

By the Committee on Finance & Taxation and Representatives Dockery, Rodriguez-Chomat, Putnam, Jones, Ritchie, Morroni, Crady, Stabins, Peaden, Bitner, Ogles, Bainter, Edwards, Melvin, Wise, Futch, Brown, Culp, Arnall, Spratt, Littlefield, (Additional Sponsors on Last Printed Page)

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A bill to be entitled
An act relating to the tax on sales, use, and other transactions; amending s. 212.08, F.S.; defining the term "advertising agency"; exempting certain items sold to, produced by, or sold by advertising agencies and related services from the tax; providing for retroactive applicability in certain circumstances; providing an effective date.

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

Section 1. Paragraph (qq) is added to subsection (7) of section 212.08, Florida Statutes, 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.--

(qq) Advertising agencies.--

1. As used in this paragraph, the term "advertising agency" means any firm that is regularly engaged in the business of providing advertising materials and services to its clients.

2. Exempt from the tax imposed by this chapter are items of tangible personal property such as photographic negatives and positives, videos, films, galleys, mechanicals, veloxes, illustrations, digital audiotapes, analog tapes, printed advertisement copies, compact discs for the purpose of

1 recording, digital equipment, digital photographic discs,
2 floppy discs, analog tape equipment, and artwork and the
3 services used to produce those items if the items are:
4 a. Sold to an advertising agency that is acting as an
5 agent for its clients pursuant to contract, and are created
6 for the performance of advertising services for the clients;
7 b. Produced, fabricated, manufactured, or otherwise
8 created by an advertising agency for its clients, and are used
9 in the performance of advertising services for the clients; or
10 c. Sold by an advertising agency to its clients in the
11 performance of advertising services for the clients, whether
12 or not the charges for these items are marked up or separately
13 stated.

14 3. The items exempted from tax under subparagraph 2.
15 and the creative services used by an advertising agency to
16 design the advertising for promotional goods such as displays,
17 display containers, exhibits, newspaper inserts, brochures,
18 catalogues, direct mail letters or flats, shirts, hats, pens,
19 pencils, key chains, or other printed goods or materials are
20 not subject to tax. However, when such promotional goods are
21 produced or reproduced for distribution, tax applies to the
22 cost price.

23 4. The exemptions provided by this paragraph apply
24 retroactively, except that taxes that have been remitted
25 before July 1, 1998, on transactions that are subject to
26 exemption under this paragraph are not subject to refund.

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

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ADDITIONAL SPONSORS

Kelly, Posey, Andrews, Maygarden, Burroughs, Harrington,
Murman, Sindler, King, Fasano, Tobin, Thrasher, Garcia and
Cosgrove