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Proposed Committee Substitute by the Committee on Appropriations  
(Appropriations Subcommittee on Transportation, Tourism, and  
Economic Development)

1                   A bill to be entitled  
2           An act relating to the entertainment industry;  
3           amending s. 288.125, F.S.; revising the applicability  
4           of the term "entertainment industry"; transferring,  
5           renumbering, and amending s. 288.1251, F.S.; renaming  
6           the Office of Film and Entertainment within the  
7           Department of Economic Opportunity as the Division of  
8           Film and Entertainment within Enterprise Florida,  
9           Inc.; requiring the division to serve as a liaison  
10          between the entertainment industry and other agencies,  
11          commissions, and organizations; requiring the Governor  
12          to appoint the film and entertainment commissioner;  
13          revising the requirements of the division's strategic  
14          plan; transferring, renumbering, and amending s.  
15          288.1252, F.S.; revising the powers and duties of the  
16          Florida Film and Entertainment Advisory Council;  
17          revising council membership; conforming provisions to  
18          changes made by the act; transferring, renumbering,  
19          and amending s. 288.1253, F.S.; conforming provisions  
20          to changes made by the act; prohibiting the division  
21          and its employees and representatives from accepting  
22          specified accommodations, goods, or services from  
23          specified parties; providing that any person who  
24          accepts any such good or services is subject to  
25          specified penalties; amending s. 288.1254, F.S.;  
26          redefining and revising terms; requiring the



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27 department and the division, rather than the Office of  
28 Film and Entertainment, to be responsible for  
29 applications for the entertainment industry program;  
30 revising provisions relating to the application  
31 process, tax credit eligibility, transfer of tax  
32 credits, election and distribution of tax credits,  
33 allocation of tax credits, forfeiture of tax credits,  
34 and annual report; extending the repeal date;  
35 conforming provisions to changes made by the act;  
36 specifying a date on which the applications on file  
37 with the department and not yet certified are deemed  
38 denied; creating s. 288.1256, F.S.; creating the  
39 entertainment action fund within the department;  
40 defining terms; authorizing a production company to  
41 apply for funds from the entertainment action fund in  
42 certain circumstances; requiring the department and  
43 the division to jointly review and evaluate  
44 applications to determine the eligibility of each  
45 project; requiring the department to select projects  
46 that maximize the return to the state; requiring  
47 certain criteria to be considered by the department  
48 and the division; requiring a production company to  
49 have financing for a project before it applies for  
50 action funds; requiring the department to prescribe a  
51 form for an application with specified information;  
52 requiring that the department make a recommendation to  
53 the Governor to approve or deny an award within a  
54 specified timeframe after the completion of the review  
55 and evaluation; providing that an award of funds may



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56 not constitute more than a specified percentage of  
57 qualified expenditures in this state and prohibiting  
58 the use of such funds to pay wages to nonresidents;  
59 requiring a production to start within a specified  
60 period after it is approved by the Governor; requiring  
61 that the recommendation include performance conditions  
62 that the project must meet to obtain funds; requiring  
63 the department and the production company to enter  
64 into a specified agreement after approval by the  
65 Governor; requiring that the agreement be finalized  
66 and signed by an authorized officer of the production  
67 company within a specified period after approval by  
68 the Governor; prohibiting an approved production  
69 company from simultaneously receiving specified  
70 benefits for the same production; requiring that the  
71 department validate contractor performance and report  
72 such validation in the annual report; prohibiting the  
73 department from approving awards in excess of the  
74 amount appropriated for a fiscal year; requiring the  
75 department to maintain a schedule of funds; providing  
76 that a production company that submits fraudulent  
77 information is liable for reimbursement of specified  
78 costs; providing a penalty; prohibiting the department  
79 from waiving any provision or providing an extension  
80 of time to meet specified requirements; providing an  
81 expiration date; amending s. 288.1258, F.S.;  
82 conforming provisions to changes made by the act;  
83 prohibiting an approved production company from  
84 simultaneously receiving benefits under specified



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85 provisions for the same production; requiring the  
86 department to develop a standardized application form  
87 in cooperation with the division and other agencies;  
88 requiring the qualified production company to submit  
89 aggregate data on specified topics; authorizing a  
90 qualified production company to renew its certificate  
91 of exemption for a specified period; amending s.  
92 288.92, F.S.; requiring Enterprise Florida, Inc., to  
93 have a division relating to film and entertainment;  
94 amending s. 477.0135, F.S.; conforming a provision to  
95 changes made by the act; amending ss. 212.08, and  
96 220.1899, F.S.; conforming cross-references; providing  
97 an effective date.

98

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

100

101 Section 1. Section 288.125, Florida Statutes, is amended to  
102 read:

103 288.125 Definition of term "entertainment industry."—For  
104 the purposes of ss. 288.1254, 288.1256, 288.1258, 288.913,  
105 288.914, and 288.915 ~~ss. 288.1251-288.1258~~, the term  
106 "entertainment industry" means those persons or entities engaged  
107 in the operation of motion picture or television studios or  
108 recording studios; those persons or entities engaged in the  
109 preproduction, production, or postproduction of motion pictures,  
110 made-for-television movies, television programming, digital  
111 media projects, commercial advertising, music videos, or sound  
112 recordings; and those persons or entities providing products or  
113 services directly related to the preproduction, production, or



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114 postproduction of motion pictures, made-for-television movies,  
115 television programming, digital media projects, commercial  
116 advertising, music videos, or sound recordings, including, but  
117 not limited to, the broadcast industry.

118 Section 2. Section 288.1251, Florida Statutes, is  
119 transferred, renumbered as section 288.913, Florida Statutes,  
120 and amended to read:

121 288.913 ~~288.1251~~ Promotion and development of entertainment  
122 industry; Division ~~Office~~ of Film and Entertainment; creation;  
123 purpose; powers and duties.—

124 (1) CREATION.—

125 ~~(a)~~ The Division of Film and Entertainment is ~~There is~~  
126 ~~hereby~~ created within Enterprise Florida, Inc., ~~the department~~  
127 ~~the Office of Film and Entertainment~~ for the purpose of  
128 developing, recruiting, marketing, promoting, and providing  
129 services to the state's entertainment industry. The division  
130 shall serve as a liaison between the entertainment industry and  
131 other state and local governmental agencies, local film  
132 commissions, and labor organizations.

133 (2) ~~(b)~~ COMMISSIONER.—The Governor shall appoint the film  
134 and entertainment commissioner, who shall serve at the pleasure  
135 of the Governor ~~department shall conduct a national search for a~~  
136 ~~qualified person to fill the position of Commissioner of Film~~  
137 ~~and Entertainment when the position is vacant. The executive~~  
138 ~~director of the department has the responsibility to hire the~~  
139 ~~film commissioner.~~ The commissioner is subject to the  
140 requirements of s. 288.901(1)(c). Qualifications for the film  
141 commissioner include, but are not limited to, the following:

142 (a) ~~1.~~ A working knowledge of and experience with the



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143 equipment, personnel, financial, and day-to-day production  
144 operations of the industries to be served by the division Office  
145 ~~of Film and Entertainment~~;

146 (b)2. Marketing and promotion experience related to the  
147 film and entertainment industries to be served;

148 (c)3. Experience working with a variety of individuals  
149 representing large and small entertainment-related businesses,  
150 industry associations, local community entertainment industry  
151 liaisons, and labor organizations; and

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

154 (3)2. POWERS AND DUTIES.—

155 (a) The Division Office of Film and Entertainment, in  
156 performance of its duties, shall develop and:

157 ~~1. In consultation with the Florida Film and Entertainment~~  
158 ~~Advisory Council, update a 5-year the strategic plan every 5~~  
159 ~~years to guide the activities of the division Office of Film and~~  
160 ~~Entertainment in the areas of entertainment industry~~  
161 ~~development, marketing, promotion, liaison services, field~~  
162 ~~office administration, and information. The plan shall:~~

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

164 1. At a minimum, the plan must address the following:

165 ~~a.b. Include recommendations relating to~~ The organizational  
166 structure of the division, including any field offices outside  
167 the state office.

168 b. The coordination of the division with local or regional  
169 offices maintained by counties and regions of the state, local  
170 film commissions, and labor organizations, and the coordination  
171 of such entities with each other to facilitate a working



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172 relationship.

173 c. Strategies to identify, solicit, and recruit  
174 entertainment production opportunities for the state, including  
175 implementation of programs for rural and urban areas designed to  
176 develop and promote the state's entertainment industry.

177 ~~d.e. Include~~ An annual budget projection for the division  
178 ~~office~~ for each year of the plan.

179 ~~d. Include an operational model for the office to use in~~  
180 ~~implementing programs for rural and urban areas designed to:~~  
181 ~~(I) develop and promote the state's entertainment industry.~~  
182 ~~(II) Have the office serve as a liaison between the~~  
183 ~~entertainment industry and other state and local governmental~~  
184 ~~agencies, local film commissions, and labor organizations.~~  
185 ~~(III) Gather statistical information related to the state's~~  
186 ~~entertainment industry.~~

187 ~~e.(IV) Provision of~~ Provide information and service to  
188 businesses, communities, organizations, and individuals engaged  
189 in entertainment industry activities.

190 ~~(V) Administer field offices outside the state and~~  
191 ~~coordinate with regional offices maintained by counties and~~  
192 ~~regions of the state, as described in sub-sub-subparagraph (II),~~  
193 ~~as necessary.~~

194 ~~f.e. Include~~ Performance standards and measurable outcomes  
195 for the programs to be implemented by the division office.

196 2. The plan shall be annually reviewed and approved by the  
197 board of directors of Enterprise Florida, Inc.

198 ~~f. Include an assessment of, and make recommendations on,~~  
199 ~~the feasibility of creating an alternative public private~~  
200 ~~partnership for the purpose of contracting with such a~~



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201 ~~partnership for the administration of the state's entertainment~~  
202 ~~industry promotion, development, marketing, and service~~  
203 ~~programs.~~

204 ~~2. Develop, market, and facilitate a working relationship~~  
205 ~~between state agencies and local governments in cooperation with~~  
206 ~~local film commission offices for out-of-state and indigenous~~  
207 ~~entertainment industry production entities.~~

208 ~~3. Implement a structured methodology prescribed for~~  
209 ~~coordinating activities of local offices with each other and the~~  
210 ~~commissioner's office.~~

211 (b) The division shall also:

212 ~~1.4.~~ Represent the state's indigenous entertainment  
213 industry to key decisionmakers within the national and  
214 international entertainment industry, and to state and local  
215 officials.

216 ~~2.5.~~ Prepare an inventory and analysis of the state's  
217 entertainment industry, including, but not limited to,  
218 information on crew, related businesses, support services, job  
219 creation, talent, and economic impact and coordinate with local  
220 offices to develop an information tool for common use.

221 ~~3.6.~~ Identify, solicit, and recruit entertainment  
222 production opportunities for the state.

223 ~~4.7.~~ Assist rural communities and other small communities  
224 in the state in developing the expertise and capacity necessary  
225 for such communities to develop, market, promote, and provide  
226 services to the state's entertainment industry.

227 ~~(c)(b)~~ The division ~~Office of Film and Entertainment~~, in  
228 the performance of its duties, may:

229 1. Conduct or contract for specific promotion and marketing





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230 functions, including, but not limited to, production of a  
231 statewide directory, production and maintenance of an Internet  
232 website, establishment and maintenance of a toll-free telephone  
233 number, organization of trade show participation, and  
234 appropriate cooperative marketing opportunities.

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

238 3. Carry out any program of information, special events, or  
239 publicity designed to attract entertainment industry to Florida.

240 4. Develop relationships and leverage resources with other  
241 public and private organizations or groups in their efforts to  
242 publicize to the entertainment industry in this state, other  
243 states, and other countries the depth of Florida's entertainment  
244 industry talent, crew, production companies, production  
245 equipment resources, related businesses, and support services,  
246 including the establishment of and expenditure for a program of  
247 cooperative advertising with these public and private  
248 organizations and groups in accordance with the provisions of  
249 chapter 120.

250 5. Provide and arrange for reasonable and necessary  
251 promotional items and services for such persons as the division  
252 ~~office~~ deems proper in connection with the performance of the  
253 promotional and other duties of the division ~~office~~.

254 6. Prepare an ~~annual~~ economic impact analysis on  
255 entertainment industry-related activities in the state.

