A bill to be entitled
An act relating to a state workforce housing tax
credit program; creating s. 220.1855, F.S.; providing
definitions; providing a credit, within a specified
timeframe, against the corporate income tax for
certain taxpayers owning interests in eligible
workforce housing developments; requiring the Florida
Housing Finance Corporation to make agency awards of
the credit; specifying requirements for claiming and
awarding awards; limiting the amount of awards;
providing for the allocation of annual credit amounts
among specified parties and requiring certification of
such amounts; authorizing recipients of the credit to
carry forward a portion of the credit for a specified
timeframe; requiring the corporation to establish
procedures to monitor compliance; providing for credit
recapture; authorizing the corporation to adopt rules;
providing applicability and construction; creating s.
420.5096, F.S.; creating the State Workforce Housing
Tax Credit Program; providing the purpose of the
program; requiring the corporation to administer the
program; requiring the corporation to determine which
workforce housing developments are eligible for
certain tax credits; specifying requirements for the
administration of the program; specifying procedures
Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 220.1855, Florida Statutes, is created to read:

220.1855 State workforce housing tax credit.—
(1) DEFINITIONS.—As used in this section, the term:
(a) "Agency award" means the allocation of a 10-year stream of state workforce housing tax credits to an eligible workforce housing development by the Florida Housing Finance Corporation pursuant to s. 420.5096.
(b) "Annual credit amount" means an amount equal to one-tenth of an agency award to an eligible workforce housing development which is claimed by the eligible workforce housing development in each calendar year of the credit period.
(c) "Applicable fraction" means a fraction, the numerator and requirements for taxpayers applying for the program; requiring the executive director of the Department of Revenue to apply credits to tax liability; creating s. 624.51056, F.S.; requiring state workforce housing tax credits to be allowed against the insurance premium tax and retaliatory tax after applying certain deductions and credits; providing applicability and construction; providing an effective date.
of which is the number of workforce housing units in the eligible workforce housing development, and the denominator of which is the number of residential rental units in the eligible workforce housing development.

(d) "Area median income" means the most recent calculation of Median Family Income for the relevant geographic area as published by the United States Department of Housing and Urban Development.

(e) "Compliance period" means, with respect to any building that is, or is part of, an eligible workforce housing development, 10 calendar years beginning with the first calendar year of the credit period.

(f) "Credit period" means, with respect to any building that is, or is part of, an eligible workforce housing development, 10 calendar years beginning with the calendar year in which the last residential building in the eligible workforce housing development is placed in service.

(g) "Eligibility statement" means a statement issued by the Florida Housing Finance Corporation which certifies that a development is an eligible workforce housing development and identifies:

1. The calendar year in which the last residential building in the eligible workforce housing development was placed in service;

2. The dollar amount of the agency award under paragraph
(2)(d) to the eligible workforce housing development;

3. The maximum qualified basis taken into account in
determining the dollar amount;

4. Sufficient information to identify the eligible
workforce housing development and the owner of the eligible
workforce housing development; and

5. Such other information as the Florida Housing Finance
Corporation, in consultation with the director of the
department, prescribes by rule.

(h) "Eligible basis" means the adjusted basis of an
eligible workforce housing development as of the close of the
first calendar year of the credit period.

(i) "Eligible workforce housing development" means a
building or group of buildings located in this state in which at
least 60 percent of the residential units in the building are
rent-restricted and are workforce housing units.

(j) "Imputed income limitation applicable to the unit"
means the income limit that would apply to natural persons or
families occupying the unit as follows:

1. In the case of a unit that does not have a separate
bedroom, 90 percent of the area median income for one
individual; or

2. In all other cases, 90 percent of the area median
income for the imputed family size. The imputed family size is
equal to 1.5 multiplied by the number of bedrooms.
(k) "Qualified basis" of an eligible workforce housing development means the eligible basis multiplied by the applicable fraction.

(l) "Rent-restricted" means the gross rent for a residential unit that does not exceed 30 percent of the imputed income limitation applicable to the unit.

