

1 A bill to be entitled
2 An act relating to the entertainment industry;
3 amending s. 288.1201, F.S.; revising the sources of
4 moneys to be credited to the State Economic
5 Enhancement and Development Trust Fund to include
6 repayments to the Production Action Fund created by
7 the act; creating the Production Action account within
8 the State Economic Enhancement and Development Trust
9 Fund; authorizing the Department of Economic
10 Opportunity to adopt specified rules; amending s.
11 288.125, F.S.; revising applicability of the term
12 "entertainment industry"; transferring, renumbering,
13 and amending s. 288.1251, F.S.; renaming the Office of
14 Film and Entertainment as the Division of Film and
15 Entertainment within Enterprise Florida, Inc.;
16 requiring the division to serve as a liaison between
17 the entertainment industry and other agencies,
18 commissions, and organizations; requiring the Governor
19 to appoint the film and entertainment commissioner;
20 revising the requirements of the division's strategic
21 plan; repealing s. 288.1252, F.S., relating to the
22 Florida Film and Entertainment Advisory Council;
23 transferring, renumbering, and amending s. 288.1253,
24 F.S.; conforming provisions to changes made by the
25 act; amending s. 288.1254, F.S.; revising and deleting
26 definitions; requiring additional information in

27 | certain applications related to qualified productions;
28 | establishing procedures for queuing applications
29 | received after a specific period; providing procedures
30 | for submitting applications for high-impact production
31 | commitments; specifying the period during which
32 | applications remain in the queue for tax credits;
33 | establishing parameters to be used by the department
34 | in certifying tax credits; requiring certified
35 | production companies to provide specified workforce
36 | data; requiring certified production companies to
37 | contribute a specific percentage of awards to certain
38 | entities; requiring certain production companies to
39 | provide internship opportunities; prohibiting certain
40 | production companies from submitting tax credit
41 | application under certain circumstances; requiring
42 | certain production companies to take specified actions
43 | to promote the state; revising provisions related to
44 | distributions of tax credits; revising provisions for
45 | certification of tax credits in excess of allocated
46 | amounts; revising dates for the repeal of certain tax
47 | credits; redefining terms; requiring the Department of
48 | Economic Opportunity, rather than the Office of Film
49 | and Entertainment, to be responsible for applications
50 | for the entertainment industry financial incentive
51 | program; revising provisions relating to the
52 | application process, tax credit eligibility, transfer

53 of tax credits, election and distribution of tax
54 credits, allocation of tax credits, forfeiture of tax
55 credits, and annual report; revising the repeal date
56 for the program; conforming provisions to changes made
57 by the act; specifying a date on which the
58 applications on file with the department and not yet
59 certified are deemed denied; creating s. 288.1256,
60 F.S.; creating the Production Action Fund within the
61 department; defining terms; authorizing a production
62 company to apply for funds from the Production Action
63 Fund in certain circumstances; requiring the
64 department and the division to jointly review and
65 evaluate applications to determine the eligibility of
66 each project; requiring the department to select
67 projects that maximize the return to the state;
68 requiring certain criteria to be considered by the
69 department and the division; requiring a production
70 company to have financing for a project before it
71 applies for production action funds; requiring the
72 department to prescribe a form for an application with
73 specified information; requiring that the department
74 make a recommendation to the Governor to approve or
75 deny an award within a specified period after the
76 completion of the review and evaluation; providing
77 that an award of funds may not constitute more than a
78 specified percentage of qualified expenditures in this

79 | state and prohibiting the use of such funds to pay
80 | wages to nonresidents; requiring a production to start
81 | within a specified period after it is approved by the
82 | Governor; requiring that the recommendation include
83 | performance conditions that the project must meet to
84 | obtain funds; requiring the department and the
85 | production company to enter into a specified agreement
86 | after approval by the Governor; requiring that the
87 | agreement be finalized and signed by an authorized
88 | officer of the production company within a specified
89 | period after approval by the Governor; prohibiting an
90 | approved production company from simultaneously
91 | receiving specified benefits for the same production
92 | while protecting other specified benefits; requiring
93 | that the department validate contractor performance
94 | and report such validation in the annual report;
95 | prohibiting the department from approving awards in
96 | excess of the amount appropriated for a fiscal year;
97 | requiring the department maintain a schedule of funds;
98 | requiring that all funds received from the required
99 | repayment be deposited into the Production Action
100 | account within the State Economic Enhancement and
101 | Development Trust Fund; providing that a production
102 | company that submits fraudulent information is liable
103 | for reimbursement of specified costs; providing a
104 | penalty; prohibiting the department from waiving any

105 provision or providing an extension of time to meet
106 specified requirements; providing an expiration date;
107 amending s. 288.1258, F.S.; conforming provisions to
108 changes made by the act; prohibiting an approved
109 production company from simultaneously receiving
110 benefits under specified provisions for the same
111 production while protecting other specified benefits;
112 requiring the department to develop a standardized
113 application form in cooperation with the division and
114 other agencies; requiring the qualified production
115 company to submit aggregate data on specified topics;
116 authorizing a qualified production company to renew
117 its certificate of exemption for a specified period;
118 amending s. 288.92, F.S.; requiring Enterprise
119 Florida, Inc., to have a division relating to film and
120 entertainment; amending s. 477.0135, F.S.; conforming
121 a provision to changes made by the act; reenacting ss.
122 212.08(5)(q) and 220.1899(3), F.S., relating to
123 administration of the entertainment industry tax
124 credit with respect to the sales and use tax and the
125 corporate income tax, respectively, to incorporate the
126 amendment made by the act to s. 288.1254, F.S., in
127 references thereto; providing an effective date.

128

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

130

131 Section 1. Subsection (3) of section 288.1201, Florida
 132 Statutes, is renumbered as subsection (4), subsection (2) is
 133 amended, and a new subsection (3) is added to that section, to
 134 read:

135 288.1201 State Economic Enhancement and Development Trust
 136 Fund.—

137 (2) The trust fund is established for use as a depository
 138 for funds to be used for the purposes specified in subsection
 139 (1). Moneys to be credited to the trust fund shall consist of
 140 documentary stamp tax proceeds as specified in law, local
 141 financial support funds, interest earnings, repayments made
 142 under s. 288.1256, and cash advances from other trust funds.
 143 Funds shall be expended only pursuant to legislative
 144 appropriation or an approved amendment to the department's
 145 operating budget pursuant to the provisions of chapter 216.

146 (3) The Production Action account is created within the
 147 State Economic Enhancement and Development Trust Fund. The
 148 Production Action account shall consist of moneys appropriated
 149 to the account for purposes of the program authorized under s.
 150 288.1256 and repayments made under that section. Notwithstanding
 151 subsection (4), moneys in the Production Action account are
 152 subject to s. 216.301(1)(a). Moneys in the Production Action
 153 account may be used only to make payments authorized under s.
 154 288.1256. The department may adopt rules necessary to provide
 155 for the use of moneys in the Production Action account and for
 156 the administration of the Production Action account.

157 (4)~~(3)~~ Notwithstanding s. 216.301 and pursuant to s.
 158 216.351, any balance in the trust fund at the end of any fiscal
 159 year shall remain in the trust fund at the end of the year and
 160 shall be available for carrying out the purposes of the trust
 161 fund.

162 Section 2. Section 288.125, Florida Statutes, is amended
 163 to read:

164 288.125 Definition of "entertainment industry."—For the
 165 purposes of ss. 288.1254, 288.1256, 288.1258, 288.914, and
 166 288.915, 288.1251–288.1258, the term "entertainment industry"
 167 means those persons or entities engaged in the operation of
 168 motion picture or television studios or recording studios; those
 169 persons or entities engaged in the preproduction, production, or
 170 postproduction of motion pictures, made-for-television movies,
 171 television programming, digital media projects, commercial
 172 advertising, music videos, or sound recordings; and those
 173 persons or entities providing products or services directly
 174 related to the preproduction, production, or postproduction of
 175 motion pictures, made-for-television movies, television
 176 programming, digital media projects, commercial advertising,
 177 music videos, or sound recordings, including, but not limited
 178 to, the broadcast industry.

179 Section 3. Section 288.1251, Florida Statutes, is
 180 transferred, renumbered as section 288.914, Florida Statutes,
 181 and amended to read:

182 288.914 ~~288.1251~~ Promotion and development of

183 entertainment industry; Division ~~Office~~ of Film and
 184 Entertainment; creation; purpose; powers and duties.-

185 (1) CREATION.-

186 ~~(a)~~ The Division of Film and Entertainment is ~~There is~~
 187 ~~hereby~~ created within Enterprise Florida, Inc., ~~the department~~
 188 ~~the Office of Film and Entertainment~~ for the purpose of
 189 developing, recruiting, marketing, promoting, and providing
 190 services to the state's entertainment industry. The division
 191 shall serve as a liaison between the entertainment industry and
 192 other state and local governmental agencies, local film
 193 commissions, and labor organizations.

194 ~~(2)(b)~~ COMMISSIONER.-The Governor shall appoint a film and
 195 entertainment commissioner, who shall serve at the pleasure of
 196 the Governor and is subject to confirmation by the Senate
 197 ~~department shall conduct a national search for a qualified~~
 198 ~~person to fill the position of Commissioner of Film and~~
 199 ~~Entertainment when the position is vacant. The executive~~
 200 ~~director of the department has the responsibility to hire the~~
 201 ~~film commissioner.~~ Qualifications for the film and entertainment
 202 commissioner include, but are not limited to, the following:

203 ~~(a)1.~~ A working knowledge of and experience with the
 204 equipment, personnel, financial, and day-to-day production
 205 operations of the industries to be served by the division.
 206 ~~Office of Film and Entertainment;~~

207 ~~(b)2.~~ Marketing and promotion experience related to the
 208 film and entertainment industries to be served.

