

1 A bill to be entitled
2 An act relating to taxation; amending s. 195.096,
3 F.S.; authorizing the Department of Revenue to change
4 the methodology for statistical and analytical reviews
5 for certain assessment purposes if it first makes
6 specific determinations concerning natural disasters
7 in counties; amending s. 196.197, F.S.; providing
8 criteria to be used in determining the value of tax
9 exemptions for charitable use of certain hospitals;
10 defining the term "unadjusted exempt value"; providing
11 application requirements for tax exemptions on certain
12 properties; amending s. 212.031, F.S.; reducing the
13 tax levied on rental or license fees charged for the
14 use of real property; making technical changes;
15 amending s. 218.131, F.S.; revising the timing of
16 distribution of moneys to certain counties impacted by
17 a reduction in ad valorem tax revenue resulting from
18 certain tax abatements related to specified
19 hurricanes; amending s. 624.51055, F.S.; specifying
20 contribution deadlines for an insurance premium tax
21 credit; amending s. 1002.33, F.S.; conforming
22 provisions to changes made by the act; amending s.
23 1002.395, F.S.; specifying dates by which certain
24 taxpayers may apply for insurance premium tax credit;
25 allowing insurance premium tax credit amounts to be

26 | applied retroactively to installment payments for
 27 | purposes of determining penalty amounts; amending s.
 28 | 1011.71, F.S.; providing that certain school district
 29 | voted operating millage levies be shared with charter
 30 | schools in the school district; providing a sales and
 31 | use tax exemption for certain tangible personal
 32 | property related to disaster preparedness during a
 33 | specified period; providing exceptions to the
 34 | exemption; providing an exemption from the sales and
 35 | use tax for the retail sale of certain clothing,
 36 | school supplies, and personal computers and personal
 37 | computer-related accessories during a specified
 38 | period; providing exceptions to the exemption;
 39 | providing appropriations to the Department of Revenue
 40 | for implementation purposes; providing applicability;
 41 | authorizing the department to adopt emergency rules;
 42 | providing effective dates.

43 |
 44 | Be It Enacted by the Legislature of the State of Florida:

45 |
 46 | Section 1. Paragraph (g) is added to subsection (2) of
 47 | section 195.096, Florida Statutes, to read:

48 | 195.096 Review of assessment rolls.—

49 | (2) The department shall conduct, no less frequently than
 50 | once every 2 years, an in-depth review of the assessment rolls

51 of each county. The department need not individually study every
52 use-class of property set forth in s. 195.073, but shall at a
53 minimum study the level of assessment in relation to just value
54 of each classification specified in subsection (3). Such in-
55 depth review may include proceedings of the value adjustment
56 board and the audit or review of procedures used by the counties
57 to appraise property.

58 (g) Notwithstanding any other provision of this chapter,
59 in one or more assessment years following a natural disaster in
60 counties for which a state of emergency was declared by
61 executive order or proclamation of the Governor pursuant to
62 chapter 252, if the department determines that the natural
63 disaster creates difficulties in its statistical and analytical
64 reviews of the assessment rolls in affected counties, the
65 department shall take all practicable steps to maximize the
66 representativeness and reliability of its statistical and
67 analytical reviews and may use the best information available to
68 estimate the levels of assessment. This paragraph first applies
69 to the 2019 assessment rolls and is retroactive to January 1,
70 2019.

71 Section 2. Subsection (3) is added to Section 196.197,
72 Florida Statutes, to read:

73 196.197 Additional provisions for exempting property used
74 by hospitals, nursing homes, and homes for special services.—In
75 addition to criteria for granting exemptions for charitable use

76 | of property set forth in other sections of this chapter,
77 | hospitals, nursing homes, and homes for special services shall
78 | be exempt if ~~to the extent that~~ they meet the following
79 | criteria:

80 | (3) (a) In determining the extent of the exemption to be
81 | granted to institutions licensed as hospitals, the unadjusted
82 | exempt value shall be multiplied by a fraction, not to exceed 1,
83 | the numerator of which is the value of the net community benefit
84 | expense attributable to the hospital property as determined
85 | under paragraph (b), and the denominator of which is the product
86 | of the unadjusted exempt value for the immediately prior year
87 | and the most recent final adopted millage rates applicable to
88 | the property. For purposes of this section the term "unadjusted
89 | exempt value" means the value exempted in a tax year for the
90 | charitable use of property as provided in other sections of this
91 | chapter and as limited by subsections (1) and (2).

