



Tax Information Publication

TIP

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**Florida Corporate Income/Franchise Tax Research and
Development Tax Credit - Applications for Allocation of Credit
Open March 20 - 26, 2016**

Beginning Sunday, March 20, 2016, 12:00 a.m., Eastern Time (ET) and ending Saturday, March 26, 2016, 11:59 p.m. (ET), qualified 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 2015 calendar year.

The application will be available on the Department of Revenue website (www.myflorida.com/dor/) on the Tax Incentives page. When the completed application is submitted online, the Department will provide a confirmation number, indicating receipt of the application.

Because the federal Protecting Americans from Tax Hikes Act of 2015 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 is meeting in legislative session that began on January 12, 2016, and it will decide, through the legislative process, whether Florida conforms to the Protecting Americans from Tax Hikes Act of 2015, including its provisions related to the federal research and development tax credit.

As a result, the Department cannot approve any allocations of the research and development tax credit until the adoption of the Internal Revenue Code becomes law. If you apply for this tax credit, you may need to obtain an extension of time for filing your 2015 Florida corporate tax return. If so, you must file Florida Form F-7004 (*Florida Tentative Income/Franchise Tax Return and Application for Extension of Time to File Return*). The easiest way to file for an extension is online at <https://taxapps3.state.fl.us/Corporate/Login.aspx>. A paper version of this form is available at: www.myflorida.com/dor/forms/.

Please remember:

- The target business enterprise must be a corporation, as defined in section (s.) 220.03, Florida Statutes (F.S.), and a qualified target industry business, as defined in s. 288.106, 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.
- A business may not apply for an allocation of research and development tax credit without a certification letter from the Department of Economic Opportunity (DEO) confirming that it is a qualified target industry business. The Department of Economic Opportunity will

accept requests for a certification letter for this year through 5:00 pm (ET) on Tuesday, **March 1, 2016**. Applicants may obtain the DEO Certification Request Form at DEO's Research and Development Tax Credit Program website:

<http://www.floridajobs.org/business-growth-and-partnerships/for-businesses-and-entrepreneurs/business-resources/research-and-development-tax-credit-program>

- Applicants may obtain and return the DEO Certification Request Form by sending an email message to: DEOcertificationrequest@deo.myflorida.com
- 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. The Florida credit may be prorated if the total credits applied for by all applicants exceed the credit cap.

For screen shots of the online application and additional information about the Florida research and development tax credit, see TIP 15C01-03 and TIP 15C01-05.

References: Section 220.196, Florida Statutes (2015); 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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