



Florida Department of Revenue  
Tax Information Publication

**TIP**

No: 15C01-03

Date Issued:  
March 2, 2015

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

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/](http://www.myflorida.com/dor/)) through the Tax Incentives page.

Screen shots from the actual application for this year are shown below. Applicants should expect to provide the information requested:

**Corporate Income Tax Research and Development Credit  
Welcome**

**Allocation for Research and Development Tax Credit for Florida  
Corporate Income/Franchise Tax**

**Applications may be filed with the Department on or after 08:00 AM., ET, on March 20 of each calendar year for which the credit is available.**

**Completed applications for research and development tax credits will be approved until the annual allocation of \$9 million is exhausted, or until December 31, whichever occurs first.**

**Target Industry Business**

To be eligible to take a research and development tax credit against Florida corporate income tax, a business **must** be a corporation as defined in section (s.) 220.03, Florida Statutes (F.S.), **and** meet the definition of a "target industry business" 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. A list of target industry businesses is provided by Enterprise Florida, Inc., at [http://www.eflorida.com/Why\\_Florida.aspx?id=5444](http://www.eflorida.com/Why_Florida.aspx?id=5444). For more information, contact Enterprise Florida, Inc., at 407-956-5600.

**Signature Required.** When you complete the application, an electronic signature is required to verify the accuracy and completeness of the application.

**Confirmation.** Once you complete the application, you will receive a confirmation number. This only confirms that we received your application. It does not approve the application for credit allocation and it does not authorize the use of any credit. The Department will send you written correspondence within 10 working days of receiving your application explaining the approved tax credit allocation or the reason the credit could not be approved.

**If you have any questions call** Tax Information Services, 8:00 a.m. to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671.

**Apply for the Research and Development Tax Credit Allocation**

# Corporate Income Tax Research and Development Credit Instructions

## Allocation for Research and Development Tax Credit for Florida Corporate Income/Franchise Tax

(R. 01/15, Rule 12C-1.051, Florida Administrative Code, Effective 01/15)

Applications may be filed with the Department on or after 08:00 AM., ET, on March 20 of each calendar year for which the credit is available.

Completed applications for research and development tax credits will be approved until the annual allocation of \$9 million is exhausted, or until December 31, whichever occurs first.

### Instructions

Once you complete this application, you will receive a confirmation number. The screen will display the information entered and confirm receipt of the electronic application for credit allocation. You will be able to print this information and confirmation number.

The Department will send you written correspondence within 10 working days of receiving your application. We will either approve an amount of tax credit allocation or explain why a credit allocation could not be approved.

### About the Research and Development Tax Credit

The credit is available annually, and is based upon qualified research expenses in Florida allowed under section (s.) 41 of the Internal Revenue Code (IRC). Approved tax credits will be based on qualified research expenses incurred during the prior calendar year. The combined total amount of tax credits which may be granted to all business enterprises under s. 220.196, Florida Statutes (F.S.), during any calendar year is \$9 million.

### Who May Apply

Corporations, as defined in s. 220.03, F.S., that are engaged in one of the target industries identified by the Department of Economic Opportunity in consultation with Enterprise Florida.

### Federal Income Tax Credit

To receive a Florida research and development tax credit, the corporation must claim **and** be allowed a research credit for the taxable year against federal income tax for qualified research expenses under s. 41, IRC. Attach federal Form 6765 (*Credit for Increasing Research Activities*) and federal Form 3800 (*General Business Credit*) to Florida Form F-1120 (*Florida Corporate Income Tax Return*) when claiming the Florida credit. For federal forms, see [www.irs.gov/Forms-&-Pubs](http://www.irs.gov/Forms-&-Pubs).

### Qualified Research Expenses

Qualified research expenses are defined as research expenses qualifying for the credit under s. 41, IRC, for in-house research expenses incurred in Florida or contract research expenses incurred in Florida. The term "qualified research expenses" does **not** include research conducted outside Florida or research expenses that do not qualify for a credit under s. 41, IRC.

### Program Limitations

The Florida research and development tax credit taken may not exceed 50 percent of the Florida corporate income tax liability after all other credits have been applied in the order provided in s. 220.02(8), F.S.

If the amount of qualified research expenses is reduced as a result of a federal audit or examination, the Florida credit must be recalculated. Amended Florida returns must be filed for all affected years, and the difference between the initial credit amount taken and the recalculated credit amount, with interest, in accordance with the provisions of s. 220.807, F.S., must be paid to the Department.

**[Apply for the Research and Development Tax Credit Allocation](#)**

# Corporate Income Tax Research and Development Credit Application

## Research and Development Tax Credit for Florida Corporate Income/Franchise Tax

(Under section 220.196, Florida Statutes)

**Beginning March 20th, you may apply for the credit based upon qualified research expenses incurred during the prior calendar year.**

### Indicate your tax year

- Calendar year 2014
- Other taxable year beginning  and ending  (MM/DD/YYYY)

### Enter the appropriate information in the following boxes

Federal Employer Identification Number (FEIN):  (999999999)

Corporation Name:

Date of Incorporation:  (MM/DD/YYYY)

Mailing Address:

Address (cont):

City:

State:

Zip Code:

Contact Person:

Contact's Telephone Number: (  )   Ext:

Contact's Email Address:

If a consolidated Florida corporate income tax return is filed, provide the parent corporation's name and FEIN.

Parent Corporation's Name:

Parent Corporation's FEIN:  (999999999)

### Target Industry Business

Yes  No

Is this a target industry business as defined in section 288.106, F.S.?

