

By Representative Fasano

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 removing a restriction on the application of
5 the exemption for veterans' organizations and
6 their auxiliaries; providing an exemption for
7 sales or leases to organizations exempt from
8 federal income tax under s. 501(c)(3) of the
9 Internal Revenue Code; providing an effective
10 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 (o) of subsection (7) of section
15 212.08, Florida Statutes, 1998 Supplement, is amended, and
16 paragraph (zz) is added to said subsection, to read:

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

23 (7) MISCELLANEOUS EXEMPTIONS.--

24 (o) Religious, charitable, scientific, educational,
25 and veterans' institutions and organizations.--

26 1. There are exempt from the tax imposed by this
27 chapter transactions involving:

28 a. Sales or leases directly to churches or sales or
29 leases of tangible personal property by churches;

30 b. Sales or leases to nonprofit religious, nonprofit
31 charitable, nonprofit scientific, or nonprofit educational

1 institutions when used in carrying on their customary
2 nonprofit religious, nonprofit charitable, nonprofit
3 scientific, or nonprofit educational activities, including
4 church cemeteries; and

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

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

17 a. "Religious institutions" means churches,
18 synagogues, and established physical places for worship at
19 which nonprofit religious services and activities are
20 regularly conducted and carried on. The term "religious
21 institutions" includes nonprofit corporations the sole purpose
22 of which is to provide free transportation services to church
23 members, their families, and other church attendees. The term
24 "religious institutions" also includes state, district, or
25 other governing or administrative offices the function of
26 which is to assist or regulate the customary activities of
27 religious organizations or members. The term "religious
28 institutions" also includes any nonprofit corporation which is
29 qualified as nonprofit pursuant to s. 501(c)(3), Internal
30 Revenue Code of 1986, as amended, which owns and operates a
31 Florida television station, at least 90 percent of the

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

27 b. "Charitable institutions" means only nonprofit
28 corporations qualified as nonprofit pursuant to s. 501(c)(3),
29 Internal Revenue Code of 1954, as amended, and other nonprofit
30 entities, the sole or primary function of which is to provide,
31 or to raise funds for organizations which provide, one or more

1 of the following services if a reasonable percentage of such
2 service is provided free of charge, or at a substantially
3 reduced cost, to persons, animals, or organizations that are
4 unable to pay for such service:
5 (I) Medical aid for the relief of disease, injury, or
6 disability;
7 (II) Regular provision of physical necessities such as
8 food, clothing, or shelter;
9 (III) Services for the prevention of or rehabilitation
10 of persons from alcoholism or drug abuse; the prevention of
11 suicide; or the alleviation of mental, physical, or sensory
12 health problems;
13 (IV) Social welfare services including adoption
14 placement, child care, community care for the elderly, and
15 other social welfare services which clearly and substantially
16 benefit a client population which is disadvantaged or suffers
17 a hardship;
18 (V) Medical research for the relief of disease,
19 injury, or disability;
20 (VI) Legal services; or
21 (VII) Food, shelter, or medical care for animals or
22 adoption services, cruelty investigations, or education
23 programs concerning animals;
24
25 and the term includes groups providing volunteer staff to
26 organizations designated as charitable institutions under this
27 sub-subparagraph; nonprofit organizations the sole or primary
28 purpose of which is to coordinate, network, or link other
29 institutions designated as charitable institutions under this
30 sub-subparagraph with those persons, animals, or organizations
31 in need of their services; and nonprofit national, state,

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

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

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

1 | conduct regular classes and courses of study accepted for
2 | continuing education credit by a board of the Division of
3 | Medical Quality Assurance of the Department of Health or which
4 | conduct regular classes and courses of study accepted for
5 | continuing education credit by the American Medical
6 | Association. Nonprofit libraries, art galleries, performing
7 | arts centers that provide educational programs to school
8 | children, which programs involve performances or other
9 | educational activities at the performing arts center and serve
10 | a minimum of 50,000 school children a year, and museums open
11 | to the public are defined as educational institutions and are
12 | eligible for exemption. The term "educational institutions"
13 | includes private nonprofit organizations the purpose of which
14 | is to raise funds for schools teaching grades kindergarten
15 | through high school, colleges, and universities. The term
16 | "educational institutions" includes any nonprofit newspaper of
17 | free or paid circulation primarily on university or college
18 | campuses which holds a current exemption from federal income
19 | tax under s. 501(c)(3) of the Internal Revenue Code, and any
20 | educational television or radio network or system established
21 | pursuant to s. 229.805 or s. 229.8051 and any nonprofit
22 | television or radio station which is a part of such network or
23 | system and which holds a current exemption from federal income
24 | tax under s. 501(c)(3) of the Internal Revenue Code. The term
25 | "educational institutions" also includes state, district, or
26 | other governing or administrative offices the function of
27 | which is to assist or regulate the customary activities of
28 | educational organizations or members. The term "educational
29 | institutions" also includes a nonprofit educational cable
30 | consortium which holds a current exemption from federal income
31 | tax under s. 501(c)(3) of the Internal Revenue Code of 1986,

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

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

17 (zz) Internal Revenue Code s. 501(c)(3)
18 organizations.--Also exempt from the tax imposed by this
19 chapter are sales or leases to organizations holding a current
20 exemption from federal income tax pursuant to s. 501(c)(3) of
21 the Internal Revenue Code.

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23 Exemptions provided to any entity by this subsection shall not
24 inure to any transaction otherwise taxable under this chapter
25 when payment is made by a representative or employee of such
26 entity by any means, including, but not limited to, cash,
27 check, or credit card even when that representative or
28 employee is subsequently reimbursed by such entity.

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

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HOUSE SUMMARY

Removes provisions which restrict the application of the sales tax exemption for veterans' organizations and their auxiliaries to their state headquarters. Provides a sales tax exemption for organizations exempt from federal income tax under s. 501(c)(3) of the Internal Revenue Code.