256 7. Request or accept any grant, payment, or gift of funds  
257 or property made by this state, the United States, or any  
258 department or agency thereof, or by any individual, firm,



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259 corporation, municipality, county, or organization, for ~~any or~~  
260 ~~all of~~ the purposes of the ~~Office of Film and Entertainment's~~ 5-  
261 year strategic plan or those permitted activities enumerated in  
262 this paragraph. Such funds shall be deposited in a separate  
263 account ~~the Grants and Donations Trust Fund of the Executive~~  
264 ~~Office of the Governor~~ for use by the division ~~Office of Film~~  
265 ~~and Entertainment~~ in carrying out its responsibilities and  
266 duties ~~as delineated in law~~. The division ~~office~~ may expend such  
267 funds in accordance with the terms and conditions of any such  
268 grant, payment, or gift in the pursuit of its administration or  
269 in support of fulfilling its duties and responsibilities. The  
270 division ~~office~~ shall separately account for the public funds  
271 and the private funds deposited into the account ~~trust fund~~.

272 Section 3. Section 288.1252, Florida Statutes, is  
273 transferred, renumbered as section 288.914, Florida Statutes,  
274 and amended to read:

275 288.914 ~~288.1252~~ Florida Film and Entertainment Advisory  
276 Council; ~~creation;~~ purpose; membership; powers and duties.-

277 ~~(1) CREATION. There is created within the department, for~~  
278 ~~administrative purposes only, the Florida Film and Entertainment~~  
279 ~~Advisory Council.~~

280 ~~(1)(2)~~ CREATION AND PURPOSE.-The Florida Film and  
281 Entertainment Advisory Council is created ~~purpose of the Council~~  
282 ~~is~~ to serve as an advisory body to the Division of Film and  
283 Entertainment within Enterprise Florida, Inc., and ~~department~~  
284 ~~and to the Office of Film and Entertainment~~ to provide these  
285 ~~offices with~~ industry insight and expertise related to  
286 developing, marketing, and promoting, ~~and providing service to~~  
287 the state's entertainment industry.



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288        (2)~~(3)~~ MEMBERSHIP.—

289            (a) The council shall consist of 11 ~~17~~ members, 5 ~~7~~ to be  
290 appointed by the Governor, 3 ~~5~~ to be appointed by the President  
291 of the Senate, and 3 ~~5~~ to be appointed by the Speaker of the  
292 House of Representatives.

293            (b) When making appointments to the council, the Governor,  
294 the President of the Senate, and the Speaker of the House of  
295 Representatives shall appoint persons who are residents of the  
296 state and who are highly knowledgeable of, active in, and  
297 recognized leaders in Florida's motion picture, television,  
298 video, sound recording, or other entertainment industries. These  
299 persons shall include, but not be limited to, representatives of  
300 local film commissions, representatives of entertainment  
301 associations, a representative of the broadcast industry,  
302 representatives of labor organizations in the entertainment  
303 industry, and board chairs, presidents, chief executive  
304 officers, chief operating officers, or persons of comparable  
305 executive position or stature of leading or otherwise important  
306 entertainment industry businesses and offices. Council members  
307 shall be appointed in such a manner as to equitably represent  
308 the broadest spectrum of the entertainment industry and  
309 geographic areas of the state.

310            (c) Council members shall serve for 4-year terms. A member  
311 of the council serving as of July 1, 2015, may serve the  
312 remainder of his or her term, but upon the conclusion of the  
313 term or upon vacancy, such appointment may not be filled except  
314 to meet the requirements of this section.

315            (d) Subsequent appointments shall be made by the official  
316 who appointed the council member whose expired term is to be



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317 filled.

318 (e) A representative of Enterprise Florida, Inc., a  
319 representative of Workforce Florida, Inc., and a representative  
320 of VISIT Florida shall serve as ex officio, nonvoting members of  
321 the council, ~~and shall be~~ in addition to the 11 ~~17~~ appointed  
322 members ~~of the council~~.

323 (f) Absence from three consecutive meetings shall result in  
324 automatic removal from the council.

325 (g) A vacancy on the council shall be filled for the  
326 remainder of the unexpired term by the official who appointed  
327 the vacating member.

328 (h) No more than one member of the council may be an  
329 employee of any one company, organization, or association.

330 (i) Any member shall be eligible for reappointment but may  
331 not serve more than two consecutive terms.

332 (3) ~~(4)~~ MEETINGS; ORGANIZATION.—

333 (a) The council shall meet at least ~~no less frequently than~~  
334 once each quarter of the calendar year, and ~~but~~ may meet more  
335 often as determined necessary ~~set~~ by the council.

336 (b) The council shall annually elect from its appointed  
337 membership one member to serve as chair ~~of the council~~ and one  
338 member to serve as vice chair. The Division ~~Office~~ of Film and  
339 Entertainment shall provide staff assistance to the council,  
340 which must ~~shall~~ include, but need not be limited to, keeping  
341 records of the proceedings of the council, ~~and~~ serving as  
342 custodian of all books, documents, and papers filed with the  
343 council.

344 (c) A majority of the members of the council constitutes  
345 ~~shall constitute~~ a quorum.



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346 (d) Members of the council shall serve without  
347 compensation, but are ~~shall be~~ entitled to reimbursement for per  
348 diem and travel expenses in accordance with s. 112.061 while in  
349 performance of their duties.

350 ~~(4)(5)~~ POWERS AND DUTIES.—The Florida Film and  
351 Entertainment Advisory Council shall have ~~all~~ the power ~~powers~~  
352 ~~necessary or convenient~~ to carry out ~~and effectuate the purposes~~  
353 ~~and provisions of~~ this act, including, but not limited to, the  
354 power to:

355 (a) Adopt bylaws for the governance of its affairs and the  
356 conduct of its business.

357 (b) Advise the Division of Film and Entertainment ~~and~~  
358 ~~consult with the Office of Film and Entertainment~~ on the  
359 content, development, and implementation of the division's 5-  
360 year strategic plan ~~to guide the activities of the office.~~

361 ~~(c) Review the Commissioner of Film and Entertainment's~~  
362 ~~administration of the programs related to the strategic plan,~~  
363 ~~and Advise the~~ Division of Film and Entertainment ~~commissioner~~  
364 on the division's programs and any changes that might be made to  
365 better meet the strategic plan.

366 (d) Consider and study the needs of the entertainment  
367 industry for the purpose of advising the Division of Film and  
368 Entertainment ~~film commissioner and the department.~~

369 (e) Identify ~~and make recommendations on~~ state agency and  
370 local government actions that may have an impact on the  
371 entertainment industry or that may appear to industry  
372 representatives as ~~an~~ official state or local actions ~~action~~  
373 affecting production in the state, and advise the Division of  
374 Film and Entertainment of such actions.



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375 (f) Consider all matters submitted to it by the Division of  
376 Film and Entertainment ~~film commissioner and the department.~~

377 ~~(g) Advise and consult with the film commissioner and the~~  
378 ~~department, at their request or upon its own initiative,~~  
379 ~~regarding the promulgation, administration, and enforcement of~~  
380 ~~all laws and rules relating to the entertainment industry.~~

381 ~~(g)(h)~~ Suggest policies and practices for the conduct of  
382 business by the Office of Film and Entertainment or by the  
383 department that will improve interaction with internal  
384 ~~operations affecting~~ the entertainment industry and will enhance  
385 related state the economic development initiatives ~~of the state~~  
386 ~~for the industry.~~

387 ~~(i) Appear on its own behalf before boards, commissions,~~  
388 ~~departments, or other agencies of municipal, county, or state~~  
389 ~~government, or the Federal Government.~~

390 Section 4. Section 288.1253, Florida Statutes, is  
391 transferred, renumbered as section 288.915, Florida Statutes,  
392 and amended to read:

393 288.915 ~~288.1253~~ Travel and entertainment expenses.—

394 (1) As used in this section, the term "travel expenses"  
395 means the actual, necessary, and reasonable costs of  
396 transportation, meals, lodging, and incidental expenses normally  
397 incurred by an employee of the Division ~~Office~~ of Film and  
398 Entertainment within Enterprise Florida, Inc., as which costs  
399 ~~are~~ defined and prescribed by ~~rules adopted by the~~ department  
400 rule, subject to approval by the Chief Financial Officer.

401 (2) Notwithstanding ~~the provisions of~~ s. 112.061, the  
402 department shall adopt rules by which the Division of Film and  
403 Entertainment ~~it~~ may make expenditures by reimbursement to~~÷~~ the



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404 Governor, the Lieutenant Governor, security staff of the  
405 Governor or Lieutenant Governor, the Commissioner of Film and  
406 Entertainment, or staff of the Division Office of Film and  
407 Entertainment for travel expenses or entertainment expenses  
408 incurred by such individuals solely and exclusively in  
409 connection with the performance of the statutory duties of the  
410 division Office of Film and Entertainment. The rules are subject  
411 to approval by the Chief Financial Officer before adoption. The  
412 rules shall require the submission of paid receipts, or other  
413 proof of expenditure prescribed by the Chief Financial Officer,  
414 with any claim for reimbursement.

415 (3) The Division Office of Film and Entertainment shall  
416 include in the annual report for the entertainment industry  
417 ~~financial incentive~~ program required under s. 288.1254(10) a  
418 report of the division's office's expenditures for the previous  
419 fiscal year. The report must consist of a summary of all travel,  
420 entertainment, and incidental expenses incurred within the  
421 United States and all travel, entertainment, and incidental  
422 expenses incurred outside the United States, as well as a  
423 summary of all successful projects that developed from such  
424 travel.

425 (4) The Division Office of Film and Entertainment and its  
426 employees and representatives, when authorized, may accept and  
427 use complimentary travel, accommodations, meeting space, meals,  
428 equipment, transportation, and any other goods or services  
429 necessary for or beneficial to the performance of the division's  
430 ~~office's~~ duties and purposes, so long as such acceptance or use  
431 is not in conflict with part III of chapter 112. The department  
432 shall, by rule, develop internal controls to ensure that such



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433 goods or services accepted or used pursuant to this subsection  
434 are limited to those that will assist solely and exclusively in  
435 the furtherance of the division's ~~office's~~ goals and are in  
436 compliance with part III of chapter 112. Notwithstanding this  
437 subsection, the division and its employees and representatives  
438 may not accept any complimentary travel, accommodations, meeting  
439 space, meals, equipment, transportation, or any other goods or  
440 services from an entity or party, including an employee,  
441 designee, or representative of such entity or party, which has  
442 received, has applied to receive, or anticipates that it will  
443 receive through an application, funds under s. 288.1256. If the  
444 division or its employee or representative accepts such goods or  
445 services, the division or its employee or representative is  
446 subject to the penalties provided in s. 112.317.

447 (5) Any claim submitted under this section is not required  
448 to be sworn to before a notary public or other officer  
449 authorized to administer oaths, but any claim authorized or  
450 required to be made under any provision of this section shall  
451 contain a statement that the expenses were actually incurred as  
452 necessary travel or entertainment expenses in the performance of  
453 official duties of the Division ~~Office~~ of Film and Entertainment  
454 and shall be verified by written declaration that it is true and  
455 correct as to every material matter. Any person who willfully  
456 makes and subscribes to any claim that ~~which~~ he or she does not  
457 believe to be true and correct as to every material matter or  
458 who willfully aids or assists in, procures, or counsels or  
459 advises with respect to, the preparation or presentation of a  
460 claim pursuant to this section which ~~that~~ is fraudulent or false  
461 as to any material matter, whether such falsity or fraud is with





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462 the knowledge or consent of the person authorized or required to  
463 present the claim, commits a misdemeanor of the second degree,  
464 punishable as provided in s. 775.082 or s. 775.083. Whoever  
465 receives a reimbursement by means of a false claim is civilly  
466 liable, in the amount of the overpayment, for the reimbursement  
467 of the public fund from which the claim was paid.

468 Section 5. Section 288.1254, Florida Statutes, is amended  
469 to read:

470 288.1254 Entertainment industry ~~financial incentive~~  
471 program.—

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

473 (a) "Certified production" means a qualified production  
474 that has tax credits allocated to it by the department based on  
475 the production's estimated qualified expenditures, up to the  
476 production's maximum certified amount of tax credits, by the  
477 department. The term does not include a production if its first  
478 day of principal photography or project start date in this state  
479 occurs before the production is certified by the department,  
480 unless the production spans more than 1 fiscal year, was a  
481 certified production on its first day of principal photography  
482 or project start date in this state, and submits an application  
483 for continuing the same production for the subsequent fiscal  
484 year.

