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An act relating to tax on sales, use, and other transactions; amending s. 212.08, F.S.; providing an exemption from the taxes imposed by chapter 212 for joining fees paid for memberships and ownership interests in and assessments for capital expenditures levied by not-for-profit membership clubs; providing an effective date.

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

Section 1. Paragraph (zz) is added to subsection (7) of section 212.08, Florida Statutes, 1998 Supplement, 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.--

(zz) Joining fees paid for memberships and ownership interests in and assessments for capital expenditures levied by private not-for-profit clubs.--Exempt from the taxes imposed by this chapter are:

1. Monies paid on a one-time-only basis for the privilege of joining and acquiring ownership interest in private not-for-profit clubs, regardless of whether such monies are refundable or not and regardless of the purposes for which such monies are used.

1 2. Assessments for capital expenditures levied by
2 private, not-for-profit clubs in which members have an
3 ownership interest, whether such assessments are recurring or
4 non-recurring provided, however, that such assessments do not
5 result in a reduction of dues or fees. For purposes of this
6 paragraph, "capital expenditures" means the acquisition of
7 capital assets and payments for capital improvements,
8 including repairs or maintenance to existing capital assets,
9 that maintain or add to the value of or prolong the useful
10 life of the capital asset, according to generally accepted
11 accounting principles.

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13 Exemptions provided to any entity by this subsection shall not
14 inure to any transaction otherwise taxable under this chapter
15 when payment is made by a representative or employee of such
16 entity by any means, including, but not limited to, cash,
17 check, or credit card even when that representative or
18 employee is subsequently reimbursed by such entity. This
19 exemption shall not apply to private equity membership clubs
20 that limit their membership based on race, gender, religion or
21 sexual orientation.

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Section 2. This act shall take effect July 1, 1999.

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