



Florida Department of Revenue
Tax Information Publication

TIP

No: 15ADM-04

Date Issued:
September 8, 2015

**Florida Enterprise Zone Program
2015 Legislative Changes**

Except for certain extensions provided for in Chapter 2015-221, Laws of Florida, the Florida Enterprise Zone Program expires on December 31, 2015. For businesses that do not qualify for the extension program, enterprise zone credits or refunds will be approved after December 31, 2015, only if the business applying for the credit or refund meets the statutory requirements to be eligible for the incentive(s) on or before December 31, 2015. Each specific incentive is addressed below.

Sales Tax

Building Materials Used in the Rehabilitation of Real Property Located in an Enterprise Zone (Section 212.08(5)(g), Florida Statutes [F.S.]):

Section 212.08(5)(g), F.S., provides a refund of tax paid on building materials used to rehabilitate property located in an enterprise zone. To be entitled to this refund after December 31, 2015, the materials must have been purchased and used in the rehabilitation and the rehabilitation must have been deemed to be substantially complete no later than December 31, 2015. Applications for refund must be submitted to the Department within 6 months after the rehabilitation has been deemed to be substantially complete by the local building code inspector.

Business Property Used in an Enterprise Zone (Section 212.08(5)(h), F.S.):

Section 212.08(5)(h), F.S., provides a refund for tax paid on business property used in an enterprise zone. To be entitled to this refund after December 31, 2015, the business property must have been purchased and used in an enterprise zone on or before December 31, 2015. Applications for refund must be submitted to the Department within 6 months after the tax is due.

Electrical Energy Used in an Enterprise Zone (Section 212.08(15), F.S.):

Businesses granted an exemption of sales tax on electrical energy used in an enterprise zone prior to the expiration of the program will continue to receive the exemption for the same period of time it would have been available had the Enterprise Zone Program not expired. No new exemptions of sales tax for electrical energy used in an enterprise zone will be granted after December 31, 2015.

Building Materials Used in the Construction of Single-Family Homes in Certain Areas (Section 212.08(5)(n), F.S.)

Section 212.08(5)(n), F.S., provides a refund for tax paid on building materials used in the construction of certain single-family homes in several different areas, including in enterprise zones. For a home built in an enterprise zone to be entitled to this refund after December 31, 2015, the materials must have been purchased and used in a home in an enterprise zone and the home must have been deemed to be substantially complete no later than December 31, 2015. Applications for refund must be submitted to the Department within 6 months after the home has been deemed to be substantially complete by the local building code inspector.

Building Materials Used in Redevelopment Projects (Section 212.08(5)(o), F.S.)

Section 212.08(7)(o), F.S., provides a refund of tax paid on building materials used in certain redevelopment projects within certain areas, including enterprise zones. For a project in an enterprise zone to be entitled to a refund after December 31, 2015, the materials must have been purchased and used in a qualified area and the project must have been deemed to be substantially complete no later than December 31, 2015. Applications for refund must be submitted to the Department within 6 months after the project has been deemed to be substantially complete by the local building code inspector.

Enterprise Zone Jobs Credit Against Sales Tax (Section 212.096, F.S.):

Section 212.096, F.S., provides a sales tax credit for new jobs created in an enterprise zone. The credit is allowed only upon an affirmative showing to the Department that the statutory requirements have been met. Applications for this credit which are submitted to the Department by December 31, 2015, and which are subsequently approved, can be taken on returns for up to 24 months after approval. No new applications will be accepted after December 31, 2015.

Corporate Income Tax

Enterprise Zone Jobs Credit Against Corporate Income Tax (Section 220.181, F.S.):

Businesses granted an enterprise zone jobs credit against corporate income tax prior to the expiration of the program may continue to claim the credit for the same period of time it would have been available had the Enterprise Zone Program not expired. Carryovers of unused amounts of enterprise zone jobs credits may also be claimed for the same period of time they would have been available had the Enterprise Zone Program not expired. No new enterprise zone jobs credits against corporate income tax will be approved after December 31, 2015.

