

By Senator Forman

32-533-99

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

A bill to be entitled

An act relating to the tax on sales, use, and other transactions; amending s. 212.08, F.S.; expanding the exemption for veterans' groups; providing an effective date.

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

Section 1. Paragraph (o) of subsection (7) of section 212.08, Florida Statutes, 1998 Supplement, is amended to read:

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

(7) MISCELLANEOUS EXEMPTIONS.--

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

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

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

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

c. Sales or leases to ~~the state headquarters of~~ qualified veterans' organizations and ~~the state headquarters~~

CODING:Words ~~stricken~~ are deletions; words underlined are additions.

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

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

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

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

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

30 (I) Medical aid for the relief of disease, injury, or
31 disability;

1 (II) Regular provision of physical necessities such as
2 food, clothing, or shelter;
3 (III) Services for the prevention of or rehabilitation
4 of persons from alcoholism or drug abuse; the prevention of
5 suicide; or the alleviation of mental, physical, or sensory
6 health problems;
7 (IV) Social welfare services including adoption
8 placement, child care, community care for the elderly, and
9 other social welfare services which clearly and substantially
10 benefit a client population which is disadvantaged or suffers
11 a hardship;
12 (V) Medical research for the relief of disease,
13 injury, or disability;
14 (VI) Legal services; or
15 (VII) Food, shelter, or medical care for animals or
16 adoption services, cruelty investigations, or education
17 programs concerning animals;
18
19 and the term includes groups providing volunteer staff to
20 organizations designated as charitable institutions under this
21 sub-subparagraph; nonprofit organizations the sole or primary
22 purpose of which is to coordinate, network, or link other
23 institutions designated as charitable institutions under this
24 sub-subparagraph with those persons, animals, or organizations
25 in need of their services; and nonprofit national, state,
26 district, or other governing, coordinating, or administrative
27 organizations the sole or primary purpose of which is to
28 represent or regulate the customary activities of other
29 institutions designated as charitable institutions under this
30 sub-subparagraph. Notwithstanding any other requirement of
31 this section, any blood bank that relies solely upon volunteer

1 donations of blood and tissue, that is licensed under chapter
2 483, and that qualifies as tax exempt under s. 501(c)(3) of
3 the Internal Revenue Code constitutes a charitable institution
4 and is exempt from the tax imposed by this chapter. Sales to a
5 health system foundation, qualified as nonprofit pursuant to
6 s. 501(c)(3), Internal Revenue Code of 1986, as amended, which
7 filed an application for exemption with the department prior
8 to November 15, 1997, and which application is subsequently
9 approved, shall be exempt as to any unpaid taxes on purchases
10 made from November 14, 1990, to December 31, 1997.

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

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

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

1 organization pursuant to s. 501(c)(3) of the Internal Revenue
2 Code of 1986, as amended.

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

11

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

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

19

20 *****

21

SENATE SUMMARY

22 Expands the exemption from the tax on sales, use, and
23 other transactions which is provided to veterans' groups,
24 so that the exemption applies to all qualified veterans'
organizations, as defined in s. 212.08, F.S., and not
just to the state headquarters.

25

26

27

28

29

30

31