(m) "Workforce housing unit" means a residential unit in an eligible workforce housing development that is rent-restricted so as to be affordable to natural persons or families whose total annual household income does not exceed 90 percent of the area median income, adjusted for household size, or does not exceed 110 percent of the area median income, adjusted for household size, in:

1. Areas of critical state concern designated under s. 380.05 for which the Legislature has declared its intent to provide affordable housing; and

2. Areas that were designated as areas of critical state concern for at least 20 consecutive calendar years before the designation was removed.

(2) AUTHORIZATION TO GRANT STATE WORKFORCE HOUSING TAX CREDITS; LIMITATIONS.—

(a) A taxpayer owning an interest in one or more eligible workforce housing developments may claim a tax credit against any tax due under this chapter if the owner of the eligible workforce housing development receives an agency award. The tax credit...
credits awarded pursuant to the agency award must be claimed in each calendar year of the credit period in an amount equal to the annual credit amount unless carried forward pursuant to paragraph (g). The amount of the agency award and each annual credit amount must be stated on the eligibility statement.

(b) Except as provided in paragraphs (c) and (d), the agency award under paragraph (a) may not exceed 9 percent of the qualified basis of each eligible workforce housing development.

(c) The Florida Housing Finance Corporation shall make agency awards in calendar year 2020, calendar year 2021, or calendar year 2022 as set forth in this paragraph. An agency award may not be made after calendar year 2022. The maximum aggregate dollar amount of agency awards to eligible workforce housing developments under this section, combined with the credit under s. 624.51056, is $50 million in calendar year 2020, $50 million in calendar year 2021, and $50 million in calendar year 2022. The limitation in this paragraph on agency awards does not apply to the annual credit amount claimed with respect to an eligible workforce housing development for each calendar year of the credit period.

(d) The dollar amount of the agency award to any eligible workforce housing development may not exceed the amount that the Florida Housing Finance Corporation determines is necessary for the eligible workforce housing development's financial feasibility and its viability as an eligible workforce housing development.
development throughout the credit period. In determining the
agency award to any eligible workforce housing development, the
Florida Housing Finance Corporation shall specify the maximum
qualified basis that may be taken into account under this
section with respect to that eligible workforce housing
development. The maximum qualified basis with respect to an
eligible workforce housing development may not exceed the dollar
amounts determined in paragraph (1)(g).

(e) A tax credit in the amount of the annual credit amount
is not allowed for any calendar year with respect to an eligible
workforce housing development unless an extended workforce
housing commitment is in effect as of the end of the calendar
year. As used in this paragraph, the term "extended workforce
housing commitment" means an agreement between the taxpayer and
the Florida Housing Finance Corporation which is substantially
similar to the agreement specified in 26 U.S.C. s. 42(h)(6)(B).

(f) If an owner of an eligible workforce housing
development who receives an agency award is a partnership,
limited liability company, S corporation, or other "pass-
through" entity, the owner may allocate the annual credit amount
among its partners, shareholders, members, or other constituent
taxpayers in any manner agreed to by such partners,
shareholders, members, or taxpayers. Each year of the credit
period, the owner shall certify to the Florida Housing Finance
Corporation the portion of the annual credit amount allocated to
each partner, shareholder, member, or taxpayer. Each partner, shareholder, member, or taxpayer is allowed to claim such portion of the annual credit amount subject to the restrictions in this section.

(g) Any annual credit amount which exceeds the tax due for any calendar year may be carried forward as a tax credit against subsequent calendar years' income tax liability for up to 11 tax years after the year in which the annual credit amount was made pursuant to paragraph (a). Such credit must be applied first to the earliest calendar years possible. Any annual credit amount which is not used may not be refunded to the taxpayer.

(3) PROJECT MONITORING.—The Florida Housing Finance Corporation shall establish the procedures it deems necessary for monitoring an eligible workforce housing development's compliance with this section and for notifying the director of the department of any noncompliance.

(4) CREDIT RECAPTURE.—As of the close of any year in the compliance period, if the amount of the qualified basis of any building with respect to the taxpayer is less than the amount of the qualified basis as of the close of the preceding year, the credit allowable with respect to such year must be proportionately reduced by the percentage reduction in the qualified basis. If credit in excess of this reduced amount has been claimed by any taxpayer with respect to such year, the taxpayer's tax must be increased by the amount of any credit
wrongfully claimed. Such adjustment must be made in the year in
which the reduction in qualified basis is identified.