209 (c)3. Experience working with a variety of individuals
 210 representing large and small entertainment-related businesses,
 211 industry associations, local community entertainment industry
 212 liaisons, and labor organizations. ~~and~~

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

215 (3)(2) POWERS AND DUTIES.—

216 (a) The division ~~Office of Film and Entertainment~~, in
 217 performance of its duties, shall develop and ~~+~~

218 ~~1. In consultation with the Florida Film and Entertainment~~
 219 ~~Advisory Council, annually~~ update a 5-year ~~the~~ strategic plan
 220 ~~every 5 years~~ to guide the activities of the division ~~Office of~~
 221 ~~Film and Entertainment~~ in the areas of entertainment industry
 222 development, recruitment, marketing, promotion, liaison
 223 services, field office administration, and information. The plan
 224 shall ~~+~~

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

226 ~~b.~~ At a minimum, the plan must provide the following:

227 1. The ~~Include recommendations relating to the~~
 228 organizational structure of the division, including any field
 229 offices outside the state ~~office.~~

230 2.e. The coordination of the division with local or
 231 regional offices maintained by counties and regions of the
 232 state, local film commissions, and labor organizations, and the
 233 coordination of such entities with each other to facilitate a
 234 working relationship.

235 3. Strategies to identify, solicit, and recruit
236 entertainment production opportunities for the state, including
237 implementation of programs for rural and urban areas designed to
238 develop and promote the state's entertainment industry.

239 4. ~~Include~~ An annual budget projection for the division
240 office for each year of the plan.

241 ~~d. Include an operational model for the office to use in~~
242 ~~implementing programs for rural and urban areas designed to:~~

243 ~~(I) Develop and promote the state's entertainment~~
244 ~~industry.~~

245 ~~(II) Have the office serve as a liaison between the~~
246 ~~entertainment industry and other state and local governmental~~
247 ~~agencies, local film commissions, and labor organizations.~~

248 ~~(III) Gather statistical information related to the~~
249 ~~state's entertainment industry.~~

250 5.(IV) Provide Information and services service to
251 businesses, communities, organizations, and individuals engaged
252 in entertainment industry activities.

253 ~~(V) Administer field offices outside the state and~~
254 ~~coordinate with regional offices maintained by counties and~~
255 ~~regions of the state, as described in sub-sub-subparagraph (II),~~
256 ~~as necessary.~~

257 6.e. ~~Include~~ Performance standards and measurable outcomes
258 for the programs to be implemented by the division office.

259
260 The plan shall be reviewed annually and approved by the board of

261 directors of Enterprise Florida, Inc.

262 ~~f. Include an assessment of, and make recommendations on,~~
263 ~~the feasibility of creating an alternative public-private~~
264 ~~partnership for the purpose of contracting with such a~~
265 ~~partnership for the administration of the state's entertainment~~
266 ~~industry promotion, development, marketing, and service~~
267 ~~programs.~~

268 ~~2. Develop, market, and facilitate a working relationship~~
269 ~~between state agencies and local governments in cooperation with~~
270 ~~local film commission offices for out-of-state and indigenous~~
271 ~~entertainment industry production entities.~~

272 ~~3. Implement a structured methodology prescribed for~~
273 ~~coordinating activities of local offices with each other and the~~
274 ~~commissioner's office.~~

275 (b) The division shall also:

276 ~~1.4.~~ Represent the state's indigenous entertainment
277 industry to key decisionmakers within the national and
278 international entertainment industry, and to state and local
279 officials.

280 ~~2.5.~~ Prepare an inventory and analysis of the state's
281 entertainment industry, including, but not limited to,
282 information on crew, related businesses, support services, job
283 creation, talent, and economic impact and coordinate with local
284 offices to develop an information tool for common use. Any
285 economic impact analysis created pursuant to this paragraph
286 shall be made in coordination with the Office of Economic and

287 Demographic Research.

288 ~~3.6.~~ Identify, solicit, and recruit entertainment
289 production opportunities for the state.

290 ~~4.7.~~ Assist rural communities and other small communities
291 in the state in developing the expertise and capacity necessary
292 for such communities to develop, market, promote, and provide
293 services to the state's entertainment industry.

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

296 1. Conduct or contract for specific promotion and
297 marketing functions, including, but not limited to, production
298 of a statewide directory, production and maintenance of an
299 Internet website, establishment and maintenance of a toll-free
300 telephone number, organization of trade show participation, and
301 appropriate cooperative marketing opportunities.

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

305 3. Carry out any program of information, special events,
306 or publicity designed to attract entertainment industry to
307 Florida.

308 4. Develop relationships and leverage resources with other
309 public and private organizations or groups in their efforts to
310 publicize to the entertainment industry in this state, other
311 states, and other countries the depth of Florida's entertainment
312 industry talent, crew, production companies, production

313 equipment resources, related businesses, and support services,
 314 including the establishment of and expenditure for a program of
 315 cooperative advertising with these public and private
 316 organizations and groups in accordance with the provisions of
 317 chapter 120.

318 5. Provide and arrange for reasonable and necessary
 319 promotional items and services for such persons as the division
 320 ~~office~~ deems proper in connection with the performance of the
 321 promotional and other duties of the division ~~office~~.

322 6. Prepare an ~~annual~~ economic impact analysis in
 323 coordination with the Office of Economic and Demographic
 324 Research on entertainment industry-related activities in the
 325 state.

326 7. Request or accept any grant, payment, or gift of funds
 327 or property made by this state, the United States, or any
 328 department or agency thereof, or by any individual, firm,
 329 corporation, municipality, county, or organization, for ~~any or~~
 330 ~~all of~~ the purposes of the ~~Office of Film and Entertainment's~~ 5-
 331 year strategic plan or those permitted activities enumerated in
 332 this paragraph. Such funds shall be deposited in a separate
 333 account ~~the Grants and Donations Trust Fund of the Executive~~
 334 ~~Office of the Governor~~ for use by the division ~~Office of Film~~
 335 ~~and Entertainment~~ in carrying out its responsibilities and
 336 duties as delineated in law. The division ~~office~~ may expend such
 337 funds in accordance with the terms and conditions of any such
 338 grant, payment, or gift in the pursuit of its administration or

339 in support of fulfilling its duties and responsibilities. The
 340 division office shall separately account for the public funds
 341 and the private funds deposited into the account trust fund.

342 Section 4. Section 288.1252, Florida Statutes, is
 343 repealed.

344 Section 5. Section 288.1253, Florida Statutes, is
 345 transferred, renumbered as section 288.915, Florida Statutes,
 346 and amended to read:

347 288.915 ~~288.1253~~ Travel and entertainment expenses.—

348 (1) As used in this section, the term "travel expenses"
 349 means the actual, necessary, and reasonable costs of
 350 transportation, meals, lodging, and incidental expenses normally
 351 incurred by an employee of the Division Office of Film and
 352 Entertainment within Enterprise Florida, Inc., as which costs
 353 ~~are~~ defined and prescribed by ~~rules adopted by the~~ department
 354 rule, subject to approval by the Chief Financial Officer.

355 (2) Notwithstanding ~~the provisions of~~ s. 112.061, the
 356 department shall adopt rules by which the Division of Film and
 357 Entertainment ~~it~~ may make expenditures by reimbursement to~~+~~ the
 358 Governor, the Lieutenant Governor, security staff of the
 359 Governor or Lieutenant Governor, the Commissioner of Film and
 360 Entertainment, or staff of the division Office ~~of Film and~~
 361 ~~Entertainment~~ for travel expenses or entertainment expenses
 362 incurred by such individuals solely and exclusively in
 363 connection with the performance of the statutory duties of the
 364 division Office ~~of Film and Entertainment~~. The rules are subject

365 to approval by the Chief Financial Officer before adoption. The
366 rules shall require the submission of paid receipts, or other
367 proof of expenditure prescribed by the Chief Financial Officer,
368 with any claim for reimbursement.

369 (3) The Division Office of Film and Entertainment shall
370 include in the annual report for the entertainment industry
371 ~~financial incentive~~ program required under s. 288.1254
372 ~~288.1254(10)~~ a report of the division's office's expenditures
373 for the previous fiscal year. The report must summarize ~~consist~~
374 ~~of a summary of~~ all travel, entertainment, and incidental
375 expenses incurred within the United States and all travel,
376 entertainment, and incidental expenses incurred outside the
377 United States, as well as summarize ~~a summary of~~ all successful
378 projects that developed from such travel.

379 (4) The Division Office of Film and Entertainment and its
380 employees and representatives, when authorized, may accept and
381 use complimentary travel, accommodations, meeting space, meals,
382 equipment, transportation, and any other goods or services
383 necessary for or beneficial to the performance of the division's
384 ~~office's~~ duties and purposes, so long as such acceptance or use
385 is not in conflict with part III of chapter 112. The department
386 shall, by rule, develop internal controls to ensure that such
387 goods or services accepted or used pursuant to this subsection
388 are limited to those that will assist solely and exclusively in
389 the furtherance of the division's office's goals and are in
390 compliance with part III of chapter 112. Notwithstanding the

391 provisions of this subsection, the division and its employees
392 and representatives may not accept any complimentary travel,
393 accommodation, meeting space, meals, equipment, transportation,
394 or any other goods or services from any entity or party,
395 including any employee, designee, or representative of such
396 entity or party, that has received, has applied to receive, or
397 anticipates applying to receive funds under s. 288.1256. If a
398 person accepts any such goods or services, he or she is subject
399 to the penalties provided in s. 112.317.

400 (5) Any claim submitted under this section is not required
401 to be sworn to before a notary public or other officer
402 authorized to administer oaths, but any claim authorized or
403 required to be made under any provision of this section shall
404 contain a statement that the expenses were actually incurred as
405 necessary travel or entertainment expenses in the performance of
406 official duties of the Division ~~Office~~ of Film and Entertainment
407 and shall be verified by written declaration that it is true and
408 correct as to every material matter. Any person who willfully
409 makes and subscribes to any claim that ~~which~~ he or she does not
410 believe to be true and correct as to every material matter or
411 who willfully aids or assists in, procures, or counsels or
412 advises with respect to, the preparation or presentation of a
413 claim pursuant to this section that is fraudulent or false as to
414 any material matter, whether such falsity or fraud is with the
415 knowledge or consent of the person authorized or required to
416 present the claim, commits a misdemeanor of the second degree,

417 punishable as provided in s. 775.082 or s. 775.083. Whoever
418 receives a reimbursement by means of a false claim is civilly
419 liable, in the amount of the overpayment, for the reimbursement
420 of the public fund from which the claim was paid.

421 Section 6. Subsections (1) through (7) and (11) of section
422 288.1254, Florida Statutes, are amended to read:

423 288.1254 Entertainment industry financial incentive
424 economic development tax credit program.—

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

426 (a) "Certified production" means a qualified production
427 that has tax credits allocated to it by the department based on
428 the production's estimated qualified expenditures, up to the
429 production's maximum certified amount of tax credits, by the
430 department. The term does not include a production if its first
431 day of principal photography or project start date in this state
432 occurs before the production is certified by the department,
433 unless the production spans more than 1 fiscal year, was a
434 certified production on its first day of principal photography
435 or project start date in this state, and submits an application
436 for continuing the same production for the subsequent fiscal
437 year.

