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2 An act relating to tax on sales, use, and other  
3 transactions; amending s. 212.031, F.S.;  
4 providing an exemption for the rental, lease,  
5 sublease, or license to use certain skyboxes or  
6 other box seats during specified activities  
7 under certain conditions; providing that no tax  
8 imposed on transactions so exempt and not  
9 actually paid or collected prior to the  
10 effective date of such exemption shall be due;  
11 amending s. 212.0602, F.S., which exempts the  
12 purchase or lease of materials, equipment, and  
13 other items by specified educational entities,  
14 institutions, or organizations under certain  
15 limited circumstances; expanding the exemption  
16 to include the license in or lease of real  
17 property by, and supporting operations of, such  
18 educational institutions; amending s. 212.08,  
19 F.S.; removing a restriction on the application  
20 of the exemption for veterans' organizations  
21 and their auxiliaries; revising the definition  
22 of "veterans' organizations"; including  
23 nonprofit corporations that provide consumer  
24 credit counseling in the definition of  
25 "charitable institutions" for purposes of the  
26 exemption granted to such institutions;  
27 providing an exemption for works of art  
28 purchased or imported for the purpose of  
29 donation to an educational institution;  
30 providing requirements with respect thereto;  
31 providing an exemption for sales or leases to

1 certain organizations that are primarily funded  
2 by local governments and that encourage the use  
3 of certain locations as venues for sporting  
4 events; providing an exemption for sales or  
5 leases to nonprofit organizations the sole or  
6 primary function of which is to raise funds for  
7 or make grants to organizations currently  
8 holding a consumer's certificate of exemption  
9 issued by the Department of Revenue; providing  
10 for retroactive application; providing an  
11 exemption for sales or leases to nonprofit  
12 corporations the sole or primary function of  
13 which is to construct, maintain, or operate a  
14 water system; providing an exemption for sales  
15 or leases to library cooperatives certified  
16 under s. 257.41, F.S.; providing for  
17 retroactive application; amending s. 257.41,  
18 F.S.; requiring the Division of Library and  
19 Information Services of the Department of State  
20 to issue certificates to library cooperatives  
21 that are eligible to receive state moneys;  
22 providing effective dates.

23

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

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26 Section 1. (1) Effective upon this act becoming a  
27 law, subsection (9) is added to section 212.031, Florida  
28 Statutes, 1998 Supplement, to read:

29 212.031 Lease or rental of or license in real  
30 property.--

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1           (9) The rental, lease, sublease, or license for the  
2 use of a skybox, luxury box, or other box seats for use during  
3 a high school or college football game is exempt from the tax  
4 imposed by this section when the charge for such rental,  
5 lease, sublease, or license is imposed by a nonprofit  
6 sponsoring organization which is qualified as nonprofit  
7 pursuant to s. 501(c)(3) of the Internal Revenue Code.

8           (2) No tax imposed by chapter 212, Florida Statutes,  
9 on the transactions made exempt by the amendment to s.  
10 212.031, Florida Statutes, 1998 Supplement, by this section,  
11 and not actually paid or collected by a nonprofit sponsoring  
12 organization prior to the effective date of this section,  
13 shall be due from that nonprofit sponsoring organization.

14           Section 2. Section 212.0602, Florida Statutes, is  
15 amended to read.

16           212.0602 Education; limited exemption.--To facilitate  
17 investment in education and job training, there is also exempt  
18 from the taxes levied under this chapter, subject to the  
19 provisions of this section, the purchase or lease of  
20 materials, equipment, and other items or the license in or  
21 lease of real property by any entity, institution, or  
22 organization that is primarily engaged in teaching students to  
23 perform any of the activities or services described in s.  
24 212.031(1)(a)9., that conducts classes at a fixed location  
25 located in this state, that is licensed under chapter 246, and  
26 that has at least 500 enrolled students. Any entity,  
27 institution, or organization meeting the requirements of this  
28 section shall be deemed to qualify for the exemptions in ss.  
29 212.031(1)(a)9. and 212.08(5)(f) and (12), and to qualify for  
30 an exemption for its purchase or lease of materials,  
31 equipment, and other items used for education or demonstration

1 of the school's curriculum, including supporting operations.  
2 Nothing in this section shall preclude an entity described in  
3 this section from qualifying for any other exemption provided  
4 for in this chapter.

5 Section 3. Paragraphs (o), (dd), and (gg) of  
6 subsection (7) of section 212.08, Florida Statutes, 1998  
7 Supplement, are amended, and paragraphs (zz), (aaa), and (bbb)  
8 are added to said subsection, to read:

9 212.08 Sales, rental, use, consumption, distribution,  
10 and storage tax; specified exemptions.--The sale at retail,  
11 the rental, the use, the consumption, the distribution, and  
12 the storage to be used or consumed in this state of the  
13 following are hereby specifically exempt from the tax imposed  
14 by this chapter.