92 | (b) The net community benefit expense attributable to a
93 | hospital property is that portion of the net community benefit
94 | expense reported by the applicant on its most recently filed
95 | Internal Revenue Service Form 990, schedule H, attributable only
96 | to those services and activities provided or performed by the
97 | hospital using the property for which an exemption is being
98 | sought. If the owner of the hospital property owns more than one
99 | hospital, the exemption for property used by a hospital shall be
100 | calculated using only the community benefit expense attributable

101 to that hospital.

102 (c) The application for an exemption under this section
103 must include, but is not limited to:

104 1. A copy of the hospital owner's most recently filed
105 Internal Revenue Service Form 990, schedule H.

106 2. A statement of the net community benefit expense
107 attributable to the hospital property for which the exemption is
108 being sought.

109 3. A statement signed by the hospital's chief executive
110 officer that, upon his or her reasonable knowledge and belief,
111 the statement of the net community benefit expense attributable
112 to the hospital property is true and correct and that the
113 hospital's policies for calculating the net community benefit
114 expense are consistent with the guidelines set by the Internal
115 Revenue Service Form 990.

116 4. A statement signed by a certified public accountant
117 that, upon his or her reasonable knowledge and belief, the
118 statement of the hospital's net community benefit expense
119 attributable to the hospital property is mathematically
120 accurate and consistent with the hospital's policies for
121 calculating the net community benefit expense.

122 Section 3. Effective January 1, 2020, paragraphs (c) and
123 (d) of subsection (1) of section 212.031, Florida Statutes, are
124 amended to read:

125 212.031 Tax on rental or license fee for use of real

126 | property.—

127 | (1)

128 | (c) For the exercise of such privilege, a tax is levied at
 129 | the rate of 5.35 ~~5.7~~ percent of and on the total rent or license
 130 | fee charged for such real property by the person charging or
 131 | collecting the rental or license fee. The total rent or license
 132 | fee charged for such real property must ~~shall~~ include payments
 133 | for the granting of a privilege to use or occupy real property
 134 | for any purpose and must ~~shall~~ include base rent, percentage
 135 | rents, or similar charges. Such charges must ~~shall~~ be included
 136 | in the total rent or license fee subject to tax under this
 137 | section whether or not they can be attributed to the ability of
 138 | the lessor's or licensor's property as used or operated to
 139 | attract customers. Payments for intrinsically valuable personal
 140 | property such as franchises, trademarks, service marks, logos,
 141 | or patents are not subject to tax under this section. If ~~In the~~
 142 | ~~ease of~~ a contractual arrangement ~~that~~ provides for ~~both~~
 143 | payments that are taxable as total rent or license fee and
 144 | payments that are not subject to tax, the tax shall be based on
 145 | a reasonable allocation of such payments and does ~~shall~~ not
 146 | apply to the ~~that~~ portion ~~which is~~ for ~~the~~ nontaxable payments.

147 | (d) If ~~When~~ the rental or license fee of any such real
 148 | property is paid by way of property, goods, wares, merchandise,
 149 | services, or other thing of value, the tax shall be at the rate
 150 | of 5.35 ~~5.7~~ percent of the value of the property, goods, wares,

151 merchandise, services, or other thing of value.

152 Section 4. Subsection (1) of section 218.131, Florida
 153 Statutes, is amended to read:

154 218.131 Offset for tax loss associated with reductions in
 155 value of certain residences due to specified hurricanes.—

156 (1) In the 2019-2020 fiscal year, the Legislature shall
 157 appropriate moneys to offset the reductions in ad valorem tax
 158 revenue experienced by Monroe County and by fiscally constrained
 159 counties, as defined in s. 218.67(1), and all taxing
 160 jurisdictions within such counties, which occur as a direct
 161 result of the implementation of s. 197.318. The moneys
 162 appropriated for this purpose shall be distributed in June
 163 ~~January~~ 2020 among the affected taxing jurisdictions based on
 164 each jurisdiction's reduction in ad valorem tax revenue
 165 resulting from the implementation of s. 197.318.

