

*The **Research and Development Tax Credit**, authorized under [220.196 Florida Statutes](#), is available to a business enterprise that has qualified research expenses in Florida in the taxable year exceeding the base amount and, for the same taxable year, claims and is allowed a research credit for such qualified research expenses under 26 U.S.C. s. 41. The business must be a part of a Target Industry as defined in [288.106 Florida Statutes](#). The credit is equal to 10 percent of the excess qualified research expenses in Florida that exceeds the average Florida qualified research expenses allowed to the previous four tax years (base amount).*

Maximum allowable credits for all businesses in the 2018 calendar year is \$16.5 million.

Eligibility

- Credit may be taken against eligible taxes on qualified research expenses incurred in the state.
- Available to corporations that are allowed the federal credit for qualified research expenses under 26 U.S.C. s. 41, and claim that credit.
- Corporation must be a target industry business as defined in 288.106 Florida Statutes.
- Amount of credit may not exceed 50 percent of the taxpayer's income tax liability after claiming all other eligible credits.
- Allows for a credit carry forward of five (5) years for any unused credit remaining.
- Requires a re-computation and repayment of the credit amount, plus interest, when a corporation's qualified research expenses are reduced as a result of a federal audit or examination.

Application Process

- Applications will be accepted, no longer on a first come, first serve basis, through the Florida Department of Revenue beginning March 20 through March 27 of each calendar year.
- If the amount of credits sought by applicants exceeds \$16.5 million, credits will be allocated on a prorated basis.
- http://dor.myflorida.com/dor/taxes/tax_incentives.html

Approval Process

For forms and other information, visit the Florida Department of Revenue (DOR) website at dor.myflorida.com or call Taxpayer Services, 8:00 a.m. to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800.352.3671.

Award

Beginning April 1 of each calendar year, the DOR will notify eligible taxpayers by letter of the amount of credit that is allocated to them and the tax year in which the target industry business may claim the credit on its Florida corporate income tax return.

A federal research credit must be taken on the federal return filed by the target industry business for the same tax year in which the Florida research and development credit is taken. The amount taken as a Florida research and development credit must be added to taxable income prior to computing the Florida corporate income tax due.

Statutory Reference: [Section 220.196, Florida Statutes](#)