15 (7) MISCELLANEOUS EXEMPTIONS.--

16 (o) Religious, charitable, scientific, educational,  
17 and veterans' institutions and organizations.--

18 1. There are exempt from the tax imposed by this  
19 chapter transactions involving:

20 a. Sales or leases directly to churches or sales or  
21 leases of tangible personal property by churches;

22 b. Sales or leases to nonprofit religious, nonprofit  
23 charitable, nonprofit scientific, or nonprofit educational  
24 institutions when used in carrying on their customary  
25 nonprofit religious, nonprofit charitable, nonprofit  
26 scientific, or nonprofit educational activities, including  
27 church cemeteries; and

28 c. Sales or leases to ~~the state headquarters of~~  
29 qualified veterans' organizations and ~~the state headquarters~~  
30 ~~of~~ their auxiliaries when used in carrying on their customary  
31 veterans' organization activities. ~~If a qualified veterans'~~

1 ~~organization or its auxiliary does not maintain a permanent~~  
2 ~~state headquarters, then transactions involving sales or~~  
3 ~~leases to such organization and used to maintain the office of~~  
4 ~~the highest ranking state official are exempt from the tax~~  
5 ~~imposed by this chapter.~~

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

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

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

19       b. "Charitable institutions" means only nonprofit  
20 corporations qualified as nonprofit pursuant to s. 501(c)(3),  
21 Internal Revenue Code of 1954, as amended, and other nonprofit  
22 entities, the sole or primary function of which is to provide,  
23 or to raise funds for organizations which provide, one or more  
24 of the following services if a reasonable percentage of such  
25 service is provided free of charge, or at a substantially  
26 reduced cost, to persons, animals, or organizations that are  
27 unable to pay for such service:

28           (I) Medical aid for the relief of disease, injury, or  
29 disability;

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

1 (III) Services for the prevention of or rehabilitation  
2 of persons from alcoholism or drug abuse; the prevention of  
3 suicide; or the alleviation of mental, physical, or sensory  
4 health problems;

5 (IV) Social welfare services including adoption  
6 placement, child care, community care for the elderly,  
7 consumer credit counseling, and other social welfare services  
8 which clearly and substantially benefit a client population  
9 which is disadvantaged or suffers a hardship;

10 (V) Medical research for the relief of disease,  
11 injury, or disability;

12 (VI) Legal services; or

13 (VII) Food, shelter, or medical care for animals or  
14 adoption services, cruelty investigations, or education  
15 programs concerning animals;

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17 and the term includes groups providing volunteer staff to  
18 organizations designated as charitable institutions under this  
19 sub-subparagraph; nonprofit organizations the sole or primary  
20 purpose of which is to coordinate, network, or link other  
21 institutions designated as charitable institutions under this  
22 sub-subparagraph with those persons, animals, or organizations  
23 in need of their services; and nonprofit national, state,  
24 district, or other governing, coordinating, or administrative  
25 organizations the sole or primary purpose of which is to  
26 represent or regulate the customary activities of other  
27 institutions designated as charitable institutions under this  
28 sub-subparagraph. Notwithstanding any other requirement of  
29 this section, any blood bank that relies solely upon volunteer  
30 donations of blood and tissue, that is licensed under chapter  
31 483, and that qualifies as tax exempt under s. 501(c)(3) of

1 the Internal Revenue Code constitutes a charitable institution  
2 and is exempt from the tax imposed by this chapter. Sales to a  
3 health system foundation, qualified as nonprofit pursuant to  
4 s. 501(c)(3), Internal Revenue Code of 1986, as amended, which  
5 filed an application for exemption with the department prior  
6 to November 15, 1997, and which application is subsequently  
7 approved, shall be exempt as to any unpaid taxes on purchases  
8 made from November 14, 1990, to December 31, 1997.

9 c. "Scientific organizations" means scientific  
10 organizations which hold current exemptions from federal  
11 income tax under s. 501(c)(3) of the Internal Revenue Code and  
12 also means organizations the purpose of which is to protect  
13 air and water quality or the purpose of which is to protect  
14 wildlife and which hold current exemptions from the federal  
15 income tax under s. 501(c)(3) of the Internal Revenue Code.

