

1 A bill to be entitled
2 An act relating to tax on sales, use, and other
3 transactions; amending s. 212.08, F.S.;
4 providing an exemption for personal or real
5 property purchased or leased for use in the
6 operation of a television broadcasting station
7 that meets specified criteria; requiring return
8 of tax refunds plus interest and penalties if
9 certain criteria are not met; providing
10 limitations; providing an effective date.

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

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14 Section 1. Paragraph (f) of subsection (5) of section
15 212.08, Florida Statutes, 1998 Supplement, is amended to read:

16 212.08 Sales, rental, use, consumption, distribution,
17 and storage tax; specified exemptions.--The sale at retail,
18 the rental, the use, the consumption, the distribution, and
19 the storage to be used or consumed in this state of the
20 following are hereby specifically exempt from the tax imposed
21 by this chapter.

22 (5) EXEMPTIONS; ACCOUNT OF USE.--

23 (f) Motion picture or video equipment used in motion
24 picture or television production activities and sound
25 recording equipment used in the production of master tapes and
26 master records; property purchased or leased to operate
27 certain television broadcasting stations.--

28 1. Motion picture or video equipment and sound
29 recording equipment purchased or leased for use in this state
30 in production activities is exempt from the tax imposed by
31 this chapter upon an affirmative showing by the purchaser or

1 lessee to the satisfaction of the department that the
2 equipment will be used for production activities.

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

7 a. It has been acquired following the conclusion of
8 bankruptcy proceedings by a previously unrelated owner. The
9 station general manager of the acquiring station must submit
10 an affidavit to the department stating that the acquiring
11 station had no ownership interest, or other business
12 relationship, with the previous owner that went through
13 bankruptcy proceedings.

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

18 c. The acquiring owner has invested more than \$5
19 million in capital improvements since the acquisition of the
20 television broadcasting station or stations.

21 d. It is located within the boundaries of a
22 metropolitan statistical area as defined in s. 334.03(17) and
23 shares common ownership or management with another television
24 broadcasting station that has been acquired following
25 bankruptcy that is located in a different metropolitan
26 statistical area.

27 e. In the calendar year following receipt of a tax
28 refund pursuant to this section, it broadcasts at no cost to
29 the state youth-oriented anti-tobacco public service
30 announcements and programming of a value equal to or greater
31 than the tax refund received by the television broadcasting

1 station in the previous year. If a television broadcasting
 2 station that has received a refund fails to broadcast
 3 sufficient public service announcements and programming, the
 4 taxpayer must return the refund to the state together with
 5 interest and penalties. Should the taxpayer fail to comply
 6 with this provision, a refund shall be made 30 days after the
 7 one year period has expired to avoid interest and penalties.

8 3. The exemptions ~~exemption~~ provided by this paragraph
 9 shall inure to the taxpayer only through a refund of
 10 previously paid taxes. With respect to the refund authorized
 11 under subparagraph 2., the maximum refund allowed in any year
 12 shall not exceed \$350,000 for any television broadcasting
 13 station or group of television broadcasting stations that
 14 share common ownership or management, and no taxpayer may
 15 receive a refund for more than 5 years. Notwithstanding the
 16 provisions of s. 212.095, such refund shall be made within 30
 17 days of formal application, which application may be made
 18 after the completion of production activities or on a
 19 quarterly basis with respect to the refund authorized under
 20 subparagraph 1., and on a quarterly basis with respect to the
 21 refund authorized under subparagraph 2. Notwithstanding the
 22 provisions of chapter 213, the department shall provide the
 23 Office of Tourism, Trade and Economic Development ~~Department~~
 24 ~~of Commerce~~ with a copy of each refund application and the
 25 amount of such refund, if any.

26 4.2. For the purpose of the exemption provided in
 27 subparagraph 1.:

28 a. "Motion picture or video equipment" and "sound
 29 recording equipment" includes only equipment meeting the
 30 definition of "section 38 property" as defined in s.
 31 48(a)(1)(A) and (B)(i) of the Internal Revenue Code that is

1 used by the lessee or purchaser exclusively as an integral
2 part of production activities; however, motion picture or
3 video equipment and sound recording equipment does not include
4 supplies, tape, records, film, or video tape used in
5 productions or other similar items; vehicles or vessels; or
6 general office equipment not specifically suited to production
7 activities. In addition, the term does not include equipment
8 purchased or leased by television or radio broadcasting or
9 cable companies licensed by the Federal Communications
10 Commission.

11 b. "Production activities" means activities directed
12 toward the preparation of a:

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

14 (II) Motion picture or television production which is
15 produced for theatrical, commercial, advertising, or
16 educational purposes and utilizes live or animated actions or
17 a combination of live and animated actions. The motion picture
18 or television production shall be commercially produced for
19 sale or for showing on screens or broadcasting on television
20 and may be on film or video tape.

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