

By the Committee on Fiscal Resource and Senator Campbell

314-2147-99

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 providing an exemption for consumer credit
5 counseling services; providing an exemption for
6 any sale or lease to an organization that is
7 exempt from federal income tax and that has as
8 its primary function raising funds for
9 organizations that hold or qualify to hold a
10 consumer's certificate of exemption issued by
11 this state; providing for retroactive
12 application; providing an effective date.

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

16 Section 1. Paragraph (o) of subsection (7) of section
17 212.08, Florida Statutes, 1998 Supplement, is amended, and
18 paragraph (zz) is added to that section to read:

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

25 (7) MISCELLANEOUS EXEMPTIONS.--

26 (o) Religious, charitable, scientific, educational,
27 and veterans' institutions and organizations.--

28 1. There are exempt from the tax imposed by this
29 chapter transactions involving:

30 a. Sales or leases directly to churches or sales or
31 leases of tangible personal property by churches;

1 b. Sales or leases to nonprofit religious, nonprofit
2 charitable, nonprofit scientific, or nonprofit educational
3 institutions when used in carrying on their customary
4 nonprofit religious, nonprofit charitable, nonprofit
5 scientific, or nonprofit educational activities, including
6 church cemeteries; and

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

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

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

1 Revenue Code of 1986, as amended, which owns and operates a
2 Florida television station, at least 90 percent of the
3 programming of which station consists of programs of a
4 religious nature, and the financial support for which,
5 exclusive of receipts for broadcasting from other nonprofit
6 organizations, is predominantly from contributions from the
7 general public. The term "religious institutions" also
8 includes any nonprofit corporation which is qualified as
9 nonprofit pursuant to s. 501(c)(3), Internal Revenue Code of
10 1986, as amended, which provides regular religious services to
11 Florida state prisoners and which from its own established
12 physical place of worship, operates a ministry providing
13 worship and services of a charitable nature to the community
14 on a weekly basis. The term "religious institutions" also
15 includes any nonprofit corporation which is qualified as
16 nonprofit pursuant to s. 501(c)(3), Internal Revenue Code of
17 1986, as amended, the primary activity of which is making and
18 distributing audio recordings of religious scriptures and
19 teachings to blind or visually impaired persons at no charge.
20 The term "religious institutions" also includes any nonprofit
21 corporation that is qualified as nonprofit pursuant to s.
22 501(c)(3), Internal Revenue Code of 1986, as amended, the sole
23 or primary function of which is to provide, upon invitation,
24 nonprofit religious services, evangelistic services, religious
25 education, administration assistance, or missionary assistance
26 for a church, synagogue, or established physical place of
27 worship at which nonprofit religious services and activities
28 are regularly conducted.

29 b. "Charitable institutions" means only nonprofit
30 corporations qualified as nonprofit pursuant to s. 501(c)(3),
31 Internal Revenue Code of 1954, as amended, and other nonprofit

1 entities, the sole or primary function of which is to provide,
2 or to raise funds for organizations which provide, one or more
3 of the following services if a reasonable percentage of such
4 service is provided free of charge, or at a substantially
5 reduced cost, to persons, animals, or organizations that are
6 unable to pay for such service:

7 (I) Medical aid for the relief of disease, injury, or
8 disability;

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

11 (III) Services for the prevention of or rehabilitation
12 of persons from alcoholism or drug abuse; the prevention of
13 suicide; or the alleviation of mental, physical, or sensory
14 health problems;

15 (IV) Social welfare services including adoption
16 placement, child care, community care for the elderly,
17 consumer credit counseling, and other social welfare services
18 which clearly and substantially benefit a client population
19 which is disadvantaged or suffers a hardship;

20 (V) Medical research for the relief of disease,
21 injury, or disability;

22 (VI) Legal services; or

23 (VII) Food, shelter, or medical care for animals or
24 adoption services, cruelty investigations, or education
25 programs concerning animals;

26
27 and the term includes groups providing volunteer staff to
28 organizations designated as charitable institutions under this
29 sub-subparagraph; nonprofit organizations the sole or primary
30 purpose of which is to coordinate, network, or link other
31 institutions designated as charitable institutions under this

1 sub-subparagraph with those persons, animals, or organizations
2 in need of their services; and nonprofit national, state,
3 district, or other governing, coordinating, or administrative
4 organizations the sole or primary purpose of which is to
5 represent or regulate the customary activities of other
6 institutions designated as charitable institutions under this
7 sub-subparagraph. Notwithstanding any other requirement of
8 this section, any blood bank that relies solely upon volunteer
9 donations of blood and tissue, that is licensed under chapter
10 483, and that qualifies as tax exempt under s. 501(c)(3) of
11 the Internal Revenue Code constitutes a charitable institution
12 and is exempt from the tax imposed by this chapter. Sales to a
13 health system foundation, qualified as nonprofit pursuant to
14 s. 501(c)(3), Internal Revenue Code of 1986, as amended, which
15 filed an application for exemption with the department prior
16 to November 15, 1997, and which application is subsequently
17 approved, shall be exempt as to any unpaid taxes on purchases
18 made from November 14, 1990, to December 31, 1997.

