



## Tax Information Publication

# TIP

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### **Florida Corporate Income Tax Changes to the Research and Development Tax Credit Program Beginning with Credits Awarded in the 2016 Calendar Year**

Several changes were made to the Research and Development Tax Credit Program (Section 220.196, Florida Statutes) during the recent legislative special session. Those changes include:

#### **Only Qualified Target Industry Businesses in Certain Industries Are Eligible to Apply**

A qualified target industry business is defined in section 288.106(2)(n), F.S. Only qualified target industry businesses in the manufacturing, life sciences, information technology, aviation and aerospace, homeland security and defense, cloud information technology, marine sciences, materials science, and nanotechnology industries may qualify for a research and development tax credit.

#### **Requiring a Certification Letter from the Department of Economic Opportunity with the Credit Allocation Application**

A business applying for a research and development tax credit must include a letter from the Department of Economic Opportunity certifying that it is an eligible target industry business with its application for the research and development tax credit. The Department of Economic Opportunity will provide such a letter upon receiving a request.

#### **Extending the Application Period to Seven Days**

Eligible target industry businesses subject to the Florida corporate income tax may apply online for an allocation of Florida research and development tax credit. The Department will accept applications on or after March 20 and before March 27 of the same year for qualified expenses incurred in the previous calendar year.

#### **Increasing the Credit Cap for One Year to \$23 Million**

The maximum amount of research and development tax credits that may be granted during any calendar year is \$9 million. However, the combined total amount of tax credits that may be awarded to all business enterprises in the 2016 calendar year is \$23 million.

#### **Prorating Credit Awards**

If the total credits for all applicants exceed the credit cap, the credits will be allocated by the Department on a prorated basis.

Please note that the availability of the Florida research and development corporate income tax credit is contingent upon the extension of the federal credit for increasing research activities and the Florida Legislature's adoption of the Internal Revenue Code that includes the extended federal credit.

For more information on the Florida research and development tax credit, see Section 220.196, Florida Statutes.

**References:** Section 21, Chapter 2015-221, Laws of Florida; Section 220.196, Florida Statutes

### For More Information

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For forms and other information, visit our website at [www.myflorida.com/dor](http://www.myflorida.com/dor) or call Taxpayer Services, 8:00 a.m. to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671.

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services, MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

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