16 d. "Educational institutions" means state  
17 tax-supported or parochial, church and nonprofit private  
18 schools, colleges, or universities which conduct regular  
19 classes and courses of study required for accreditation by, or  
20 membership in, the Southern Association of Colleges and  
21 Schools, the Department of Education, the Florida Council of  
22 Independent Schools, or the Florida Association of Christian  
23 Colleges and Schools, Inc., or nonprofit private schools which  
24 conduct regular classes and courses of study accepted for  
25 continuing education credit by a board of the Division of  
26 Medical Quality Assurance of the Department of Health or which  
27 conduct regular classes and courses of study accepted for  
28 continuing education credit by the American Medical  
29 Association. Nonprofit libraries, art galleries, performing  
30 arts centers that provide educational programs to school  
31 children, which programs involve performances or other



1 educational activities at the performing arts center and serve  
2 a minimum of 50,000 school children a year, and museums open  
3 to the public are defined as educational institutions and are  
4 eligible for exemption. The term "educational institutions"  
5 includes private nonprofit organizations the purpose of which  
6 is to raise funds for schools teaching grades kindergarten  
7 through high school, colleges, and universities. The term  
8 "educational institutions" includes any nonprofit newspaper of  
9 free or paid circulation primarily on university or college  
10 campuses which holds a current exemption from federal income  
11 tax under s. 501(c)(3) of the Internal Revenue Code, and any  
12 educational television or radio network or system established  
13 pursuant to s. 229.805 or s. 229.8051 and any nonprofit  
14 television or radio station which is a part of such network or  
15 system and which holds a current exemption from federal income  
16 tax under s. 501(c)(3) of the Internal Revenue Code. The term  
17 "educational institutions" also includes state, district, or  
18 other governing or administrative offices the function of  
19 which is to assist or regulate the customary activities of  
20 educational organizations or members. The term "educational  
21 institutions" also includes a nonprofit educational cable  
22 consortium which holds a current exemption from federal income  
23 tax under s. 501(c)(3) of the Internal Revenue Code of 1986,  
24 as amended, whose primary purpose is the delivery of  
25 educational and instructional cable television programming and  
26 whose members are composed exclusively of educational  
27 organizations which hold a valid consumer certificate of  
28 exemption and which are either an educational institution as  
29 defined in this sub-subparagraph, or qualified as a nonprofit  
30 organization pursuant to s. 501(c)(3) of the Internal Revenue  
31 Code of 1986, as amended.

1 e. "Veterans' organizations" means nationally  
2 chartered or recognized veterans' organizations, including,  
3 but not limited to, Florida chapters of the Paralyzed Veterans  
4 of America, Catholic War Veterans of the U.S.A., Jewish War  
5 Veterans of the U.S.A., and the Disabled American Veterans,  
6 Department of Florida, Inc., which hold current exemptions  
7 from federal income tax under s. 501(c)(3),(4), or (19) of  
8 the Internal Revenue Code.

9 (dd) Works of art.--

10 1. Also exempt are works of art sold to or used by an  
11 educational institution, as defined in sub-subparagraph  
12 (o)2.d.

13 2. This exemption also applies to the sale to or use  
14 in this state of any work of art by any person if it was  
15 purchased or imported exclusively for the purpose of being  
16 donated to any educational institution, or loaned to and made  
17 available for display by any educational institution, provided  
18 that the term of the loan agreement is for at least 10 years.

19 3. The exemption provided by this paragraph for  
20 donations is allowed only if the person who purchased the work  
21 of art transfers title to the donated work of art to an  
22 educational institution. Such transfer of title shall be  
23 evidenced by an affidavit meeting requirements established by  
24 rule to document entitlement to the exemption. Nothing in this  
25 paragraph shall preclude a work of art donated to an  
26 educational institution from remaining in the possession of  
27 the donor or purchaser, as long as title to the work of art  
28 lies with the educational institution.

29 ~~4.3.~~ A work of art is presumed to have been purchased  
30 in or imported into this state exclusively for loan as  
31 provided in subparagraph 2., if it is so loaned or placed in

1 storage in preparation for such a loan within 90 days after  
2 purchase or importation, whichever is later; but a work of art  
3 is not deemed to be placed in storage in preparation for loan  
4 for purposes of this exemption if it is displayed at any place  
5 other than an educational institution.

6 ~~5.4.~~ The exemptions provided by this paragraph are  
7 allowed only if the person who purchased the work of art gives  
8 to the vendor an affidavit meeting the requirements,  
9 established by rule, to document entitlement to the exemption.  
10 The person who purchased the work of art shall forward a copy  
11 of such affidavit to the Department of Revenue at the time it  
12 is issued to the vendor.