Enterprise Zone Property Tax Credit (Section 220.182, F.S.):

Businesses granted an enterprise zone property tax credit against corporate income tax prior to the expiration of the program may continue to claim the credit for the same period of time it would have been available had the Enterprise Zone Program not expired. All requirements must continue to be met throughout the time the credit is claimed. Carryovers of unused amounts of enterprise zone property tax credits may also be claimed for the same period of time they would have been available had the Enterprise Zone Program not expired. No new

enterprise zone property tax credits against corporate income tax will be approved after December 31, 2015.

Insurance Premium Taxes

Insurance Premium Tax (Section 624.509, F.S.):

Pursuant to paragraph 624.509(6)(b), F.S., an insurer may transfer a portion of its excess salary tax credit to an affiliate based on some or all of its employees being located in an enterprise zone. No transfer is permitted after the one made for the 2015 insurance premium tax year (2015 Insurance Premium Taxes and Fees Return, Form DR-908, due March 1, 2016).

Retaliatory Tax (Section 624.5091, F.S.):

Pursuant to subsection 624.5091(1), F.S., an insurer shall take into account a portion of the remaining 20 percent of its salary tax credit in the retaliatory tax computation to the extent its employees whose place of employment is in an enterprise zone. No portion of the remaining 20 percent of an insurer's salary tax credit may be included in the retaliatory tax computation after the 2015 insurance premium tax year (2015 Insurance Premium Taxes and Fees Return, Form DR-908, due March 1, 2016).

Multiple Taxes

Community Contribution Tax Credit

For the 2015 legislative changes to the community contribution tax credit against sales tax, corporate income tax, or insurance premium tax, please see Tax Information Publication 15ADM-03.

Property Tax

Exemption for a Licensed Child Care Facility Operating in an Enterprise Zone (Section 196.095, F.S.)

Calendar year 2015 (property tax assessment based on value as of January 1, 2015) is the last year that the exemption for licensed child care facilities operating in an enterprise zone is available. Even though the statute will remain in existence after December 31, 2015, no enterprise zones will exist. The application filing deadline for 2015 was March 1, 2015. No new enterprise zone property tax exemptions will be approved after December 31, 2015.

Extended Programs

The extensions approved through December 31, 2018, are for the businesses located in an enterprise zone as of May 1, 2015, and that entered into contracts between January 1, 2012 and July 1, 2015, with the Florida Department of Economic Opportunity (DEO) for:

- Local Government Distressed Area Matching Grant Program (Section 288.0659, F.S.)
- Qualified Defense Contractor and Space Flight Business Tax Refund Program (Section 288.1045, F.S.)
- Tax Refund Program for Qualified Target Industry Businesses (Section 288.106, F.S.)
- Brownfield Redevelopment Bonus Refunds (Section 288.107, F.S.)
- High-impact Business (Section 288.108, F.S.)
- Quick Action Closing Fund (Section 288.1088, F.S.)
- Innovation Incentive Program (Section 288.1089, F.S.).

These qualified businesses will be eligible for the exemptions and credits noted above through December 31, 2018. Effective January 1, 2016, DEO will process and certify Florida enterprise zone tax incentive applications in place of local enterprise zone coordinators. The Department of Revenue will continue to receive and process refund applications for these qualified businesses.

References: Chapter 2015-221, Laws of Florida; Section 212.08, Florida Statutes; Section 212.096, Florida Statutes; Section 220.03, Florida Statutes; Section 220.181, Florida Statutes; Section 220.182, Florida Statutes; Section 624.5105, Florida Statutes

For More Information

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For forms and other information, visit our website at www.myflorida.com/dor or call Taxpayer Services, 8:00 a.m. to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671.

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services, MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

Want the latest tax information?

- ✓ Subscribe to our tax publications or sign up for due date reminders at www.myflorida.com/dor/list
- ✓ Follow us on Twitter @MyFLDOR_TaxInfo