438 (b) "Digital media project" means a production of
439 interactive entertainment that is produced for distribution in
440 commercial or educational markets. The term includes a video
441 game or production intended for Internet or wireless
442 distribution, an interactive website, digital animation, and

443 visual effects, including, but not limited to, three-dimensional
444 movie productions and movie conversions. The term does not
445 include a production that contains content that is obscene as
446 defined in s. 847.001.

447 (c) "High-impact digital media project" means a digital
448 media project that has qualified expenditures greater than \$4.5
449 million.

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

451 1. A production series created to run multiple production
452 seasons which has ~~and having~~ an estimated order of at least
453 seven episodes per season and qualified expenditures of at least
454 \$1 million ~~\$625,000~~ per episode; or

455 2. A telenovela that has qualified expenditures of more
456 than \$4.5 million; a minimum of 45 principal photography days
457 filmed in this state; a production cast, including background
458 actors and crew, of which at least 90 percent are legal
459 residents of the state; and at least 90 percent of the
460 production occurring in this state.

461 (e) "Off-season certified production" means a feature
462 film, independent film, or television series or pilot that films
463 75 percent or more of its principal photography days from June 1
464 through November 30.

465 (f) "Principal photography" means the filming of major or
466 significant components of the qualified production which involve
467 lead actors.

468 (g) "Production" means a theatrical or direct-to-video

469 motion picture; a made-for-television motion picture; visual
470 effects or digital animation sequences produced in conjunction
471 with a motion picture; a commercial; a music video; an
472 industrial or educational film; an infomercial; a documentary
473 film; a television pilot program; a presentation for a
474 television pilot program; a television series, including, but
475 not limited to, a drama, a reality show, a comedy, a soap opera,
476 a telenovela, a game show, an awards show, or a miniseries
477 production; a direct-to-Internet television series; or a digital
478 media project by the entertainment industry. One season of a
479 television series is considered one production. The term does
480 not include a weather or market program; a sporting event or a
481 sporting event broadcast; a gala; a production that solicits
482 funds; a home shopping program; a political program; a political
483 documentary; political advertising; a gambling-related project
484 or production; a concert production; a local, regional, or
485 Internet-distributed-only news show or current-events show; a
486 sports news or sports recap show; a pornographic production; or
487 any production deemed obscene under chapter 847. A production
488 may be produced on or by film, tape, or otherwise by means of a
489 motion picture camera; electronic camera or device; tape device;
490 computer; any combination of the foregoing; or any other means,
491 method, or device.

492 (h) "Production expenditures" means the costs of tangible
493 and intangible property used for, and services performed
494 primarily and customarily in, production, including

495 | preproduction and postproduction, but excluding costs for
496 | development, marketing, and distribution. The term includes, but
497 | is not limited to:

498 | 1. Wages, salaries, or other compensation paid to legal
499 | residents of this state, including amounts paid through payroll
500 | service companies, for technical and production crews,
501 | directors, producers, and performers.

502 | 2. Net expenditures for sound stages, backlots, production
503 | editing, digital effects, sound recordings, sets, and set
504 | construction.

505 | 3. Net expenditures for rental equipment, including, but
506 | not limited to, cameras and grip or electrical equipment.

507 | 4. Up to \$300,000 of the costs of newly purchased computer
508 | software and hardware unique to the project, including servers,
509 | data processing, and visualization technologies, which are
510 | located in and used exclusively in the state for the production
511 | of digital media.

512 | 5. Expenditures for meals, travel, and accommodations. For
513 | purposes of this paragraph, the term "net expenditures" means
514 | the actual amount of money a qualified production spent for
515 | equipment or other tangible personal property, after subtracting
516 | any consideration received for reselling or transferring the
517 | item after the qualified production ends, if applicable.

518 | (i) "Qualified expenditures" means production expenditures
519 | incurred in this state by a qualified production for:

520 | 1. Goods purchased or leased from, or services, including,

521 but not limited to, insurance costs and bonding, payroll
522 services, and legal fees, which are provided by, a vendor or
523 supplier in this state that is registered with the Department of
524 State or the Department of Revenue, has a physical location in
525 this state, and employs one or more legal residents of this
526 state. This does not include rebilled goods or services provided
527 by an in-state company from out-of-state vendors or suppliers.
528 When services provided by the vendor or supplier include
529 personal services or labor, only personal services or labor
530 provided by residents of this state, evidenced by the required
531 documentation of residency in this state, qualify.

532 2. Payments to legal residents of this state in the form
533 of salary, wages, or other compensation up to a maximum of
534 \$400,000 per resident unless otherwise specified in subsection
535 (4). A completed declaration of residency in this state must
536 accompany the documentation submitted to the office for
537 reimbursement.

538
539 For a qualified production involving an event, such as an awards
540 show, the term does not include expenditures solely associated
541 with the event itself and not directly required by the
542 production. The term does not include expenditures incurred
543 before certification, with the exception of those incurred for a
544 commercial, a music video, or the pickup of additional episodes
545 of a high-impact television series within a single season. Under
546 no circumstances may the qualified production include in the

547 calculation of ~~for~~ qualified expenditures the original purchase
548 price for equipment or other tangible property that is later
549 sold or transferred by the qualified production for
550 consideration. In such cases, the qualified expenditure is the
551 net of the original purchase price minus the consideration
552 received upon sale or transfer.

553 (j) "Qualified production" means a production in this
554 state meeting the requirements of this section. The term does
555 not include a production:

556 1. In which, for the first 2 years of the incentive
557 program, less than 50 percent, and thereafter, less than 60
558 percent, of the positions that make up its production cast and
559 below-the-line production crew, or, in the case of digital media
560 projects, less than 75 percent of such positions, are filled by
561 legal residents of this state, whose residency is demonstrated
562 by a valid Florida driver license or other state-issued
563 identification confirming residency, or students enrolled full-
564 time in a film-and-entertainment-related course of study at an
565 institution of higher education in this state; or

566 2. That contains obscene content as defined in s.
567 847.001(10).

568 (k) "Qualified production company" means a corporation,
569 limited liability company, partnership, or other legal entity
570 engaged in one or more productions in this state.

571 (l) "Qualified digital media production facility" means a
572 building or series of buildings and their improvements in which

573 data processing, visualization, and sound synchronization
574 technologies are regularly applied for the production of
575 qualified digital media projects or the digital animation
576 components of qualified productions.

577 (m) "Qualified production facility" means a building or
578 complex of buildings and their improvements and associated
579 backlot facilities in which regular filming activity for film or
580 television has occurred for a period of no less than 1 year and
581 which contain at least one sound stage of at least 7,800 square
582 feet.

583 ~~(n) "Regional population ratio" means the ratio of the~~
584 ~~population of a region to the population of this state. The~~
585 ~~regional population ratio applicable to a given fiscal year is~~
586 ~~the regional population ratio calculated by the Office of Film~~
587 ~~and Entertainment using the latest official estimates of~~
588 ~~population certified under s. 186.901, available on the first~~
589 ~~day of that fiscal year.~~

590 ~~(o) "Regional tax credit ratio" means a ratio the~~
591 ~~numerator of which is the sum of tax credits awarded to~~
592 ~~productions in a region to date plus the tax credits certified,~~
593 ~~but not yet awarded, to productions currently in that region and~~
594 ~~the denominator of which is the sum of all tax credits awarded~~
595 ~~in the state to date plus all tax credits certified, but not yet~~
596 ~~awarded, to productions currently in the state. The regional tax~~
597 ~~credit ratio applicable to a given year is the regional tax~~
598 ~~credit ratio calculated by the Office of Film and Entertainment~~

599 ~~using credit award and certification information available on~~
600 ~~the first day of that fiscal year.~~

601 ~~(p) "Underutilized region" for a given state fiscal year~~
602 ~~means a region with a regional tax credit ratio applicable to~~
603 ~~that fiscal year that is lower than its regional population~~
604 ~~ratio applicable to that fiscal year. The following regions are~~
605 ~~established for purposes of making this determination:~~

606 ~~1. North Region, consisting of Alachua, Baker, Bay,~~
607 ~~Bradford, Calhoun, Clay, Columbia, Dixie, Duval, Escambia,~~
608 ~~Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Holmes, Jackson,~~
609 ~~Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Nassau,~~
610 ~~Okaloosa, Putnam, Santa Rosa, St. Johns, Suwannee, Taylor,~~
611 ~~Union, Wakulla, Walton, and Washington Counties.~~

612 ~~2. Central East Region, consisting of Brevard, Flagler,~~
613 ~~Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St.~~
614 ~~Lucie, and Volusia Counties.~~

615 ~~3. Central West Region, consisting of Citrus, Hernando,~~
616 ~~Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota,~~
617 ~~and Sumter Counties.~~

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

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

622 ~~(n)(q)~~ (n) "Interactive website" means a website or group of
623 websites that includes interactive and downloadable content, and
624 creates 25 new Florida full-time equivalent positions operating

625 from a principal place of business located within Florida. An
626 interactive website or group of websites must provide
627 documentation to the Division of Film and Entertainment that
628 those jobs were created ~~to the Office of Film and Entertainment~~
629 prior to the award of tax credits. Each subsequent program
630 application must provide proof that 25 Florida full-time
631 equivalent positions are maintained.

632 (2) CREATION AND PURPOSE OF PROGRAM.—The entertainment
633 industry financial incentive program is created within the
634 Division ~~Office~~ of Film and Entertainment. The purpose of this
635 program is to encourage the use of this state as a site for
636 filming, for the digital production of films, and to develop and
637 sustain the workforce and infrastructure for film, digital
638 media, and entertainment production.

639 (3) APPLICATION PROCEDURE; APPROVAL PROCESS.—

640 (a) Program application.—A qualified production company
641 producing a qualified production in this state may submit a
642 program application to the Division ~~Office~~ of Film and
643 Entertainment for the purpose of determining qualification for
644 an award of tax credits authorized by this section no earlier
645 than 180 days before the first day of principal photography or
646 project start date in this state. The applicant shall provide
647 the division ~~Office of Film and Entertainment~~ with information
648 required to determine whether the production is a qualified
649 production and to determine the qualified expenditures and other
650 information necessary for the division ~~office~~ to determine

651 eligibility for the tax credit.