Indicate corporation's target industry:

List all of the corporation's activities, products, and services in Florida:

### Federal Credit for Increasing Research Activities

Is this corporation planning to claim the federal credit for increasing research activities for its qualified research expenses incurred during the prior calendar year?  Yes  No

Indicate the corporation's **total** (including non-Florida) research expenses qualifying for the federal credit for increasing research activities under s. 41, IRC, incurred during calendar year 2014 (January 1 - December 31).

(Enter whole dollar amount only)

\$

## Tentative Allowable Amount of Credit

Lines (1) - (6): Compute the base amount as the average of the qualified research expenses in Florida for the 4 taxable years preceding the taxable year for which the credit is determined. The qualified research expenses taken into account in computing the base amount is determined on a basis consistent with the determination of qualified research expenses for the taxable year.

The 4 taxable years used to compute the base amount must end before the calendar year for which the qualified research expenses are determined. **For example**, the base years for qualified research expenses incurred during calendar year **2013** should end in **2012, 2011, 2010, and 2009\***. See table below:

| Tax year end | Qualified research expenses in Florida | 1st taxable year ending before the taxable year of the credit | 2nd taxable year ending before the taxable year of the credit | 3rd taxable year ending before the taxable year of the credit | 4th taxable year ending before the taxable year of the credit |
|--------------|--|---|---|---|---|
| 12/31/2013   | 1/1/2013-12/31/2013                    | 12/31/2012  | 12/31/2011  | 12/31/2010  | 12/31/2009  |
| 01/31/2014   |  | 01/31/2012  | 01/31/2011  | 01/31/2010  | 01/31/2009  |
| 02/28/2014   |  | 02/29/2012  | 02/28/2011  | 02/28/2010  | 02/28/2009  |
| 03/31/2014   |  | 03/31/2012  | 03/31/2011  | 03/31/2010  | 03/31/2009  |
| 04/30/2014   |  | 04/30/2012  | 04/30/2011  | 04/30/2010  | 04/30/2009  |
| 05/31/2014   |  | 05/31/2012  | 05/31/2011  | 05/31/2010  | 05/31/2009  |
| 06/30/2014   |  | 06/30/2012  | 06/30/2011  | 06/30/2010  | 06/30/2009  |
| 07/31/2014   |  | 07/31/2012  | 07/31/2011  | 07/31/2010  | 07/31/2009  |
| 08/31/2014   |  | 08/31/2012  | 08/31/2011  | 08/31/2010  | 08/31/2009  |
| 09/30/2014   |  | 09/30/2012  | 09/30/2011  | 09/30/2010  | 09/30/2009  |
| 10/31/2014   |  | 10/31/2012  | 10/31/2011  | 10/31/2010  | 10/31/2009  |
| 11/30/2014   |  | 11/30/2012  | 11/30/2011  | 11/30/2010  | 11/30/2009  |

\*If the corporation has any short years as part of the base calculation, include the corporation's taxable years.

Lines (7) - (10): Compute the tentative allowable amount of credit. The tax credit is 10 percent of the qualified research expenses over the base amount. However, the maximum tax credit for a business enterprise that has not been in existence for at least 4 taxable years immediately preceding the taxable year of the credit is reduced by 25 percent for each taxable year for which the business enterprise, or a predecessor corporation that was a business enterprise, did not exist.

| Taxable years preceding the taxable year of the credit   | Qualified research expenses in Florida<br>(Enter whole dollar amount only) | Check if business enterprise did not exist |
|--|--|--|
| (1) 1st taxable year end <input type="text"/> (2013)   | \$ <input type="text"/>  | <input type="checkbox"/>                   |
| (2) 2nd taxable year end <input type="text"/> (2012)   | \$ <input type="text"/>  | <input type="checkbox"/>                   |
| (3) 3rd taxable year end <input type="text"/> (2011)   | \$ <input type="text"/>  | <input type="checkbox"/>                   |
| (4) 4th taxable year end <input type="text"/> (2010)   | \$ <input type="text"/>  | <input type="checkbox"/>                   |
| (5) Sum of the qualified research expenses in Florida for the 4 taxable years preceding the taxable year of the credit. Total of lines (1) - (4).  | \$ <input type="text"/>  |  |
| (6) Base amount. Line (5) divided by 4.  | \$ <input type="text"/>  |  |
| (7) Enter qualified research expenses in Florida during calendar year 2014:  | \$ <input type="text"/>  |  |
| (8) Line (7) minus Line (6). If Line (6) is greater than Line (7), the amount will be zero.  | \$ <input type="text"/>  |  |
| (9) 10% of Line (8).   | \$ <input type="text"/>  |  |
| (10) Tentative allowable amount of credit. This is the amount from Line (9). If the business enterprise did not exist for the 4 preceding tax years, reduce the amount from Line (9) by 25% for each taxable year for which the business enterprise did not exist. | \$ <input type="text"/>  | <input type="button" value="Calculate"/>   |

By typing your name in the space below and submitting this form, you are declaring, under penalties of perjury, that you have read this application and that the facts stated in it are true.

Name:

Title:

For more information on the Florida research and development tax credit, see TIP 15C01-02, Rule 12C-1.0196, Florida Administrative Code, and Section 220.196, Florida Statutes.

**References: Section 220.196, Florida Statutes (2014); Rules 12C-1.0196 and 12C-1.051, 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](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.

Want the latest tax information?

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