

Committee Substitute for
Committee Substitute for Senate Bill No. 2728

An act relating to economic development incentives; amending s. 220.191, F.S.; expanding the definition of qualified project for the Capital Investment Tax Credit; providing for an annual corporate income tax credit for a qualifying business establishing a new or expanded headquarters facility in this state which locates in an enterprise zone and brownfield area and meeting specified requirements; providing for carryforward of unused credits; providing for use of credits by certain affiliated companies or related entities; amending s. 288.1088, F.S.; providing eligibility requirements for the receipt of funds from the Quick Action Closing Fund; authorizing the waiver of certain criteria for projects that would significantly benefit the economy; providing additional requirements for Enterprise Florida, Inc., in evaluating proposed projects; requiring that a contract for payment from the Quick Action Closing Fund provide that the payment of moneys is contingent upon a sufficient appropriation of funds by the Legislature and upon the release of appropriated funds by the Legislative Budget Commission; deleting provisions authorizing the Governor to reallocate unencumbered funds in the Quick Action Closing Fund to other economic development programs; creating s. 288.1089, F.S.; creating the Innovation Incentive Program within the Office of Tourism, Trade, and Economic Development for certain purposes; providing definitions; providing an incentive-award limitation; providing for award application and eligibility; providing qualification requirements; providing proposal evaluation and recommendations requirements for Enterprise Florida, Inc.; providing for negotiation of award amounts by the office; providing for agreements for payments of certain moneys under certain circumstances; providing criteria for award approval or disapproval; providing for incentive payment agreements; requiring Enterprise Florida, Inc., to assist the office in validating certain business performances; requiring a report to the Governor and Legislature; requiring Enterprise Florida, Inc. to develop business ethics standards; requiring a report; creating s. 288.1171, F.S.; defining the term “qualified job-training organization”; providing for the Office of Tourism, Trade, and Economic Development to certify qualified job-training organizations; providing for the distribution of certain funds to a certified organization pursuant to contract; providing contract requirements; specifying uses of the funds; providing for revocation of certification under certain circumstances; providing for appropriations to be distributed through the Office of Tourism, Trade, and Economic Development; amending s. 288.0655; correcting a cross reference; amending s. 403.973, F.S.; providing for review of possible sites for projects funded under s. 288.1089, F.S.; amending s. 624.509, F.S.; authorizing transfers to certain entities of certain excess credits against the insurance premium tax; providing criteria, requirements, and limitations; providing nonapplication to

certain affiliated groups of corporations; providing appropriations; providing an effective date.

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

Section 1. Paragraph (h) of subsection (1) and subsection (5) of section 220.191, Florida Statutes, are amended, subsections (3), (4), (6), and (7) of that section are renumbered as subsections (4), (5), (7), and (8), respectively, and a new subsection (3) is added to that section, to read:

220.191 Capital investment tax credit.—

(1) DEFINITIONS.—For purposes of this section:

(h) “Qualifying project” means:

1. A new or expanding facility in this state which creates at least 100 new jobs in this state and is in one of the high-impact sectors identified by Enterprise Florida, Inc., and certified by the office pursuant to s. 288.108(6), including, but not limited to, aviation, aerospace, automotive, and silicon technology industries; ~~or~~

2. A new or expanded facility in this state which is engaged in a target industry designated pursuant to the procedure specified in s. 288.106(1)(o) and which is induced by this credit to create or retain at least 1,000 jobs in this state, provided that at least 100 of those jobs are new, pay an annual average wage of at least 130 percent of the average private sector wage in the area as defined in s. 288.106(1), and make a cumulative capital investment of at least \$100 million after July 1, 2005. Jobs may be considered retained only if there is significant evidence that the loss of jobs is imminent. Notwithstanding subsection (2), annual credits against the tax imposed by this chapter shall not exceed 50 percent of the increased annual corporate income tax liability or the premium tax liability generated by or arising out of a project qualifying under this subparagraph. A facility that qualifies under this subparagraph for an annual credit against the tax imposed by this chapter may take the tax credit for a period not to exceed 5 years; or

3. A new or expanded headquarters facility in this state which locates in an enterprise zone and brownfield area and is induced by this credit to create at least 1,500 jobs which on average pay at least 200 percent of the statewide average annual private sector wage, as published by the Agency for Workforce Innovation or its successor, and which new or expanded headquarters facility makes a cumulative capital investment in this state of at least \$250 million.

