

By Senator Harris

24-1517-98

See HB 3349

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A bill to be entitled
An act relating to tax on sales, use, and other
transactions; amending s. 212.08, F.S.;
providing conditions under which certain
nonprofit organizations are qualified as
charitable institutions for tax exemption
purposes; providing an effective date.

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

Section 1. Paragraph (o) of subsection (7) of section
212.08, Florida Statutes, is amended to read:

212.08 Sales, rental, use, consumption, distribution,
and storage tax; specified exemptions.--The sale at retail,
the rental, the use, the consumption, the distribution, and
the storage to be used or consumed in this state of the
following are hereby specifically exempt from the tax imposed
by this chapter.

(7) MISCELLANEOUS EXEMPTIONS.--

(o) Religious, charitable, scientific, educational,
and veterans' institutions and organizations.--

1. There are exempt from the tax imposed by this
chapter transactions involving:

a. Sales or leases directly to churches or sales or
leases of tangible personal property by churches;

b. Sales or leases to nonprofit religious, nonprofit
charitable, nonprofit scientific, or nonprofit educational
institutions when used in carrying on their customary
nonprofit religious, nonprofit charitable, nonprofit
scientific, or nonprofit educational activities, including
church cemeteries; and

1 c. Sales or leases to the state headquarters of
2 qualified veterans' organizations and the state headquarters
3 of their auxiliaries when used in carrying on their customary
4 veterans' organization activities. If a qualified veterans'
5 organization or its auxiliary does not maintain a permanent
6 state headquarters, then transactions involving sales or
7 leases to such organization and used to maintain the office of
8 the highest ranking state official are exempt from the tax
9 imposed by this chapter.

10 2. The provisions of this section authorizing
11 exemptions from tax shall be strictly defined, limited, and
12 applied in each category as follows:

13 a. "Religious institutions" means churches,
14 synagogues, and established physical places for worship at
15 which nonprofit religious services and activities are
16 regularly conducted and carried on. The term "religious
17 institutions" includes nonprofit corporations the sole purpose
18 of which is to provide free transportation services to church
19 members, their families, and other church attendees. The term
20 "religious institutions" also includes state, district, or
21 other governing or administrative offices the function of
22 which is to assist or regulate the customary activities of
23 religious organizations or members. The term "religious
24 institutions" also includes any nonprofit corporation which is
25 qualified as nonprofit pursuant to s. 501(c)(3), Internal
26 Revenue Code of 1986, as amended, which owns and operates a
27 Florida television station, at least 90 percent of the
28 programming of which station consists of programs of a
29 religious nature, and the financial support for which,
30 exclusive of receipts for broadcasting from other nonprofit
31 organizations, is predominantly from contributions from the

1 general public. The term "religious institutions" also
2 includes any nonprofit corporation which is qualified as
3 nonprofit pursuant to s. 501(c)(3), Internal Revenue Code of
4 1986, as amended, which provides regular religious services to
5 Florida state prisoners and which from its own established
6 physical place of worship, operates a ministry providing
7 worship and services of a charitable nature to the community
8 on a weekly basis.

9 b. "Charitable institutions" means only nonprofit
10 corporations qualified as nonprofit pursuant to s. 501(c)(3),
11 Internal Revenue Code of 1954, as amended, and other nonprofit
12 entities, the sole or primary function of which is to provide,
13 or to raise funds for organizations which provide, one or more
14 of the following services if a reasonable percentage of such
15 service is provided free of charge, or at a substantially
16 reduced cost, to persons, animals, or organizations that are
17 unable to pay for such service:

18 (I) Medical aid for the relief of disease, injury, or
19 disability;

20 (II) Regular provision of physical necessities such as
21 food, clothing, or shelter;

22 (III) Services for the prevention of or rehabilitation
23 of persons from alcoholism or drug abuse; the prevention of
24 suicide; or the alleviation of mental, physical, or sensory
25 health problems;

26 (IV) Social welfare services including adoption
27 placement, child care, community care for the elderly, and
28 other social welfare services which clearly and substantially
29 benefit a client population which is disadvantaged or suffers
30 a hardship;

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1 (V) Medical research for the relief of disease,
2 injury, or disability;

3 (VI) Legal services; or

4 (VII) Food, shelter, or medical care for animals or
5 adoption services, cruelty investigations, or education
6 programs concerning animals;