19 c. "Scientific organizations" means scientific
20 organizations which hold current exemptions from federal
21 income tax under s. 501(c)(3) of the Internal Revenue Code and
22 also means organizations the purpose of which is to protect
23 air and water quality or the purpose of which is to protect
24 wildlife and which hold current exemptions from the federal
25 income tax under s. 501(c)(3) of the Internal Revenue Code.

26 d. "Educational institutions" means state
27 tax-supported or parochial, church and nonprofit private
28 schools, colleges, or universities which conduct regular
29 classes and courses of study required for accreditation by, or
30 membership in, the Southern Association of Colleges and
31 Schools, the Department of Education, the Florida Council of

1 Independent Schools, or the Florida Association of Christian
2 Colleges and Schools, Inc., or nonprofit private schools which
3 conduct regular classes and courses of study accepted for
4 continuing education credit by a board of the Division of
5 Medical Quality Assurance of the Department of Health or which
6 conduct regular classes and courses of study accepted for
7 continuing education credit by the American Medical
8 Association. Nonprofit libraries, art galleries, performing
9 arts centers that provide educational programs to school
10 children, which programs involve performances or other
11 educational activities at the performing arts center and serve
12 a minimum of 50,000 school children a year, and museums open
13 to the public are defined as educational institutions and are
14 eligible for exemption. The term "educational institutions"
15 includes private nonprofit organizations the purpose of which
16 is to raise funds for schools teaching grades kindergarten
17 through high school, colleges, and universities. The term
18 "educational institutions" includes any nonprofit newspaper of
19 free or paid circulation primarily on university or college
20 campuses which holds a current exemption from federal income
21 tax under s. 501(c)(3) of the Internal Revenue Code, and any
22 educational television or radio network or system established
23 pursuant to s. 229.805 or s. 229.8051 and any nonprofit
24 television or radio station which is a part of such network or
25 system and which holds a current exemption from federal income
26 tax under s. 501(c)(3) of the Internal Revenue Code. The term
27 "educational institutions" also includes state, district, or
28 other governing or administrative offices the function of
29 which is to assist or regulate the customary activities of
30 educational organizations or members. The term "educational
31 institutions" also includes a nonprofit educational cable

1 consortium which holds a current exemption from federal income
2 tax under s. 501(c)(3) of the Internal Revenue Code of 1986,
3 as amended, whose primary purpose is the delivery of
4 educational and instructional cable television programming and
5 whose members are composed exclusively of educational
6 organizations which hold a valid consumer certificate of
7 exemption and which are either an educational institution as
8 defined in this sub-subparagraph, or qualified as a nonprofit
9 organization pursuant to s. 501(c)(3) of the Internal Revenue
10 Code of 1986, as amended.

11 e. "Veterans' organizations" means nationally
12 chartered or recognized veterans' organizations, including,
13 but not limited to, Florida chapters of the Paralyzed Veterans
14 of America, Catholic War Veterans of the U.S.A., Jewish War
15 Veterans of the U.S.A., and the Disabled American Veterans,
16 Department of Florida, Inc., which hold current exemptions
17 from federal income tax under s. 501(c)(3),(4),or (19) of the
18 Internal Revenue Code.

19 (zz) Nonprofit fundraisers.--Also exempt from the tax
20 imposed by this chapter is any sale or lease to an
21 organization that holds an exemption from federal income tax
22 under s. 501(c)(3) of the Internal Revenue Code of 1986, as
23 amended, if the sole or primary function of the organization
24 is to raise funds for any other organization that currently
25 holds a consumer's certificate of exemption issued in this
26 state or that would qualify for such a consumer's certificate
27 of exemption if it applied for one. If an organization applied
28 for a consumer's certificate of exemption on or after January
29 1, 1995, and the organization qualifies for this exemption,
30 the exemption provided by this paragraph shall be retroactive
31 to the date of the application. It is the responsibility of

1 the organization eligible for the foregoing retroactive relief
2 to contact the Department of Revenue and initiate a request
3 for any consumer's certificate of exemption, effective for the
4 appropriate period, that may be necessary for such
5 organization to obtain the indicated retroactive relief.

6
7 Exemptions provided to any entity by this subsection shall not
8 inure to any transaction otherwise taxable under this chapter
9 when payment is made by a representative or employee of such
10 entity by any means, including, but not limited to, cash,
11 check, or credit card even when that representative or
12 employee is subsequently reimbursed by such entity.

13 Section 2. This act shall take effect upon becoming a
14 law.

15
16 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
17 COMMITTEE SUBSTITUTE FOR
18 SB 1818

19 Provides a sales tax exemption to certain organizations
20 offering consumer credit counseling.

21 Clarifies that "veterans' organizations" which hold current
22 exemption from federal income tax under s. 501(c)(3) are
23 qualified for exemption from the state sales tax.

24 Places the responsibility on the organization eligible for the
25 retroactive exemption for initiating a request of the
26 Department of Revenue to determine their eligibility for such
27 retroactive exemption.