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FLORIDA DEPARTMENT OF REVENUE:
GENERAL TAX ADMINISTRATION
RULE WORKSHOP 12C-1.01915

Florida Department of Revenue -
June 20, 2023 910:00 a.m., EDT*

5050 West Tennessee Street
Tallahassee, Florida 32399 850-488-6800

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COMMITTEE MEMBER APPEARANCES:

Brinton Hevey, Intra-Department Projects Admin
Jennifer Ensley, Revenue Program Administrator

ALSO PRESENT:

Justin Bentass, Mickelson & Company
Kristin Bevil, Mickelson & Company
Shannon Boxold, The Fiorentino Group

1 **GENERAL TAX ADMINISTRATION**
2 **RULE WORKSHOP**

3 June 20, 2023, 10:00 a.m.

4 MR. HEVEY: 12C-1.01915 of the Florida
5 Administrative Code, an amendment of rule 12C-1.051 of
6 the Florida Administrative Code. The purpose of the
7 proposed new rule 12C-1.01915 is to implement the
8 Railroad Reconstruction or Replacement Expenditures
9 Credit Program pursuant to section 220.1915 of the
10 Florida Statutes as created by Section 32, Chapter
11 2022-97 of the laws of Florida.

12 Revisions to rule 12C-1.051 FAC
13 incorporate two new forms created to administer the
14 credit program. A notice of proposed rulemaking was
15 published in May 30th, 2023, in the edition of the
16 Florida Administrative Register Volume 49 Number 104,
17 pages 2025 through 2029.

18 My name is Brinton Hevey, and I'm an
19 Intra-Revenue Projects Administrator of the Department's
20 Technical Assistance and Dispute Resolution Section. At
21 this time I'll ask my colleague to introduce herself.

22 MS. ENSLEY: My name is Jennifer Ensley.
23 I'm a Revenue Program Administrator in the Law
24 Administration Oversight Unit of General Tax
25 Administration Program.

 Today, my role is to assist with presenting

1 information regarding the proposed rule.

2 MR. HEVEY: After we go over the information
3 regarding the hearing and webinar, we will provide a
4 summary of the proposed Rule 12C-1.01915 Credit for
5 Qualified Railroad Reconstruction or Replacement
6 Expenditures and Amendments 212C-1.051 forms.

7 We will then open the floor for any
8 questions or comments regarding the proposed rule tax.
9 This hearing is taking place in both in person and using
10 electronic media. If anyone attending this hearing via
11 webinar experiences technical difficulty, use the chat
12 option to send a message.

13 As with other Department of Revenue Rule
14 Workshops and hearings, we do have a court reporter
15 present to record this rule. We ask that meeting
16 participants attending this hearing via webinar state
17 their name each time they speak. If necessary, please
18 spell your first and last name the first time you speak
19 during the hearing.

20 The proposed language is available on the
21 Department's Proposed Rule webpage
22 orderrevenue.com/rules. Select the general tax proposed
23 rules drop down at the bottom of the page and then
24 select the link for rule 12C-1.01915 under Corporate
25 Income Tax.

1 I'll now explain the process that we will
2 use for taking questions and comments regarding the
3 agenda items. Please note we will be taking questions
4 and comments after we have presented the rule. Before
5 asking a question or providing a comment, please state
6 your name and who you represent. Questions and comments
7 from -- currently all webinar participants are muted to
8 avoid accidental background noise or interruptions.

9 We will unmute participants if they have a
10 comment or a question. To let our staff know you would
11 like to speak, webinar participants should raise their
12 hand using the icon on the grab tab left of your control
13 panel. Staff will call on participants when it's their
14 turn to speak.

15 If you do not wish to speak, please send
16 your question or comment along with whom you represent
17 using the chat option. Staff will state your name and
18 read your question or comment aloud. All comments
19 received during the hearing will be recorded by the
20 court reporter.

21 Please remember to hold any questions or
22 comments until the explanation of the proposed rule is
23 completed. I'll now ask Jennifer to present the
24 information regarding the proposed rule tax after which
25 the proposed language.

1 MS. ENSLEY: Proposed Rule 12C-1.01915
2 provides guidance to taxpayers on how they can apply for
3 or transfer and use a credit once it becomes effective.

4 Under section to 220.1915 of the Florida
5 Statutes a qualifying railroad is eligible for credit
6 against the tax imposed by Chapter 220 Florida Statute
7 equal to 50-percent of the qualifying railroad's
8 qualified expenditures incurred in Florida for taxable
9 years beginning on/or after January 1, 2023.

10 The amount of the credit may not exceed the
11 product of \$3,500 multiplied by the number of miles of
12 railroad track owned or leased within Florida by the
13 qualifying railroad as of the end of the taxable year,
14 in which a qualified expenditures were incurred.

15 To claim a tax credit, the railroad must
16 meet the criteria specified in Section 220.1915
17 [Inaudible] 1 and 2 of the Florida Statutes. The
18 purpose of amending rule 12C-1.051 of the Florida
19 Administrative Code is to incorporate two new forms to
20 administer the credit program.