(3)(a) Notwithstanding subsection (2), an annual credit against the tax imposed by this chapter shall be granted to a qualifying business which establishes a qualifying project pursuant to subparagraph (1)(h)3., in an amount equal to the lesser of \$15 million or 5 percent of the eligible capital costs made in connection with a qualifying project, for a period not to exceed 20 years beginning with the commencement of operations of the project. The tax credit shall be granted against the corporate income tax liability of the qualifying business and as further provided in paragraph (c). The total tax

credit provided pursuant to this subsection shall be equal to no more than 100 percent of the eligible capital costs of the qualifying project.

(b) If the credit granted under this subsection is not fully used in any one year because of insufficient tax liability on the part of the qualifying business, the unused amount may be carried forward for a period not to exceed 20 years after the commencement of operations of the project. The carryover credit may be used in a subsequent year when the tax imposed by this chapter for that year exceeds the credit for which the qualifying business is eligible in that year under this subsection after applying the other credits and unused carryovers in the order provided by s. 220.02(8).

(c) The credit granted under this subsection may be used in whole or in part by the qualifying business or any corporation that is either a member of that qualifying business' affiliated group of corporations, is a related entity taxable as a cooperative under subchapter T of the Internal Revenue Code, or, if the qualifying business is an entity taxable as a cooperative under subchapter T of the Internal Revenue Code, is related to the qualifying business. Any entity related to the qualifying business may continue to file as a member of a Florida-nexus consolidated group pursuant to a prior election made under s. 220.131(1), Florida Statutes (1985), even if the parent of the group changes due to a direct or indirect acquisition of the former common parent of the group. Any credit can be used by any of the affiliated companies or related entities referenced in this paragraph to the same extent as it could have been used by the qualifying business. However, any such use shall not operate to increase the amount of the credit or extend the period within which the credit must be used.

(6)(5) The office, in consultation with Enterprise Florida, Inc., is authorized to develop the necessary guidelines and application materials for the certification process described in subsection (5) (4).

Section 2. Section 288.1088, Florida Statutes, is amended to read:

288.1088 Quick Action Closing Fund.—

(1)(a) The Legislature finds that attracting, retaining, and providing favorable conditions for the growth of certain high-impact business facilities, privately developed critical rural infrastructure, or key facilities in economically distressed urban or rural communities which provide widespread economic benefits to the public through high-quality employment opportunities in such facilities or in related facilities attracted to the state, through the increased tax base provided by the high-impact facility and related businesses, through an enhanced entrepreneurial climate in the state and the resulting business and employment opportunities, and through the stimulation and enhancement of the state's universities and community colleges. In the global economy, there exists serious and fierce international competition for these facilities, and in most instances, when all available resources for economic development have been used, the state continues to encounter severe competitive disadvantages in vying for these business facilities. Florida's rural areas must provide a competitive environment for business in the information age. This often requires an incentive to make it feasible for private investors to provide infrastructure in those areas.

(b) The Legislature therefore declares that sufficient resources shall be available to respond to extraordinary economic opportunities and to compete effectively for these high-impact business facilities, critical private infrastructure in rural areas, and key businesses in economically distressed urban or rural communities.

(2) There is created within the Office of Tourism, Trade, and Economic Development the Quick Action Closing Fund. Projects eligible for receipt of funds from the Quick Action Closing Fund shall:

- (a) Be in an industry as referenced in s. 288.106.
- (b) Have a positive payback ratio of at least 5 to 1.
- (c) Be an inducement to the project's location or expansion in the state.
- (d) Pay an average annual wage of at least 125 percent of the areawide or statewide private-sector average wage.
- (e) Be supported by the local community in which the project is to be located.