485 (b) "Digital media project" means a production of  
486 interactive entertainment that is produced for distribution in  
487 commercial or educational markets. The term includes a video  
488 game or production intended for Internet or wireless  
489 distribution, an interactive website, digital animation, and  
490 visual effects, including, but not limited to, three-dimensional



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491 movie productions and movie conversions. The term does not  
492 include a production that contains content that is obscene as  
493 defined in s. 847.001.

494 (c) "Family-friendly production" means a production that  
495 has cross-generational appeal; is considered suitable for  
496 viewing by children age 5 or older; is appropriate in theme,  
497 content, and language for a broad family audience; embodies a  
498 responsible resolution of issues; and does not exhibit or imply  
499 any act of smoking, sex, nudity, or vulgar or profane language

500 ~~"High-impact digital media project" means a digital media~~  
501 ~~project that has qualified expenditures greater than \$4.5~~  
502 ~~million.~~

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

504 1. A production created to run multiple production seasons  
505 which has and having an estimated order of at least seven  
506 episodes per season and qualified expenditures of at least \$1  
507 million \$625,000 per episode; or

508 2. A telenovela that has qualified expenditures of more  
509 than \$6 million; a minimum of 45 principal photography days  
510 filmed in this state; a production cast, including background  
511 actors, and a crew of which at least 90 percent are legal  
512 residents of this state; and at least 90 percent of its  
513 production occurring in this state.

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

518 (f) "Principal photography" means the filming of major or  
519 significant components of the qualified production which involve



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520 lead actors.

521 (f)~~(g)~~ "Production" means a theatrical, ~~or~~ direct-to-video,

522 or direct-to-Internet motion picture; a made-for-television

523 motion picture; visual effects or digital animation sequences

524 produced in conjunction with a motion picture; a commercial; a

525 music video; an industrial or educational film; an infomercial;

526 a documentary film; a television pilot program; a presentation

527 for a television pilot program; a television series, including,

528 but not limited to, a drama, a reality show, a comedy, a soap

529 opera, a telenovela, a game show, an awards show, or a

530 miniseries production; a direct-to-Internet television series;

531 or a digital media project by the entertainment industry. One

532 season of a television series is considered one production. The

533 term does not include a weather or market program; a sporting

534 event or a sporting event broadcast; a gala; a production that

535 solicits funds; a home shopping program; a political program; a

536 political documentary; political advertising; a gambling-related

537 project or production; a concert production; a local, regional,

538 or Internet-distributed-only news show or current-events show; a

539 sports news or sports recap show; a pornographic production; or

540 any production deemed obscene under chapter 847. A production

541 may be produced on or by film, tape, or otherwise by means of a

542 motion picture camera; electronic camera or device; tape device;

543 computer; any combination of the foregoing; or any other means,

544 method, or device.

545 (g)~~(h)~~ "Production expenditures" means the costs of

546 tangible and intangible property used for, and services

547 performed primarily and customarily in, production, including

548 preproduction and postproduction, but excluding costs for



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549 development, marketing, and distribution. The term includes, but  
550 is not limited to:

551 1. Wages, salaries, or other compensation paid to legal  
552 residents of this state, including amounts paid through payroll  
553 service companies, for technical and production crews,  
554 directors, producers, and performers.

555 2. Net expenditures for sound stages, backlots, production  
556 editing, digital effects, sound recordings, sets, and set  
557 construction.

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

560 4. Up to \$300,000 of the costs of newly purchased computer  
561 software and hardware unique to the project, including servers,  
562 data processing, and visualization technologies, which are  
563 located in and used exclusively in this ~~the~~ state for the  
564 production of digital media.

565 5. Expenditures for meals, travel, and accommodations. For  
566 purposes of this paragraph, the term "net expenditures" means  
567 the actual amount of money a qualified production spent for  
568 equipment or other tangible personal property, after subtracting  
569 any consideration received for reselling or transferring the  
570 item after the qualified production ends, if applicable.

571 (h) ~~(i)~~ "Qualified expenditures" means production  
572 expenditures incurred in this state by a qualified production  
573 for:

574 1. Goods purchased or leased from, or services, including,  
575 but not limited to, insurance costs and bonding, payroll  
576 services, and legal fees, which are provided by, a vendor or  
577 supplier in this state that is registered with the Department of



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578 State or the Department of Revenue, has a physical location in  
579 this state, and employs one or more legal residents of this  
580 state. This does not include rebilled goods or services provided  
581 by an in-state company from out-of-state vendors or suppliers.  
582 When services provided by the vendor or supplier include  
583 personal services or labor, only personal services or labor  
584 provided by residents of this state, evidenced by the required  
585 documentation of residency in this state, qualify.

586 2. Payments to legal residents of this state in the form of  
587 salary, wages, or other compensation up to a maximum of \$400,000  
588 per resident unless otherwise specified in subsection (4). A  
589 completed declaration of residency in this state must accompany  
590 the documentation submitted to the department ~~office~~ for  
591 reimbursement.

592  
593 For a qualified production involving an event, such as an awards  
594 show, the term does not include expenditures solely associated  
595 with the event itself and not directly required by the  
596 production. The term does not include expenditures incurred  
597 before certification, with the exception of those incurred for a  
598 commercial, a music video, or the pickup of additional episodes  
599 of a high-impact television production ~~series~~ within a single  
600 season. ~~Under no circumstances may~~ The qualified production may  
601 not include in the calculation for qualified expenditures the  
602 original purchase price for equipment or other tangible property  
603 that is later sold or transferred by the qualified production  
604 for consideration. In such cases, the qualified expenditure is  
605 the net of the original purchase price minus the consideration  
606 received upon sale or transfer.



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607        ~~(i)-(j)~~ "Qualified production" means a production in this  
608 state meeting the requirements of this section. The term does  
609 not include a production:

610            1. In which, ~~for the first 2 years of the incentive~~  
611 ~~program, less than 50 percent, and thereafter, less than 60~~  
612 ~~percent,~~ of the positions that make up its production cast and  
613 below-the-line production crew, or, in the case of digital media  
614 projects, less than 75 percent of such positions, are filled by  
615 legal residents of this state, whose residency is demonstrated  
616 by a valid Florida driver license or other state-issued  
617 identification confirming residency, or students enrolled full-  
618 time in an entertainment-related ~~a film and entertainment-~~  
619 ~~related~~ course of study at an institution of higher education in  
620 this state; or

621            2. That contains obscene content as defined in s.  
622 847.001(10).

623        ~~(j)-(k)~~ "Qualified production company" means a corporation,  
624 limited liability company, partnership, or other legal entity  
625 engaged in one or more productions in this state.

626        ~~(l) "Qualified digital media production facility" means a~~  
627 ~~building or series of buildings and their improvements in which~~  
628 ~~data processing, visualization, and sound synchronization~~  
629 ~~technologies are regularly applied for the production of~~  
630 ~~qualified digital media projects or the digital animation~~  
631 ~~components of qualified productions.~~

632        ~~(m) "Qualified production facility" means a building or~~  
633 ~~complex of buildings and their improvements and associated~~  
634 ~~backlot facilities in which regular filming activity for film or~~  
635 ~~television has occurred for a period of no less than 1 year and~~



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636 ~~which contain at least one sound stage of at least 7,800 square~~  
637 ~~feet.~~

638 ~~(n) "Regional population ratio" means the ratio of the~~  
639 ~~population of a region to the population of this state. The~~  
640 ~~regional population ratio applicable to a given fiscal year is~~  
641 ~~the regional population ratio calculated by the Office of Film~~  
642 ~~and Entertainment using the latest official estimates of~~  
643 ~~population certified under s. 186.901, available on the first~~  
644 ~~day of that fiscal year.~~

645 ~~(o) "Regional tax credit ratio" means a ratio the numerator~~  
646 ~~of which is the sum of tax credits awarded to productions in a~~  
647 ~~region to date plus the tax credits certified, but not yet~~  
648 ~~awarded, to productions currently in that region and the~~  
649 ~~denominator of which is the sum of all tax credits awarded in~~  
650 ~~the state to date plus all tax credits certified, but not yet~~  
651 ~~awarded, to productions currently in the state. The regional tax~~  
652 ~~credit ratio applicable to a given year is the regional tax~~  
653 ~~credit ratio calculated by the Office of Film and Entertainment~~  
654 ~~using credit award and certification information available on~~  
655 ~~the first day of that fiscal year.~~

656 ~~(p) "Underutilized region" for a given state fiscal year~~  
657 ~~means a region with a regional tax credit ratio applicable to~~  
658 ~~that fiscal year that is lower than its regional population~~  
659 ~~ratio applicable to that fiscal year. The following regions are~~  
660 ~~established for purposes of making this determination:~~

661 ~~1. North Region, consisting of Alachua, Baker, Bay,~~  
662 ~~Bradford, Calhoun, Clay, Columbia, Dixie, Duval, Escambia,~~  
663 ~~Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Holmes, Jackson,~~  
664 ~~Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Nassau,~~



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665 ~~Okaloosa, Putnam, Santa Rosa, St. Johns, Suwannee, Taylor,~~  
666 ~~Union, Wakulla, Walton, and Washington Counties.~~

667 ~~2. Central East Region, consisting of Brevard, Flagler,~~  
668 ~~Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St.~~  
669 ~~Lucie, and Volusia Counties.~~

670 ~~3. Central West Region, consisting of Citrus, Hernando,~~  
671 ~~Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota,~~  
672 ~~and Sumter Counties.~~

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

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

677 ~~(k) (a)~~ "Interactive website" means a website or group of  
678 websites that includes interactive and downloadable content, and  
679 creates 25 new Florida full-time equivalent positions operating  
680 from a principal place of business located within Florida. An  
681 interactive website or group of websites must provide  
682 documentation that those jobs were created to the department  
683 ~~before Office of Film and Entertainment prior to~~ the award of  
684 tax credits. Each subsequent program application must provide  
685 proof that 25 Florida full-time equivalent positions are  
686 maintained.

687 (1) "Underutilized county" means a county in which less  
688 than \$500,000 in qualified expenditures were made in the last 2  
689 fiscal years.

690 (2) CREATION AND PURPOSE OF PROGRAM.—The entertainment  
691 industry ~~financial incentive~~ program is created within the  
692 department ~~Office of Film and Entertainment. The purpose of this~~  
693 ~~program is~~ to encourage the use of this state as a site for





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694 entertainment production, for filming, and for the digital  
695 production of entertainment films, and to develop and sustain  
696 the workforce and infrastructure for film, digital media, and  
697 entertainment production.

698 (3) APPLICATION PROCEDURE; APPROVAL PROCESS.—

699 (a) *Program application.*—A qualified production company  
700 producing a qualified production in this state may submit a  
701 program application to the Division Office of Film and  
702 Entertainment for the purpose of determining qualification for  
703 an award of tax credits authorized by this section no earlier  
704 than 180 days before the first day of principal photography or  
705 project start date in this state. The applicant shall provide  
706 the division Office of Film and Entertainment with information  
707 required to determine whether the production is a qualified  
708 production and to determine the qualified expenditures and other  
709 information necessary for the division and the department office  
710 to determine eligibility for the tax credit.

711 (b) *Required documentation.*—The department, in consultation  
712 with the division, Office of Film and Entertainment shall  
713 develop an application form for qualifying an applicant as a  
714 qualified production. The form must include, but need not be  
715 limited to, production-related information concerning employment  
716 of residents in this state; ; a detailed budget of planned  
717 qualified expenditures and aggregate nonqualified expenditures,  
718 including capital investment, in this state; proof of financing  
719 for the production; ; and the applicant's signed affirmation that  
720 the information on the form has been verified and is correct.  
721 The division Office of Film and Entertainment and local film  
722 commissions shall distribute the form.



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723 (c) Application process.—The division ~~Office of Film and~~  
724 ~~Entertainment~~ shall establish a process by which an application  
725 is accepted and reviewed and ~~by which tax credit eligibility and~~  
726 ~~award amount are determined.~~

727 1. The division shall review, evaluate, and rank  
728 applications for each queue, as provided in subsection (4),  
729 using the following evaluation criteria, with priority given in  
730 descending order, with the highest priority given to sub-  
731 subparagraph a.:

732 a. The number of state residents that will be employed in  
733 full-time equivalent and part-time positions related to the  
734 project, and the duration of such employment and the average  
735 wages paid to such residents. Preference shall be given to a  
736 project that expects to pay higher than the statewide average  
737 wage.