7
8 and the term includes groups providing volunteer staff to
9 organizations designated as charitable institutions under this
10 sub-subparagraph; nonprofit organizations the sole or primary
11 purpose of which is to coordinate, network, or link other
12 institutions designated as charitable institutions under this
13 sub-subparagraph with those persons, animals, or organizations
14 in need of their services; and nonprofit national, state,
15 district, or other governing, coordinating, or administrative
16 organizations the sole or primary purpose of which is to
17 represent or regulate the customary activities of other
18 institutions designated as charitable institutions under this
19 sub-subparagraph. Notwithstanding any other requirement of
20 this section, any blood bank that relies solely upon volunteer
21 donations of blood and tissue, that is licensed under chapter
22 483, and that qualifies as tax exempt under s. 501(c)(3) of
23 the Internal Revenue Code constitutes a charitable institution
24 and is exempt from the tax imposed by this chapter. Sales to a
25 health system, qualified as nonprofit pursuant to s.
26 501(c)(3), Internal Revenue Code of 1986, as amended, which
27 filed an application for exemption with the department prior
28 to April 5, 1997, and which application is subsequently
29 approved, shall be exempt as to any unpaid taxes on purchases
30 made from January 1, 1994, to June 1, 1997. Any organization
31 that is qualified as nonprofit pursuant to s. 501(c)(3) of the

1 Internal Revenue Code of 1986, as amended, the primary purpose
2 of which is to provide funds to other such nonprofit
3 organizations, is qualified as a charitable institution under
4 this paragraph if at least 75 percent of such funds it
5 provides annually are provided to organizations that are
6 either charitable institutions or educational institutions.

7 c. "Scientific organizations" means scientific
8 organizations which hold current exemptions from federal
9 income tax under s. 501(c)(3) of the Internal Revenue Code and
10 also means organizations the purpose of which is to protect
11 air and water quality or the purpose of which is to protect
12 wildlife and which hold current exemptions from the federal
13 income tax under s. 501(c)(3) of the Internal Revenue Code.

14 d. "Educational institutions" means state
15 tax-supported or parochial, church and nonprofit private
16 schools, colleges, or universities which conduct regular
17 classes and courses of study required for accreditation by, or
18 membership in, the Southern Association of Colleges and
19 Schools, the Department of Education, the Florida Council of
20 Independent Schools, or the Florida Association of Christian
21 Colleges and Schools, Inc., or nonprofit private schools which
22 conduct regular classes and courses of study accepted for
23 continuing education credit by a Board of the Division of
24 Medical Quality Assurance of the Department of Business and
25 Professional Regulation or which conduct regular classes and
26 courses of study accepted for continuing education credit by
27 the American Medical Association. Nonprofit libraries, art
28 galleries, performing arts centers that provide educational
29 programs to school children, which programs involve
30 performances or other educational activities at the performing
31 arts center and serve a minimum of 50,000 school children a

1 year, and museums open to the public are defined as
2 educational institutions and are eligible for exemption. The
3 term "educational institutions" includes private nonprofit
4 organizations the purpose of which is to raise funds for
5 schools teaching grades kindergarten through high school,
6 colleges, and universities. The term "educational
7 institutions" includes any nonprofit newspaper of free or paid
8 circulation primarily on university or college campuses which
9 holds a current exemption from federal income tax under s.
10 501(c)(3) of the Internal Revenue Code, and any educational
11 television or radio network or system established pursuant to
12 s. 229.805 or s. 229.8051 and any nonprofit television or
13 radio station which is a part of such network or system and
14 which holds a current exemption from federal income tax under
15 s. 501(c)(3) of the Internal Revenue Code. The term
16 "educational institutions" also includes state, district, or
17 other governing or administrative offices the function of
18 which is to assist or regulate the customary activities of
19 educational organizations or members. The term "educational
20 institutions" also includes a nonprofit educational cable
21 consortium which holds a current exemption from federal income
22 tax under s. 501(c)(3) of the Internal Revenue Code of 1986,
23 as amended, whose primary purpose is the delivery of
24 educational and instructional cable television programming and
25 whose members are composed exclusively of educational
26 organizations which hold a valid consumer certificate of
27 exemption and which are either an educational institution as
28 defined in this sub-subparagraph, or qualified as a nonprofit
29 organization pursuant to s. 501(c)(3) of the Internal Revenue
30 Code of 1986, as amended.
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1 e. "Veterans' organizations" means nationally
2 chartered or recognized veterans' organizations, including,
3 but not limited to, Florida chapters of the Paralyzed Veterans
4 of America, Catholic War Veterans of the U.S.A., Jewish War
5 Veterans of the U.S.A., and the Disabled American Veterans,
6 Department of Florida, Inc., which hold current exemptions
7 from federal income tax under s. 501(c)(4) or (19) of the
8 Internal Revenue Code.

9 Section 2. This act shall take effect July 1 of the
10 year in which enacted.

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HOUSE SUMMARY

Provides that certain nonprofit organizations that provide funds to other nonprofit organizations are qualified as charitable institutions for sales tax exemption purposes if at least 75 percent of such funds are provided to charitable or educational institutions.