(3)(a) Enterprise Florida, Inc., shall determine eligibility of each project consistent with the criteria in subsection (2). Enterprise Florida, Inc., in consultation with the Office of Tourism, Trade, and Economic Development, may waive these criteria based on extraordinary circumstances if the project would significantly benefit the local or regional economy. Enterprise Florida, Inc., shall evaluate individual proposals for high-impact business facilities and forward recommendations regarding the use of moneys in the fund for such facilities to the director of the Office of Tourism, Trade, and Economic Development. Such evaluation and recommendation must include, but need not be limited to:

1. A description of the type of facility or infrastructure, its operations, and the associated product or service associated with the facility.

2. The number of full-time-equivalent jobs that will be created by the facility and the total estimated average annual wages of those jobs or, in the case of privately developed rural infrastructure, the types of business activities and jobs stimulated by the investment.

3. The cumulative amount of investment to be dedicated to the facility within a specified period.

4. A statement of any special impacts the facility is expected to stimulate in a particular business sector in the state or regional economy or in the state's universities and community colleges.

5. A statement of the role the incentive is expected to play in the decision of the applicant business to locate or expand in this state or for the private investor to provide critical rural infrastructure.

6. A report evaluating the quality and value of the company submitting a proposal. The report must include:

a. A financial analysis of the company, including an evaluation of the company's short-term liquidity ratio as measured by its assets to liability, the company's profitability ratio, and the company's long-term solvency as measured by its debt-to-equity ratio;

b. The historical market performance of the company;

c. A review of any independent evaluations of the company;

d. A review of the latest audit of the company's financial statement and the related auditor's management letter; and

e. A review of any other types of audits that are related to the internal and management controls of the company.

(b) Upon receipt of the evaluation and recommendation from Enterprise Florida, Inc., the director shall recommend approval or disapproval of a project for receipt of funds from the Quick Action Closing Fund to the Governor. In recommending a project, the director shall include proposed performance conditions that the project must meet to obtain incentive funds. The Governor shall provide the evaluation of projects recommended for approval to the President of the Senate and the Speaker of the House of Representatives and consult with the President of the Senate and the Speaker of the House of Representatives before giving final approval for a project. The Executive Office of the Governor shall recommend approval of a project and the release of funds pursuant to the legislative consultation and review requirements set forth in s. 216.177. The recommendation must include proposed performance conditions that the project must meet in order to obtain funds.

(c) Upon the approval of the Governor, the director of the Office of Tourism, Trade, and Economic Development and the business shall enter into a contract that sets forth the conditions for payment of moneys from the fund. The contract must include the total amount of funds awarded; the performance conditions that must be met to obtain the award, including, but not limited to, net new employment in the state, average salary, and total capital investment; demonstrate a baseline of current service and a measure of enhanced capability; the methodology for validating performance; the schedule of payments from the fund; and sanctions for failure to meet performance conditions. The contract must provide that payment of moneys from the fund is contingent upon sufficient appropriation of funds by the Legislature and upon sufficient release of appropriated funds by the Legislative Budget Commission.

(d) Enterprise Florida, Inc., shall validate contractor performance. Such validation shall be reported within 6 months after completion of the contract to the Governor, President of the Senate, and the Speaker of the House of Representatives.

~~(4) The Governor may, in an emergency or special circumstance, and in consultation with the President of the Senate and the Speaker of the House of Representatives, reallocate unencumbered funds appropriated to the~~

~~Quick Action Closing Fund to supplement statutorily created economic development programs and operations. The Executive Office of the Governor shall recommend approval of the transfer and release of funds pursuant to the legislative consultation and review requirements set forth in s. 216.177.~~

Section 3. Section 288.1089, Florida Statutes, is created to read:

288.1089 Innovation Incentive Program.—

(1) The Innovation Incentive Program is created within the Office of Tourism, Trade, and Economic Development to ensure that sufficient resources are available to allow the state to respond expeditiously to extraordinary economic opportunities and to compete effectively for high-value research and development and innovation business projects.