738 b. The amount of qualified and nonqualified expenditures  
739 that will be made in this state.

740 c. The duration of the project in this state, including  
741 whether production will occur in an underutilized county.

742 d. The length of time for planned preproduction and  
743 postproduction scheduled to occur in this state.

744 e. The amount of capital investment, especially fixed  
745 capital investment, to be made directly by the production  
746 company in this state related to the project and the amount of  
747 any other capital investment to be made in this state related to  
748 the project.

749 f. The local support and amount of any financial commitment  
750 for the project.

751 2. The Division of Film and Entertainment shall designate



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752 two application cycles per fiscal year for qualified production  
753 companies to submit applications pursuant to this section. Each  
754 application cycle must consist of an application submittal  
755 deadline and a subsequent review period. The two application  
756 deadlines shall be separated in time by at least 4 months. The  
757 first application cycle must be "Application Cycle A," and the  
758 second application cycle must be "Application Cycle B." Each  
759 applicant must designate the cycle for which the applicant is  
760 applying.

761 3. The Division of Film and Entertainment shall designate  
762 the length of the review period for each application cycle which  
763 must immediately follow its corresponding application deadline.  
764 The review cycle may not exceed 30 days. During each review  
765 period, the Division of Film and Entertainment shall:

766 a. Review each timely received application to ensure that  
767 the application is complete and shall label each application  
768 according to its queue as specified in subsection (4).

769 b. Recommend rankings for applications pursuant to the  
770 criteria in subparagraph 1.

771 c. Submit each complete and timely received application  
772 along with the recommended application rankings to the  
773 department no later than 1 day after the end of the review  
774 cycle. Applications that do not meet the requirements of this  
775 section may not be ranked.

776 4. Applications that are not timely received or complete  
777 may not be carried forward to a subsequent application cycle.

778 5. A certified high-impact television production may submit  
779 an initial application for no more than two successive seasons,  
780 notwithstanding the fact that the second season has not been



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781 ordered. The qualified expenditure amounts for the second season  
782 shall be based on the current season's estimated qualified  
783 expenditures. Upon the completion of production of each season,  
784 a high-impact television production may submit an application  
785 for only one additional season. To be certified for a tax  
786 credit, the applicant must agree to notify the department within  
787 10 days if the additional season is not ordered or is cancelled.

788 ~~The Office of Film and Entertainment may request assistance~~  
789 ~~from a duly appointed local film commission in determining~~  
790 ~~compliance with this section. A certified high-impact television~~  
791 ~~series may submit an initial application for no more than two~~  
792 ~~successive seasons, notwithstanding the fact that the successive~~  
793 ~~seasons have not been ordered. The successive season's qualified~~  
794 ~~expenditure amounts shall be based on the current season's~~  
795 ~~estimated qualified expenditures. Upon the completion of~~  
796 ~~production of each season, a high-impact television series may~~  
797 ~~submit an application for no more than one additional season.~~

798 (d) *Certification.*—

799 1. The department ~~Office of Film and Entertainment~~ shall  
800 review the applications and recommendations by the division  
801 ~~application~~ within 15 business days after receipt from the  
802 division. ~~Upon its determination that~~ The department shall  
803 determine if each application contains all the information  
804 required by this subsection and meets the criteria set out in  
805 this section. Going from the highest-ranked and recommended  
806 application to the lowest-ranked application, the department,  
807 ~~the Office of Film and Entertainment~~ shall determine, for each  
808 application, whether to certify ~~qualify the applicant and~~  
809 ~~recommend to the department that the applicant be certified for~~



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810 the ~~maximum~~ tax credit award amount. ~~Within 5 business days~~  
811 ~~after receipt of the recommendation, the department shall reject~~  
812 ~~the recommendation or certify the maximum recommended tax credit~~  
813 ~~award, if any funds are available, to the applicant and to the~~  
814 ~~executive director of the Department of Revenue; or to reject~~  
815 ~~the request for the tax credit pursuant to paragraph (f).~~

816 2. The department may certify only up to 50 percent of the  
817 credits available in a fiscal year for "Application Cycle A" of  
818 the fiscal year. All remaining tax credits in the fiscal year  
819 may be certified in "Application Cycle B." The department may  
820 not certify tax credits in an amount greater than the allocation  
821 for a specified fiscal year, as determined under subsection (7).

822 (e) Employment.—Upon certification by the department, the  
823 production must provide the department and the Division of Film  
824 and Entertainment with a single point of contact and information  
825 related to the production's needs for cast, crew, contractors,  
826 and vendors. The division shall publish this information online,  
827 including the type of production, the projected start date of  
828 the production, the locations in this state for such production,  
829 and the e-mail or other contact information for the production's  
830 point of contact. The department, in consultation with the  
831 division, may adopt procedures for a production to post such  
832 information itself within 7 days after certification.

833 (f) ~~(e)~~ Grounds for denial.—The department ~~Office of Film~~  
834 and ~~Entertainment~~ shall deny an application if it determines  
835 that the application is not complete, ~~or~~ the production or  
836 application does not meet the requirements of this section, or  
837 the application is not ranked by the division. ~~Within 90 days~~  
838 after submitting a program application, ~~except with respect to~~



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839 ~~applications in the independent and emerging media queue, a~~  
840 ~~production must provide proof of project financing to the Office~~  
841 ~~of Film and Entertainment, otherwise the project is deemed~~  
842 ~~denied and withdrawn. A project that has been denied withdrawn~~  
843 ~~may submit a new application in a subsequent application cycle~~  
844 ~~upon providing the Office of Film and Entertainment proof of~~  
845 ~~financing.~~

846 ~~(g) (f) Verification of actual qualified expenditures.-~~

847 1. The department, in consultation with the Division Office  
848 of Film and Entertainment, shall develop a process to verify the  
849 actual qualified expenditures of a certified production. The  
850 process must require:

851 a. A certified production to submit, within 180 days in a  
852 ~~timely manner~~ after production ends in this state and after  
853 making all of its qualified expenditures in this state, data  
854 substantiating each qualified expenditure, including  
855 documentation of ~~on~~ the net expenditure on equipment and other  
856 tangible personal property by the qualified production and all  
857 production-related information on full- and part-time employment  
858 and wages paid to residents of this state, to an independent  
859 certified public accountant licensed in this state;

860 b. Such accountant to conduct a compliance audit, at the  
861 certified production's expense, to substantiate each qualified  
862 expenditure and submit the results as a report, along with the  
863 required substantiating data, to the department Office of Film  
864 ~~and Entertainment;~~ and

865 c. The department Office of Film and Entertainment to  
866 review the accountant's submittal and verify ~~report to the~~  
867 ~~department~~ the final ~~verified~~ amount of actual qualified



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868 expenditures made by the certified production.

869 2. The department shall also require a certified production  
870 to submit data substantiating aggregate nonqualified  
871 expenditures, including capital investment, in this state.

872 3.2- The department shall determine and approve the final  
873 tax credit award amount to each certified applicant based on the  
874 final verified amount of actual qualified expenditures and  
875 evidence that the qualified production met the requirements of  
876 this section. The department shall notify the executive director  
877 of the Department of Revenue in writing that the certified  
878 production has met the requirements of the ~~incentive~~ program and  
879 of the final amount of the tax credit award. The final tax  
880 credit award amount may not exceed the maximum tax credit award  
881 amount certified under paragraph (d).

882 (h) ~~(g)~~ Promoting Florida.-The department ~~Office of Film and~~  
883 ~~Entertainment~~ shall ensure that, as a condition of receiving a  
884 tax credit under this section, marketing materials promoting  
885 this state as a tourist destination or film and entertainment  
886 production destination are included, when appropriate, at no  
887 cost to the state, in the qualified production or as otherwise  
888 required by the department and the Division of Film and  
889 Entertainment. The Division of Film and Entertainment shall  
890 provide the Florida Tourism Industry Marketing Corporation with  
891 the contact information for each qualified production in order  
892 for the corporation to work with the qualified production to  
893 develop the marketing materials promoting this state. The  
894 marketing materials ~~which~~ must, at a minimum, include placement  
895 of the "Visit Florida" logo and a "Filmed in Florida" or  
896 "Produced in Florida" logo in the end credits. The placement of



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897 the "Visit Florida" logo and a "Filmed in Florida" or "Produced  
898 in Florida" logo on all packaging material and hard media is  
899 also required, unless such placement is prohibited by licensing  
900 or other contractual obligations. The ~~sizes~~ ~~size~~ and ~~placements~~  
901 ~~placement~~ of such ~~logos~~ ~~logo~~ shall be commensurate to other  
902 logos used. If no logos are used, the statement "Filmed in  
903 Florida using Florida's Entertainment Industry Program ~~Financial~~  
904 ~~Incentive,~~" or a similar statement approved by the Division  
905 ~~Office~~ of Film and Entertainment, shall be used. The Division  
906 ~~Office~~ of Film and Entertainment shall provide a logo and supply  
907 it for the purposes specified in this paragraph. A 30-second  
908 "Visit Florida" promotional video must also be included on all  
909 optical disc formats of a film, unless such placement is  
910 prohibited by licensing or other contractual obligations. The  
911 30-second promotional video shall be approved and provided by  
912 the Florida Tourism Industry Marketing Corporation in  
913 consultation with the Division ~~Commissioner~~ of Film and  
914 Entertainment. The marketing materials must also include a link  
915 to the Florida Tourism Industry Marketing Corporation website or  
916 another website designated by the department on the certified  
917 applicant's website or the production's website for the entire  
918 term of the production. If the certified applicant cannot  
919 provide such link, it must provide a promotional opportunity of  
920 equal or greater value as approved by the department and the  
921 division.

922 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;  
923 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;  
924 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND  
925 ACQUISITIONS.-





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926           (a) ~~Priority for tax credit award.~~ The priority of a  
927 ~~qualified production for tax credit awards must be determined on~~  
928 ~~a first-come, first-served basis within its appropriate queue.~~  
929 ~~Each qualified production must be placed into the appropriate~~  
930 ~~queue and is subject to the requirements of that queue.~~

931           ~~(b) Tax credit eligibility.~~ Each qualified production must  
932 be placed into the appropriate queue and is subject to the  
933 requirements of that queue.

934           1. General production queue.—Ninety-four percent of tax  
935 credits authorized pursuant to subsection (7) ~~(6)~~ in any state  
936 fiscal year must be dedicated to the general production queue.  
937 The general production queue consists of all qualified  
938 productions other than those eligible for the commercial and  
939 music video queue or the independent and emerging media  
940 production queue. A qualified production that demonstrates a  
941 minimum of \$625,000 in qualified expenditures is eligible for  
942 tax credits equal to 20 percent of its actual qualified  
943 expenditures, up to a maximum of \$8 million. A qualified  
944 production that incurs qualified expenditures during multiple  
945 state fiscal years may combine those expenditures to satisfy the  
946 \$625,000 minimum threshold.

947           a. ~~An off-season certified production that is a feature~~  
948 ~~film, independent film, or television series or pilot is~~  
949 ~~eligible for an additional 5 percent tax credit on actual~~  
950 ~~qualified expenditures. An off-season certified production that~~  
951 ~~does not complete 75 percent of principal photography due to a~~  
952 ~~disruption caused by a hurricane or tropical storm may not be~~  
953 ~~disqualified from eligibility for the additional 5 percent~~  
954 ~~credit as a result of the disruption.~~



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955           ~~b. If more than 45 percent of the sum of total tax credits~~  
956 ~~initially certified and awarded after April 1, 2012, total tax~~  
957 ~~credits initially certified after April 1, 2012, but not yet~~  
958 ~~awarded, and total tax credits available for certification after~~  
959 ~~April 1, 2012, but not yet certified has been awarded for high-~~  
960 ~~impact television series, then no high-impact television series~~  
961 ~~is eligible for tax credits under this subparagraph. Tax credits~~  
962 ~~initially certified for a high-impact television series after~~  
963 ~~April 1, 2012, may not be awarded if the award will cause the~~  
964 ~~percentage threshold in this sub-subparagraph to be exceeded.~~  
965 ~~This sub-subparagraph does not prohibit the award of tax credits~~  
966 ~~certified before April 1, 2012, for high-impact television~~  
967 ~~series.~~

968           ~~e. Subject to sub-subparagraph b., First priority in the~~  
969 ~~queue for tax credit awards not yet certified shall be given to~~  
970 ~~high-impact television series and high-impact digital media~~  
971 ~~projects. For the purposes of determining priority between a~~  
972 ~~high-impact television series and a high-impact digital media~~  
973 ~~project, the first position must go to the first application~~  
974 ~~received. Thereafter, priority shall be determined by~~  
975 ~~alternating between a high-impact television series and a high-~~  
976 ~~impact digital media project on a first-come, first-served~~  
977 ~~basis. However, if the Office of Film and Entertainment receives~~  
978 ~~an application for a high-impact television series or high-~~  
979 ~~impact digital media project that would be certified but for the~~  
980 ~~alternating priority, the office may certify the project as~~  
981 ~~being in the priority position if an application that would~~  
982 ~~normally be the priority position is not received within 5~~  
983 ~~business days.~~



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984           ~~d.~~ A qualified production for which at least 70 ~~67~~ percent  
985 of its principal photography days occur within a county ~~region~~  
986 designated as an underutilized county ~~region~~ at the time that  
987 the production is certified is eligible for an additional 5  
988 percent tax credit.

