

**REVENUE ESTIMATING CONFERENCE**

**TAX:** Corporate Income Tax

**ISSUE:** CIT Credit for Renewable Energy Technologies Investment Tax Credit

**BILL NUMBER(S):** HB 229 section 3 / SB 314 section 3

**SPONSOR(S):** Representatives Sachs, Fields, Homan, and Vana / Senator Constantine

**MONTH/YEAR COLLECTION IMPACT BEGINS:** July 1, 2008

**DATE OF ANALYSIS:** February 26, 2008

**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 2008-09 Annualized	FY 2008-09 Cash	FY 2009-10 Cash
High	\$ 0.00 m	(\$ 11.0 m)	(\$ 11.0 m)
Middle	\$ 0.00 m	\$ 0.00 m	\$ 0.00 m
Low			

State Impact—All Funds	FY 2010-11 Cash	FY 2011-12 Cash
High	(\$ 11.0 m)	\$ 0.00 m
Middle	\$ 0.00 m	\$ 0.00 m
Low		

**REVENUE ESTIMATING CONFERENCE**

**TAX:** Corporate Income Tax

**ISSUE:** CIT Credit for Renewable Energy Technologies Investment Tax Credit

**BILL NUMBER(S):** HB 229 section 3 / SB 314 section 3

**SPONSOR(S):** Representatives Sachs, Fields, Homan, and Vana / Senator Constantine

**MONTH/YEAR COLLECTION IMPACT BEGINS:** July 1, 2008

**DATE OF ANALYSIS:** February 26, 2008

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 3 / 7 / 08 )** The conference adopted an estimate of zero. Note: This assumes that the definition of corporation is corrected.

	FY 2008-09 Annualized	FY 2008-09 Cash	FY 2009-10 Cash
General Revenue			
State Trust			
Total State Impact			
Total Local Impact			
Total Impact	0	0	0

	FY 2010-11 Cash	FY 2011-12 Cash
General Revenue		
State Trust		
Total State Impact		
Total Local Impact		
Total Impact	0	0

	A	B	C	D	E	F	G
1							
2	HB 229 section 3 / SB 314 section 3						
3							
4							
5							
6	Maximum credit usage						
7							
8		SFY 2007-08	SFY 2008-09	SFY 2009-10	SFY 2010-11	SFY 2011-12	
9	Eligible Costs	Credits (m)	Credits (m)	Credits (m)	Credits (m)	Credits (m)	Total
10							
11	220.192(1)(c)1.	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 15.0
12							
13	220.192(1)(c)2.	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5	\$ 7.5
14							
15	220.192(1)(c)3.	\$ 6.5	\$ 6.5	\$ 6.5	\$ 6.5	\$ 6.5	\$ 32.5
16							
17	Total	\$ 11.0	\$ 11.0	\$ 11.0	\$ 11.0	\$ 11.0	\$ 55.0
18							
19							
20							
21	Unused credits can be carried over and used in tax years beginning January 1, 2007,						
22	and ending December 31, 2012.						