

Bill No. CS for SB 1564

Amendment No.

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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11	Senator Kirkpatrick moved the following amendment:		
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13	Senate Amendment (with title amendment)		
14	On page 5, line 13, through page 7, line 25, delete		
15	those lines		
16			
17	and insert:		
18	Section 2. Paragraph (f) of subsection (5) of section		
19	212.08, Florida Statutes, 1998 Supplement, is amended to read:		
20	212.08 Sales, rental, use, consumption, distribution,		
21	and storage tax; specified exemptions.--The sale at retail,		
22	the rental, the use, the consumption, the distribution, and		
23	the storage to be used or consumed in this state of the		
24	following are hereby specifically exempt from the tax imposed		
25	by this chapter.		
26	(5) EXEMPTIONS; ACCOUNT OF USE.--		
27	(f) Motion picture or video equipment used in motion		
28	picture or television production activities and sound		
29	recording equipment used in the production of master tapes and		
30	master records; <u>certain machinery or equipment purchased or</u>		
31	<u>leased to produce, originate, or broadcast digital television</u>		

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1 signals; and property purchased or leased to operate certain
2 television broadcasting stations.--

3 1. Motion picture or video equipment and sound
4 recording equipment purchased or leased for use in this state
5 in production activities is exempt from the tax imposed by
6 this chapter upon an affirmative showing by the purchaser or
7 lessee to the satisfaction of the department that the
8 equipment will be used for production activities.

9 2. There is exempt from the tax imposed by this
10 chapter all machinery or equipment purchased or leased in this
11 state for use by a television studio, television network,
12 television production company, or federally licensed
13 television station in the production, origination, or
14 broadcast of digital television signals.

15 3. There is exempt from the tax imposed by this
16 chapter all personal or real property purchased or leased for
17 use in the operation of any television broadcasting station
18 that meets all of the following requirements:

19 a. It has been acquired following the conclusion of
20 bankruptcy proceedings by a previously unrelated owner. The
21 station general manager of the acquiring station must submit
22 an affidavit to the department stating that the acquiring
23 station had no ownership interest, or other business
24 relationship, with the previous owner that went through
25 bankruptcy proceedings.

26 b. It submits an affidavit to the department from its
27 general manager stating that the television broadcasting
28 station or stations under common ownership have established
29 and maintained more than 75 full-time jobs since acquisition.

30 c. The acquiring owner has invested more than \$5
31 million in capital improvements since the acquisition of the

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1 television broadcasting station or stations.

2 d. It is located within the boundaries of a
3 metropolitan statistical area as defined in s. 334.03(17) and
4 shares common ownership or management with another television
5 broadcasting station that has been acquired following
6 bankruptcy that is located in a different metropolitan
7 statistical area.

8 e. In the calendar year following receipt of a tax
9 refund pursuant to this section, it broadcasts at no cost to
10 the state youth-oriented anti-tobacco public service
11 announcements and programming of a value equal to or greater
12 than the tax refund received by the television broadcasting
13 station in the previous year. If a television broadcasting
14 station that has received a refund fails to broadcast
15 sufficient public service announcements and programming, the
16 taxpayer must return the refund to the state together with
17 interest and penalties; however, if the refund is returned
18 within 30 days after the expiration of such 1-year period,
19 interest and penalties do not apply.

20 4. The exemptions ~~exemption~~ provided by this paragraph
21 shall inure to the taxpayer only through a refund of
22 previously paid taxes. With respect to the refund authorized
23 under subparagraph 3., the maximum refund allowed in any year
24 shall not exceed \$350,000 for any television broadcasting
25 station or group of television broadcasting stations that
26 share common ownership or management, and no taxpayer may
27 receive a refund for more than 5 years.Notwithstanding the
28 provisions of s. 212.095, such refund shall be made within 30
29 days of formal application, which application may be made
30 after the completion of production activities or on a
31 quarterly basis with respect to the refund authorized under

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1 subparagraph 1., and on a quarterly basis with respect to the
2 refund authorized under subparagraphs 2. and 3.

3 Notwithstanding the provisions of chapter 213, the department
4 shall provide the Office of Tourism, Trade, and Economic
5 Development ~~Department of Commerce~~ with a copy of each refund
6 application and the amount of such refund, if any.

7 5.2. For the purpose of the exemption provided in
8 subparagraph 1.:

9 a. "Motion picture or video equipment" and "sound
10 recording equipment" includes only equipment meeting the
11 definition of "section 38 property" as defined in s.
12 48(a)(1)(A) and (B)(i) of the Internal Revenue Code that is
13 used by the lessee or purchaser exclusively as an integral
14 part of production activities; however, motion picture or
15 video equipment and sound recording equipment does not include
16 supplies, tape, records, film, or video tape used in
17 productions or other similar items; vehicles or vessels; or
18 general office equipment not specifically suited to production
19 activities. In addition, the term does not include equipment
20 purchased or leased by television or radio broadcasting or
21 cable companies licensed by the Federal Communications
22 Commission.

23 b. "Production activities" means activities directed
24 toward the preparation of a:

25 (I) Master tape or master record embodying sound; or

26 (II) Motion picture or television production which is

27 produced for theatrical, commercial, advertising, or
28 educational purposes and utilizes live or animated actions or
29 a combination of live and animated actions. The motion picture
30 or television production shall be commercially produced for
31 sale or for showing on screens or broadcasting on television

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1 and may be on film or video tape.

2 6. For the purpose of the exemption provided in
3 subparagraph 2., the term "machinery or equipment" means
4 machinery or equipment as described in 47 C.F.R., part 73, or
5 "section 38 property" as defined in s. 48(a)(1)(A) and (B)(i)
6 of the Internal Revenue Code, purchased or leased in this
7 state for use by a television studio, television network,
8 television production company, or federally licensed
9 television station in the production, origination, or
10 broadcast of digital television signals.

11 Section 3. This act shall take effect July 1, 1999.

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14 ===== T I T L E A M E N D M E N T =====

15 And the title is amended as follows:

16 On page 1, lines 11-15, delete those lines

17

18 and insert:

19 certain machinery or equipment purchased or
20 leased for use in the production, origination,
21 or broadcast of digital television signals;
22 defining the term "machinery or equipment" for
23 purposes of such exemption; providing an
24 exemption from the tax on sales, use, and other
25 transactions for personal or real property
26 purchased or leased for use in the operation of
27 a television broadcasting station that meets
28 specified criteria; requiring return of tax
29 refunds plus interest and penalties if certain
30 criteria are not met; providing limitations;

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