

By Representative Ziebarth

1 A bill to be entitled
2 An act relating to tax on sales, use, and other
3 transactions; amending s. 212.0598, F.S.;
4 providing intent; providing an exemption for
5 major employers that derive the majority of
6 their revenues from the provision of services,
7 and for affiliates thereof; providing
8 definitions; providing a limitation; providing
9 for expiration; providing an effective date.

10

11 Be It Enacted by the Legislature of the State of Florida:

12

13 Section 1. Section 212.0598, Florida Statutes, is
14 amended to read:

15 212.0598 Special provisions; air carriers; service
16 companies.--It is the legislative intent to further the
17 policies of the State Comprehensive Plan by developing a
18 system of incentives to enhance the livability and character
19 of urban and other areas, promote the use of existing public
20 facilities, and attract new job-producing industries and
21 corporate headquarters. Consistent with these policies, the
22 Legislature hereby establishes state tax abatement for certain
23 businesses that create a large number of new jobs.

24 (1) AIR CARRIERS.--

25 (a) Notwithstanding other provisions of this chapter
26 part to the contrary, any air carrier utilizing mileage
27 apportionment for corporate income tax purposes in this state
28 pursuant to chapter 220 may elect, upon the conditions
29 prescribed in paragraph (d)~~subsection (4)~~, to be subject to
30 the tax imposed by this chapter ~~part~~ on tangible personal

31

1 property according to the provisions of this subsection
2 ~~section~~.

3 **(b)(2)** The basis of the tax shall be the ratio of
4 Florida mileage to total mileage as determined pursuant to
5 chapter 220 and this subsection ~~section~~. The ratio shall be
6 determined at the close of the carrier's preceding fiscal
7 year. The ratio shall be applied each month to the carrier's
8 total systemwide gross purchases of tangible personal property
9 and services otherwise taxable in Florida. Additionally, the
10 ratio shall be applied each month to the carrier's total
11 systemwide payments for the lease or rental of, or license in,
12 real property used by the carrier substantially for aircraft
13 maintenance if that carrier employed, on average, during the
14 previous calendar quarter in excess of 3,000 full-time
15 equivalent maintenance or repair employees at one maintenance
16 base that it leases, rents, or has a license in, in this
17 state. In all other instances, the tax on real property
18 leased, rented, or licensed by the carrier shall be as
19 provided in s. 212.031.

20 **(c)(3)** It is the legislative intent that air carriers
21 are hereby determined to be susceptible to a distinct and
22 separate classification for taxation under the provisions of
23 this chapter part, if the provisions of this subsection
24 ~~section~~ are met.

25 **(d)(4)** The election provided for in this subsection
26 ~~section~~ shall not be allowed unless the purchaser makes a
27 written request, in a manner prescribed by the Department of
28 Revenue, to be taxed under the provisions of paragraph (a)
29 ~~subsection (1)~~, and such person registers with the Department
30 of Revenue as a dealer and extends to his or her vendor at the
31 time of purchase, if required to do so, a certificate stating

1 that the item or items to be partially exempted are for the
2 exclusive use designated herein.

3 ~~(e)(5)~~ Notwithstanding other provisions of this
4 ~~chapter part~~ to the contrary, any air carrier eligible for the
5 election provided in paragraph (a)~~subsection (1)~~ which does
6 not so elect shall be subject to the tax imposed by this
7 ~~chapter part~~ on the purchase or use of tangible personal
8 property purchased or used in this state, as well as other
9 taxes imposed herein.

10 (2) SERVICE COMPANIES.--

11 (a) Any business that derives the majority of its
12 revenues through the provision of services, or an affiliate
13 thereof, shall not be subject to the tax imposed by this
14 chapter on tangible personal property if the business is a
15 major employer. A business is a major employer if, after July
16 1, 1996, it increases its Florida workforce by more than 750
17 full-time equivalent employee positions. A business is an
18 affiliate of a major employer if it has a contractual
19 relationship with the major employer and shares, in whole or
20 in part, management and ownership with the major employer.

21 (b) If, before July 1, 2002, the number of full-time
22 equivalent employee positions created or added to the Florida
23 workforce of the business falls below 750, the exemption
24 granted pursuant to this subsection shall not apply during the
25 period in which the business has fewer than the 750 additional
26 employees.

27 (c) The exemption provided by this subsection shall
28 apply only under the terms and conditions set forth in this
29 subsection and shall not exceed \$2 million per year for any
30 major employer that qualifies for the exemption.

31

1 (d) If any part of this subsection is judicially
2 declared to be unconstitutional or invalid, the validity of
3 any provision taxing tangible personal property shall not be
4 affected, and all tangible personal property exempted pursuant
5 to this subsection shall be subject to tax as if the exemption
6 were never enacted. Every business benefiting from such
7 exemption shall be liable for and make payment of all taxes
8 for which the exemption was granted.

9 (e) This subsection expires on July 1, 2002.

10 Section 2. This act shall take effect July 1, 1997.

11
12 *****

13 HOUSE SUMMARY

14 Provides a sales tax exemption for major employers that
15 derive the majority of their revenues from the provision
16 of services and that increase their Florida workforce by
17 more than 750 employees, and for affiliates thereof.
18 Provides a limitation. Provides for expiration in 5
19 years.