(2) As used in this section, the term:

(a) “Average private-sector wage” means the statewide average wage in the private sector or the average of all private-sector wages in the county or in the standard metropolitan area in which the project is located as determined by the Agency for Workforce Innovation.

(b) “Brownfield area” means an area designated as a brownfield area pursuant to s. 376.80.

(c) “Cumulative investment” means cumulative capital investment and all eligible capital costs, as defined in s. 220.191.

(d) “Director” means the director of the Office of Tourism, Trade, and Economic Development.

(e) “Enterprise zone” means an area designated as an enterprise zone pursuant to s. 290.0065.

(f) “Fiscal year” means the state fiscal year.

(g) “Innovation business” means a business expanding or locating in this state that is likely to serve as a catalyst for the growth of an existing or emerging technology cluster or will significantly impact the regional economy in which it is to expand or locate.

(h) “Jobs” means full-time equivalent positions, as that term is consistent with terms used by the Agency for Workforce Innovation and the United States Department of Labor for purposes of unemployment compensation tax administration and employment estimation, resulting directly from a project in this state. The term does not include temporary construction jobs.

(i) “Match” means funding from local sources, public or private, which will be paid to the applicant and which is equal to 100 percent of an award. Eligible match funding may include any tax abatement granted to the applicant under s. 196.1995 or the appraised market value of land, buildings, infrastructure, or equipment conveyed or provided at a discount to the applicant. Complete documentation of a match payment or other conveyance must be presented to and verified by the office prior to transfer of state funds

to an applicant. An applicant may not provide, directly or indirectly, more than 5 percent of match funding in any fiscal year. The sources of such funding may not include, directly or indirectly, state funds appropriated from the General Revenue Fund or any state trust fund, excluding tax revenues shared with local governments pursuant to law.

(j) “Office” means the Office of Tourism, Trade, and Economic Development.

(k) “Project” means the location to or expansion in this state by an innovation business or research and development applicant approved for an award pursuant to this section.

(l) “Research and development” means basic and applied research in the sciences or engineering, as well as the design, development, and testing of prototypes or processes of new or improved products. Research and development does not include market research, routine consumer product testing, sales research, research in the social sciences or psychology, nontechnological activities, or technical services.

(m) “Research and development facility” means a facility that is predominately engaged in research and development activities. For purposes of this paragraph, the term “predominantly” means at least 51 percent of the time.

(n) “Rural area” means a rural city, rural community, or rural county as defined in s. 288.106.

(3) To be eligible for consideration for an innovation incentive award, an innovation business or research and development entity must submit a written application to Enterprise Florida, Inc., before making a decision to locate new operations in this state or expand an existing operation in this state. The application must include, but not be limited to:

(a) The applicant’s federal employer identification number, unemployment account number, and state sales tax registration number. If such numbers are not available at the time of application, they must be submitted to the office in writing prior to the disbursement of any payments under this section.

(b) The location in this state at which the project is located or is to be located.

(c) A description of the type of business activity, product, or research and development undertaken by the applicant, including six-digit North American Industry Classification System codes for all activities included in the project.

(d) The applicant’s projected investment in the project.

(e) The total investment, from all sources, in the project.

(f) The number of net new full-time equivalent jobs in this state the applicant anticipates having created as of December 31 of each year in the project and the average annual wage of such jobs.

(g) The total number of full-time equivalent employees currently employed by the applicant in this state, if applicable.

(h) The anticipated commencement date of the project.

(i) A detailed explanation of why the innovation incentive is needed to induce the applicant to expand or locate in the state and whether an award would cause the applicant to locate or expand in this state.

(j) If applicable, an estimate of the proportion of the revenues resulting from the project that will be generated outside this state.

(4) To qualify for review by the office, the applicant must, at a minimum, establish the following to the satisfaction of Enterprise Florida, Inc., and the office:

(a) The jobs created by the project must pay an estimated annual average wage equaling at least 130 percent of the average private-sector wage. The office may waive this average wage requirement at the request of Enterprise Florida, Inc., for a project located in a rural area, a brownfield area, or an enterprise zone, when the merits of the individual project or the specific circumstances in the community in relationship to the project warrant such action. A recommendation for waiver by Enterprise Florida, Inc., must include a specific justification for the waiver and be transmitted to the office in writing. If the director elects to waive the wage requirement, the waiver must be stated in writing and the reasons for granting the waiver must be explained.

