

1                   A bill to be entitled  
2           An act relating to tax on sales, use, and other  
3           transactions; amending s. 212.05, F.S.;  
4           reducing the rate of the tax on charges for  
5           telecommunication service from 7 percent to 6.5  
6           percent; providing for application of such tax;  
7           providing legislative intent to further reduce  
8           the rate in a subsequent year; amending s.  
9           212.12, F.S., to conform; specifying the  
10          application date of such reduced rate for  
11          charges billed on a monthly cycle; providing an  
12          effective date.

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

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16           Section 1. Paragraph (e) of subsection (1) of section  
17   212.05, Florida Statutes, 1998 Supplement, is amended to read:

18           212.05 Sales, storage, use tax.--It is hereby declared  
19   to be the legislative intent that every person is exercising a  
20   taxable privilege who engages in the business of selling  
21   tangible personal property at retail in this state, including  
22   the business of making mail order sales, or who rents or  
23   furnishes any of the things or services taxable under this  
24   chapter, or who stores for use or consumption in this state  
25   any item or article of tangible personal property as defined  
26   herein and who leases or rents such property within the state.

27           (1) For the exercise of such privilege, a tax is  
28   levied on each taxable transaction or incident, which tax is  
29   due and payable as follows:

30           (e)1. Effective January 1, 2000,at the rate of 6.5 ~~6~~  
31   percent on the total charge ~~charges~~ for+

1           ~~a. All telegraph messages and long-distance telephone~~  
2 ~~calls beginning and terminating in this state,~~  
3 telecommunication service as defined in s. 203.012, and those  
4 services described in s. 203.012(2)(a). The tax shall be  
5 applied to the total charge for each message, call, or other  
6 segment or component of telecommunication service for which a  
7 customer is charged. It is the intent of the Legislature that,  
8 pursuant to future legislative action, the rate at which  
9 telecommunication service as defined in s. 203.012 and those  
10 services described in s. 203.012(2)(a) are taxed be reduced to  
11 6 percent on January 1, 2001, except that the tax rate for  
12 charges for telecommunication service is 7 percent.

13           2. At the rate of 7 percent on the total charge for  
14 electrical power or energy.

15           3. At the rate of 6 percent on charges for:

16           a.b. Any television system program service.

17           b.c. The installation of telecommunication and  
18 telegraphic equipment.

19           ~~d. Electrical power or energy, except that the tax~~  
20 ~~rate for charges for electrical power or energy is 7 percent.~~

21           ~~4.2.~~ For purposes of this chapter, "television system  
22 program service" means the transmitting, by any means, of any  
23 audio or video signal to a subscriber for other than  
24 retransmission, or the installing, connecting, reconnecting,  
25 disconnecting, moving, or changing of any equipment related to  
26 such service. For purposes of this chapter, the term  
27 "telecommunication service" does not include local service  
28 provided through a pay telephone. The provisions of s.  
29 212.17(3), regarding credit for tax paid on charges  
30 subsequently found to be worthless, shall be equally  
31 applicable to any tax paid under the provisions of this

1 section on charges for telecommunication or telegraph services  
2 or electric power subsequently found to be uncollectible. The  
3 word "charges" in this paragraph does not include any excise  
4 or similar tax levied by the Federal Government, any political  
5 subdivision of the state, or any municipality upon the  
6 purchase or sale of telecommunication, television system  
7 program, or telegraph service or electric power, which tax is  
8 collected by the seller from the purchaser.