652 (b) Required documentation.—The Division ~~Office~~ of Film
653 and Entertainment shall develop an application form for
654 qualifying an applicant as a qualified production. The form must
655 include, but need not be limited to, production-related
656 information concerning employment of residents in this state, a
657 detailed budget of planned qualified expenditures and
658 nonqualified expenditures in this state, and the applicant's
659 signed affirmation that the information on the form has been
660 verified and is correct. The Division ~~Office~~ of Film and
661 Entertainment and local film commissions shall distribute the
662 form.

663 (c) Application process.—

664 1. The Division of Film and Entertainment shall establish
665 a process to receive and review applications.

666 2. The Office of Economic and Demographic Research shall
667 create or approve a model to be used by the Division of Film and
668 Entertainment to determine the expected economic benefit of the
669 proposed production in each application. The expected economic
670 benefit derived from such model shall be quantified in a numeric
671 score awarded to the application. That score is the "production
672 priority score."

673 3. The Division of Film and Entertainment shall designate
674 two application cycles per fiscal year for qualified production
675 companies to submit applications pursuant to this section. Each
676 application cycle shall consist of an application submittal

677 deadline and a review period. The two application deadlines
678 shall be separated by at least 4 months. The first application
679 cycle shall be application cycle "A" and the second cycle shall
680 be application cycle "B." Each applicant must designate the
681 cycle for which the applicant is applying.

682 4. The Division of Film and Entertainment shall determine
683 the length of the review period for each application cycle, not
684 to exceed 30 days, and must immediately follow its corresponding
685 deadline. During each review period, the Division of Film and
686 Entertainment shall:

687 a. Review each timely received application to ensure that
688 the application is complete and label each application according
689 to its queue as set forth in subsection (4).

690 b. Use the model created or approved by the Office of
691 Economic and Demographic Research to determine each
692 application's production priority score.

693 c. Submit each complete and timely received application,
694 along with its production priority score, to the department.

695 5. Applications not timely received may not carry forward
696 to a subsequent application cycle. ~~The Office of Film and~~
697 ~~Entertainment shall establish a process by which an application~~
698 ~~is accepted and reviewed and by which tax credit eligibility and~~
699 ~~award amount are determined. The Office of Film and~~
700 ~~Entertainment may request assistance from a duly appointed local~~
701 ~~film commission in determining compliance with this section.~~

702 6. A certified high-impact television series may submit an

703 initial application for no more than two successive seasons,
704 notwithstanding the fact that the successive seasons have not
705 been ordered. The successive season's qualified expenditure
706 amounts shall be based on the current season's estimated
707 qualified expenditures. Upon the completion of production of
708 each season, a high-impact television series may submit an
709 application for no more than one additional season.

710 (d) Certification. ~~The Office of Film and Entertainment~~
711 ~~shall review the application within 15 business days after~~
712 ~~receipt. Upon its determination that the application contains~~
713 ~~all the information required by this subsection and meets the~~
714 ~~criteria set out in this section, the Office of Film and~~
715 ~~Entertainment shall qualify the applicant and recommend to the~~
716 ~~department that the applicant be certified for the maximum tax~~
717 ~~credit award amount.~~

718 1. Within 5 business days after the end of an application
719 cycle review period, receipt of the recommendation, the
720 department shall ~~reject the recommendation or~~ certify the
721 maximum ~~recommended~~ tax credit award, if any, to each the
722 applicant and give priority to applicants that received the
723 highest production priority score. The department may only
724 compare an application's production priority score to
725 applications of the same queue pursuant to subsection (4). The
726 department shall submit certified applications to the executive
727 director of the Department of Revenue.

728 2. The department may only certify up to 50 percent of the

729 credits available in a fiscal year for application cycle "A" of
730 such fiscal year. All remaining tax credits in a fiscal year may
731 be certified in application cycle "B."

732 3. In any fiscal year, the department may only certify the
733 amount of tax credits allocated for that fiscal year.

734 (e) Employment.—

735 1. Upon certification by the department, the production
736 company must provide the Division of Film and Entertainment with
737 a single point of contact and information related to the
738 production's need for Florida workforce, goods, and services.
739 The division shall publish this information on its website,
740 including the type of production, the project's anticipated
741 start date, and anticipated principal photography locations. The
742 department may adopt rules to implement this paragraph.

743 2. A production company, upon receiving the tax credit
744 award, shall contribute 5 percent of the award to a workforce
745 training program or an institution of higher education in this
746 state that is designated by the department as an approved
747 recipient of workforce development funds under this paragraph.

748 3. A production company that has entered into a high-
749 impact production commitment shall provide internship
750 opportunities for at least five Florida residents from an
751 approved recipient of workforce development funds under this
752 paragraph. Such internship opportunities shall be advertised on
753 the state's job bank system.

754 (f) Grounds for denial.—The ~~Division~~ Office of Film and

755 Entertainment shall deny an application if it determines that
756 the application is not complete or the production or application
757 does not meet the requirements of this section. Within 90 days
758 after submitting a program application, except with respect to
759 applications in the independent and emerging media queue, a
760 production must provide proof of project financing to the
761 Division Office of Film and Entertainment, otherwise the project
762 is deemed denied and withdrawn. A project that has been
763 withdrawn may submit a new application upon providing the
764 Division Office of Film and Entertainment proof of financing.

765 (g) ~~(f)~~ Verification of actual qualified expenditures.—

766 1. The Division Office of Film and Entertainment shall
767 develop a process to verify the actual qualified expenditures of
768 a certified production. The process must require:

769 a. A certified production to submit, in a timely manner
770 after production ends in this state and after making all of its
771 qualified expenditures in this state, data substantiating each
772 qualified expenditure, including documentation on the net
773 expenditure on equipment and other tangible personal property by
774 the qualified production, to an independent certified public
775 accountant licensed in this state. ~~;~~

776 b. Such accountant to conduct a compliance audit, at the
777 certified production's expense, to substantiate each qualified
778 expenditure and submit the results as a report, along with the
779 required substantiating data, to the Division Office of Film and
780 Entertainment. ~~;~~ and

781 c. The Division ~~Office~~ of Film and Entertainment to review
782 the accountant's submittal and report to the department the
783 final verified amount of actual qualified expenditures made by
784 the certified production.

785 2. The department shall determine and approve the final
786 tax credit award amount to each certified applicant based on the
787 final verified amount of actual qualified expenditures and shall
788 notify the executive director of the Department of Revenue in
789 writing that the certified production has met the requirements
790 of the incentive program and of the final amount of the tax
791 credit award. The final tax credit award amount may not exceed
792 the maximum tax credit award amount certified under paragraph
793 (d).

794 (h) ~~(g)~~ Promoting Florida.—The Division ~~Office~~ of Film and
795 Entertainment shall ensure that, as a condition of receiving a
796 tax credit under this section, marketing materials promoting
797 this state as a tourist destination or film and entertainment
798 production destination are included, when appropriate, at no
799 cost to the state, which must, at a minimum, include placement
800 of a "Filmed in Florida" or "Produced in Florida" logo in the
801 end credits. The placement of a "Filmed in Florida" or "Produced
802 in Florida" logo on all packaging material and hard media is
803 also required, unless such placement is prohibited by licensing
804 or other contractual obligations. The size and placement of such
805 logo shall be commensurate to other logos used. If no logos are
806 used, the statement "Filmed in Florida using Florida's

807 Entertainment Industry Financial Incentive," or a similar
808 statement approved by the Division Office of Film and
809 Entertainment, shall be used. The Division Office of Film and
810 Entertainment shall provide a logo and supply it for the
811 purposes specified in this paragraph. A 30-second "Visit
812 Florida" promotional video must also be included on all optical
813 disc formats of a film, unless such placement is prohibited by
814 licensing or other contractual obligations. The 30-second
815 promotional video shall be approved and provided by the Florida
816 Tourism Industry Marketing Corporation in consultation with the
817 Commissioner of Film and Entertainment. A qualified production
818 company that receives certification for tax credits under this
819 section shall include, at no additional cost to the state, a
820 link to the Florida Tourism Industry Marketing Corporation
821 website or another website designated by the department on the
822 company's website for the entire term of the commitment. If the
823 company is unable to provide such link on its website, it must
824 provide a promotional opportunity of equal or greater value as
825 approved by and at the sole discretion of the department.

826 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;
827 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;
828 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND
829 ACQUISITIONS.—

830 ~~(a) Priority for tax credit award. The priority of a~~
831 ~~qualified production for tax credit awards must be determined on~~
832 ~~a first-come, first-served basis within its appropriate queue.~~

833 ~~Each qualified production must be placed into the appropriate~~
834 ~~queue and is subject to the requirements of that queue.~~

835 (a) ~~(b)~~ Tax credit eligibility.—Each qualified production
836 must be placed into the appropriate queue and is subject to the
837 requirements of that queue.

838 1. General production queue.—Ninety-four percent of tax
839 credits authorized pursuant to subsection (6) in any state
840 fiscal year must be dedicated to the general production queue.
841 The general production queue consists of all qualified
842 productions other than those eligible for the commercial and
843 music video queue or the independent and emerging media
844 production queue. A qualified production that demonstrates a
845 minimum of \$625,000 in qualified expenditures is eligible for
846 tax credits equal to 20 percent of its actual qualified
847 expenditures, up to a maximum of \$8 million. A qualified
848 production that incurs qualified expenditures during multiple
849 state fiscal years may combine those expenditures to satisfy the
850 \$625,000 minimum threshold.

851 a. An off-season certified production that is a feature
852 film, independent film, or television series or pilot is
853 eligible for an additional 5 percent tax credit on actual
854 qualified expenditures. An off-season certified production that
855 does not complete 75 percent of principal photography due to a
856 disruption caused by a hurricane or tropical storm may not be
857 disqualified from eligibility for the additional 5 percent
858 credit as a result of the disruption.

