

By the Committee on Business Development & International Trade and Representatives Fasano, Burroughs, Murman and Brown

1 A bill to be entitled
2 An act relating to the tax on sales, use, and
3 other transactions; amending s. 212.08, F.S.;
4 revising the activities that constitute a
5 manufacturing function for purposes of the
6 sales tax exemption on certain uses of
7 electricity; exempting the sale of steam energy
8 used in manufacturing; providing a threshold
9 for electricity use; deleting a requirement
10 that the electricity be separately metered;
11 revising the applicability of the exemption;
12 providing an effective date.

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

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16 Section 1. Paragraph (ii) of subsection (7) of section
17 212.08, Florida Statutes, is amended to read:

18 212.08 Sales, rental, use, consumption, distribution,
19 and storage tax; specified exemptions.--The sale at retail,
20 the rental, the use, the consumption, the distribution, and
21 the storage to be used or consumed in this state of the
22 following are hereby specifically exempt from the tax imposed
23 by this chapter.

24 (7) MISCELLANEOUS EXEMPTIONS.--

25 (ii) Certain electricity or steam uses.--

26 1. Charges for electricity or steam used to operate
27 machinery and equipment ~~directly and exclusively~~ at a fixed
28 location in this state when such ~~to operate~~ machinery and
29 equipment ~~that~~ is used to manufacture, process, compound, ~~or~~
30 produce, or prepare for shipment items of tangible personal
31 property for sale, or to operate pollution control equipment,

1 recycling equipment, maintenance equipment, or monitoring or
2 control equipment used in such operations are exempt to the
3 extent provided in this paragraph ~~from the tax imposed by this~~
4 ~~chapter as provided in subparagraph 2.~~ In order to qualify for
5 this exemption, 75 percent or more of the electricity used at
6 the fixed location must be used to operate qualifying
7 machinery or equipment ~~The exemption provided for herein is~~
8 ~~applicable if the electricity that is used for the exempt~~
9 ~~purposes is separately metered, or if it is not separately~~
10 ~~metered, it is irrevocably presumed that 50 percent of the~~
11 ~~charge for electricity is for nonexempt purposes.~~

12 2. This exemption only applies only to industries
13 classified under SIC Industry Major Group Numbers 10, 12, 13,
14 14, 20, ~~21~~, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33,
15 34, 35, 36, 37, 38, and 39. As used in this paragraph, "SIC"
16 means those classifications contained in the Standard
17 Industrial Classification Manual, 1987, as published by the
18 Office of Management and Budget, Executive Office of the
19 President.

20 3. Possession by a seller of a written certification
21 by the purchaser, certifying the purchaser's entitlement to an
22 exemption permitted by this subsection, relieves the seller
23 from the responsibility of collecting the tax on the
24 nontaxable amounts, and the department shall look solely to
25 the purchaser for recovery of such tax if it determines that
26 the purchaser was not entitled to the exemption.

27 4. Such exemption shall be applied as follows:

28 ~~a.1.~~ Beginning July 1, 1996, 20 percent of the
29 charges for such electricity shall be exempt.

30 ~~b.2.~~ Beginning July 1, 1997, 40 percent of the
31 charges for such electricity shall be exempt.

1 ~~c.3.~~ Beginning July 1, 1998, 60 percent of the
2 charges for such electricity or steam shall be exempt.
3 ~~d.4.~~ Beginning July 1, 1999, 80 percent of the
4 charges for such electricity or steam shall be exempt.
5 ~~e.5.~~ Beginning July 1, 2000, 100 percent of the
6 charges for such electricity or steam shall be exempt.
7 5. Notwithstanding any other provision in this
8 paragraph to the contrary, in order to receive the exemption
9 provided in this paragraph a taxpayer must first register with
10 the WAGES Program Business Registry established by the local
11 WAGES coalition for the area in which the taxpayer is located.
12 Such registration establishes a commitment on the part of the
13 taxpayer to hire WAGES program participants to the maximum
14 extent possible consistent with the nature of their business.
15 6.a. In order to determine whether the exemption
16 provided in this paragraph from the tax on charges for
17 electricity or steam has an effect on retaining or attracting
18 companies to this state, the Office of Program Policy Analysis
19 and Governmental Accountability shall periodically monitor and
20 report on the industries receiving the exemption.
21 b. The first report shall be submitted no later than
22 January 1, 1997, and must be conducted in such a manner as to
23 specifically determine the number of companies within each SIC
24 Industry Major Group receiving the exemption as of September
25 1, 1996, and the number of individuals employed by companies
26 within each SIC Industry Major Group receiving the exemption
27 as of September 1, 1996.
28 c. The second report shall be submitted no later than
29 January 1, 2001, and must be comprehensive in scope, but, at a
30 minimum, must be conducted in such a manner as to specifically
31 determine the number of companies within each SIC Industry

1 Major Group receiving the exemption as of September 1, 2000,
2 the number of individuals employed by companies within each
3 SIC Industry Major Group receiving the exemption as of
4 September 1, 2000, whether the change, if any, in such number
5 of companies or employees is attributable to the exemption
6 provided in this paragraph, whether it would be sound public
7 policy to continue or discontinue the exemption, and the
8 consequences of doing so.

9 d. Both reports shall be submitted to the President of
10 the Senate, the Speaker of the House of Representatives, the
11 Senate Minority Leader, and the House Minority Leader.

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

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