989           ~~b.e.~~ A qualified production that employs students enrolled  
990 full-time in a film and entertainment-related or digital media-  
991 related course of study at an institution of higher education in  
992 this state, individuals participating in the Road-to-  
993 Independence Program under s. 409.1451, individuals with  
994 developmental disabilities as defined in s. 393.063 residing in  
995 this state, and veterans residing in this state, is eligible for  
996 an additional 15 percent tax credit on qualified expenditures  
997 that are wages, salaries, or other compensation paid to such  
998 students. The additional 15 percent tax credit is also  
999 applicable to persons hired within 12 months after graduating  
1000 from a film and entertainment-related or digital media-related  
1001 course of study at an institution of higher education in this  
1002 state. The additional 15 percent tax credit applies to qualified  
1003 expenditures that are wages, salaries, or other compensation  
1004 paid to such recent graduates for 1 year after the date of  
1005 hiring.

1006           ~~f.~~ ~~A qualified production for which 50 percent or more of~~  
1007 ~~its principal photography occurs at a qualified production~~  
1008 ~~facility, or a qualified digital media project or the digital~~  
1009 ~~animation component of a qualified production for which 50~~  
1010 ~~percent or more of the project's or component's qualified~~  
1011 ~~expenditures are related to a qualified digital media production~~  
1012 ~~facility, is eligible for an additional 5 percent tax credit on~~



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1013 ~~actual qualified expenditures for production activity at that~~  
1014 ~~facility.~~

1015 c. A qualified production that completes a capital  
1016 investment in this state of at least \$2 million for property  
1017 improvements before the completion of the qualified production,  
1018 is eligible for an additional 5 percent tax credit. The capital  
1019 investment must be permanent and must be made after July 1,  
1020 2015, and the property must remain in this state after the  
1021 production ends. A capital investment may be the basis of an  
1022 application only once, unless the qualified production makes an  
1023 additional \$2 million of substantial changes to the property.

1024 d. A qualified production determined by the department to  
1025 be a family-friendly production, based on review of the script  
1026 and review of the final release version, is eligible for an  
1027 additional 5 percent tax credit. The department must consult  
1028 with the Division of Film and Entertainment in making this  
1029 determination.

1030 ~~e.g.~~ A qualified production is not eligible for tax credits  
1031 provided under this paragraph totaling more than 25 ~~30~~ percent  
1032 of its actual qualified expenses.

1033 2. Commercial and music video queue.—Three percent of tax  
1034 credits authorized pursuant to subsection (7) ~~(6)~~ in any state  
1035 fiscal year must be dedicated to the commercial and music video  
1036 queue. A qualified production company that produces national or  
1037 regional commercials ~~or music videos~~ may be eligible for a tax  
1038 credit award if it demonstrates a minimum of \$100,000 in  
1039 qualified expenditures per national or regional commercial ~~or~~  
1040 ~~music video~~ and exceeds a combined threshold of \$500,000 after  
1041 combining actual qualified expenditures from qualified



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1042 commercials ~~and music videos~~ during a single state fiscal year.  
1043 After a qualified production company that produces commercials,  
1044 ~~music videos, or both~~ reaches the threshold of \$500,000, it is  
1045 eligible to apply for certification for a tax credit award. The  
1046 maximum credit award for a qualified production company that  
1047 produces commercials shall be equal to 20 percent of its actual  
1048 qualified expenditures up to a maximum of \$500,000. A qualified  
1049 production company that produces music videos may be eligible  
1050 for a tax credit if it demonstrates a minimum of \$25,000 in  
1051 qualified expenditures per music video and exceeds a combined  
1052 threshold of \$125,000 after combining actual qualified  
1053 expenditures from qualified music videos during a single state  
1054 fiscal year. After a qualified production company that produces  
1055 music videos reaches the threshold of \$125,000, it is eligible  
1056 to apply for certification for a tax credit award. The maximum  
1057 credit award for a qualified production company that produces  
1058 music videos shall be equal to 20 percent of its actual  
1059 qualified expenditures up to a maximum of \$125,000. If there is  
1060 a surplus at the end of a fiscal year after the department  
1061 ~~Office of Film and Entertainment~~ certifies and determines the  
1062 tax credits for all qualified commercial and video projects,  
1063 such surplus tax credits shall be carried forward to the  
1064 following fiscal year and are available to any eligible  
1065 qualified productions under the general production queue.

1066 3. Independent and emerging media production queue.—Three  
1067 percent of tax credits authorized pursuant to subsection (7) ~~(6)~~  
1068 in any state fiscal year must be dedicated to the independent  
1069 and emerging media production queue. This queue is intended to  
1070 encourage independent film and emerging media production in this



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1071 state. Any qualified production, excluding commercials,  
1072 infomercials, or music videos, which demonstrates at least  
1073 \$100,000, but not more than \$625,000, in total qualified  
1074 expenditures is eligible for tax credits equal to 20 percent of  
1075 its actual qualified expenditures. If a surplus exists at the  
1076 end of a fiscal year after the department ~~Office of Film and~~  
1077 ~~Entertainment~~ certifies and determines the tax credits for all  
1078 qualified independent and emerging media production projects,  
1079 such surplus tax credits shall be carried forward to the  
1080 following fiscal year and are available to any eligible  
1081 qualified productions under the general production queue.

1082 ~~4. Family-friendly productions. A certified theatrical or~~  
1083 ~~direct-to-video motion picture production or video game~~  
1084 ~~determined by the Commissioner of Film and Entertainment, with~~  
1085 ~~the advice of the Florida Film and Entertainment Advisory~~  
1086 ~~Council, to be family-friendly, based on review of the script~~  
1087 ~~and review of the final release version, is eligible for an~~  
1088 ~~additional tax credit equal to 5 percent of its actual qualified~~  
1089 ~~expenditures. Family-friendly productions are those that have~~  
1090 ~~cross-generational appeal; would be considered suitable for~~  
1091 ~~viewing by children age 5 or older; are appropriate in theme,~~  
1092 ~~content, and language for a broad family audience; embody a~~  
1093 ~~responsible resolution of issues; and do not exhibit or imply~~  
1094 ~~any act of smoking, sex, nudity, or vulgar or profane language.~~

1095 ~~(b)(e) Withdrawal of certification tax credit eligibility.-~~  
1096 ~~The department shall withdraw the certification of a qualified~~  
1097 ~~or certified production if the ~~must continue on a reasonable~~~~  
1098 ~~schedule or timely completion of the certified production is~~  
1099 ~~delayed, including a break in production, a change in the~~



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1100 production schedule, or the loss of financing for the  
1101 production. A certified production must notify the department  
1102 within 5 days after any circumstance that delays the reasonable  
1103 schedule or timely completion. The certification of a certified  
1104 production may not be withdrawn if the production provides the  
1105 department with proof of replacement financing within 10 days  
1106 after the loss of financing for the production. To keep a  
1107 reasonable schedule, the certified production must begin ~~which~~  
1108 ~~includes beginning~~ principal photography or the production  
1109 project in this state within ~~no more than~~ 45 calendar days  
1110 before or after the principal photography or project start date  
1111 provided in the production's program application. ~~The department~~  
1112 ~~shall withdraw the eligibility of a qualified or certified~~  
1113 ~~production that does not continue on a reasonable schedule.~~

1114 (c) ~~(d)~~ *Election and distribution of tax credits.*—

1115 1. A certified production company receiving a tax credit  
1116 award under this section shall, at the time the credit is  
1117 awarded by the department after production is completed and all  
1118 requirements to receive a credit award have been met, make an  
1119 irrevocable election to apply the credit against taxes due under  
1120 chapter 220, against state taxes collected or accrued under  
1121 chapter 212, or against a stated combination of the two taxes.  
1122 The election is binding upon any distributee, successor,  
1123 transferee, or purchaser. The department shall notify the  
1124 Department of Revenue of any election made pursuant to this  
1125 paragraph.

1126 2. A qualified production company is eligible for tax  
1127 credits against its sales and use tax liabilities and corporate  
1128 income tax liabilities as provided in this section. However, tax



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1129 credits awarded under this section may not be claimed against  
1130 sales and use tax liabilities or corporate income tax  
1131 liabilities for any tax period beginning before July 1, 2011,  
1132 regardless of when the credits are applied for or awarded.

1133 (d)~~(e)~~ *Tax credit carryforward.*—If the certified production  
1134 company cannot use the entire tax credit in the taxable year or  
1135 reporting period in which the credit is awarded, any excess  
1136 amount may be carried forward to a succeeding taxable year or  
1137 reporting period. A tax credit applied against taxes imposed  
1138 under chapter 212 may be carried forward for a maximum of 5  
1139 years after the date the credit is awarded. A tax credit applied  
1140 against taxes imposed under chapter 220 may be carried forward  
1141 for a maximum of 5 taxable years after the taxable year in which  
1142 date the credit is awarded. An unused remaining tax credit  
1143 expires after this period, ~~after which the credit expires~~ and  
1144 may not be used.

1145 (e)~~(f)~~ *Consolidated returns.*—A certified production company  
1146 that files a Florida consolidated return as a member of an  
1147 affiliated group under s. 220.131(1) may be allowed the credit  
1148 on a consolidated return basis up to the amount of the tax  
1149 imposed upon the consolidated group under chapter 220.

1150 (f)~~(g)~~ *Partnership and noncorporate distributions.*—A  
1151 qualified production company that is not a corporation as  
1152 defined in s. 220.03 may elect to distribute tax credits awarded  
1153 under this section to its partners or members in proportion to  
1154 their respective distributive income or loss in the taxable year  
1155 in which the tax credits were awarded.

1156 (g)~~(h)~~ *Mergers or acquisitions.*—Tax credits available under  
1157 this section to a certified production company may succeed to a





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1158 surviving or acquiring entity subject to the same conditions and  
1159 limitations as described in this section; however, they may not  
1160 be transferred again by the surviving or acquiring entity.

1161 (5) TRANSFER OF TAX CREDITS.—

1162 (a) *Authorization.*—Upon application to ~~the Office of Film~~  
1163 ~~and Entertainment~~ and approval by the department, a certified  
1164 production company, or a partner or member that has received a  
1165 distribution under paragraph (4) (f) ~~(4) (g)~~, may elect to  
1166 transfer, in whole or in part, any unused credit amount granted  
1167 under this section. An election to transfer any unused tax  
1168 credit amount under chapter 212 or chapter 220 must be made no  
1169 later than 5 years after the date the credit is awarded, after  
1170 which period the credit expires and may not be used. The  
1171 department shall notify the Department of Revenue of the  
1172 election and transfer.

1173 (b) *Number of transfers permitted.*—A certified production  
1174 company that elects to apply a credit amount against taxes  
1175 remitted under chapter 212 is permitted a one-time transfer of  
1176 unused credits to one transferee. A certified production company  
1177 that elects to apply a credit amount against taxes due under  
1178 chapter 220 is permitted a one-time transfer of unused credits  
1179 to no more than four transferees, and such transfers must occur  
1180 in the same taxable year.