859 ~~b. If more than 45 percent of the sum of total tax credits~~
860 ~~initially certified and awarded after April 1, 2012, total tax~~
861 ~~credits initially certified after April 1, 2012, but not yet~~
862 ~~awarded, and total tax credits available for certification after~~
863 ~~April 1, 2012, but not yet certified has been awarded for high-~~
864 ~~impact television series, then no high-impact television series~~
865 ~~is eligible for tax credits under this subparagraph. Tax credits~~
866 ~~initially certified for a high-impact television series after~~
867 ~~April 1, 2012, may not be awarded if the award will cause the~~
868 ~~percentage threshold in this sub-subparagraph to be exceeded.~~
869 ~~This sub-subparagraph does not prohibit the award of tax credits~~
870 ~~certified before April 1, 2012, for high-impact television~~
871 ~~series.~~

872 ~~e. Subject to sub-subparagraph b., first priority in the~~
873 ~~queue for tax credit awards not yet certified shall be given to~~
874 ~~high-impact television series and high-impact digital media~~
875 ~~projects. For the purposes of determining priority between a~~
876 ~~high-impact television series and a high-impact digital media~~
877 ~~project, the first position must go to the first application~~
878 ~~received. Thereafter, priority shall be determined by~~
879 ~~alternating between a high-impact television series and a high-~~
880 ~~impact digital media project on a first-come, first-served~~
881 ~~basis. However, if the Office of Film and Entertainment receives~~
882 ~~an application for a high-impact television series or high-~~
883 ~~impact digital media project that would be certified but for the~~
884 ~~alternating priority, the office may certify the project as~~

885 ~~being in the priority position if an application that would~~
886 ~~normally be the priority position is not received within 5~~
887 ~~business days.~~

888 ~~d. A qualified production for which at least 67 percent of~~
889 ~~its principal photography days occur within a region designated~~
890 ~~as an underutilized region at the time that the production is~~
891 ~~certified is eligible for an additional 5 percent tax credit.~~

892 b.e. A qualified production may receive an additional 15-
893 percent tax credit on qualified expenditures on wages, salaries,
894 or other compensation paid to the following individuals employed
895 by the qualified production: that employs students enrolled
896 full-time in a film and entertainment-related or digital media-
897 related course of study at an institution of higher education in
898 this state, individuals participating in the road-to-
899 independence program under s. 409.1451, individuals with
900 developmental disabilities as defined in s. 393.063 who reside
901 in the state, and veterans residing in the state, and
902 individuals hired is eligible for an additional 15 percent tax
903 credit on qualified expenditures that are wages, salaries, or
904 other compensation paid to such students. The additional 15
905 percent tax credit is also applicable to persons hired within 12
906 months after graduating from a film and entertainment-related or
907 digital media-related course of study at an institution of
908 higher education in this state. The additional 15 percent tax
909 credit applies to qualified expenditures that are wages,
910 salaries, or other compensation paid to such recent graduates

911 for 1 year after the date of hiring.

912 ~~c.f.~~ A qualified production for which 50 percent or more
913 of its principal photography occurs at a qualified production
914 facility, or a qualified digital media project or the digital
915 animation component of a qualified production for which 50
916 percent or more of the project's or component's qualified
917 expenditures are related to a qualified digital media production
918 facility, is eligible for an additional 5 percent tax credit on
919 actual qualified expenditures for production activity at that
920 facility.

921 ~~d.g.~~ A qualified production is not eligible for tax
922 credits provided under this paragraph totaling more than 25 ~~30~~
923 percent of its actual qualified expenses.

924 2. Commercial and music video queue.—Three percent of tax
925 credits authorized pursuant to subsection (6) in any state
926 fiscal year must be dedicated to the commercial and music video
927 queue. A qualified production company that produces national or
928 regional commercials or music videos may be eligible for a tax
929 credit award if it demonstrates a minimum of \$100,000 in
930 qualified expenditures per national or regional commercial or
931 music video and exceeds a combined threshold of \$500,000 after
932 combining actual qualified expenditures from qualified
933 commercials and music videos during a single state fiscal year.
934 After a qualified production company that produces commercials,
935 music videos, or both reaches the threshold of \$500,000, it is
936 eligible to apply for certification for a tax credit award. The

937 maximum credit award shall be equal to 20 percent of its actual
938 qualified expenditures up to a maximum of \$500,000. If there is
939 a surplus at the end of a fiscal year after the department
940 ~~Office of Film and Entertainment~~ certifies and determines the
941 tax credits for all qualified commercial and video projects,
942 such surplus tax credits shall be carried forward to the
943 following fiscal year and are available to any eligible
944 qualified productions under the general production queue.

945 3. Independent and emerging media production queue.—Three
946 percent of tax credits authorized pursuant to subsection (6) in
947 any state fiscal year must be dedicated to the independent and
948 emerging media production queue. This queue is intended to
949 encourage independent film and emerging media production in this
950 state. Any qualified production, excluding commercials,
951 infomercials, or music videos, which demonstrates at least
952 \$100,000, but not more than \$625,000, in total qualified
953 expenditures is eligible for tax credits equal to 20 percent of
954 its actual qualified expenditures. If a surplus exists at the
955 end of a fiscal year after the department ~~Office of Film and~~
956 ~~Entertainment~~ certifies and determines the tax credits for all
957 qualified independent and emerging media production projects,
958 such surplus tax credits shall be carried forward to the
959 following fiscal year and are available to any eligible
960 qualified productions under the general production queue.

961 4. Family-friendly productions.—A certified theatrical or
962 direct-to-video motion picture production or video game

963 determined by the Commissioner of Film and Entertainment, ~~with~~
964 ~~the advice of the Florida Film and Entertainment Advisory~~
965 ~~Council,~~ to be family-friendly, based on review of the script
966 and review of the final release version, is eligible for an
967 additional tax credit equal to 5 percent of its actual qualified
968 expenditures. Family-friendly productions are those that have
969 cross-generational appeal; would be considered suitable for
970 viewing by children age 5 or older; are appropriate in theme,
971 content, and language for a broad family audience; embody a
972 responsible resolution of issues; and do not exhibit or imply
973 any act of smoking, sex, nudity, or vulgar or profane language.

974 (b) ~~(e)~~ Withdrawal of tax credit eligibility.—A qualified or
975 certified production must continue on a reasonable schedule,
976 which includes beginning principal photography or the production
977 project in this state no more than 45 calendar days before or
978 after the principal photography or project start date provided
979 in the production's program application. The department shall
980 withdraw the eligibility of a qualified or certified production
981 that does not continue on a reasonable schedule.

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

983 1. A certified production company receiving a tax credit
984 award under this section shall, at the time the credit is
985 awarded by the department after production is completed and all
986 requirements to receive a credit award have been met, make an
987 irrevocable election to apply the credit against taxes due under
988 chapter 220, against state taxes collected or accrued under

989 chapter 212, or against a stated combination of the two taxes.
 990 The election is binding upon any distributee, successor,
 991 transferee, or purchaser. The department shall notify the
 992 Department of Revenue of any election made pursuant to this
 993 paragraph.

994 2. A qualified production company is eligible for tax
 995 credits against its sales and use tax liabilities and corporate
 996 income tax liabilities as provided in this section. However, tax
 997 credits awarded under this section may not be claimed against
 998 sales and use tax liabilities or corporate income tax
 999 liabilities for any tax period beginning before July 1, 2011,
 1000 regardless of when the credits are applied for or awarded.

1001 (d)~~(e)~~ Tax credit carryforward.—If the certified
 1002 production company cannot use the entire tax credit in the
 1003 taxable year or reporting period in which the credit is awarded,
 1004 any excess amount may be carried forward to a succeeding taxable
 1005 year or reporting period. A tax credit applied against taxes
 1006 imposed under chapter 212 may be carried forward for a maximum
 1007 of 5 years after the date the credit is awarded. A tax credit
 1008 applied against taxes imposed under chapter 220 may be carried
 1009 forward for a maximum of 5 years after the date the credit is
 1010 awarded, after which the credit expires and may not be used.

1011 (e)~~(f)~~ Consolidated returns.—A certified production
 1012 company that files a Florida consolidated return as a member of
 1013 an affiliated group under s. 220.131(1) may be allowed the
 1014 credit on a consolidated return basis up to the amount of the

1015 tax imposed upon the consolidated group under chapter 220.

1016 (f)~~(g)~~ Partnership and noncorporate distributions.—A
 1017 qualified production company that is not a corporation as
 1018 defined in s. 220.03 may elect to distribute tax credits awarded
 1019 under this section to its partners or members in proportion to
 1020 their respective distributive income or loss in the taxable year
 1021 in which the tax credits were awarded.

1022 (g)~~(h)~~ Mergers or acquisitions.—Tax credits available
 1023 under this section to a certified production company may succeed
 1024 to a surviving or acquiring entity subject to the same
 1025 conditions and limitations as described in this section;
 1026 however, they may not be transferred again by the surviving or
 1027 acquiring entity.

1028 (5) TRANSFER OF TAX CREDITS.—

1029 (a) Authorization.—Upon application to ~~the Office of Film~~
 1030 ~~and Entertainment~~ and approval by the department, a certified
 1031 production company, or a partner or member that has received a
 1032 distribution under paragraph (4) (g), may elect to transfer, in
 1033 whole or in part, any unused credit amount granted under this
 1034 section. An election to transfer any unused tax credit amount
 1035 under chapter 212 or chapter 220 must be made no later than 5
 1036 years after the date the credit is awarded, after which period
 1037 the credit expires and may not be used. The department shall
 1038 notify the Department of Revenue of the election and transfer.

1039 (b) Number of transfers permitted.—A certified production
 1040 company that elects to apply a credit amount against taxes

1041 remitted under chapter 212 is permitted a one-time transfer of
1042 unused credits to one transferee. A certified production company
1043 that elects to apply a credit amount against taxes due under
1044 chapter 220 is permitted a one-time transfer of unused credits
1045 to no more than four transferees, and such transfers must occur
1046 in the same taxable year.

1047 (c) Transferee rights and limitations.—The transferee is
1048 subject to the same rights and limitations as the certified
1049 production company awarded the tax credit, except that the
1050 initial transferee shall be permitted a one-time transfer of
1051 unused credits to no more than two subsequent transferees, and
1052 such transfers must occur in the same taxable year as the
1053 credits were received by the initial transferee, after which the
1054 subsequent transferees may not sell or otherwise transfer the
1055 tax credit.

1056 (6) RELINQUISHMENT OF TAX CREDITS.—

1057 (a) Beginning July 1, 2011, a certified production
1058 company, or any person who has acquired a tax credit from a
1059 certified production company pursuant to subsections (4) and
1060 (5), may elect to relinquish the tax credit to the Department of
1061 Revenue in exchange for 90 percent of the amount of the
1062 relinquished tax credit.