21 Form F11915, the Florida Credit for
22 Qualified Railroad Reconstruction or Replacement
23 Expenditures Application for Credit, and form F11915T,
24 The Florida Credit for Qualified Railroad Reconstruction
25 or Replacement Expenditures Notice of Intent to Transfer

1 Credit.

2 MR. HEVEY: We will now open the floor for
3 questions or comments. I would like to note that we did
4 receive written comment dated yesterday, June 19th, from
5 Justin Bentaas. If Mr. Bentaas is present and would
6 like to summarize those statements first we can go ahead
7 and do that.

8 MR. BENTAAS: Morning, can you hear me?

9 MR. HEVEY: Yes.

10 MR. BENTAAS: Thank you for the time today.
11 I'll be brief and then I'll hand it over to my colleague
12 Kristin Bevil.

13 My name is Justin Bentaas representing
14 Mickelson & Company. We are fortunate to work with
15 several railroads in Florida. Before I hand it over to
16 Kristin, I just want to call your attention to several
17 railroads that are on the call today.

18 We have Seminole Gulf, Florida East Coast,
19 GMW Gulf Atlantic. On top of that, several additional
20 railroads have signed on to a letter that was submitted
21 to the state that you've already touched base on.

22 So I just wanted to address the staff with
23 that. And at this time, I'll hand it over to Kristin,
24 who will provide testimony. Thank you.

25 MS. BEVIL: Hi, good morning. This is

1 Kristin Bevil. I'm General Counsel of Gulf and Atlantic
2 Railways, the company that owns the Florida Gulf and
3 Atlantic Railroad. Thank you for allowing me the
4 opportunity to comment this morning.

5 Our concern is that the language used on
6 form 11915T to describe an eligible transferee does not
7 align with the language in the relevant statute and
8 rules. Which is confusing and could be misinterpreted
9 by taxpayers.

10 We would propose to amend the language on
11 the form to accurately reflect the definitions and the
12 requirements set forth in the statutes and rules. On
13 the form F11915T it currently says that the taxpayer to
14 which the credit is transferred must either 1) transport
15 property using the rail facilities of a qualifying
16 railroad; 2) furnish a railroad related property or
17 services to any class two or class three railroad
18 operating in Florida; or 3) be a railroad.

19 However, Florida Statute 220.1915 Section
20 4B1B defines a transferee as a taxpayer that either 1)
21 transports property using rail facilities at the
22 qualifying railroad; or 2) furnishes a railroad related
23 property or services to any railroad operating in the
24 state; or 3) is a railroad.

25 So the difference there is in the form,

1 there's reference specifically to class two or class
2 three railroad as a party that could be transferees.
3 You know, somebody that's furnishing railroad related
4 property or services to any class two or three.
5 Whereas, in the statute itself, it says furnishes
6 railroad related property or services to any railroad.

7 And I think that's a distinction that can be
8 confusing. But we would propose that the form reflect
9 what is in the statute. Thank you.

10 MR. HEVEY: Thank you for providing that
11 information. And it does align with everything that was
12 submitted in writing. So the Department will certainly
13 take that into consideration and we appreciate you
14 presenting it. We just have a new guest that came in.
15 Do you have anything to add or?

16 MS. BOXOLD: Yeah, I represent several of
17 the shorelines here, including the Gulf and Atlantic
18 Railway, which I'm going to testify and provide
19 information --

20 MR. HEVEY: Sorry, go ahead. We have
21 somebody on the line as well that has something to say.

22 Sorry, we are having a bit of technical
23 difficulty this morning. Our phone didn't operate so
24 we're doing everything through a laptop. It makes it a
25 little bit -- we're doing it on the fly. Does anyone

1 else have anything to add?

2 If anyone would like to submit written
3 comments other than the ones we've already received,
4 remembering that they become public record, please do so
5 by close of business June 30th, 2023.

6 Comments may be submitted via email at
7 rulecommentsorderrevenue.com. And on behalf of the
8 Department I want to thank each of you for participating
9 and sharing your comments with us.

10 Your participation is very helpful during
11 the rule promulgation process. This concludes the rule
12 hearing.

13 (Whereupon, the meeting was concluded at 10:11 a.m.)

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1 CERTIFICATE OF REPORTER

2
3 I, Samantha Adams, court reporter, certify that
4 I was authorized to and did stenographically report the
5 following meeting, and that the transcript is a true and
6 complete record of my stenographic notes.
7

8 I further certify that I am not a relative,
9 employee, attorney, or counsel of any of the parties,
10 nor am I a relative or employee of any of the parties'
11 attorney or counsel connected with the action, nor am I
12 financially interested in the action.
13

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15 **DATED this 20th day of June, 2023**

16 *Samantha Adams*

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18 **SAMANTHA ADAMS, Court Reporter**
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