

By Representative Fasano

1 A bill to be entitled
2 An act relating to tax on sales, use, and other
3 transactions; amending s. 212.08, F.S.;
4 including steam within the exemption for
5 electricity used in certain manufacturing and
6 related operations; providing an effective
7 date.

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

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11 Section 1. Paragraph (ii) of subsection (7) of section
12 212.08, Florida Statutes, is amended to read:

13 212.08 Sales, rental, use, consumption, distribution,
14 and storage tax; specified exemptions.--The sale at retail,
15 the rental, the use, the consumption, the distribution, and
16 the storage to be used or consumed in this state of the
17 following are hereby specifically exempt from the tax imposed
18 by this chapter.

19 (7) MISCELLANEOUS EXEMPTIONS.--

20 (ii) Certain electricity or steam uses.--Charges for
21 electricity or steam used directly and exclusively at a fixed
22 location in this state to operate machinery and equipment that
23 is used to manufacture, process, compound, or produce items of
24 tangible personal property for sale, or to operate pollution
25 control equipment, recycling equipment, maintenance equipment,
26 or monitoring or control equipment used in such operations are
27 exempt from the tax imposed by this chapter as provided in
28 this paragraph ~~subparagraph 2~~. The exemption provided for
29 electricity herein is applicable if the electricity that is
30 used for the exempt purposes is separately metered, or if it
31 is not separately metered, it is irrevocably presumed that 50

1 percent of the charge for electricity is for nonexempt
2 purposes. This exemption only applies to industries
3 classified under SIC Industry Major Group Numbers 10, 12, 13,
4 14, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33,
5 34, 35, 36, 37, 38, and 39. As used in this paragraph, "SIC"
6 means those classifications contained in the Standard
7 Industrial Classification Manual, 1987, as published by the
8 Office of Management and Budget, Executive Office of the
9 President. Possession by a seller of a written certification
10 by the purchaser, certifying the purchaser's entitlement to an
11 exemption permitted by this subsection, relieves the seller
12 from the responsibility of collecting the tax on the
13 nontaxable amounts, and the department shall look solely to
14 the purchaser for recovery of such tax if it determines that
15 the purchaser was not entitled to the exemption. Such
16 exemption shall be applied as follows:

- 17 1. Beginning July 1, 1996, 20 percent of the charges
18 for such electricity shall be exempt.
- 19 2. Beginning July 1, 1997, 40 percent of the charges
20 for such electricity shall be exempt.
- 21 3. Beginning July 1, 1998, 60 percent of the charges
22 for such electricity or steam shall be exempt.
- 23 4. Beginning July 1, 1999, 80 percent of the charges
24 for such electricity or steam shall be exempt.
- 25 5. Beginning July 1, 2000, 100 percent of the charges
26 for such electricity or steam shall be exempt.

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28 Notwithstanding any other provision in this paragraph to the
29 contrary, in order to receive the exemption provided in this
30 paragraph a taxpayer must register with the WAGES Program
31 Business Registry established by the local WAGES coalition for

1 the area in which the taxpayer is located. Such registration
2 establishes a commitment on the part of the taxpayer to hire
3 WAGES program participants to the maximum extent possible
4 consistent with the nature of their business. In order to
5 determine whether the exemption provided in this paragraph
6 from the tax on charges for electricity or steam has an effect
7 on retaining or attracting companies to this state, the Office
8 of Program Policy Analysis and Governmental Accountability
9 shall periodically monitor and report on the industries
10 receiving the exemption. The first report shall be submitted
11 no later than January 1, 1997, and must be conducted in such a
12 manner as to specifically determine the number of companies
13 within each SIC Industry Major Group receiving the exemption
14 as of September 1, 1996, and the number of individuals
15 employed by companies within each SIC Industry Major Group
16 receiving the exemption as of September 1, 1996. The second
17 report shall be submitted no later than January 1, 2001, and
18 must be comprehensive in scope, but, at a minimum, must be
19 conducted in such a manner as to specifically determine the
20 number of companies within each SIC Industry Major Group
21 receiving the exemption as of September 1, 2000, the number of
22 individuals employed by companies within each SIC Industry
23 Major Group receiving the exemption as of September 1, 2000,
24 whether the change, if any, in such number of companies or
25 employees is attributable to the exemption provided in this
26 paragraph, whether it would be sound public policy to continue
27 or discontinue the exemption, and the consequences of doing
28 so. Both reports shall be submitted to the President of the
29 Senate, the Speaker of the House of Representatives, the
30 Senate Minority Leader, and the House Minority Leader.
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