166 Section 5. Subsection (1) of section 624.51055, Florida
 167 Statutes, is amended to read:

168 624.51055 Credit for contributions to eligible nonprofit
 169 scholarship-funding organizations.—

170 (1) There is allowed a credit of 100 percent of an
 171 eligible contribution made to an eligible nonprofit scholarship-
 172 funding organization under s. 1002.395 against any tax due for a
 173 taxable year under s. 624.509(1) after deducting from such tax
 174 deductions for assessments made pursuant to s. 440.51; credits
 175 for taxes paid under ss. 175.101 and 185.08; credits for income

176 taxes paid under chapter 220; and the credit allowed under s.
177 624.509(5), as such credit is limited by s. 624.509(6). An
178 eligible contribution must be made to an eligible nonprofit
179 scholarship-funding organization on or before the date the
180 taxpayer is required to file a return pursuant to ss. 624.509
181 and 624.5092. An insurer claiming a credit against premium tax
182 liability under this section shall not be required to pay any
183 additional retaliatory tax levied pursuant to s. 624.5091 as a
184 result of claiming such credit. Section 624.5091 does not limit
185 such credit in any manner.

186 Section 6. Paragraph (b) of subsection (17) of section
187 1002.33, Florida Statutes, is amended to read:

188 1002.33 Charter schools.—

189 (17) FUNDING.—Students enrolled in a charter school,
190 regardless of the sponsorship, shall be funded as if they are in
191 a basic program or a special program, the same as students
192 enrolled in other public schools in the school district. Funding
193 for a charter lab school shall be as provided in s. 1002.32.

194 (b) The basis for the agreement for funding students
195 enrolled in a charter school shall be the sum of the school
196 district's operating funds from the Florida Education Finance
197 Program as provided in s. 1011.62 and the General Appropriations
198 Act, including gross state and local funds, discretionary
199 lottery funds, and funds from the school district's current
200 operating discretionary millage levies authorized pursuant to s.

201 1011.71 ~~levy~~; divided by total funded weighted full-time
202 equivalent students in the school district; multiplied by the
203 weighted full-time equivalent students for the charter school.
204 Charter schools whose students or programs meet the eligibility
205 criteria in law are entitled to their proportionate share of
206 categorical program funds included in the total funds available
207 in the Florida Education Finance Program by the Legislature,
208 including transportation, the research-based reading allocation,
209 and the Florida digital classrooms allocation. Total funding for
210 each charter school shall be recalculated during the year to
211 reflect the revised calculations under the Florida Education
212 Finance Program by the state and the actual weighted full-time
213 equivalent students reported by the charter school during the
214 full-time equivalent student survey periods designated by the
215 Commissioner of Education. For charter schools operated by a
216 not-for-profit or municipal entity, any unrestricted current and
217 capital assets identified in the charter school's annual
218 financial audit may be used for other charter schools operated
219 by the not-for-profit or municipal entity within the school
220 district. Unrestricted current assets shall be used in
221 accordance with s. 1011.62, and any unrestricted capital assets
222 shall be used in accordance with s. 1013.62(2).

223 Section 7. Paragraphs (b) and (g) of subsection (5) of
224 section 1002.395, Florida Statutes, are amended to read:

225 1002.395 Florida Tax Credit Scholarship Program.—

226 (5) SCHOLARSHIP FUNDING TAX CREDITS; LIMITATIONS.—
 227 (b) A taxpayer may submit an application to the department
 228 for a tax credit or credits under one or more of s. 211.0251, s.
 229 212.1831, s. 220.1875, s. 561.1211, or s. 624.51055.
 230 1. The taxpayer shall specify in the application each tax
 231 for which the taxpayer requests a credit and the applicable
 232 taxable year for a credit under s. 220.1875 or s. 624.51055 or
 233 the applicable state fiscal year for a credit under s. 211.0251,
 234 s. 212.1831, or s. 561.1211. For purposes of s. 220.1875, a
 235 taxpayer may apply for a credit to be used for a prior taxable
 236 year before the date the taxpayer is required to file a return
 237 for that year pursuant to s. 220.222. For purposes of s.
 238 624.51055, a taxpayer may apply for a credit to be used for a
 239 prior taxable year before the date the taxpayer is required to
 240 file a return for that prior taxable year pursuant to ss.
 241 624.509 and 624.5092. The department shall approve tax credits
 242 on a first-come, first-served basis and must obtain the
 243 division's approval before approving a tax credit under s.
 244 561.1211.
 245 2. Within 10 days after approving or denying an
 246 application, the department shall provide a copy of its approval
 247 or denial letter to the eligible nonprofit scholarship-funding
 248 organization specified by the taxpayer in the application.
 249 (g) For purposes of calculating the underpayment of
 250 estimated corporate income taxes pursuant to s. 220.34 and tax

251 installment payments for taxes on insurance premiums or
252 assessments under s. 624.5092, the final amount due is the
253 amount after credits earned under s. 220.1875 or s. 624.51055
254 for contributions to eligible nonprofit scholarship-funding
255 organizations are deducted.

