

REVENUE ESTIMATING CONFERENCE

TAX: Corporate Income Tax

ISSUE: CIT Credit for Renewable Energy Technologies Investment Tax Credit

BILL NUMBER(S): CS for SB 2666 section 5 / HB 7123 section 4

SPONSOR(S): Environmental Preservation & Conservation; Senator Constantine / Environmental & Natural Resources Council; Representatives Mayfield and Allen

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2007

DATE OF ANALYSIS: April 18, 2007

SECTION 1: NARRATIVE

a. Current Law:

Section 220.192(1)(b), F.S. provides corporate tax credits for renewable energy technologies investment.

1. Seventy-five percent of all capital costs, operation and maintenance costs, and research and development costs incurred between July 1, 2006, and June 30, 2010, up to a limit of \$3 million per state fiscal year for all taxpayers, in connection with an investment in hydrogen-powered vehicles and hydrogen vehicle fueling stations in the state, including, but not limited to, the costs of constructing, installing, and equipping such technologies in the state.
2. Seventy-five percent of all capital costs, operation and maintenance costs, and research and development costs incurred between July 1, 2006, and June 30, 2010, up to a limit of \$1.5 million per state fiscal year for all taxpayers, and limited to a maximum of \$12,000 per fuel cell, in connection with an investment in commercial stationary hydrogen fuel cells in the state, including, but not limited to, the costs of constructing, installing, and equipping such technologies in the state.
3. Seventy-five percent of all capital costs, operation and maintenance costs, and research and development costs incurred between July 1, 2006, and June 30, 2010, up to a limit of \$6.5 million per state fiscal year for all taxpayers, in connection with an investment in the production, storage, and distribution of biodiesel (B10-B100) and ethanol (E10-E100) in the state, including the costs of constructing, installing, and equipping such technologies in the state. Gasoline fueling station pump retrofits for ethanol (E10-E100) distribution qualify as an eligible cost under this subparagraph.

b. Proposed Change:

Amends section 220.192(1)(b), F.S. to define corporation. Moves the eligible costs listed above to s. 220.192(1)(c).

Creates section 220.192(8), F.S., which allows for the transferability of the credit. The transferability of the credits will promote reaching the maximum amounts of the credits of \$ 11.0 million combined.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

1. Assumes that transferability allows total credit to be reached.

SECTION 4: PROPOSED FISCAL IMPACT

State Impact—All Funds	FY 2007-08 Annualized	FY 2007-08 Cash	FY 2008-09 Cash
High	(\$11.0 m)	(\$ 11.0 m)	(\$ 11.0 m)
Middle			
Low			

State Impact—All Funds	FY 2009-10 Cash	FY 2010-11 Cash
High	(\$ 11.0 m)	(\$ 0.0 m)
Middle		
Low		

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SECTION 5: CONSENSUS ESTIMATE (ADOPTED 4 / 21 / 07) The conference adopted an estimate of zero.

	FY 2007-08 Annualized	FY 2007-08 Cash	FY 2008-09 Cash
General Revenue	0	0	0
Total State Impact	0	0	0
Total Local Impact			
Total Impact	0	0	0

	FY 2009-10 Cash	FY 2010-11 Cash
General Revenue	0	0
Total State Impact	0	0
Total Local Impact		
Total Impact	0	0

Maximum credit usage

Eligible Costs	SFY 2006-07 Credits (m)	SFY 2007-08 Credits (m)	SFY 2008-09 Credits (m)	SFY 2009-10 Credits (m)	SFY 2010-11 Credits (m)	Total
220.192(1)(c)1.	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 15.0
220.192(1)(c)2.	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5	\$ 7.5
220.192(1)(c)3.	\$ 6.5	\$ 6.5	\$ 6.5	\$ 6.5	\$ 6.5	\$ 32.5
Total	\$ 11.0	\$ 11.0	\$ 11.0	\$ 11.0	\$ 11.0	\$ 55.0

Unused credits can be carried over and used in tax years beginning January 1, 2007, and ending December 31, 2012.