(b) A research and development project must:

1. Serve as a catalyst for an emerging or evolving technology cluster.

2. Demonstrate a plan for significant higher education collaboration.

3. Provide the state, at a minimum, a break-even return on investment within a 20-year period.

4. Be provided with a one-to-one match from the local community. The match requirement may be reduced or waived in rural areas of critical economic concern or reduced in rural areas, brownfield areas, and enterprise zones.

(c) An innovation business project in this state, other than a research and development project, must:

1.a. Result in the creation of at least 1,000 direct, new jobs at the business; or

b. Result in the creation of at least 500 direct, new jobs if the project is located in a rural area, a brownfield area, or an enterprise zone.

2. Have an activity or product that is within an industry that is designated as a target industry business under s. 288.106 or a designated sector under s. 288.108.

3.a. Have a cumulative investment of at least \$500 million within a 5-year period; or

b. Have a cumulative investment that exceeds \$250 million within a 10-year period if the project is located in a rural area, brownfield area, or an enterprise zone.

4. Be provided with a one-to-one match from the local community. The match requirement may be reduced or waived in rural areas of critical economic concern or reduced in rural areas, brownfield areas, and enterprise zones.

(5) Enterprise Florida, Inc., shall evaluate proposals for innovation incentive awards and transmit recommendations for awards to the office. Such evaluation and recommendation must include, but need not be limited to:

(a) A description of the project, its required facilities, and the associated product, service, or research and development associated with the project.

(b) The percentage of match provided for the project.

(c) The number of full-time equivalent jobs that will be created by the project, the total estimated average annual wages of such jobs, and the types of business activities and jobs likely to be stimulated by the project.

(d) The cumulative investment to be dedicated to the project within 5 years and the total investment expected in the project if more than 5 years.

(e) The projected economic and fiscal impacts on the local and state economies relative to investment.

(f) A statement of any special impacts the project is expected to stimulate in a particular business sector in the state or regional economy or in the state's universities and community colleges.

(g) A statement of any anticipated or proposed relationships with state universities.

(h) A statement of the role the incentive is expected to play in the decision of the applicant to locate or expand in this state.

(i) A recommendation and explanation of the amount of the award needed to cause the applicant to expand or locate in this state.

(j) A discussion of the efforts and commitments made by the local community in which the project is to be located to induce the applicant's location or expansion, taking into consideration local resources and abilities.

(k) A recommendation for specific performance criteria the applicant would be expected to achieve in order to receive payments from the fund and penalties or sanctions for failure to meet or maintain performance conditions.

(l) For a research and development facility project:

1. A description of the extent to which the project has the potential to serve as catalyst for an emerging or evolving cluster.

2. A description of the extent to which the project has or could have a long-term collaborative research and development relationship with one or more universities or community colleges in this state.

3. A description of the existing or projected impact of the project on established clusters or targeted industry sectors.

4. A description of the project's contribution to the diversity and resiliency of the innovation economy of this state.

5. A description of the project's impact on special-needs communities, including, but not limited to, rural areas, distressed urban areas, and enterprise zones.

(6) In consultation with Enterprise Florida, Inc., the office may negotiate the proposed amount of an award for any applicant meeting the requirements of this section. In negotiating such award, the office shall consider the amount of the incentive needed to cause the applicant to locate or expand in this state in conjunction with other relevant applicant impact and cost information and analysis as described in this section. Particular emphasis shall be given to the potential for the project to stimulate additional private investment and high-quality employment opportunities in the area.

(7) Upon receipt of the evaluation and recommendation from Enterprise Florida, Inc., the director shall recommend to the Governor the approval or disapproval of an award. In recommending approval of an award, the director shall include proposed performance conditions that the applicant must meet in order to obtain incentive funds and any other conditions that must be met before the receipt of any incentive funds. The Governor shall consult with the President of the Senate and the Speaker of the House of Representatives before giving approval for an award. Upon approval of an award, the Executive Office of the Governor shall release the funds pursuant to the legislative consultation and review requirements set forth in s. 216.177.