9 5.3 Telegraph messages and telecommunication services  
10 which originate or terminate in this state, other than  
11 interstate private communication services, and are billed to a  
12 customer, telephone number, or device located within this  
13 state are taxable under this paragraph. Interstate private  
14 communication services are taxable under this paragraph as  
15 follows:

16 a. One hundred percent of the charge imposed at each  
17 channel termination point within this state;

18 b. One hundred percent of the charge imposed for the  
19 total channel mileage between each channel termination point  
20 within this state; and

21 c. The portion of the interstate interoffice channel  
22 mileage charge as determined by multiplying said charge times  
23 a fraction, the numerator of which is the air miles between  
24 the last channel termination point in this state and the  
25 vertical and horizontal coordinates, 7856 and 1756,  
26 respectively, and the denominator of which is the air miles  
27 between the last channel termination point in this state and  
28 the first channel termination point outside this state. The  
29 denominator of this fraction shall be adjusted, if necessary,  
30 by adding the numerator of said fraction to similarly  
31 determined air miles in the state in which the other channel

1 termination point is located, so that the summation of the  
 2 apportionment factor for this state and the apportionment  
 3 factor for the other state is not greater than one, to ensure  
 4 that no more than 100 percent of the interstate interoffice  
 5 channel mileage charge can be taxed by this state and another  
 6 state.

7 ~~6.4.~~ The tax imposed pursuant to this paragraph shall  
 8 not exceed \$50,000 per calendar year on charges to any person  
 9 for interstate telecommunications services defined in s.  
 10 203.012(4) and (7)(b), if the majority of such services used  
 11 by such person are for communications originating outside of  
 12 this state and terminating in this state. This exemption  
 13 shall only be granted to holders of a direct pay permit issued  
 14 pursuant to this subparagraph. No refunds shall be given for  
 15 taxes paid prior to receiving a direct pay permit. Upon  
 16 application, the department may issue a direct pay permit to  
 17 the purchaser of telecommunications services authorizing such  
 18 purchaser to pay tax on such services directly to the  
 19 department. Any vendor furnishing telecommunications services  
 20 to the holder of a valid direct pay permit shall be relieved  
 21 of the obligation to collect and remit the tax on such  
 22 service. Tax payments and returns pursuant to a direct pay  
 23 permit shall be monthly. For purposes of this subparagraph,  
 24 the term "person" shall be limited to a single legal entity  
 25 and shall not be construed as meaning a group or combination  
 26 of affiliated entities or entities controlled by one person or  
 27 group of persons.

28 ~~7.5.~~ If the sale of a television system program  
 29 service, as defined in this paragraph, also involves the sale  
 30 of an item exempt under s. 212.08(7)(j), the tax shall be  
 31 applied to the value of the taxable service when it is sold

1 separately. If the company does not offer this service  
2 separately, the consideration paid shall be separately  
3 identified and stated with respect to the taxable and exempt  
4 portions of the transaction as a condition of the exemption,  
5 except that the amount identified as taxable shall not be less  
6 than the cost of the service.

7 Section 2. Subsection (11) of section 212.12, Florida  
8 Statutes, 1998 Supplement, is amended to read:

9 212.12 Dealer's credit for collecting tax; penalties  
10 for noncompliance; powers of Department of Revenue in dealing  
11 with delinquents; brackets applicable to taxable transactions;  
12 records required.--

13 (11) The department is authorized to provide by rule  
14 the tax amounts and brackets applicable to all taxable  
15 transactions that occur in counties that have a surtax at a  
16 rate other than 1 percent which transactions would otherwise  
17 have been transactions taxable at the rate of 6 percent.  
18 Likewise, the department is authorized to promulgate by rule  
19 the tax amounts and brackets applicable to transactions  
20 taxable at 3 percent pursuant to s. 212.08(3), transactions  
21 taxable ~~at 7 percent~~ pursuant to s. 212.05(1)(e)1. and 2., and  
22 on transactions which would otherwise have been so taxable in  
23 counties which have adopted a discretionary sales surtax.

24 Section 3. With respect to charges for  
25 telecommunication service that are regularly billed on a  
26 monthly cycle, the changes in the sales tax rate provided for  
27 in this act shall apply to charges appearing on any bill dated  
28 on or after February 1, 2000.

29 Section 4. This act shall take effect July 1, 1999.  
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