(5) RULES; APPLICABILITY OF FEDERAL LAW; CONSTRUCTION.—
(a) The Florida Housing Finance Corporation shall adopt
rules necessary to administer this section.
(b) Section 42 of the Internal Revenue Code applies to the
credit awarded under this section.

Section 2. Section 420.5096, Florida Statutes, is created
to read:

420.5096 State Workforce Housing Tax Credit Program.—
(1) The State Workforce Housing Tax Credit Program is
created for the purpose of stimulating creative private sector
initiatives to increase the supply of workforce housing in the
state. The Florida Housing Finance Corporation shall administer
the program.
(2) The Florida Housing Finance Corporation shall
determine which workforce housing developments are eligible for
the state workforce housing tax credit available under s. 220.1855
or the insurance premium tax credit available under s. 624.51056,
or both. The corporation may exercise all powers
necessary to administer the awarding of an agency award, as
defined in s. 220.1855, and the distribution of the tax credits.
The corporation shall ensure that at least 50 percent of annual
credits under this section are awarded to projects that will
produce workforce housing units affordable to natural persons or
families whose total annual household income exceeds 60 percent of the area median income. The board of directors of the corporation shall administer the procedures for agency awards and determine agency awards on behalf of the corporation. The corporation shall prepare an annual plan containing general guidelines for agency awards to eligible workforce housing developments.

(3) The corporation shall adopt procedures for agency awards consistent with s. 220.1855 and this section to ensure the maximum use of available tax credits and encouragement of the development of workforce housing. The procedures must require consideration of the timeliness of the applications, the location of the proposed projects, the relative need and the availability of such housing, the economic feasibility of the projects, and the ability of the applicants to complete the projects in the calendar year for which the credits are sought. To the extent permitted under 42 U.S.C. ss. 3601-3619 and regulations adopted thereunder, the corporation shall ensure that projects awarded credits under this section set aside at least 30 percent of their units to be rented by families with essential services personnel as defined in s. 420.5095.

(4) The corporation may not grant an agency award to an eligible workforce housing development unless the applicant demonstrates to the satisfaction of the corporation that for every $1 in tax credits granted to the applicant, this state
will benefit at least $1 in total development costs with respect to the rent-restricted units within such eligible workforce housing development.

(5)(a) A taxpayer wishing to participate in the State Workforce Housing Tax Credit Program must submit to the corporation an application for the agency award. The application must identify the proposed workforce housing development and its location and must include evidence that the proposed development is an eligible workforce housing development as defined in s. 220.1855. The corporation may request any information from an applicant which is necessary to allow the corporation to make an agency award under subsection (3).

(b) The corporation's award of an agency award to an eligible workforce housing development must be in writing and must include a statement of the maximum credit allowable to the applicant.

(c) The corporation shall establish procedures for the owner of an eligible workforce housing development to provide a cost certification demonstrating that the agency award does not exceed 9 percent of the qualified basis of the eligible workforce housing development. Once such cost certification is accepted and approved by the corporation, the corporation shall issue to the owner of the eligible workforce housing development an eligibility statement as defined in s. 220.1855. A copy of the eligibility statement must be transmitted to the executive
director of the Department of Revenue who shall apply the annual credit amount to the tax liability of the owner of the eligible workforce housing development or its constituent taxpayers as specified in s. 220.1855(2)(g).

Section 3. Section 624.51056, Florida Statutes, is created to read:

624.51056 State workforce housing tax credit.—

(1) The tax credit authorized by s. 220.1855 must be allowed against any tax due under s. 624.509(1) or s. 624.5091 after deducting from the tax the deductions for assessments made pursuant to s. 440.51; the credits for taxes paid under ss. 175.101 and 185.08; the credits for income taxes paid under chapter 220; the credit allowed under s. 624.509(5), as such credit is limited by s. 624.509(6); and the credit allowed under s. 624.51055.

(2) All requirements of the tax credit under s. 220.1855 apply to insurers claiming a tax credit under this section.

(3) An insurer claiming a credit against premium tax liability under this section is not required to pay any additional retaliatory tax levied pursuant to s. 624.5091 as a result of claiming such credit, and s. 624.5091 does not limit such credit under this section.

Section 4. This act shall take effect July 1, 2019.