(8) Upon approval by the Governor and release of the funds as set forth in subsection (7), the director shall issue a letter certifying the applicant as qualified for an award. The office and the applicant shall enter into an agreement that sets forth the conditions for payment of incentives. The agreement must include the total amount of funds awarded; the performance conditions that must be met to obtain the award or portions of the award, including, but not limited to, net new employment in the state, average wage, and total cumulative investment; demonstration of a baseline of current service and a measure of enhanced capability; the methodology for validating performance; the schedule of payments; and sanctions for failure to meet performance conditions, including any clawback provisions.

(9) Enterprise Florida, Inc., shall assist the office in validating the performance of an innovation business or research and development facility that has received an award. At the conclusion of the innovation incentive award agreement, or its earlier termination, Enterprise Florida, Inc., shall,

within 90 days, report the results of the innovation incentive award to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

(10) Enterprise Florida, Inc., shall develop business ethics standards based on appropriate best industry practices which shall be applicable to all award recipients. The standards shall address ethical duties of business enterprises, fiduciary responsibilities of management, and compliance with the laws of this state. Enterprise Florida, Inc., may collaborate with the State University System in reviewing and evaluating appropriate business ethics standards. Such standards shall be provided to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 31, 2006. An award agreement entered into on or after December 31, 2006, shall require a recipient to comply with the business ethics standards developed pursuant to this section.

Section 4. Section 288.1171, Florida Statutes, is created to read:

288.1171 Qualified job-training organizations; certification; duties.—

(1) As used in this section, the term “qualified job-training organization” means an organization that satisfies all of the following:

(a) Is accredited by the Commission for Accreditation of Rehabilitation Facilities.

(b) Collects Florida state sales tax.

(c) Operates statewide and has more than 100 locations within the state.

(d) Is exempt from income taxation under s. 501(c)3 or s. 501(c)4 of the Internal Revenue Code of 1986, as amended.

(e) Specializes in the retail sale of donated items.

(f) Provides job training and employment services to individuals who have workplace disadvantages and disabilities.

(g) Uses a majority of its revenues for job training and placement programs that create jobs and foster economic development.

(2) To be eligible for funding, an organization must be certified by the Office of Tourism, Trade, and Economic Development as meeting the criteria in subsection (1). After certification, the Office of Tourism, Trade, and Economic Development may release funds to the qualified job training organization pursuant to a contract with the organization. The contract must include the performance conditions that must be met in order to obtain the award or portions of the award, including, but not limited to, net new employment in the state, the methodology for validating performance, the schedule of payments, and sanctions for failure to meet the performance requirements including any provisions for repayment of awards. The contract must also require that salaries paid to officers and employees of the qualified job training organization comply with s. 4958 of the Internal Revenue Code of 1986, as amended.

(3) A qualified job-training organization that is certified must use the proceeds provided solely to encourage and provide economic development through capital construction, improvements, or the purchase of equipment that will result in expanded employment opportunities. Proceeds provided under this section for a qualified job training organization must result, within a 10-year period, in:

(a) The creation of at least 5,000 direct, new jobs.

(b) A minimum of 23,000 new clients served.

(c) The production of a minimum of \$24 million in new sales tax revenues from increased sales.

(d) A minimum of \$42 million in new salaries.

(e) A minimum of \$6 million for job placement services.

(4) The failure to use the proceeds as required constitutes grounds for revoking certification.

Section 5. Paragraph (e) of subsection (2) of section 288.0655, Florida Statutes, is amended to read:

288.0655 Rural Infrastructure Fund.—

(2)

(e) To enable local governments to access the resources available pursuant to s. 403.973~~(19)~~(18), the office may award grants for surveys, feasibility studies, and other activities related to the identification and preclearance review of land which is suitable for preclearance review. Authorized grants under this paragraph shall not exceed \$75,000 each, except in the case of a project in a rural area of critical economic concern, in which case the grant shall not exceed \$300,000. Any funds awarded under this paragraph must be matched at a level of 50 percent with local funds, except that any funds awarded for a project in a rural area of critical economic concern must be matched at a level of 33 percent with local funds. In evaluating applications under this paragraph, the office shall consider the extent to which the application seeks to minimize administrative and consultant expenses.