1063 (b) The Department of Revenue may approve payments to
1064 persons relinquishing tax credits pursuant to this subsection.

1065 (c) Subject to legislative appropriation, the Department
1066 of Revenue shall request the Chief Financial Officer to issue

1067 warrants to persons relinquishing tax credits. Payments under
 1068 this subsection shall be made from the funds from which the
 1069 proceeds from the taxes against which the tax credits could have
 1070 been applied pursuant to the irrevocable election made by the
 1071 certified production company under subsection (4) are deposited.

1072 (7) ANNUAL ALLOCATION OF TAX CREDITS.—

1073 (a) The aggregate amount of the tax credits that may be
 1074 certified pursuant to paragraph (3) (d) may not exceed:

- 1075 1. For fiscal year 2010-2011, \$53.5 million.
- 1076 2. For fiscal year 2011-2012, \$74.5 million.
- 1077 3. For fiscal years 2012-2013, 2013-2014, 2014-2015, and
 1078 2015-2016, \$42 million per fiscal year.
- 1079 4. For fiscal year 2016-2017, \$50 million.

1080 (b) Any portion of the maximum amount of tax credits
 1081 established per fiscal year in paragraph (a) that is not
 1082 certified as of the end of a fiscal year shall be carried
 1083 forward and made available for certification during the
 1084 following 2 fiscal years in addition to the amounts available
 1085 for certification under paragraph (a) for those fiscal years.

1086 (c) Upon approval of the final tax credit award amount
 1087 pursuant to subparagraph (3) (f)2., an amount equal to the
 1088 difference between the maximum tax credit award amount
 1089 previously certified under paragraph (3) (d) and the approved
 1090 final tax credit award amount shall immediately be available for
 1091 recertification during the current and following fiscal years in
 1092 addition to the amounts available for certification under

1093 paragraph (a) for those fiscal years.

1094 ~~(d) If, during a fiscal year, the total amount of credits~~
 1095 ~~applied for, pursuant to paragraph (3)(a), exceeds the amount of~~
 1096 ~~credits available for certification in that fiscal year, such~~
 1097 ~~excess shall be treated as having been applied for on the first~~
 1098 ~~day of the next fiscal year in which credits remain available~~
 1099 ~~for certification.~~

1100 (11) REPEAL.—This section is repealed July 1, 2021 ~~2016~~,
 1101 except that:

1102 (a) Tax credits certified under paragraph (3)(d) before
 1103 July 1, 2021 ~~2016~~, may be awarded under paragraph (3)(f) on or
 1104 after July 1, 2021 ~~2016~~, if the other requirements of this
 1105 section are met.

1106 (b) Tax credits carried forward under paragraph (4)(d)
 1107 ~~(4)(e)~~ remain valid for the period specified.

1108 (c) Subsections (5), (8), and (9) shall remain in effect
 1109 until July 1, 2026 ~~2021~~.

1110 Section 7. Section 288.1256, Florida Statutes, is created
 1111 to read:

1112 288.1256 Production Action Fund.—

1113 (1) The Production Action Fund is created within the
 1114 department to respond to extraordinary opportunities and to
 1115 effectively compete with other states in attracting and
 1116 retaining production companies and to provide favorable
 1117 conditions for the growth of the entertainment industry in this
 1118 state.

1119 (2) As used in this section, the term:

1120 (a) "Division" means the Division of Film and

1121 Entertainment within Enterprise Florida, Inc.

1122 (b) "Off-season" means June 1 through November 30.

1123 (c) "Principal photography" means the filming of major or

1124 significant components of a project involving lead actors.

1125 (d) "Production" means a theatrical, direct-to-video, or

1126 direct-to-Internet motion picture; a made-for-television motion

1127 picture; visual effects or digital animation sequences produced

1128 in conjunction with a motion picture; a commercial; a music

1129 video; an industrial or educational film; an infomercial; a

1130 documentary film; a television pilot program; a presentation for

1131 a television pilot program; a television series, including, but

1132 not limited to, a drama, a reality show, a comedy, a soap opera,

1133 a telenovela, a game show, an awards show, or a miniseries

1134 production; a direct-to-Internet television series; or a digital

1135 media project by the entertainment industry. One season of a

1136 television series is considered one production. The term does

1137 not include a weather or market program; a sporting event or a

1138 sporting event broadcast; a gala; a production that solicits

1139 funds; a home shopping program; a political program; a political

1140 documentary; political advertising; a gambling-related project

1141 or production; a concert production; a local, regional, or

1142 Internet-distributed-only news show or current-events show; a

1143 sports news or sports recap show; a pornographic production; or

1144 any production deemed obscene under chapter 847. A production

1145 may be produced on or by film, tape, or otherwise by means of a
 1146 motion picture camera; electronic camera or device; tape device;
 1147 computer; any combination of the foregoing; or any other means,
 1148 method, or device.

1149 (e) "Production company" means a corporation, limited
 1150 liability company, partnership, or other legal entity engaged in
 1151 one or more productions in this state.

1152 (f) "Production expenditures" means the costs of tangible
 1153 and intangible property used for, and services performed
 1154 primarily and customarily in, production, including
 1155 preproduction and postproduction, but excluding costs for
 1156 development, marketing, and distribution. The term includes, but
 1157 is not limited to:

1158 1. Wages, salaries, or other compensation paid to legal
 1159 residents of this state, including amounts paid through payroll
 1160 service companies, for technical and production crews,
 1161 directors, producers, and performers.

1162 2. Net expenditures for sound stages, backlots, production
 1163 editing, digital effects, sound recordings, sets, and set
 1164 construction.

1165 3. Net expenditures for rental equipment, including, but
 1166 not limited to, cameras and grip or electrical equipment.

1167 4. Up to \$300,000 of the costs of newly purchased computer
 1168 software and hardware unique to the project, including servers,
 1169 data processing, and visualization technologies, which are
 1170 located in and used exclusively in this state for the production

1171 of digital media.

1172 5. Expenditures for meals, travel, and accommodations.

1173

1174 For purposes of this paragraph, the term "net expenditures"

1175 means the actual amount of money spent by a project for

1176 equipment or other tangible personal property, after subtracting

1177 any consideration received for reselling or transferring the

1178 item after the production ends, if applicable.

1179 (g) "Project" means a production in this state meeting the

1180 requirements of this section. The term does not include a

1181 production:

1182 1. In which less than 70 percent of the positions that

1183 make up its production cast and below-the-line production crew

1184 are filled by legal residents of this state, whose residency is

1185 demonstrated by a valid Florida driver license or other state-

1186 issued identification confirming residency, or students enrolled

1187 full-time in an entertainment-related course of study at an

1188 institution of higher education in this state; or

1189 2. That contains obscene content as defined in s.

1190 847.001(10).

1191 (h) "Qualified expenditures" means production expenditures

1192 incurred in this state by a production company for:

1193 1. Services, including, but not limited to, insurance

1194 costs and bonding, payroll services, and legal fees provided by,

1195 or goods purchased or leased from, a vendor or supplier in this

1196 state that is registered with the Department of State or the

1197 Department of Revenue, has a physical location in this state,
1198 and employs one or more legal residents of this state. This does
1199 not include rebilled goods or services provided by an in-state
1200 company from out-of-state vendors or suppliers. When services
1201 provided by the vendor or supplier include personal services or
1202 labor, only personal services or labor provided by residents of
1203 this state, evidenced by the required documentation of residency
1204 in this state qualify.

1205 2. Payments to legal residents of this state in the form
1206 of salary, wages, or other compensation up to a maximum of
1207 \$400,000 per resident unless otherwise specified in subsection
1208 (4). A completed declaration of residency in this state must
1209 accompany the documentation submitted to the department for
1210 reimbursement.

1211
1212 For a project involving an event, such as an awards show, the
1213 term does not include expenditures solely associated with the
1214 event itself and not directly required by the production. The
1215 term does not include expenditures incurred before the agreement
1216 is signed. The production company may not include in the
1217 calculation of qualified expenditures the original purchase
1218 price for equipment or other tangible property that is later
1219 sold or transferred by the production company for consideration.
1220 In such cases, the qualified expenditure is the net of the
1221 original purchase price minus the consideration received upon
1222 sale or transfer.

1223 (i) "Underused county" means a county in which less than
 1224 \$500,000 in qualified expenditures were made in the last 2
 1225 fiscal years.

1226 (3) A production company may apply for funds from the
 1227 Production Action Fund for a production or successive seasons of
 1228 a production. The department and the division shall jointly
 1229 review and evaluate applications to determine the eligibility of
 1230 each project consistent with the requirements of this section.
 1231 The department shall select projects that maximize the return
 1232 for funds to the state.

1233 (4) The department and the division, in the review and
 1234 evaluation of applications, must consider the following
 1235 criteria:

1236 (a) Expected contributions to the state's economy,
 1237 consistent with the state strategic economic development plan
 1238 prepared by the department.

1239 (b) The amount of qualified and nonqualified expenditures
 1240 that will be made in this state, including spending or
 1241 contracting with Florida-based businesses and small and minority
 1242 businesses in this state.

1243 (c) Planned or executed contracts with production
 1244 facilities or soundstages in this state and the percentage of
 1245 principal photography or production activity that are
 1246 anticipated to occur at each location.

1247 (d) Planned preproduction and postproduction to occur in
 1248 this state.

1249 (e) The amount of capital investment, especially fixed
 1250 capital investment, to be made directly by the production
 1251 company in this state related to the project.

1252 (f) The amount of any other capital investment to be made
 1253 in this state related to the project.

1254 (g) The duration of the project in this state, including
 1255 whether production will occur in the off season.

1256 (h) The amount and duration of principal photography or
 1257 production activity that will occur in an underused county.

1258 (i) The amount of promotion of the state that the
 1259 production company will provide. This includes marketing
 1260 materials promoting this state as a tourist destination or a
 1261 film and entertainment production destination; placement of
 1262 state agency logos in the production and credits; permitted use
 1263 of production assets, characters, and themes by this state;
 1264 promotional videos for this state included on optical disc
 1265 formats; and other marketing integration.

1266 (j) The number of state residents who will be employed in
 1267 full-time equivalent and part-time positions related to the
 1268 project and the duration of such employment and the wages paid
 1269 to such persons.

1270 (k) The employment of students enrolled full-time in an
 1271 entertainment-related course of study at an institution of
 1272 higher education in this state or of graduates from such an
 1273 institution within 12 months after graduation.

