a

23-00366A-22

2022946__

581 credit amount against taxes remitted under chapter 212, Florida
582 Statutes, is allowed a one-time transfer of unused credits to
583 one transferee. A certified production company that elects to
584 apply a credit amount against taxes due under chapter 220,
585 Florida Statutes, is allowed a one-time transfer of unused
586 credits to no more than four transferees, and such transfers
587 must occur in the same taxable year.

588 (c) A transferee receiving a tax credit has the same rights
589 and is subject to the same limitations as the certified
590 production company awarded the tax credit except that a
591 transferee receiving a tax credit may not subsequently transfer
592 the tax credit.

593 (14) RELINQUISHMENT OF TAX CREDITS.—

594 (a) Beginning July 1, 2022, a certified production company,
595 or any person who has acquired a tax credit from a certified
596 production company, may elect to relinquish the tax credit to
597 the Department of Revenue in exchange for payment of 85 percent
598 of the amount of the relinquished tax credit.

599 (b) The Department of Revenue may approve payments to
600 entities relinquishing tax credits pursuant to this subsection.

601 (c) Subject to legislative appropriation, the Department of
602 Revenue shall request the Chief Financial Officer to issue
603 warrants to entities relinquishing tax credits. Payments under
604 this subsection shall be made from the funds from which the
605 proceeds from the taxes against which the tax credits could have
606 been applied pursuant to the irrevocable election made by the
607 certified production company under subsection (4) are deposited.

608 (15) ANNUAL ALLOCATION OF TAX CREDITS.—

609 (a) The aggregate amount of tax credits allocated to the

23-00366A-22

2022946__

610 program shall equal, but not exceed:

611 1. For fiscal year 2022-2023, \$20 million.

612 2. For fiscal year 2023-2024, \$20 million.

613 3. For fiscal year 2024-2025, \$20 million.

614 4. For fiscal year 2025-2026, \$20 million.

615 (b) Any portion of the maximum amount of tax credits
616 established per fiscal year in paragraph (a) which is not
617 certified by the end of that fiscal year shall be carried
618 forward and made available for certification during the
619 following 2 fiscal years in addition to the amounts available
620 under paragraph (a) for those fiscal years.

621 (c) Upon approval of the final tax credit award amount
622 pursuant to paragraph (8) (c), an amount equal to the difference
623 between the maximum tax credit award amount previously certified
624 under subsection (7) and the approved final tax credit award
625 amount shall immediately be available for recertification during
626 the current and following fiscal years in addition to the
627 amounts available under paragraph (a) for those fiscal years.

628 (d) If the total amount of credits applied for during a
629 fiscal year pursuant to subsection (5) exceeds the amount of
630 credits available for certification in that fiscal year, such
631 excess shall be treated as having been applied for on the first
632 day of the next fiscal year in which credits remain available
633 for certification.

634 (16) RULES, POLICIES, AND PROCEDURES.—The department may
635 adopt rules and develop policies and procedures to implement and
636 administer this section, including, but not limited to, rules
637 specifying requirements for the application and approval
638 process, records required for substantiation for tax credits,

23-00366A-22

2022946__

639 the manner and form of documentation required to claim tax
640 credits awarded, transferred, or relinquished under this
641 section, marketing requirements for tax credit recipients, and
642 the examination and audit procedures required to administer this
643 section.

644 (17) AUDIT AUTHORITY; REVOCATION AND FORFEITURE OF TAX
645 CREDITS; FRAUDULENT CLAIMS.—

646 (a) The Department of Revenue may conduct examinations and
647 audits as provided in s. 213.34 to verify that tax credits under
648 this section are received, transferred, and applied according to
649 the requirements of this section. If the Department of Revenue
650 determines that tax credits are not received, transferred, or
651 applied as required by this section, it may, in addition to the
652 remedies provided in this subsection, pursue recovery of such
653 funds pursuant to the laws and rules governing the assessment of
654 taxes. The Department of Revenue may adopt rules to administer
655 this paragraph.

656 (b) The department may revoke or modify any written
657 decision qualifying, certifying, or otherwise granting
658 eligibility for tax credits under this section if it is
659 discovered that the tax credit applicant submitted any false
660 statement, representation, or certification in any application,
661 record, report, plan, or other document filed in an attempt to
662 receive tax credits under this section. The department shall
663 immediately notify the Department of Revenue of any revoked or
664 modified orders affecting previously granted tax credits.
665 Additionally, the applicant must notify the Department of
666 Revenue of any change in its tax credit claimed.

667 (c) A determination by the Department of Revenue, as a

23-00366A-22

2022946__

668 result of an audit pursuant to paragraph (a) or from information
669 received from the Office of Film and Entertainment, that an
670 applicant received tax credits pursuant to this section to which
671 the applicant was not entitled is grounds for forfeiture of
672 previously claimed and received tax credits. The applicant is
673 responsible for returning forfeited tax credits to the
674 Department of Revenue, and such funds shall be paid into the
675 General Revenue Fund of the state. Tax credits purchased in good
676 faith are not subject to forfeiture unless the transferee
677 submitted fraudulent information in the purchase or failed to
678 meet the requirements in subsection (13).

679 (18) ANNUAL REPORT.—Each November 1, the commissioner shall
680 provide an annual report on the program for the previous fiscal
681 year to the Governor, the President of the Senate, and the
682 Speaker of the House of Representatives. The report must
683 identify the return on investment associated with, and economic
684 benefits to this state attributable to, the program.

685 (19) FUNDS NOT SUBJECT TO REVERSION.—Notwithstanding s.
686 216.301, Florida Statutes, funds appropriated for this purpose
687 are not subject to reversion.

688 (20) EXPIRATION.— The Targeted High Wage Production Program
689 expires June 30, 2026, at which point all remaining appropriated
690 funds not earmarked and set aside for certified projects must
691 revert to the General Revenue Fund. All remaining appropriated
692 funds must revert to the General Revenue Fund no later than
693 October 31, 2027.

694 Section 2. This act shall take effect upon becoming a law.