



Instructions for Florida Form F-1158Z Enterprise Zone Property Tax Credit

F-1158ZN
R. 08/13

Rule 12C-1.051
Florida Administrative Code
Effective 01/14

General Instructions

Who must file? Every taxpayer claiming an enterprise zone property tax credit must file by performing the following steps. First, complete Florida Form F-1158Z and attach it to the tax return for each year you claim the credit. Second, attach to your tax return a copy of Form DR-456, *Notice of New, Rebuilt or Expanded Property*, filed with the property appraiser. Lastly, attach copies of the certified receipts for the ad valorem taxes paid.

When may a business take the credit? The credit is available to a new business the year in which ad valorem taxes are first levied against the business. The credit is available to an expanded or rebuilt business the year in which ad valorem taxes are first levied on real or tangible personal property acquired for expansion or rebuilding.

What are the filing requirements? To be eligible for the credit a new, expanded, or rebuilt business must file Form DR-456 with the property appraiser of the county where the business is located or will be located no later than April 1 of the year in which new or other real or tangible personal property is subject to ad valorem assessment.

The enterprise zone property tax credit is state financial assistance subject to the auditing and reporting requirements of the Florida Single Audit Act, under section (s.) 215.97, Florida Statutes (F.S.), and Rules of the Auditor General, Chapter 10-650 (nonprofit and for-profit organizations). For more information, refer to <http://www.myflorida.com/audgen/pages/flsaa.htm> or contact the Auditor General at (850) 488-5534 or by e-mail at flaudgen@aud.state.fl.us.

Part I. Qualification for credit.

In the following definitions of a new, expanded, or rebuilt business, the term “business” means any business entity approved to do business in Florida subject to the Florida franchise tax on banks and savings associations.

“New business” means any business that operates in an area designated as an enterprise zone on a site clearly separate from any other commercial or industrial operations owned by the same business. It also employs five or more additional full-time employees in Florida.

“Expansion of an existing business” means any business located in an area designated as an enterprise zone that expands by or through additions to real and tangible

personal property and employs five or more additional full-time employees in Florida.

“Rebuilding of an existing business” means any business located in an area designated as an enterprise zone that replaces or restores real or tangible personal property destroyed or damaged in an “emergency” in the enterprise zone.

An “emergency” means widespread or severe damage, injury, or loss of life or property occurring and proclaimed under s. 14.022, F.S., or declared under s. 252.36, F.S.

Credit Limitations

When filing for credit as a new, expanded, or rebuilt business located within an enterprise zone, the maximum amount of credit allowable each year under this program must not exceed \$25,000. However, if 20 percent or more of the permanent full-time employees at the business location are residents of an enterprise zone, the maximum credit must not exceed \$50,000.

The business must have at least 5 more full time employees at the business location than it had in the preceding year to qualify for the initial credit. This employment requirement must be maintained for each year the credit is claimed.

Part II. Credit allowable for ad valorem taxes.

For a new business, the credit is calculated annually on the ad valorem taxes paid in Florida during the taxable year on new real property and new tangible personal property acquired.

For the expansion of an existing business, you must calculate the credit annually on the **additional ad valorem taxes paid** in Florida during the taxable year resulting from assessments on additional real and tangible personal property acquired to facilitate such expansion. For the rebuilding of an existing business, you must calculate the credit annually on the ad valorem taxes paid in Florida during the taxable year resulting from assessments on property replaced or restored.

“Ad valorem taxes paid” means 96 percent of property taxes levied for operating purposes and must not include interest, penalties or discounts forgone. **Levies for debt**

service are not included in the credit calculation because this calculation is limited to levies for operating purposes only. In addition, for purposes of the credit, “ad valorem taxes paid” means the tax paid on new or added real and tangible personal property acquired to set up a new business and to facilitate a business expansion. “Ad valorem taxes paid” also means the tax paid on new or added real and tangible personal property acquired to rebuild or restore a destroyed or damaged business, including pollution and waste control facilities or any other part of it. This may include one or more buildings or other structures, machinery, fixtures, and equipment.

Lines 5 and 6. Enter the date of payment and the taxes paid on Line 5 for real property and on Line 6 for tangible personal property.

Line 7. Enter the total ad valorem taxes paid (Line 5 plus Line 6) on this line.

Part III. Unused credit carryover from prior tax years.

If you do not fully use the credit granted in any one year, you may carry the unused amount forward for a period not to exceed five years. You may use the credit carryover in a later year when the limitation exceeds the credit for such year.

Line 8. Complete the table to determine the balance of unused credit carryover available this year from each of the five immediately preceding tax years in order of time. In entering the years the unused credit carryovers were created, start with oldest year. In applying unused credit carryovers, apply the unused credit carryover from the oldest year first.

Line 9. Enter the total amount of unused credit carryover available this tax year which is the sum of the amounts in 8(d).

Part IV. Tax liability and tax year limitation.

Line 10. The credit must be applied against the corporate income or franchise tax liability for the taxable year. Therefore, enter on this line the total tax due amount from Florida Form F-1120, Page 1, Line 11.

Line 11. The amount of credit allowable is limited to the total corporate income or franchise tax due after certain credits are applied. Therefore, enter on Lines 11(a) through 11(d) the amounts claimed for the specified credits from Florida Form F-1120, Schedule V. Enter the total other credits against the tax [sum of Lines 11(a) through 11(d)].

Line 12. The tax liability limit on the amount of credit allowable is the total tax due on Line 10 minus the total other credits against the tax on Line 11.

Part V. Enterprise zone property tax credit for this year.

Lines 13 and 14. The total amount of credit available this year is the sum of the credit allowable for ad valorem taxes paid this year on Line 7 and the amount of unused credit carryover available this year on Line 9.

Line 15. The enterprise zone property tax credit that you can claim this year is the lesser of the total amount of credit available this year (from Line 14) or the limit on the amount of credit that you may claim this year (from Line 12). Enter this amount on Florida Form F-1120, Schedule I, Page 3, Line 8.