1274 (l) Plans to work with entertainment industry-related

1275 courses of study at an institution of higher education in this
1276 state.

1277 (m) The local support and any financial commitment for the
1278 project.

1279 (n) The project is about this state or shows this state in
1280 a positive light.

1281 (o) The length of time that the production company has
1282 made productions in this state, the number of productions the
1283 production company has made in this state, and the production
1284 company's overall commitment to this state. This includes a
1285 production company that is based in this state.

1286 (p) The project is an independent film.

1287 (q) The amount of repayment that the production company
1288 agrees to pay the state. At a minimum, the production company
1289 must agree to repay 25 percent of its final award amount when
1290 the production generates \$20 million in gross revenues.

1291 (r) The expected effect of the award on the viability of
1292 the project and the probability that the project would be
1293 undertaken in this state if funds are granted to the production
1294 company.

1295 (s) A review of the production company's past activities
1296 in this state or other states.

1297 (5) A production company must have financing for a project
1298 in place before it applies for funds under this section.

1299 (6) The department shall prescribe a form upon which an
1300 application must be made. At a minimum, the application must

1301 include:

1302 (a) The applicant's federal employer identification
1303 number, reemployment assistance account number, and state sales
1304 tax registration number, as applicable. If such numbers are not
1305 available at the time of application, they must be submitted to
1306 the department in writing before the disbursement of any
1307 payments.

1308 (b) The signature of the applicant.

1309 (c) A detailed budget of planned qualified and
1310 nonqualified expenditures in this state.

1311 (d) The type and amount of capital investment that will be
1312 made in this state.

1313 (e) The locations in this state at which the project will
1314 occur.

1315 (f) The anticipated commencement date and duration of the
1316 project.

1317 (g) The proposed number of state residents and nonstate
1318 residents that will be employed in full-time equivalent and
1319 part-time positions related to the project and wages paid to
1320 such persons.

1321 (h) The total number of full-time equivalent employees
1322 employed by the production company in this state, if applicable.

1323 (i) Proof of financing for the project.

1324 (j) The amount of repayment that the production company
1325 agrees to pay the state.

1326 (k) The amount of promotion of the state which the

1327 production company will provide.

1328 (1) An attestation verifying that information provided on
1329 the application is true and accurate.

1330 (m) Any additional information requested by the department
1331 or the division.

1332 (7) The department must make a recommendation whether the
1333 Governor approve or deny an award within 7 days after completion
1334 of the review and evaluation. An award of funds may not
1335 constitute more than 30 percent of qualified expenditures in
1336 this state and may not fund wages paid to nonresidents. A
1337 production must start within 1 year after the date that the
1338 project is approved by the Governor. The recommendation must
1339 include the performance conditions that the project must meet to
1340 obtain funds.

1341 (a)1. The Governor may approve an award of funds that is
1342 less than \$2 million without consulting the Legislature. For
1343 such awards, the Governor shall provide a written description
1344 and evaluation of the approved project and a memorandum of
1345 understanding that reflects the requirements of subsection (8)
1346 to the chair and vice chair of the Legislative Budget
1347 Commission, the President of the Senate, and the Speaker of the
1348 House of Representatives, within 1 business day after approval.

1349 2. The Governor shall provide a written description and
1350 evaluation of each eligible applicant recommended for approval
1351 of an award of funds that equals or exceeds \$2 million to the
1352 chair and vice chair of the Legislative Budget Commission, the

1353 President of the Senate, and the Speaker of the House of
1354 Representatives at least 14 days before approving an award. The
1355 recommendation shall include a memorandum of understanding that
1356 reflects the requirements of subsection (8). If the chair or
1357 vice chair of the Legislative Budget Commission, the President
1358 of the Senate, or the Speaker of the House of Representatives
1359 timely advises the Executive Office of the Governor in writing
1360 that the award of funds exceeds the delegated authority of the
1361 Executive Office of the Governor or is contrary to legislative
1362 policy or intent, the Executive Office of the Governor shall
1363 void the release of funds and instruct the department to
1364 immediately change action or proposed action.

1365 (8) Upon the approval of the Governor, the department and
1366 the production company shall enter into an agreement that
1367 specifies, at a minimum:

1368 (a) The total amount of funds awarded and the schedule of
1369 payment.

1370 (b) The performance conditions for payment of moneys from
1371 the fund, including full- and part-time employment in this
1372 state; wages paid in this state; capital investment in this
1373 state, including fixed capital investment; marketing and
1374 promotion in this state; the date by which production must start
1375 and the duration of production; the amount of qualified
1376 expenditures in this state; and the amount and timing of
1377 repayment.

1378 (c) The methodology for validating performance and the

1379 date by which the production company must submit proof of
1380 performance to the department.

1381 (d) That the department may review and verify any records
1382 of the production company to ascertain whether that company is
1383 in compliance with this section and the agreement.

1384 (e) Sanctions for failure to meet performance conditions.

1385 (f) That payment of moneys from the fund is contingent
1386 upon sufficient appropriation of funds by the Legislature.

1387 (9) The agreement must be finalized and signed by an
1388 authorized officer of the production company within 90 days
1389 after the Governor's approval. A production company that is
1390 approved under this section may not simultaneously receive
1391 benefits under ss. 288.1254 and 288.1258 for the same
1392 production.

1393 (10) The department shall validate contractor performance
1394 and report such validation in the annual report required under
1395 s. 288.1254.

1396 (11) Contingent upon an annual appropriation by the
1397 Legislature, the department may not recommend awards in excess
1398 of the amount appropriated for a fiscal year. The department
1399 must maintain a schedule of funds to be paid from the
1400 appropriation for the fiscal year that begins on July 1. For the
1401 first 6 months of each fiscal year, the department shall set
1402 aside 50 percent of the amount appropriated for the fund by the
1403 Legislature. At the end of the 6-month period, these funds may
1404 be used to provide funding for any project that qualifies under

1405 this section.

1406 (12) All funds received from the required repayment must
1407 be deposited into the Production Action account for use in this
1408 program.

1409 (13) A production company that submits fraudulent
1410 information under this section is liable for reimbursement of
1411 the reasonable costs and fees associated with the review,
1412 processing, investigation, and prosecution of the fraudulent
1413 claim. A production company that receives a payment under this
1414 section through a claim that is fraudulent is liable for
1415 reimbursement of the payment amount plus a penalty in an amount
1416 double the payment amount. The penalty is in addition to any
1417 criminal penalty for which the production company is liable for
1418 the same acts. The production company is also liable for costs
1419 and fees incurred by the state in investigating and prosecuting
1420 the fraudulent claim.

1421 (14) The department may not waive any provision or provide
1422 an extension of time to meet any requirement of this section.

1423 (15) A production company receiving an award under this
1424 section may not receive benefits under s. 288.1254 for the same
1425 production.

1426 (16) This section expires July 1, 2025. An agreement in
1427 existence on that date shall continue in effect in accordance
1428 with its terms.

1429 Section 8. Section 288.1258, Florida Statutes, is amended
1430 to read:

1431 288.1258 Entertainment industry qualified production
 1432 companies; application procedure; categories; duties of the
 1433 Department of Revenue; records and reports.—

1434 (1) PRODUCTION COMPANIES AUTHORIZED TO APPLY.—

1435 (a) Any production company engaged in this state in the
 1436 production of motion pictures, made-for-TV motion pictures,
 1437 television series, commercial advertising, music videos, or
 1438 sound recordings may submit an application to the Department of
 1439 Revenue to be approved by the Department of Economic Opportunity
 1440 ~~Office of Film and Entertainment~~ as a qualified production
 1441 company for the purpose of receiving a sales and use tax
 1442 certificate of exemption from the Department of Revenue to
 1443 exempt purchases on or after the date on which a complete
 1444 application is filed with the Department of Revenue for
 1445 exemptions under ss. 212.031, 212.06, and 212.08.

1446 (b) As used in ~~For the purposes of~~ this section,
 1447 "qualified production company" means any production company that
 1448 has submitted a properly completed application to the Department
 1449 of Revenue and that is subsequently qualified by the Department
 1450 of Economic Opportunity ~~Office of Film and Entertainment.~~

1451 (2) APPLICATION PROCEDURE.—

1452 (a) The Department of Revenue shall ~~will~~ review all
 1453 submitted applications for the required information. Within 10
 1454 working days after the receipt of a properly completed
 1455 application, the Department of Revenue shall ~~will~~ forward the
 1456 completed application to the Department of Economic Opportunity

1457 ~~Office of Film and Entertainment~~ for approval.

1458 (b)1. The Department of Economic Opportunity ~~Office of~~
1459 ~~Film and Entertainment~~ shall establish a process by which an
1460 entertainment industry production company may be approved by the
1461 department ~~office~~ as a qualified production company and may
1462 receive a certificate of exemption from the Department of
1463 Revenue for the sales and use tax exemptions under ss. 212.031,
1464 212.06, and 212.08.

1465 2. Upon determination by the department ~~Office of Film and~~
1466 ~~Entertainment~~ that a production company meets the established
1467 approval criteria and qualifies for exemption, the department
1468 ~~Office of Film and Entertainment~~ shall return the approved
1469 application or application renewal or extension to the
1470 Department of Revenue, which shall issue a certificate of
1471 exemption.

1472 3. The department ~~Office of Film and Entertainment~~ shall
1473 deny an application or application for renewal or extension from
1474 a production company if it determines that the production
1475 company does not meet the established approval criteria.

1476 (c) The department ~~Office of Film and Entertainment~~ shall
1477 develop, with the cooperation of the Department of Revenue, the
1478 Division of Film and Entertainment within Enterprise Florida,
1479 Inc., and local government entertainment industry promotion
1480 agencies, a standardized application form for use in approving
1481 qualified production companies.

1482 1. The application form shall include, but not be limited

1483 to, production-related information on employment, proposed
1484 budgets, planned purchases of items exempted from sales and use
1485 taxes under ss. 212.031, 212.06, and 212.08, a signed
1486 affirmation from the applicant that any items purchased for
1487 which the applicant is seeking a tax exemption are intended for
1488 use exclusively as an integral part of entertainment industry
1489 preproduction, production, or postproduction activities engaged
1490 in primarily in this state, and a signed affirmation from the
1491 department ~~Office of Film and Entertainment~~ that the information
1492 on the application form has been verified and is correct. In
1493 lieu of information on projected employment, proposed budgets,
1494 or planned purchases of exempted items, a production company
1495 seeking a 1-year certificate of exemption may submit summary
1496 historical data on employment, production budgets, and purchases
1497 of exempted items related to production activities in this
1498 state. Any information gathered from production companies for
1499 the purposes of this section shall be considered confidential
1500 taxpayer information and shall be disclosed only as provided in
1501 s. 213.053.