Section 6. Subsections (16) through (19) of section 403.973, Florida Statutes, are renumbered as subsections (17) through (20), respectively, and a new subsection (16) is added to that section, to read:

403.973 Expedited permitting; comprehensive plan amendments.—

(16) The office, working with the agencies participating in the memoranda of agreement, shall review sites proposed for the location of facilities eligible for the Innovation Incentive Program under s. 288.1089. Within 20 days after the request for the review by the office, the agencies shall provide to the office a statement as to each site's necessary permits under local, state, and federal law and an identification of significant permitting issues,

which if unresolved, may result in the denial of an agency permit or approval or any significant delay caused by the permitting process.

Section 7. Subsection (6) of section 624.509, Florida Statutes, is amended to read:

624.509 Premium tax; rate and computation.—

(6)(a) The total of the credit granted for the taxes paid by the insurer under chapters 220 and 221 and the credit granted by subsection (5) shall not exceed 65 percent of the tax due under subsection (1) after deducting therefrom the taxes paid by the insurer under ss. 175.101 and 185.08 and any assessments pursuant to s. 440.51.

(b) To the extent that any credits granted by subsection (5) remain as a result of the limitation set forth in paragraph (a), such excess credits related to salaries and wages of employees whose place of employment is located within an enterprise zone created pursuant to chapter 290 may be transferred, in an aggregate amount not to exceed 25 percent of such excess salary credits, to any insurer that is a member of an affiliated group of corporations, as defined in sub-subparagraph (5)(b)4.a., that includes the original insurer qualifying for the credits under subsection (5). The amount of such excess credits to be transferred shall be calculated by multiplying the amount of such excess credits by a fraction, the numerator of which is the sum of the salaries qualifying for the credit allowed by subsection (5) of employees whose place of employment is located in an enterprise zone and the denominator of which is the sum of the salaries qualifying for the credit allowed by subsection (5). Any such transferred credits shall be subject to the same provisions and limitations set forth within part IV of this chapter. The provisions of this paragraph do not apply to an affiliated group of corporations that participate in a common paymaster arrangement as defined in s. 443.1216.

Section 8. For the 2006-2007 fiscal year, the sum of \$45 million is appropriated from the General Revenue Fund to the Office of Tourism, Trade, and Economic Development within the Executive Office of the Governor to fund the Quick Action Closing Fund as authorized in s. 288.1088, Florida Statutes. These funds shall be placed in reserve by the Executive Office of the Governor on July 1, 2006. The Office of Tourism, Trade, and Economic Development may request the release of funds as needed to implement the provisions of s. 288.1088, Florida Statutes, through the Legislative Budget Commission.

Section 9. For the 2006-2007 fiscal year, the sum of \$200 million is appropriated from the General Revenue Fund for transfer to the Economic Development Trust Fund within the Office of Tourism, Trade, and Economic Development. Funds transferred under this section are not subject to the service charge set forth in s. 215.20, Florida Statutes. The sum of \$200 million is appropriated for the 2006-2007 fiscal year from the Economic Development Trust Fund within the Office of Tourism, Trade, and Economic Development to be used to implement this act. These funds in the Economic Development Trust Fund shall be placed in reserve by the Executive Office of the Governor on July 1, 2006. The Office of Tourism, Trade, and Economic

Development may request the release of funds as needed to implement the provisions of this act through the Legislative Budget Commission. Funds not expended during the 2006-2007 fiscal year may be used in future fiscal years as appropriated in the General Appropriations Act or other law.

Section 10. This act shall take effect July 1, 2006.

Approved by the Governor May 30, 2006.

Filed in Office Secretary of State May 30, 2006.