

By Senator Lee

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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.;
providing an exemption for the sale of certain
goods by nonprofit organizations through thrift
shops for charitable 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 of donated goods sold by organizations that
2 are qualified as nonprofit under s. 501(c)(3), Internal
3 Revenue Code of 1986, as amended, in thrift shops that raise
4 funds for charitable activities; and

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

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

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

1 programming of which station consists of programs of a
2 religious nature, and the financial support for which,
3 exclusive of receipts for broadcasting from other nonprofit
4 organizations, is predominantly from contributions from the
5 general public. The term "religious institutions" also
6 includes any nonprofit corporation which is qualified as
7 nonprofit pursuant to s. 501(c)(3), Internal Revenue Code of
8 1986, as amended, which provides regular religious services to
9 Florida state prisoners and which from its own established
10 physical place of worship, operates a ministry providing
11 worship and services of a charitable nature to the community
12 on a weekly basis.

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

22 (I) Medical aid for the relief of disease, injury, or
23 disability;

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

26 (III) Services for the prevention of or rehabilitation
27 of persons from alcoholism or drug abuse; the prevention of
28 suicide; or the alleviation of mental, physical, or sensory
29 health problems;

30 (IV) Social welfare services including adoption
31 placement, child care, community care for the elderly, and

1 other social welfare services which clearly and substantially
2 benefit a client population which is disadvantaged or suffers
3 a hardship;

4 (V) Medical research for the relief of disease,
5 injury, or disability;

6 (VI) Legal services; or

7 (VII) Food, shelter, or medical care for animals or
8 adoption services, cruelty investigations, or education
9 programs concerning animals;

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

1 approved, shall be exempt as to any unpaid taxes on purchases
2 made from January 1, 1994, to June 1, 1997.

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

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

1 schools teaching grades kindergarten through high school,
2 colleges, and universities. The term "educational
3 institutions" includes any nonprofit newspaper of free or paid
4 circulation primarily on university or college campuses which
5 holds a current exemption from federal income tax under s.
6 501(c)(3) of the Internal Revenue Code, and any educational
7 television or radio network or system established pursuant to
8 s. 229.805 or s. 229.8051 and any nonprofit television or
9 radio station which is a part of such network or system and
10 which holds a current exemption from federal income tax under
11 s. 501(c)(3) of the Internal Revenue Code. The term
12 "educational institutions" also includes state, district, or
13 other governing or administrative offices the function of
14 which is to assist or regulate the customary activities of
15 educational organizations or members. The term "educational
16 institutions" also includes a nonprofit educational cable
17 consortium which holds a current exemption from federal income
18 tax under s. 501(c)(3) of the Internal Revenue Code of 1986,
19 as amended, whose primary purpose is the delivery of
20 educational and instructional cable television programming and
21 whose members are composed exclusively of educational
22 organizations which hold a valid consumer certificate of
23 exemption and which are either an educational institution as
24 defined in this sub-subparagraph, or qualified as a nonprofit
25 organization pursuant to s. 501(c)(3) of the Internal Revenue
26 Code of 1986, as amended.

27 e. "Veterans' organizations" means nationally
28 chartered or recognized veterans' organizations, including,
29 but not limited to, Florida chapters of the Paralyzed Veterans
30 of America, Catholic War Veterans of the U.S.A., Jewish War
31 Veterans of the U.S.A., and the Disabled American Veterans,

1 Department of Florida, Inc., which hold current exemptions
2 from federal income tax under s. 501(c)(4) or (19) of the
3 Internal Revenue Code.

4 Section 2. This act shall take effect July 1, 1998.

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7 SENATE SUMMARY

8 Provides an exemption from the tax on sales, use, and
9 other transactions for sales of donated goods by
10 nonprofit organizations in thrift shops that raise funds
11 for charitable activities.

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