256 1. For purposes of determining if a penalty or interest
257 shall be imposed for underpayment of estimated corporate income
258 tax pursuant to s. 220.34(2)(d)1., a taxpayer may, after earning
259 a credit under s. 220.1875, reduce any estimated payment in that
260 taxable year by the amount of the credit. This subparagraph
261 applies to contributions made on or after July 1, 2014.

262 2. For purposes of determining if a penalty under s.
263 624.5092 shall be imposed, an insurer ~~may~~, after earning a
264 credit under s. 624.51055, for a taxable year, may reduce any
265 ~~the following~~ installment payment for such taxable year of 27
266 percent of the amount of the net tax due as reported on the
267 return for the preceding year under s. 624.5092(2)(b) by the
268 amount of the credit. This subparagraph applies to contributions
269 made on or after July 1, 2014.

270 Section 8. Subsection (9) of section 1011.71, Florida
271 Statutes, is amended to read:

272 1011.71 District school tax.—

273 (9) In addition to the maximum millage levied under this
274 section and the General Appropriations Act, a school district
275 may levy, by local referendum or in a general election,

276 additional millage for school operational purposes up to an
277 amount that, when combined with nonvoted millage levied under
278 this section, does not exceed the 10-mill limit established in
279 s. 9(b), Art. VII of the State Constitution. Any such levy shall
280 be for a maximum of 4 years and shall be counted as part of the
281 10-mill limit established in s. 9(b), Art. VII of the State
282 Constitution. For the purpose of distributing taxes collected
283 pursuant to this subsection, the term "school operational
284 purposes" includes charter schools sponsored by a school
285 district. Millage elections conducted under the authority
286 granted pursuant to this section are subject to s. 1011.73.
287 Funds generated by such additional millage do not become a part
288 of the calculation of the Florida Education Finance Program
289 total potential funds in 2001-2002 or any subsequent year and
290 must not be incorporated in the calculation of any hold-harmless
291 or other component of the Florida Education Finance Program
292 formula in any year. If an increase in required local effort,
293 when added to existing millage levied under the 10-mill limit,
294 would result in a combined millage in excess of the 10-mill
295 limit, any millage levied pursuant to this subsection shall be
296 considered to be required local effort to the extent that the
297 district millage would otherwise exceed the 10-mill limit. Funds
298 levied under this subsection shall be shared with charter
299 schools as provided in s. 1002.33(17), and used in a manner
300 consistent with the purposes of the levy.

301 Section 9. Disaster preparedness supplies; sales tax
302 holiday.—

303 (1) The tax levied under chapter 212, Florida Statutes,
304 may not be collected during the period from 12:01 a.m. on May
305 31, 2019, through 11:59 p.m. on June 6, 2019, on the sale of:

306 (a) A portable self-powered light source selling for \$20
307 or less.

308 (b) A portable self-powered radio, two-way radio, or
309 weather-band radio selling for \$50 or less.

310 (c) A tarpaulin or other flexible waterproof sheeting
311 selling for \$50 or less.

312 (d) An item normally sold as, or generally advertised as,
313 a ground anchor system or tie-down kit selling for \$50 or less.

314 (e) A gas or diesel fuel tank selling for \$25 or less.

315 (f) A package of AA-cell, AAA-cell, C-cell, D-cell, 6-
316 volt, or 9- volt batteries, excluding automobile and boat
317 batteries, selling for \$30 or less.

318 (g) A nonelectric food storage cooler selling for \$30 or
319 less.

320 (h) A portable generator used to provide light or
321 communications or preserve food in the event of a power outage
322 selling for \$750 or less.

323 (i) Reusable ice selling for \$10 or less.

324 (2) The tax exemptions provided in this section do not
325 apply to sales within a theme park or entertainment complex as

326 defined in s. 509.013(9), Florida Statutes, within a public
327 lodging establishment as defined in s. 509.013(4), Florida
328 Statutes, or within an airport as defined in s. 330.27(2),
329 Florida Statutes.

330 (3) This section shall take effect upon becoming law.