1181 (c) *Transferee rights and limitations.*—The transferee is  
1182 subject to the same rights and limitations as the certified  
1183 production company awarded the tax credit, except that the  
1184 initial transferee shall be permitted a one-time transfer of  
1185 unused credits to no more than two subsequent transferees, and  
1186 such transfers must occur in the same taxable year as the



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1187 credits were received by the initial transferee, after which the  
1188 subsequent transferees may not sell or otherwise transfer the  
1189 tax credit.

1190 (6) RELINQUISHMENT OF TAX CREDITS.—

1191 (a) Beginning July 1, 2011, a certified production company,  
1192 or any person who has acquired a tax credit from a certified  
1193 production company pursuant to subsections (4) and (5), may  
1194 elect to relinquish the tax credit to the Department of Revenue  
1195 in exchange for 90 percent of the amount of the relinquished tax  
1196 credit.

1197 (b) The Department of Revenue may approve payments to  
1198 persons relinquishing tax credits pursuant to this subsection.

1199 (c) Subject to legislative appropriation, the Department of  
1200 Revenue shall request the Chief Financial Officer to issue  
1201 warrants to persons relinquishing tax credits. Payments under  
1202 this subsection shall be made from the funds from which the  
1203 proceeds from the taxes against which the tax credits could have  
1204 been applied pursuant to the irrevocable election made by the  
1205 certified production company under subsection (4) are deposited.

1206 (7) ANNUAL ALLOCATION OF TAX CREDITS.—

1207 (a) The aggregate amount of the tax credits that may be  
1208 certified pursuant to paragraph (3) (d) may not exceed:

- 1209 1. For fiscal year 2010-2011, \$53.5 million.  
1210 2. For fiscal year 2011-2012, \$74.5 million.  
1211 3. For fiscal years 2012-2013, 2013-2014, 2014-2015, and  
1212 2015-2016, \$42 million per fiscal year.

1213 (b) Any portion of the maximum amount of tax credits  
1214 established per fiscal year in paragraph (a) that is not  
1215 certified as of the end of a fiscal year shall be carried



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1216 forward and made available for certification during the  
1217 following 2 fiscal years in addition to the amounts available  
1218 for certification under paragraph (a) for those fiscal years.

1219 (c) Upon approval of the final tax credit award amount  
1220 pursuant to subparagraph (3)(g)3. ~~(3)(f)2.~~, an amount equal to  
1221 the difference between the maximum tax credit award amount  
1222 previously certified under paragraph (3)(d) and the approved  
1223 final tax credit award amount shall immediately be available for  
1224 recertification during the current and following fiscal years in  
1225 addition to the amounts available for certification under  
1226 paragraph (a) for those fiscal years.

1227 (d) Tax credit award amounts available for certification on  
1228 and after July 1, 2015, may not be certified before the fiscal  
1229 year in which they will become available as specified in  
1230 paragraph (a). Additionally, for amounts available for  
1231 certification on and after July 1, 2015, one-half of the amount  
1232 available in the fiscal year shall be available for  
1233 certification in "Application Cycle A", and the remaining amount  
1234 available in the fiscal year shall be available for  
1235 certification in "Application Cycle B." ~~If, during a fiscal~~  
1236 ~~year, the total amount of credits applied for, pursuant to~~  
1237 ~~paragraph (3)(a), exceeds the amount of credits available for~~  
1238 ~~certification in that fiscal year, such excess shall be treated~~  
1239 ~~as having been applied for on the first day of the next fiscal~~  
1240 ~~year in which credits remain available for certification.~~

1241 (8) LIMITATION WITH OTHER PROGRAMS.—A qualified production  
1242 that is certified for tax credits under this section may not  
1243 simultaneously receive benefits under ss. 288.1256 and 288.1258  
1244 for the same production.



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1245 (9)~~(8)~~ RULES, POLICIES, AND PROCEDURES.—

1246 (a) The department may adopt rules pursuant to ss.  
1247 120.536(1) and 120.54 and develop policies and procedures to  
1248 implement and administer this section, including, but not  
1249 limited to, rules specifying requirements for the application  
1250 and approval process, records required for substantiation for  
1251 tax credits, procedures for making the election in paragraph  
1252 (4) (c) ~~(4) (d)~~, the manner and form of documentation required to  
1253 claim tax credits awarded or transferred under this section, and  
1254 marketing requirements for tax credit recipients.

1255 (b) The Department of Revenue may adopt rules pursuant to  
1256 ss. 120.536(1) and 120.54 to administer this section, including  
1257 rules governing the examination and audit procedures required to  
1258 administer this section and the manner and form of documentation  
1259 required to claim tax credits awarded, transferred, or  
1260 relinquished under this section.

1261 (10)~~(9)~~ AUDIT AUTHORITY; REVOCATION AND FORFEITURE OF TAX  
1262 CREDITS; FRAUDULENT CLAIMS.—

1263 (a) *Audit authority.*—The Department of Revenue may conduct  
1264 examinations and audits as provided in s. 213.34 to verify that  
1265 tax credits under this section are received, transferred, and  
1266 applied according to the requirements of this section. If the  
1267 Department of Revenue determines that tax credits are not  
1268 received, transferred, or applied as required by this section,  
1269 it may, in addition to the remedies provided in this subsection,  
1270 pursue recovery of such funds pursuant to the laws and rules  
1271 governing the assessment of taxes.

1272 (b) *Revocation of tax credits.*—The department may revoke or  
1273 modify any written decision qualifying, certifying, or otherwise



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1274 granting eligibility for tax credits under this section if it is  
1275 discovered that the tax credit applicant submitted any false  
1276 statement, representation, or certification in any application,  
1277 record, report, plan, or other document filed in an attempt to  
1278 receive tax credits under this section. The department shall  
1279 immediately notify the Department of Revenue of any revoked or  
1280 modified orders affecting previously granted tax credits.  
1281 Additionally, the applicant must notify the Department of  
1282 Revenue of any change in its tax credit claimed.

1283 (c) *Forfeiture of tax credits.*—A determination by the  
1284 Department of Revenue, as a result of an audit pursuant to  
1285 paragraph (a) or from information received from the department  
1286 or the Division Office of Film and Entertainment, that an  
1287 applicant received tax credits pursuant to this section to which  
1288 the applicant was not entitled is grounds for forfeiture of  
1289 previously claimed and received tax credits. The applicant is  
1290 responsible for returning forfeited tax credits to the  
1291 Department of Revenue, and such funds shall be paid into the  
1292 General Revenue Fund of the state. Tax credits purchased in good  
1293 faith are not subject to forfeiture unless the transferee  
1294 submitted fraudulent information in the purchase or failed to  
1295 meet the requirements in subsection (5).

1296 (d) *Fraudulent claims.*—Any applicant that submits  
1297 fraudulent information under this section is liable for  
1298 reimbursement of the reasonable costs and fees associated with  
1299 the review, processing, investigation, and prosecution of the  
1300 fraudulent claim. An applicant that obtains a credit payment  
1301 under this section through a claim that is fraudulent is liable  
1302 for reimbursement of the credit amount plus a penalty in an



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1303 amount double the credit amount. The penalty is in addition to  
1304 any criminal penalty to which the applicant is liable for the  
1305 same acts. The applicant is also liable for costs and fees  
1306 incurred by the state in investigating and prosecuting the  
1307 fraudulent claim.

1308 (11) ~~(10)~~ ANNUAL REPORT.—Each November 1, the department  
1309 ~~Office of Film and Entertainment~~ shall submit an annual report  
1310 for the previous fiscal year to the Governor, the President of  
1311 the Senate, and the Speaker of the House of Representatives  
1312 which outlines the ~~incentive~~ program's return on investment and  
1313 economic benefits to the state. The report must also include an  
1314 estimate of the full-time equivalent positions created by each  
1315 production that received tax credits under this section and  
1316 information relating to the distribution of productions  
1317 receiving credits by geographic region and type of production.  
1318 The report must also include the expenditures report required  
1319 under s. 288.915, ~~s. 288.1253(3)~~ and the information describing  
1320 the relationship between tax exemptions and incentives to  
1321 industry growth required under s. 288.1258(5), and program  
1322 performance information under s. 288.1256. The department may  
1323 work with the Division of Film and Entertainment to develop the  
1324 annual report.

1325 (12) ~~(11)~~ REPEAL.—This section is repealed July 1, 2021  
1326 ~~2016~~, except that:

1327 (a) Tax credits certified under paragraph (3) (d) before  
1328 July 1, 2021 ~~2016~~, may be awarded under paragraph (3) (g) ~~(3) (f)~~  
1329 on or after July 1, 2021 ~~2016~~, if the other requirements of this  
1330 section are met.

1331 (b) Tax credits carried forward under paragraph (4) (d)



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1332 ~~(4)(e)~~ remain valid for the period specified.

1333 (c) Subsections (5), (9), ~~(8)~~ and (10) ~~(9)~~ shall remain in  
1334 effect until July 1, 2026 ~~July 1, 2021~~.

1335 Section 6. Beginning July 1, 2015, if an application is on  
1336 file with the Department of Economic Opportunity to receive a  
1337 tax credit through the entertainment industry program under s.  
1338 288.1254, Florida Statutes, and the application has not been  
1339 certified for a tax credit award under current s. 288.1254(3)(d)  
1340 by the department, the application is deemed denied.

1341 Section 7. Section 288.1256, Florida Statutes, is created  
1342 to read:

1343 288.1256 Entertainment action fund.—

1344 (1) The entertainment action fund is created within the  
1345 department in order to respond to extraordinary opportunities  
1346 and to compete effectively with other states to attract and  
1347 retain production companies and to provide favorable conditions  
1348 for the growth of the entertainment industry in this state.

1349 (2) As used in this section, the term:

1350 (a) "Division" means the Division of Film and Entertainment  
1351 within Enterprise Florida, Inc.

1352 (b) "Principal photography" means the filming of major or  
1353 significant components of the project which involve lead actors.

1354 (c) "Production" means a theatrical, direct-to-video, or  
1355 direct-to-Internet motion picture; a made-for-television motion  
1356 picture; visual effects or digital animation sequences produced  
1357 in conjunction with a motion picture; a commercial; a music  
1358 video; an industrial or educational film; an infomercial; a  
1359 documentary film; a television pilot program; a presentation for  
1360 a television pilot program; a television series, including, but



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1361 not limited to, a drama, a reality show, a comedy, a soap opera,  
1362 a telenovela, a game show, an awards show, or a miniseries  
1363 production; a direct-to-Internet television series; or a digital  
1364 media project by the entertainment industry. One season of a  
1365 television series is considered one production. The term does  
1366 not include a weather or market program; a sporting event or a  
1367 sporting event broadcast; a gala; a production that solicits  
1368 funds; a home shopping program; a political program; a political  
1369 documentary; political advertising; a gambling-related project  
1370 or production; a concert production; a local, regional, or  
1371 Internet-distributed-only news show or current-events show; a  
1372 sports news or sports recap show; a pornographic production; or  
1373 any production deemed obscene under chapter 847. A production  
1374 may be produced on or by film, tape, or otherwise by means of a  
1375 motion picture camera; electronic camera or device; tape device;  
1376 computer; any combination of the foregoing; or any other means,  
1377 method, or device.

1378 (d) "Production company" means a corporation, limited  
1379 liability company, partnership, or other legal entity engaged in  
1380 one or more productions in this state.

1381 (e) "Production expenditures" means the costs of tangible  
1382 and intangible property used for, and services performed  
1383 primarily and customarily in, production, including  
1384 preproduction and postproduction, but excluding costs for  
1385 development, marketing, and distribution. The term includes, but  
1386 is not limited to:

1387 1. Wages, salaries, or other compensation paid to legal  
1388 residents of this state, including amounts paid through payroll  
1389 service companies, for technical and production crews,





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1390 directors, producers, and performers.

1391 2. Net expenditures for sound stages, backlots, production  
1392 editing, digital effects, sound recordings, sets, and set  
1393 construction.

1394 3. Net expenditures for rental equipment, including, but  
1395 not limited to, cameras and grip or electrical equipment.

1396 4. Up to \$300,000 of the costs of newly purchased computer  
1397 software and hardware unique to the project, including servers,  
1398 data processing, and visualization technologies, which are  
1399 located in and used exclusively in this state for the production  
1400 of digital media.

1401 5. Expenditures for meals, travel, and accommodations. As  
1402 used in this paragraph, the term "net expenditures" means the  
1403 actual amount of money a project spent for equipment or other  
1404 tangible personal property, after subtracting any consideration  
1405 received for reselling or transferring the item after the  
1406 production ends, if applicable.