1502 2. The application form may be distributed to applicants
1503 by the department, the Division ~~Office~~ of Film and Entertainment
1504 or local film commissions.

1505 (d) All applications, renewals, and extensions for
1506 designation as a qualified production company shall be processed
1507 by the department ~~Office of Film and Entertainment~~.

1508 (e) If ~~In the event that~~ the Department of Revenue

1509 determines that a production company no longer qualifies for a
1510 certificate of exemption, or has used a certificate of exemption
1511 for purposes other than those authorized by this section and
1512 chapter 212, the Department of Revenue shall revoke the
1513 certificate of exemption of that production company, and any
1514 sales or use taxes exempted on items purchased or leased by the
1515 production company during the time such company did not qualify
1516 for a certificate of exemption or improperly used a certificate
1517 of exemption shall become immediately due to the Department of
1518 Revenue, along with interest and penalty as provided by s.
1519 212.12. In addition to the other penalties imposed by law, any
1520 person who knowingly and willfully falsifies an application, or
1521 uses a certificate of exemption for purposes other than those
1522 authorized by this section and chapter 212, commits a felony of
1523 the third degree, punishable as provided in ss. 775.082,
1524 775.083, and 775.084.

1525 (3) CATEGORIES.—

1526 (a)1. A production company may be qualified for
1527 designation as a qualified production company for a period of 1
1528 year if the company has operated a business in Florida at a
1529 permanent address for a period of 12 consecutive months. Such a
1530 qualified production company shall receive a single 1-year
1531 certificate of exemption from the Department of Revenue for the
1532 sales and use tax exemptions under ss. 212.031, 212.06, and
1533 212.08, which certificate shall expire 1 year after issuance or
1534 upon the cessation of business operations in the state, at which

1535 time the certificate shall be surrendered to the Department of
1536 Revenue.

1537 ~~2. The Office of Film and Entertainment shall develop a~~
1538 ~~method by which~~ A qualified production company may submit a new
1539 application for annually renew a 1-year certificate of exemption
1540 upon expiration of that company's certificate of exemption;
1541 however, upon approval by the department, such qualified
1542 production company may annually renew the 1-year certificate of
1543 exemption for a period of up to 5 years without submitting
1544 ~~requiring the production company to resubmit~~ a new application
1545 during that 5-year period.

1546 3. Each year, or upon surrender of the certificate of
1547 exemption to the Department of Revenue, the ~~Any~~ qualified
1548 production company shall may submit to the department aggregate
1549 data for production-related information on employment,
1550 expenditures in this state, capital investment, and purchases of
1551 items exempted from sales and use taxes under ss. 212.031,
1552 212.06, and 212.08 for inclusion in the annual report required
1553 under subsection (5) ~~a new application for a 1-year certificate~~
1554 ~~of exemption upon the expiration of that company's certificate~~
1555 ~~of exemption.~~

1556 (b)1. A production company may be qualified for
1557 designation as a qualified production company for a period of 90
1558 days. Such production company shall receive a single 90-day
1559 certificate of exemption from the Department of Revenue for the
1560 sales and use tax exemptions under ss. 212.031, 212.06, and

1561 212.08, which certificate shall expire 90 days after issuance or
1562 upon the cessation of business operations in the state, at which
1563 time, with extensions contingent upon approval of the Office of
1564 Film and Entertainment. the certificate shall be surrendered to
1565 the Department of Revenue ~~upon its expiration.~~

1566 2. A qualified production company may submit a new
1567 application for a 90-day certificate of exemption each quarter
1568 upon expiration of that company's certificate of exemption;
1569 however, upon approval of the department, such qualified
1570 production company may renew the 90-day certificate of exemption
1571 for up to 1 year without submitting a new application during
1572 that 1-year period.

1573 3.2. Each 90 days, or upon surrender of the certificate of
1574 exemption to the Department of Revenue, the qualified Any
1575 production company shall may submit to the department aggregate
1576 data for production-related information on employment,
1577 expenditures in this state, capital investment, and purchases of
1578 items exempted from sales and use taxes under ss. 212.031,
1579 212.06, and 212.08 for inclusion in the annual report required
1580 under subsection (5) a new application for a 90-day certificate
1581 of exemption upon the expiration of that company's certificate
1582 of exemption.

1583 (4) DUTIES OF THE DEPARTMENT OF REVENUE.—

1584 (a) The Department of Revenue shall review the initial
1585 application and notify the applicant of any omissions and
1586 request additional information if needed. An application shall

1587 be complete upon receipt of all requested information. The
 1588 Department of Revenue shall forward all complete applications to
 1589 the department ~~Office of Film and Entertainment~~ within 10
 1590 working days.

1591 (b) The Department of Revenue shall issue a numbered
 1592 certificate of exemption to a qualified production company
 1593 within 5 working days of the receipt of an approved application,
 1594 application renewal, or application extension from the
 1595 department ~~Office of Film and Entertainment~~.

1596 (c) The Department of Revenue may adopt ~~promulgate~~ such
 1597 rules and shall prescribe and publish such forms as may be
 1598 necessary to effectuate the purposes of this section or any of
 1599 the sales tax exemptions which are reasonably related to the
 1600 provisions of this section.

1601 (d) The Department of Revenue is authorized to establish
 1602 audit procedures in accordance with the provisions of ss.
 1603 212.12, 212.13, and 213.34 which relate to the sales tax
 1604 exemption provisions of this section.

1605 (5) RELATIONSHIP OF TAX EXEMPTIONS AND INCENTIVES TO
 1606 INDUSTRY GROWTH; REPORT TO THE LEGISLATURE.—The department
 1607 ~~Office of Film and Entertainment~~ shall keep annual records from
 1608 the information provided on taxpayer applications for tax
 1609 exemption certificates ~~beginning January 1, 2001~~. These records
 1610 also must reflect a ratio of the annual amount of sales and use
 1611 tax exemptions under this section, plus the tax credits
 1612 ~~incentives~~ awarded pursuant to s. 288.1254 to the estimated

1613 amount of funds expended by certified productions. In addition,
 1614 the department ~~office~~ shall maintain data showing annual growth
 1615 in Florida-based entertainment industry companies and
 1616 entertainment industry employment and wages. The employment
 1617 information must include ~~an estimate of~~ the full-time equivalent
 1618 positions created by each production that received tax credits
 1619 pursuant to s. 288.1254. The department ~~Office of Film and~~
 1620 ~~Entertainment~~ shall include this information in the annual
 1621 report for the entertainment industry ~~financial incentive~~
 1622 program required under s. 288.1254 ~~288.1254(10)~~.

1623 Section 9. Subsection (1) of section 288.92, Florida
 1624 Statutes, is amended to read:

1625 288.92 Divisions of Enterprise Florida, Inc.—

1626 (1) Enterprise Florida, Inc., may create and dissolve
 1627 divisions as necessary to carry out its mission. Each division
 1628 shall have distinct responsibilities and complementary missions.
 1629 At a minimum, Enterprise Florida, Inc., shall have divisions
 1630 related to the following areas:

- 1631 (a) International Trade and Business Development .~~†~~
- 1632 (b) Business Retention and Recruitment .~~†~~
- 1633 (c) Tourism Marketing .~~†~~
- 1634 (d) Minority Business Development .~~†~~ ~~and~~
- 1635 (e) Sports Industry Development~~-~~
- 1636 (f) Film and Entertainment.

1637 Section 10. Subsection (5) of section 477.0135, Florida
 1638 Statutes, is amended to read:

1639 477.0135 Exemptions.—

1640 (5) A license is not required of any individual providing
 1641 makeup, special effects, or cosmetology services to an actor,
 1642 stunt person, musician, extra, or other talent during a
 1643 production recognized by the Department of Economic Opportunity
 1644 ~~Office of Film and Entertainment~~ as a qualified production as
 1645 defined in s. 288.1254(1). Such services are not required to be
 1646 performed in a licensed salon. Individuals exempt under this
 1647 subsection may not provide such services to the general public.

1648 Section 11. For the purpose of incorporating the amendment
 1649 made by this act to section 288.1254, Florida Statutes, in a
 1650 reference thereto, paragraph (q) of subsection (5) of section
 1651 212.08, Florida Statutes, is reenacted to read:

1652 212.08 Sales, rental, use, consumption, distribution, and
 1653 storage tax; specified exemptions.—The sale at retail, the
 1654 rental, the use, the consumption, the distribution, and the
 1655 storage to be used or consumed in this state of the following
 1656 are hereby specifically exempt from the tax imposed by this
 1657 chapter.

1658 (5) EXEMPTIONS; ACCOUNT OF USE.—

1659 (q) Entertainment industry tax credit; authorization;
 1660 eligibility for credits.—The credits against the state sales tax
 1661 authorized pursuant to s. 288.1254 shall be deducted from any
 1662 sales and use tax remitted by the dealer to the department by
 1663 electronic funds transfer and may only be deducted on a sales
 1664 and use tax return initiated through electronic data

1665 interchange. The dealer shall separately state the credit on the
1666 electronic return. The net amount of tax due and payable must be
1667 remitted by electronic funds transfer. If the credit for the
1668 qualified expenditures is larger than the amount owed on the
1669 sales and use tax return that is eligible for the credit, the
1670 unused amount of the credit may be carried forward to a
1671 succeeding reporting period as provided in s. 288.1254(4)(e). A
1672 dealer may only obtain a credit using the method described in
1673 this subparagraph. A dealer is not authorized to obtain a credit
1674 by applying for a refund.

1675 Section 12. For the purpose of incorporating the amendment
1676 made by this act to section 288.1254, Florida Statutes, in a
1677 reference thereto, subsection (3) of section 220.1899, Florida
1678 Statutes, is reenacted to read:

1679 220.1899 Entertainment industry tax credit.—

1680 (3) To the extent that the amount of a tax credit exceeds
1681 the amount due on a return, the balance of the credit may be
1682 carried forward to a succeeding taxable year pursuant to s.
1683 288.1254(4)(e).

1684 Section 13. This act shall take effect July 1, 2015.