



Florida Department of Revenue
Tax Information Publication

TIP

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**Florida Corporate Income/Franchise Tax
Research and Development Tax Credit -
Applications for Allocation of Credit Beginning March 20, 2015**

Applications:

Beginning Friday, **March 20, 2015, 8:00 a.m., Eastern Time (ET)**, target industry businesses subject to the Florida corporate income tax may apply online for an allocation of Florida research and development tax credit for expenses incurred in the 2014 calendar year. The application will be available on the Department of Revenue website (www.myflorida.com/dor/) through the Tax Incentives page. When the completed application is submitted online, the Department will provide a confirmation number, indicating receipt of the application.

Last year, the cap of \$9 million for expenses incurred in the 2013 calendar year was allocated as follows:

- The Department began accepting applications via a web page at 8:00 a.m., ET, on March 20, 2014. The last application approved was received at 8:09 a.m. ET, March 20, 2014. The Department received 70 applications, requesting a total of \$18.8 million in credit.
- 23 applications were approved for the total amount requested, 1 application was approved for an adjusted amount, and 1 application received partial approval.
- 45 applications were denied because they were received after the \$9 million cap was reached.

Allocation of Research and Development Tax Credits:

Please be aware that section (s.) 220.196, Florida Statutes (F.S.), requires the Department of Revenue to allocate these credits in the order in which completed applications are received. However, because the federal Tax Increase Prevention Act of 2014 only recently became law, the Florida Legislature has not had an opportunity to address these recent changes to the Internal Revenue Code (IRC). The Florida Legislature will meet between March and May of 2015, and it will decide, through the legislative process, whether Florida conforms to the Tax Increase Prevention Act of 2014, including its provisions with respect to the research and development tax credit.

As a result, the Department will not be able to approve any allocations of the research and development tax credit until after the bill(s) addressing adoption of the Internal Revenue Code become law. Therefore, a tax credit applicant may want to file Florida Form F-7004 (*Florida Tentative Income/Franchise Tax Return and Application for Extension of Time to File Return*) to obtain an extension of time in which to file its 2014 tax return. Form F-7004 is available on the

Department's website (www.myflorida.com/dor/forms/), or you can file Form F-7004 online at <https://taxapps3.state.fl.us/Corporate/Login.aspx>.

Please remember:

- The target business enterprise **must** be a corporation, as defined in s. 220.03, F.S., **and** a target industry business, as defined in s. 288.106, F.S. A target industry business is a corporate headquarters business or any business that is engaged in one of the target industries identified by the Department of Economic Opportunity in consultation with Enterprise Florida, Inc. A list of target industry businesses is provided by Enterprise Florida, Inc., at http://www.eflorida.com/Why_Florida.aspx?id=5444. For more information on target industry businesses, contact Enterprise Florida, Inc., at 407-956-5600.
- The Florida credit is equal to 10 percent of the amount of qualified research expenses incurred in Florida and allowed under section 41, IRC, which exceeds the base amount, defined as the average of the qualified research expenses incurred in Florida for the four tax years before the tax year for which the credit is determined.

For screen shots of the online application and additional information about the Florida research and development tax credit, see TIP 15C01-03.

References: Section 220.196, Florida Statutes (2014); Rule 12C-1.0196, Florida Administrative Code

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 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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