

REVENUE ESTIMATING CONFERENCE

TAX: Corporate Income Tax
ISSUE: Tax Credit for Employment of the Homeless
BILL NUMBER(S): HB 925 / SB 218 Similar
SPONSOR(S): Representative Jenne / Senator Ring
MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2009
DATE OF ANALYSIS: March 16, 2009

SECTION 1: NARRATIVE

a. Current Law:

Currently, there is no Florida corporate income tax credit for hiring the homeless.

b. Proposed Change:

The bills provide for a one time \$1,000 Florida corporate income tax credit for each employee who was residing in a transitional housing facility at the time of employment and remains continuously employed for at least 6 months. The bills are capped at \$2 million per year. If more than \$2 million in credits are submitted in a given year, the credits are pro-rated and the remainder is provided in the following year. Unused credits may be carried forward for up to five years.

It is unclear that the homeless individual had to be in Florida or be employed in Florida.

House Bill 925 defines continuously employed” as working at least 80 hours per 30 day period, for at least 6 months, and began working for the corporation on or after July 1, 2009. It also provides a definition of a “homeless person,” and a “transitional housing facility”

SECTION 2: DESCRIPTION OF DATA AND SOURCES

Annual Report on Homeless Conditions in Florida (2008):
http://www.dcf.state.fl.us/homelessness/docs/2008governors_report.pdf

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

Since the cap would be reached if 2,000 homeless individuals were hired each year by Florida businesses, it is determined if it is reasonable that 2,000 homeless people could be hired. According to the 2008 Annual Report on Homeless Conditions in Florida, there are 59,036 homeless people in Florida. Of those, 34,391 are age 18 to 60. Roughly half reported having a disabling condition, leaving 17,200 working age, able-bodied homeless people. If 12 percent of these people are hired, the cap would be reached, which seems reasonable. The medium estimate assumes a 25%, 50%, 75%, 100% ramp-up.

SECTION 4: PROPOSED FISCAL IMPACT

State Impact: All Funds	FY 2009-10 Annualized	FY 2009-10 Cash	FY 2010-11 Cash	FY 2011-12 Cash	FY 2012-13 Cash
High	(\$2.0 Million)	(\$2.0 Million)	(\$2.0 Million)	(\$2.0 Million)	(\$2.0 Million)
Middle	(\$2.0 Million)	(\$0.5 Million)	(\$1.0 Million)	(\$1.5 Million)	(\$2.0 Million)
Low					

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 3/21/09) The conference adopted the high estimate.

	FY 2009-10 Annualized	FY 2009-10 Cash	FY 2010-11 Cash	FY 2011-12 Cash	FY 2012-13 Cash
General Revenue	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
State Trust	0	0	0	0	0
Total State Impact	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Total Local Impact	0	0	0	0	0
Total Impact	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)