

By Senator Horne

6-926-99

See HB

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 labor charges for,
5 and parts and materials used in, the repair of
6 machinery and equipment used to produce
7 tangible personal property at a fixed location
8 by specified industries; providing a schedule
9 for implementing the exemption; providing an
10 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 (zz) is added to subsection (7)
15 of section 212.08, Florida Statutes, 1998 Supplement, 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 (7) MISCELLANEOUS EXEMPTIONS.--

23 (zz) Certain repair and labor charges.--

24 1. Subject to the provisions of subparagraphs 2. and
25 3., there is exempt from the tax imposed by this chapter all
26 labor charges for the repair of, and parts and materials used
27 in the repair of and incorporated into, industrial machinery
28 and equipment which is used for the manufacture, processing,
29 compounding, or production of items of tangible personal
30 property at a fixed location within this state.

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1 2. This exemption applies only to industries
2 classified under SIC Industry Major Group Numbers 10, 12, 13,
3 14, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34,
4 36, 37, 38, and 39 and Industry Group Number 212. As used in
5 this subparagraph, "SIC" means those classifications contained
6 in the Standard Industrial Classification Manual, 1987, as
7 published by the Office of Management and Budget, Executive
8 Office of the President.

9 3. This exemption shall be applied as follows:

10 a. Beginning July 1, 1999, 25 percent of such charges
11 for repair parts and labor shall be exempt.

12 b. Beginning July 1, 2000, 50 percent of such charges
13 for repair parts and labor shall be exempt.

14 c. Beginning July 1, 2001, 75 percent of such charges
15 for repair parts and labor shall be exempt.

16 d. Beginning July 1, 2002, 100 percent of such charges
17 for repair parts and labor shall be exempt.

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

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

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28 HOUSE SUMMARY

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30 Provides a sales tax exemption for labor charges for, and
31 parts and materials used in, the repair of machinery and
 equipment used to produce tangible personal property at a
 fixed location by specified industries, to be phased in
 over a 4-year period.