331 Section 10. Clothing, school supplies, and personal
332 computers and personal computer-related accessories sales tax
333 holiday.-

334 (1) The tax levied under chapter 212, Florida Statutes,
335 may not be collected during the period from 12:01 a.m. on August
336 2, 2019, through 11:59 p.m. on August 4, 2019, on the retail
337 sale of:

338 (a) Clothing, wallets, or bags, including handbags,
339 backpacks, fanny packs, and diaper bags, but excluding
340 briefcases, suitcases, and other garment bags, having a sales
341 price of \$60 or less per item. As used in this paragraph, the
342 term "clothing" means:

343 1. Any article of wearing apparel intended to be worn on
344 or about the human body, excluding watches, watchbands, jewelry,
345 umbrellas, and handkerchiefs; and

346 2. All footwear, excluding skis, swim fins, roller blades,
347 and skates.

348 (b) School supplies having a sales price of \$15 or less
349 per item. As used in this paragraph, the term "school supplies"
350 means pens, pencils, erasers, crayons, notebooks, notebook

351 filler paper, legal pads, binders, lunch boxes, construction
352 paper, markers, folders, poster board, composition books, poster
353 paper, scissors, cellophane tape, glue or paste, rulers,
354 computer disks, flash drives, staplers and staples used to
355 secure paper products, protractors, compasses, and calculators.

356 (2) The tax levied under chapter 212, Florida Statutes,
357 may not be collected during the period from 12:01 a.m. on August
358 2, 2019, through 11:59 p.m. on August 4, 2019, on the first
359 \$1000 of the sales price of personal computers or personal
360 computer-related accessories purchased for noncommercial home or
361 personal use. For purposes of this subsection, the term:

362 (a) "Personal computers" includes electronic book readers,
363 laptops, desktops, handhelds, tablets, or tower computers. The
364 term does not include cellular telephones, video game consoles,
365 digital media receivers, or devices that are not primarily
366 designed to process data.

367 (b) "Personal computer-related accessories" includes
368 keyboards, mice, personal digital assistants, monitors, other
369 peripheral devices, modems, routers, and non-recreational
370 software, regardless of whether the accessories are used in
371 association with a personal computer base unit. The term does
372 not include furniture or systems, devices, software, or
373 peripherals that are designed or intended primarily for
374 recreational use. The term "monitor" does not include any device
375 that includes a television tuner.

376 (3) The tax exemptions provided in this section do not
377 apply to sales within a theme park or entertainment complex as
378 defined in s. 509.013(9), Florida Statutes, within a public
379 lodging establishment as defined in s. 509.013(4), Florida
380 Statutes, or within an airport as defined in s. 330.27(2),
381 Florida Statutes.

382 (4) The tax exemptions provided in this section may apply
383 at the option of a dealer if less than 5 percent of the dealer's
384 gross sales of tangible personal property in the prior calendar
385 year are comprised of items that would be exempt under this
386 section. If a qualifying dealer chooses not to participate in
387 the tax holiday, by August 1, 2019, the dealer must notify the
388 Department of Revenue in writing of its election to collect
389 sales tax during the holiday and must post a copy of that notice
390 in a conspicuous location at its place of business.

391 (5) Effective upon this act becoming a law, for the 2018-
392 2019 fiscal year, the sum of \$237,000 in nonrecurring funds is
393 appropriated from the General Revenue Fund to the Department of
394 Revenue for the purpose of implementing this section. Funds
395 remaining unexpended or unencumbered from this appropriation as
396 of June 30, 2019, shall revert and be reappropriated for the
397 same purpose in the 2019-2020 fiscal year.

398 Section 11. For the 2019-2020 fiscal year, the sum of
399 \$91,319 in nonrecurring funds is appropriated from the General
400 Revenue Fund to the Department of Revenue to implement the

401 provisions of this act.

402 Section 12. The amendments made by this act to ss.
403 624.51055 and 1002.395, Florida Statutes, first apply to
404 insurance premium taxable years beginning on or after January 1,
405 2019.

406 Section 13. The provisions of this act relating to ss.
407 1011.71 and 1002.33, Florida Statutes, amending and clarifying
408 the use of certain voted discretionary operating millages levied
409 by school districts, apply to revenues collected on or after
410 July 1, 2019.

411 Section 14. The Department of Revenue may, and all
412 conditions are deemed met to, adopt emergency rules pursuant to
413 s. 120.54(4), Florida Statutes, to administer sections 9 and 10
414 of this act. This section shall take effect upon becoming law.

415 Section 15. Except as otherwise expressly provided in this
416 act and except for this section, which shall take effect upon
417 this act becoming law, this act shall take effect July 1, 2019.