13 ~~6.5.~~ The exemption for loans provided by subparagraph  
14 2. applies only for the period during which a work of art is  
15 in the possession of the educational institution or is in  
16 storage before transfer of possession to that institution; and  
17 when it ceases to be so possessed or held, tax based upon the  
18 sales price paid by the owner is payable, and the statute of  
19 limitations provided in s. 95.091 shall begin to run at that  
20 time. However, tax shall not become due if the work of art is  
21 donated to an educational institution after the loan ceases.

22 7. Any educational institution to which a work of art  
23 has been donated pursuant to this paragraph shall make  
24 available to the department the title to the work of art and  
25 any other relevant information. Any educational institution  
26 which has received a work of art on loan pursuant to this  
27 paragraph shall make available to the department information  
28 relating to the work of art. Any educational institution that  
29 transfers from its possession a work of art as defined by this  
30 paragraph which has been loaned to it must notify the  
31 Department of Revenue within 60 days after the transfer.

1           ~~8.6.~~ For purposes of the exemptions provided by this  
2 paragraph, the term "work of art" includes pictorial  
3 representations, sculpture, jewelry, antiques, stamp  
4 collections and coin collections, and other tangible personal  
5 property, the value of which is attributable predominantly to  
6 its artistic, historical, political, cultural, or social  
7 importance.

8           ~~7. This paragraph is a remedial clarification of~~  
9 ~~legislative intent and applies to all taxes that remain open~~  
10 ~~to assessment or contest on July 1, 1992.~~

11           (gg) Athletic event sponsors.--There shall be exempt  
12 from the tax imposed by this chapter sales or leases to ~~those~~  
13 organizations ~~that~~ which:

14           ~~1.a.~~ Are incorporated pursuant to chapter 617; ~~and~~

15           ~~2.b.~~ Hold a current exemption from federal corporate  
16 income tax liability pursuant to s. 501(c)(3) of the Internal  
17 Revenue Code of 1986, as amended; and

18           ~~3.a.2.~~ Sponsor golf tournaments sanctioned by the PGA  
19 Tour, PGA of America, or the LPGA; ~~or.~~

20           b. Are funded primarily by county or municipal  
21 governments and have as their primary purpose the  
22 encouragement and facilitation of the use of certain locations  
23 within this state as venues for sporting events.

24           (zz) Nonprofit organizations raising funds for or  
25 making grants to organizations holding consumer's certificate  
26 of exemption.--Sales or leases to an organization which holds  
27 current exemption from federal income tax pursuant to s.  
28 501(c)(3) of the Internal Revenue Code, as amended, the sole  
29 or primary function of which is to raise funds for or make  
30 grants to another organization or organizations currently  
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1 holding a consumer's certificate of exemption issued by the  
2 department are exempt from the tax imposed by this chapter.

3 (aaa) Nonprofit water systems.--Sales or leases to a  
4 not-for-profit corporation which holds a current exemption  
5 from federal income tax under s. 501(c)(12) of the Internal  
6 Revenue Code, as amended, are exempt from the tax imposed by  
7 this chapter if the sole or primary function of the  
8 corporation is to construct, maintain, or operate a water  
9 system in this state.

10 (bbb) Library cooperatives.--Sales or leases to  
11 library cooperatives certified under s. 257.41(2) are exempt  
12 from the tax imposed by this chapter.

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14 Exemptions provided to any entity by this subsection shall not  
15 inure to any transaction otherwise taxable under this chapter  
16 when payment is made by a representative or employee of such  
17 entity by any means, including, but not limited to, cash,  
18 check, or credit card even when that representative or  
19 employee is subsequently reimbursed by such entity.

20 Section 4. (1) The exemption provided by paragraph  
21 (zz) of s. 212.08(7), Florida Statutes, 1998 Supplement, as  
22 created by this act, applies retroactively, except that all  
23 taxes that have been collected must be remitted, and taxes  
24 that have been remitted before July 1, 1999, on transactions  
25 that are subject to exemption under that paragraph are not  
26 subject to refund.

27 (2) The exemption provided by paragraph (bbb) of s.  
28 212.08(7), Florida Statutes, 1998 Supplement, as created by  
29 this act, applies retroactively to July 1, 1997.

30 Section 5. Subsection (2) of section 257.41, Florida  
31 Statutes, is amended to read:

1           257.41 Library cooperatives; organization; receipt of  
2 state moneys.--

3           (2) The Division of Library and Information Services  
4 of the Department of State shall establish operating standards  
5 and rules under which a library cooperative is eligible to  
6 receive state moneys. The division shall issue a certificate  
7 to each library cooperative that meets the standards and rules  
8 established under this subsection.

9           Section 6. Except as otherwise provided herein, this  
10 act shall take effect July 1, 1999.

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