

By Senator Harris

24-454A-98

See HB

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

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

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

Section 1. Paragraph (ii) 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.--

(ii) Certain electricity or steam uses.--Charges for electricity or steam used directly and exclusively at a fixed location in this state to operate machinery and equipment that is used to manufacture, process, compound, or produce items of tangible personal property for sale, or to operate pollution control equipment, recycling equipment, maintenance equipment, or monitoring or control equipment used in such operations are exempt from the tax imposed by this chapter as provided in this paragraph ~~subparagraph 2~~. The exemption provided for electricity herein is applicable if the electricity that is used for the exempt purposes is separately metered, or if it 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.

27  
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.  
31