1407 (f) "Project" means a production in this state meeting the  
1408 requirements of this section. The term does not include a  
1409 production:

1410 1. In which less than 70 percent of the positions that make  
1411 up its production cast and below-the-line production crew are  
1412 filled by legal residents of this state, whose residency is  
1413 demonstrated by a valid Florida driver license or other state-  
1414 issued identification confirming residency, or students enrolled  
1415 full-time in an entertainment-related course of study at an  
1416 institution of higher education in this state; or

1417 2. That contains obscene content as defined in s.  
1418 847.001(10).



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1419       (g) "Qualified expenditures" means production expenditures  
1420 incurred in this state by a production company for:  
1421       1. Goods purchased or leased from, or services, including,  
1422 but not limited to, insurance costs and bonding, payroll  
1423 services, and legal fees, which are provided by a vendor or  
1424 supplier in this state that is registered with the Department of  
1425 State or the Department of Revenue, has a physical location in  
1426 this state, and employs one or more legal residents of this  
1427 state. This does not include rebilled goods or services provided  
1428 by an in-state company from out-of-state vendors or suppliers.  
1429 When services provided by the vendor or supplier include  
1430 personal services or labor, only personal services or labor  
1431 provided by residents of this state, evidenced by the required  
1432 documentation of residency in this state, qualify.  
1433       2. Payments to legal residents of this state in the form of  
1434 salary, wages, or other compensation up to a maximum of \$400,000  
1435 per resident unless otherwise specified in subsection (4). A  
1436 completed declaration of residency in this state must accompany  
1437 the documentation submitted to the department for reimbursement.  
1438  
1439 For a project involving an event, such as an awards show, the  
1440 term does not include expenditures solely associated with the  
1441 event itself and not directly required by the production. The  
1442 term does not include expenditures incurred before the agreement  
1443 is signed. The production company may not include in the  
1444 calculation for qualified expenditures the original purchase  
1445 price for equipment or other tangible property that is later  
1446 sold or transferred by the production company for consideration.  
1447 In such cases, the qualified expenditure is the net of the



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1448 original purchase price minus the consideration received upon  
1449 sale or transfer.

1450 (h) "Underutilized county" means a county in which less  
1451 than \$500,000 in qualified expenditures were made in the last 2  
1452 fiscal years.

1453 (3) A production company may apply for funds from the  
1454 entertainment action fund for a production or successive seasons  
1455 of a production. The department and the division shall jointly  
1456 review and evaluate applications to determine the eligibility of  
1457 each project consistent with the requirements of this section.  
1458 The department shall select projects that maximize the return to  
1459 the state.

1460 (4) The department and the division, in their review and  
1461 evaluation of applications, must consider the following  
1462 criteria, with priority given in descending order, with the  
1463 highest priority given to paragraph (a):

1464 (a) The number of state residents that will be employed in  
1465 full-time equivalent and part-time positions related to the  
1466 project and the duration of such employment and the average  
1467 wages paid to such residents. Preference shall be given to a  
1468 project that expects to pay higher than the statewide average  
1469 wage.

1470 (b) The amount of qualified and nonqualified expenditures  
1471 that will be made in this state.

1472 (c) Planned or executed contracts with production  
1473 facilities or soundstages in this state and the percentage of  
1474 principal photography or production activity that will occur at  
1475 each location.

1476 (d) Planned preproduction and postproduction to occur in



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1477 this state.

1478 (e) The amount of capital investment, especially fixed  
1479 capital investment, to be made directly by the production  
1480 company in this state related to the project and the amount of  
1481 any other capital investment to be made in this state related to  
1482 the project.

1483 (f) The duration of the project in this state.

1484 (g) The amount and duration of principal photography or  
1485 production activity that will occur in an underutilized county.

1486 (h) The amount of promotion of Florida that the production  
1487 company will provide for the state. This includes marketing  
1488 materials promoting this state as a tourist destination or a  
1489 film and entertainment production destination; placement of  
1490 state agency logos in the production and credits; permitted use  
1491 of production assets, characters, and themes by this state;  
1492 promotional videos for this state included on optical disc  
1493 formats; and other marketing integration.

1494 (i) The employment of students enrolled full-time in an  
1495 entertainment-related course of study at an institution of  
1496 higher education in this state or of graduates from such an  
1497 institution within 12 months after graduation.

1498 (j) Plans to work with entertainment industry-related  
1499 courses of study at an institution of higher education in this  
1500 state.

1501 (k) The local support and any financial commitment for the  
1502 project.

1503 (l) The project is about this state or shows this state in  
1504 a positive light.

1505 (m) A review of the production company's past activities in



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1506 this state or other states.

1507 (n) The length of time the production company has made  
1508 productions in this state, the number of productions the  
1509 production company has made in this state, and the production  
1510 company's overall commitment to this state. This includes a  
1511 production company that is based in this state.

1512 (o) Expected contributions to this state's economy,  
1513 consistent with the state strategic economic development plan  
1514 prepared by the department.

1515 (p) The expected effect of the award on the viability of  
1516 the project and the probability that the project would be  
1517 undertaken in this state if funds are granted to the production  
1518 company.

1519 (5) A production company must have financing in place for a  
1520 project before it applies for funds under this section.

1521 (6) The department shall prescribe a form upon which an  
1522 application must be made. At a minimum, the application must  
1523 include:

1524 (a) The applicant's federal employer identification number,  
1525 reemployment assistance account number, and state sales tax  
1526 registration number, as applicable. If such numbers are not  
1527 available at the time of application, they must be submitted to  
1528 the department in writing before the disbursement of any  
1529 payments.

1530 (b) The signature of the applicant.

1531 (c) A detailed budget of planned qualified and nonqualified  
1532 expenditures in this state.

1533 (d) The type and amount of capital investment that will be  
1534 made in this state.



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1535 (e) The locations in this state at which the project will  
1536 occur.

1537 (f) The anticipated commencement date and duration of the  
1538 project.

1539 (g) The proposed number of state residents and nonstate  
1540 residents that will be employed in full-time equivalent and  
1541 part-time positions related to the project and wages paid to  
1542 such persons.

1543 (h) The total number of full-time equivalent employees  
1544 employed by the production company in this state, if applicable.

1545 (i) Proof of financing for the project.

1546 (j) The amount of promotion of Florida that the production  
1547 company will provide for the state.

1548 (k) An attestation verifying that the information provided  
1549 on the application is true and accurate.

1550 (l) Any additional information requested by the department  
1551 or division.

1552 (7) The department must make a recommendation to the  
1553 Governor to approve or deny an award within 7 days after  
1554 completion of the review and evaluation. An award of funds may  
1555 not constitute more than 30 percent of qualified expenditures in  
1556 this state and may not fund wages paid to nonresidents. A  
1557 production must start within 1 year after the date the project  
1558 is approved by the Governor. The recommendation must include the  
1559 performance conditions that the project must meet to obtain  
1560 funds.

1561 (a) The Governor may approve projects without consulting  
1562 the Legislature for projects requiring less than \$2 million in  
1563 funding.



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1564       (b) For projects requiring funding in the amount of \$2  
1565 million to \$5 million, the Governor shall provide a written  
1566 description and evaluation of a project recommended for approval  
1567 to the chair and vice chair of the Legislative Budget Commission  
1568 at least 10 days before giving final approval for the project.  
1569 The recommendation must include the performance conditions that  
1570 the project must meet in order to obtain funds.

1571       (c) If the chair or vice chair of the Legislative Budget  
1572 Commission or the President of the Senate or the Speaker of the  
1573 House of Representatives timely advises the Executive Office of  
1574 the Governor, in writing, that such action or proposed action  
1575 exceeds the delegated authority of the Executive Office of the  
1576 Governor or is contrary to legislative policy or intent, the  
1577 Executive Office of the Governor shall void the release of funds  
1578 and instruct the department to immediately change such action or  
1579 proposed action until the Legislative Budget Commission or the  
1580 Legislature addresses the issue.

1581       (d) Any project exceeding \$5 million must be approved by  
1582 the Legislative Budget Commission before the funding is  
1583 released.

1584       (8) Upon the approval of the Governor, the department and  
1585 the production company shall enter into an agreement that  
1586 specifies, at a minimum:

1587       (a) The total amount of funds awarded and the schedule of  
1588 payment.

1589       (b) The performance conditions for payment of moneys from  
1590 the fund, including full- and part-time employment in this  
1591 state; wages paid in this state; capital investment in this  
1592 state, including fixed capital investment; marketing and



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1593 promotion in this state; the date by which production must start  
1594 and the duration of production; and the amount of qualified  
1595 expenditures in this state.

1596 (c) The methodology for validating performance and the date  
1597 by which the production company must submit proof of performance  
1598 to the department.

1599 (d) That the department may review and verify any records  
1600 of the production company to ascertain whether that company is  
1601 in compliance with this section and the agreement.

1602 (e) Sanctions for failure to meet performance conditions.

1603 (f) That payment of moneys from the fund is contingent upon  
1604 sufficient appropriation of funds by the Legislature.

1605 (9) The agreement must be finalized and signed by an  
1606 authorized officer of the production company within 90 days  
1607 after the Governor's approval. A production company that is  
1608 approved under this section may not simultaneously receive  
1609 benefits under ss. 288.1254 and 288.1258 for the same  
1610 production.

1611 (10) The department shall validate contractor performance  
1612 and report such validation in the annual report required under  
1613 s. 288.1254.

1614 (11) Contingent upon an annual appropriation by the  
1615 Legislature, the department may not approve awards in excess of  
1616 the amount appropriated for a fiscal year. The department must  
1617 maintain a schedule of funds to be paid from the appropriation  
1618 for the fiscal year that begins on July 1. For the first 6  
1619 months of each fiscal year, the department shall set aside 50  
1620 percent of the amount appropriated for the fund by the  
1621 Legislature. At the end of the 6-month period, these funds may





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1622 be used to provide funding for any project that qualifies under  
1623 this section.

1624 (12) A production company that submits fraudulent  
1625 information under this section is liable for reimbursement of  
1626 the reasonable costs and fees associated with the review,  
1627 processing, investigation, and prosecution of the fraudulent  
1628 claim. A production company that receives a payment under this  
1629 section through a claim that is fraudulent is liable for  
1630 reimbursement of the payment amount, plus a penalty in an amount  
1631 double the payment amount. The penalty is in addition to any  
1632 criminal penalty for which the production company is liable for  
1633 the same acts. The production company is also liable for costs  
1634 and fees incurred by the state in investigating and prosecuting  
1635 the fraudulent claim.

1636 (13) The department may not waive any provision or provide  
1637 an extension of time to meet any requirement of this section.

1638 (14) This section expires on July 1, 2025. An agreement in  
1639 existence on that date shall continue in effect in accordance  
1640 with its terms.

1641 Section 8. Section 288.1258, Florida Statutes, is amended  
1642 to read:

1643 288.1258 Entertainment industry qualified production  
1644 companies; application procedure; categories; duties of the  
1645 Department of Revenue; records and reports.—

1646 (1) PRODUCTION COMPANIES AUTHORIZED TO APPLY.—

1647 (a) Any production company engaged in this state in the  
1648 production of motion pictures, made-for-TV motion pictures,  
1649 television series, commercial advertising, music videos, or  
1650 sound recordings may submit an application to the Department of



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1651 Revenue to be approved by the Department of Economic Opportunity  
1652 ~~Office of Film and Entertainment~~ as a qualified production  
1653 company for the purpose of receiving a sales and use tax  
1654 certificate of exemption from the Department of Revenue to  
1655 exempt purchases on or after the date a complete application is  
1656 filed with the Department of Revenue for exemptions under ss.  
1657 212.031, 212.06, and 212.08.

1658 (b) As used in ~~For the purposes of~~ this section, the term  
1659 "qualified production company" means any production company that  
1660 has submitted a properly completed application to the Department  
1661 of Revenue and that is subsequently qualified by the Department  
1662 of Economic Opportunity ~~Office of Film and Entertainment~~.

1663 (2) APPLICATION PROCEDURE.-

1664 (a) The Department of Revenue shall ~~will~~ review all  
1665 submitted applications for the required information. Within 10  
1666 working days after the receipt of a properly completed  
1667 application, the Department of Revenue shall ~~will~~ forward the  
1668 completed application to the Department of Economic Opportunity  
1669 ~~Office of Film and Entertainment~~ for approval.

