

By Representative Harrington

1                                   A bill to be entitled  
2           An act relating to sales tax exemptions;  
3           amending s. 212.08, F.S.; providing an  
4           exemption from the tax on sales, use, and other  
5           transactions for building materials used in  
6           constructing the facilities of an expanding  
7           major employer; providing for the exemption to  
8           inure to the employer through a refund of  
9           previously paid taxes; specifying requirements  
10          for qualifying for the tax refund; providing  
11          for an amount equal to a specified percent of  
12          the refund to be deducted from the Local  
13          Government Half-cent Sales Tax Clearing Trust  
14          Fund and transferred to the General Revenue  
15          Fund; authorizing the Department of Revenue to  
16          adopt rules to administer the tax refunds;  
17          providing definitions; providing for  
18          application of the refund; requiring that an  
19          employer contract with the Department of Labor  
20          and Employment Security to employ participants  
21          in the WAGES Program as a condition of  
22          receiving the tax refund; requiring that the  
23          employer repay the tax refund upon failure to  
24          employ the required number of WAGES Program  
25          participants; providing an effective date.

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

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29           Section 1. Subsection (17) is added to section 212.08,  
30   Florida Statutes, 1996 Supplement, to read:

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1           212.08 Sales, rental, use, consumption, distribution,  
2 and storage tax; specified exemptions.--The sale at retail,  
3 the rental, the use, the consumption, the distribution, and  
4 the storage to be used or consumed in this state of the  
5 following are hereby specifically exempt from the tax imposed  
6 by this part.

7           (17) EXEMPTION; EXPANDING INFRASTRUCTURE OF MAJOR  
8 EMPLOYERS.--

9           (a)1. Building materials used in constructing the  
10 facilities of an expanding major employer are exempt from the  
11 tax imposed by this chapter upon an affirmative showing by the  
12 employer to the satisfaction of the department that the  
13 building materials were in fact used in constructing the  
14 facility. The exemption provided by this subsection shall  
15 inure to the expanding major employer through a refund of  
16 previously paid taxes.

17           2.a. To qualify for a refund under this subsection,  
18 the expanding major employer must meet the requirements of s.  
19 212.095 and submit a sworn statement, under penalty of  
20 perjury, from the general contractor licensed in this state  
21 with whom the employer contracted to construct the facility,  
22 which lists the building materials used in constructing the  
23 facility, the actual cost of the building materials, and the  
24 amount of sales tax paid in this state on the building  
25 materials. If a general contractor was not used, the employer  
26 shall provide this information in a sworn statement, under  
27 penalty of perjury. The general contractor or employer shall  
28 attach to the sworn statement a copy of each invoice or  
29 request for payment as evidence of the purchase of building  
30 materials used in constructing the facility and the payment of  
31 sales tax on the building materials.

1           b. Unless the actual cost of building materials used  
2 in constructing the facility of an expanding major employer  
3 and the payment of sales taxes due thereon is documented by  
4 the general contractor or the employer in the manner provided  
5 in sub-subparagraph a., the cost of the building materials  
6 shall be an amount equal to 40 percent of the increase in  
7 assessed value for ad valorem tax purposes.

8           c. The department shall deduct an amount equal to 10  
9 percent of each refund granted under this subsection from the  
10 amount transferred into the Local Government Half-cent Sales  
11 Tax Clearing Trust Fund under s. 212.20 for the county in  
12 which the real property is located and shall transfer that  
13 amount to the General Revenue Fund.

14           3. The department may adopt rules for administering  
15 the application for the tax refund under this subsection and  
16 may establish the requisites for an affirmative showing of  
17 qualification for the tax refund.

18           (b) As used in this subsection, the term:

19           1. "Building materials" means tangible personal  
20 property that becomes a component part of improvements to real  
21 property.

22           2. "Expanding major employer" means an employer that:

23           a. Constructs significant additions to its facilities  
24 and increases the total employment of full-time equivalent  
25 employees of the employer, or of any contractor or  
26 subcontractor of the employer, who work within the grounds of  
27 the facilities by a minimum of 2,500 employees over 3 years;  
28 and

29           b. Currently employs at the real estate subject to  
30 development and located within one or more counties in this  
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1 state, either directly or indirectly, a minimum of 4,000  
2 permanent and temporary employees.

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4 The term includes, but is not limited to, all corporations,  
5 limited liability companies, business trusts or associations,  
6 real estate investment trusts, common law trusts,  
7 unincorporated businesses, general partnerships, limited  
8 partnerships, and any other entities of which at least 50  
9 percent are owned directly or indirectly by the same persons.

10 3. "Facility" means all improvements to real property,  
11 including, but not limited to, all buildings, special-purpose  
12 structures, roads, bridges, pavement, sidewalks, lighting,  
13 fencing, pools, lakes, and lagoons.

14 (c) The tax refund provided in this subsection applies  
15 to building materials purchased on or after July 1, 1997. In  
16 addition, the expanding major employer must obtain a refund  
17 permit issued under s. 212.095 for purchases that occur before  
18 July 1, 2005.

19 (d) In addition to all other requirements, to qualify  
20 for the tax refund provided under this subsection, the  
21 expanding major employer must enter into a contract with the  
22 Department of Labor and Employment Security and register with  
23 the WAGES Program Business Registry established by the local  
24 WAGES coalition for the area in which the employer is located.  
25 The contract must require that the employer hire participants  
26 in the WAGES Program, to the maximum extent possible, and  
27 appropriately monitor and train such employees. In each of the  
28 5 years following receipt of the refund, the expanding major  
29 employer must employ the maximum number of WAGES Program  
30 participants which can be employed by the employer, as  
31 determined by the employer's good-faith efforts, work-force

1 availability, and suitability of jobs, and in keeping with the  
2 employer's minimum standards of employment, as provided in the  
3 contract with the Department of Labor and Employment Security.  
4 An expanding major employer may contract to employ fewer WAGES  
5 Program participants if the employer demonstrates to the  
6 satisfaction of the department that due to the nature of its  
7 business, the requirement to hire the number of participants  
8 specified by the department is unrealistic.

9 (e) If the employer fails to increase employment  
10 necessary to qualify for the tax refund within the allotted  
11 time or fails to employ the required number of WAGES Program  
12 participants, the employer must repay all or an appropriate  
13 portion of the refunded sales taxes.

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

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17 SENATE SUMMARY

18 Provides a sales tax exemption for building materials  
19 used in constructing the facilities of an expanding major  
20 employer. Provides for the tax exemption to be in the  
21 form of a refund of previously paid taxes. Provides  
22 requirements for qualifying for the tax refund and  
23 documenting the cost of building materials. Provides for  
24 an amount equal to 10 percent of each refund granted to  
25 be transferred from the Local Government Half-cent Sales  
26 Tax Clearing Trust Fund to the General Revenue Fund.  
27 Authorizes the Department of Revenue to adopt rules for  
28 administering the tax refund. Requires that an employer  
29 contract with the Department of Labor and Employment  
30 Security to employ participants in the WAGES Program in  
31 order to qualify for the tax refund. Requires an employer  
that fails to employ the required number of WAGES Program  
participants to repay all or an appropriate portion of  
the refunded sales taxes.

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