

THE FLORIDA SENATE
2016 SUMMARY OF LEGISLATION PASSED
Committee on Appropriations

HB 7099 — Taxation

by Finance and Tax Committee; and Rep. Gaetz and others

The bill contains the following provisions:

- Makes permanent the sales tax exemption for machinery and equipment used in manufacturing and provides exemptions for machinery and equipment used in agricultural post-harvest activities or used by metal recyclers.
- Effective July 1, 2019, eliminates a current aviation fuel tax exemption and reduces the aviation fuel tax rate from 6.9 cents per gallon to 4.27 cents per gallon.
- Replaces the current tax calculation for determining the tax imposed on alcohol and tobacco sold on cruise ships with a simpler revenue-neutral calculation.
- Makes a technical change to the documentary stamp tax statute to provide that certain documentary stamp tax revenue is pledged and made first available to pay debt service on bonds authorized before July 1, 2017.
- Clarifies that counties and municipalities may grant economic development property tax exemptions in areas which were previously designated as enterprise zones for projects that were preapproved before December 31, 2015.
- Adopts the Internal Revenue Code as in effect on January 1, 2016, for purposes of corporate income tax, but decouples from certain federal bonus depreciation provisions.
- Makes changes to corporate income tax filing dates and estimated payment due dates to conform to changes made to the federal corporate tax.
- Provides a sales tax exemption for sales of food and drink by veterans' organizations to members of veterans' organizations.
- Reduces the beverage tax rate imposed on pear cider to make it the same as the rate on apple cider.
- Allows purchasers of airplanes to retain an airplane in Florida while waiting for the airplane to be registered in a foreign country without having to pay sales tax.
- Clarifies the definition of "wholesale sales price" for purposes of the tax on other tobacco products.
- Provides a three-day "back-to-school" sales tax holiday from August 5, 2016, to August 7, 2016, for clothing and footwear costing \$60 or less, and school supplies costing less than \$15.
- Authorizes certain counties, currently Okaloosa, Bay, and Walton, to use 10 percent of the revenue from existing Tourist Development Taxes for expenses incurred in providing public safety services.
- Phases out, over three years, the indexed sales tax on asphalt used for government projects.
- For purposes of the local option economic development property tax exemption, allows the exemption for replacement data center equipment and extends the length of the exemption from 10 to 20 years for such equipment.

- For the Fiscal Year 2016-2017, the bill appropriates \$330,356 in nonrecurring funds from the General Revenue Fund to the Department of Revenue to administer the sales tax holiday and the changes to the corporate return and estimated payment due dates.

If approved by the Governor, these provisions take effect July 1, 2016.

Vote: Senate 35-4; House 105-9