1670 (b)1. The Department of Economic Opportunity ~~Office of Film~~  
1671 ~~and Entertainment~~ shall establish a process by which an  
1672 entertainment industry production company may be approved by the  
1673 department ~~office~~ as a qualified production company and may  
1674 receive a certificate of exemption from the Department of  
1675 Revenue for the sales and use tax exemptions under ss. 212.031,  
1676 212.06, and 212.08. A production company that is approved under  
1677 this section may not simultaneously receive benefits under ss.  
1678 288.1254 and 288.1256 for the same production.

1679 2. Upon determination by the department ~~Office of Film and~~



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1680 ~~Entertainment~~ that a production company meets the established  
1681 approval criteria and qualifies for exemption, the department  
1682 ~~Office of Film and Entertainment~~ shall return the approved  
1683 application or application renewal or extension to the  
1684 Department of Revenue, which shall issue a certificate of  
1685 exemption.

1686 3. The department ~~Office of Film and Entertainment~~ shall  
1687 deny an application or application for renewal or extension from  
1688 a production company if it determines that the production  
1689 company does not meet the established approval criteria.

1690 (c) The department ~~Office of Film and Entertainment~~ shall  
1691 develop, with the cooperation of the Department of Revenue, the  
1692 Division of Film and Entertainment within Enterprise Florida,  
1693 Inc., and local government entertainment industry promotion  
1694 agencies, a standardized application form for use in approving  
1695 qualified production companies.

1696 1. The application form shall include, but not be limited  
1697 to, production-related information on employment, proposed  
1698 budgets, planned purchases of items exempted from sales and use  
1699 taxes under ss. 212.031, 212.06, and 212.08, a signed  
1700 affirmation from the applicant that any items purchased for  
1701 which the applicant is seeking a tax exemption are intended for  
1702 use exclusively as an integral part of entertainment industry  
1703 preproduction, production, or postproduction activities engaged  
1704 in primarily in this state, and a signed affirmation from the  
1705 department ~~Office of Film and Entertainment~~ that the information  
1706 on the application form has been verified and is correct. In  
1707 lieu of information on projected employment, proposed budgets,  
1708 or planned purchases of exempted items, a production company



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1709 seeking a 1-year certificate of exemption may submit summary  
1710 historical data on employment, production budgets, and purchases  
1711 of exempted items related to production activities in this  
1712 state. Any information gathered from production companies for  
1713 the purposes of this section shall be considered confidential  
1714 taxpayer information and shall be disclosed only as provided in  
1715 s. 213.053.

1716 2. The application form may be distributed to applicants by  
1717 the department, the Division ~~Office~~ of Film and Entertainment,  
1718 or local film commissions.

1719 (d) All applications, renewals, and extensions for  
1720 designation as a qualified production company shall be processed  
1721 by the department ~~Office of Film and Entertainment~~.

1722 (e) ~~If In the event that~~ the Department of Revenue  
1723 determines that a production company no longer qualifies for a  
1724 certificate of exemption, or has used a certificate of exemption  
1725 for purposes other than those authorized by this section and  
1726 chapter 212, the Department of Revenue shall revoke the  
1727 certificate of exemption of that production company, and any  
1728 sales or use taxes exempted on items purchased or leased by the  
1729 production company during the time such company did not qualify  
1730 for a certificate of exemption or improperly used a certificate  
1731 of exemption shall become immediately due to the Department of  
1732 Revenue, along with interest and penalty as provided by s.  
1733 212.12. In addition to the other penalties imposed by law, any  
1734 person who knowingly and willfully falsifies an application, or  
1735 uses a certificate of exemption for purposes other than those  
1736 authorized by this section and chapter 212, commits a felony of  
1737 the third degree, punishable as provided in ss. 775.082,



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1738 775.083, and 775.084.

1739 (3) CATEGORIES.—

1740 (a)1. A production company may be qualified for designation  
1741 as a qualified production company for a period of 1 year if the  
1742 company has operated a business in Florida at a permanent  
1743 address for a period of 12 consecutive months. Such a qualified  
1744 production company shall receive a single 1-year certificate of  
1745 exemption from the Department of Revenue for the sales and use  
1746 tax exemptions under ss. 212.031, 212.06, and 212.08, which  
1747 certificate shall expire 1 year after issuance or upon the  
1748 cessation of business operations in the state, at which time the  
1749 certificate shall be surrendered to the Department of Revenue.

1750 2. ~~The Office of Film and Entertainment shall develop a~~  
1751 ~~method by which~~ A qualified production company may submit a new  
1752 application for annually renew a 1-year certificate of exemption  
1753 upon the expiration of that company's certificate of exemption;  
1754 however, upon approval of the department, such qualified  
1755 production company may annually renew the 1-year certificate of  
1756 exemption for a period of up to 5 years without submitting  
1757 ~~requiring the production company to resubmit~~ a new application  
1758 during that 5-year period.

1759 3. Each year, or upon surrender of the certificate of  
1760 exemption to the Department of Revenue, the Any qualified  
1761 production company shall may submit to the department aggregate  
1762 data for production-related information on employment,  
1763 expenditures in this state, capital investment, and purchases of  
1764 items exempted from sales and use taxes under ss. 212.031,  
1765 212.06, and 212.08 for inclusion in the annual report required  
1766 under subsection (5) a new application for a 1-year certificate



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1767 ~~of exemption upon the expiration of that company's certificate~~  
1768 ~~of exemption.~~

1769 (b)1. A production company may be qualified for designation  
1770 as a qualified production company for a period of 90 days. Such  
1771 production company shall receive a single 90-day certificate of  
1772 exemption from the Department of Revenue for the sales and use  
1773 tax exemptions under ss. 212.031, 212.06, and 212.08, which  
1774 certificate shall expire 90 days after issuance or upon the  
1775 cessation of business operations in the state, at which time,  
1776 ~~with extensions contingent upon approval of the Office of Film~~  
1777 ~~and Entertainment.~~ the certificate shall be surrendered to the  
1778 Department of Revenue ~~upon its expiration.~~

1779 2. A qualified production company may submit a new  
1780 application for a 90-day certificate of exemption each quarter  
1781 upon the expiration of that company's certificate of exemption;  
1782 however, upon approval of the department, such qualified  
1783 production company may renew the 90-day certificate of exemption  
1784 for a period of up to 1 year without submitting a new  
1785 application during that 1-year period.

1786 3.2. Each 90 days, or upon surrender of the certificate of  
1787 exemption to the Department of Revenue, the qualified Any  
1788 production company shall may submit to the department aggregate  
1789 data for production-related information on employment,  
1790 expenditures in this state, capital investment, and purchases of  
1791 items exempted from sales and use taxes under ss. 212.031,  
1792 212.06, and 212.08 for inclusion in the annual report required  
1793 under subsection (5) a new application for a 90-day certificate  
1794 ~~of exemption upon the expiration of that company's certificate~~  
1795 ~~of exemption.~~



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1796 (4) DUTIES OF THE DEPARTMENT OF REVENUE.—

1797 (a) The Department of Revenue shall review the initial  
1798 application and notify the applicant of any omissions and  
1799 request additional information if needed. An application shall  
1800 be complete upon receipt of all requested information. The  
1801 Department of Revenue shall forward all complete applications to  
1802 the department Office of Film and Entertainment within 10  
1803 working days.

1804 (b) The Department of Revenue shall issue a numbered  
1805 certificate of exemption to a qualified production company  
1806 within 5 working days of the receipt of an approved application,  
1807 application renewal, or application extension from the  
1808 department Office of Film and Entertainment.

1809 (c) The Department of Revenue may adopt ~~promulgate~~ such  
1810 rules and shall prescribe and publish such forms as may be  
1811 necessary to effectuate the purposes of this section or any of  
1812 the sales tax exemptions which are reasonably related to the  
1813 provisions of this section.

1814 (d) The Department of Revenue is authorized to establish  
1815 audit procedures in accordance with the provisions of ss.  
1816 212.12, 212.13, and 213.34 which relate to the sales tax  
1817 exemption provisions of this section.

1818 (5) RELATIONSHIP OF TAX EXEMPTIONS AND INCENTIVES TO  
1819 INDUSTRY GROWTH; REPORT TO THE LEGISLATURE.—The department  
1820 ~~Office of Film and Entertainment~~ shall keep annual records from  
1821 the information provided on taxpayer applications for tax  
1822 exemption certificates and regularly reported as required in  
1823 this section beginning January 1, 2001. These records also must  
1824 reflect a ratio of the annual amount of sales and use tax



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1825 exemptions under this section, plus the tax credits ~~incentives~~  
1826 awarded pursuant to s. 288.1254 to the estimated amount of funds  
1827 expended by certified productions. In addition, the department  
1828 ~~office~~ shall maintain data showing annual growth in Florida-  
1829 based entertainment industry companies and entertainment  
1830 industry employment and wages. The employment information must  
1831 include ~~an estimate of~~ the full-time equivalent positions  
1832 created by each production that received tax credits pursuant to  
1833 s. 288.1254. The department ~~Office of Film and Entertainment~~  
1834 shall include this information in the annual report for the  
1835 entertainment industry ~~financial incentive~~ program required  
1836 under s. 288.1254~~(10)~~.

1837 Section 9. Subsection (1) of section 288.92, Florida  
1838 Statutes, is amended to read:

1839 288.92 Divisions of Enterprise Florida, Inc.—

1840 (1) Enterprise Florida, Inc., may create and dissolve  
1841 divisions as necessary to carry out its mission. Each division  
1842 shall have distinct responsibilities and complementary missions.  
1843 At a minimum, Enterprise Florida, Inc., shall have divisions  
1844 related to the following areas:

1845 (a) International Trade and Business Development;

1846 (b) Business Retention and Recruitment;

1847 (c) Tourism Marketing;

1848 (d) Minority Business Development; ~~and~~

1849 (e) Sports Industry Development; and

1850 (f) Film and Entertainment.

1851 Section 10. Subsection (5) of section 477.0135, Florida  
1852 Statutes, is amended to read:

1853 477.0135 Exemptions.—





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1854 (5) A license is not required of any individual providing  
1855 makeup, special effects, or cosmetology services to an actor,  
1856 stunt person, musician, extra, or other talent during a  
1857 production recognized by the Department of Economic Opportunity  
1858 ~~Office of Film and Entertainment~~ as a qualified production as  
1859 defined in s. 288.1254(1). Such services are not required to be  
1860 performed in a licensed salon. Individuals exempt under this  
1861 subsection may not provide such services to the general public.

1862 Section 11. Paragraph (q) of subsection (5) of section  
1863 212.08, Florida Statutes, is amended to read:

1864 212.08 Sales, rental, use, consumption, distribution, and  
1865 storage tax; specified exemptions.—The sale at retail, the  
1866 rental, the use, the consumption, the distribution, and the  
1867 storage to be used or consumed in this state of the following  
1868 are hereby specifically exempt from the tax imposed by this  
1869 chapter.

1870 (5) EXEMPTIONS; ACCOUNT OF USE.—

1871 (q) *Entertainment industry tax credit; authorization;*  
1872 *eligibility for credits.*—The credits against the state sales tax  
1873 authorized pursuant to s. 288.1254 shall be deducted from any  
1874 sales and use tax remitted by the dealer to the department by  
1875 electronic funds transfer and may only be deducted on a sales  
1876 and use tax return initiated through electronic data  
1877 interchange. The dealer shall separately state the credit on the  
1878 electronic return. The net amount of tax due and payable must be  
1879 remitted by electronic funds transfer. If the credit for the  
1880 qualified expenditures is larger than the amount owed on the  
1881 sales and use tax return that is eligible for the credit, the  
1882 unused amount of the credit may be carried forward to a



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1883 succeeding reporting period as provided in s. 288.1254(4)(d)  
1884 ~~288.1254(4)(e)~~. A dealer may only obtain a credit using the  
1885 method described in this subparagraph. A dealer is not  
1886 authorized to obtain a credit by applying for a refund.

1887 Section 12. Subsection (3) of section 220.1899, Florida  
1888 Statutes, is amended to read:

1889 220.1899 Entertainment industry tax credit.—

1890 (3) To the extent that the amount of a tax credit exceeds  
1891 the amount due on a return, the balance of the credit may be  
1892 carried forward to a succeeding taxable year pursuant to s.  
1893 288.1254(4)(d) ~~288.1254(4)(e)~~.

1894 Section 13. This act shall take effect October 1, 2015.