

By the Committee on Finance & Taxation and Representative
Putnam

1 A bill to be entitled
2 An act relating to tax on sales, use, and other
3 transactions; amending s. 212.02, F.S.;
4 defining "agricultural production"; amending s.
5 212.08, F.S.; revising application of the
6 partial exemption for self-propelled,
7 power-drawn, or power-driven farm equipment
8 used exclusively on a farm or in a forest in
9 specified activities and including rental or
10 lease of such equipment in such exemption;
11 reducing the rate of tax on such equipment;
12 requiring that the purchaser, renter, or lessee
13 sign a certificate regarding the use of such
14 equipment; specifying effect of possession of
15 such certificate by a seller or other dealer;
16 amending s. 212.12, F.S., relating to
17 promulgation of tax brackets by the Department
18 of Revenue, to conform; amending s. 212.06,
19 F.S.; revising the application of provisions
20 which exempt from use tax a person who secures
21 rock, fill dirt, or similar materials from a
22 location he or she owns for use on his or her
23 own property, to include corporations and
24 affiliated groups; providing effective dates.

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

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28 Section 1. Subsection (34) is added to section 212.02,
29 Florida Statutes, to read:

30 212.02 Definitions.--The following terms and phrases
31 when used in this chapter have the meanings ascribed to them

1 in this section, except where the context clearly indicates a
2 different meaning:

3 (34) "Agricultural production" means the production of
4 plants and animals useful to humans, including the
5 preparation, planting, cultivating, or harvesting of these
6 products or any other practices necessary to accomplish
7 production through the harvest phase, and includes
8 aquaculture, horticulture, floriculture, viticulture,
9 forestry, dairy, livestock, poultry, bees, and any and all
10 forms of farm products and farm production.

11 Section 2. Subsection (3) of section 212.08, Florida
12 Statutes, is amended to read:

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

19 (3) EXEMPTIONS, PARTIAL; CERTAIN FARM
20 EQUIPMENT.--There shall be taxable at the rate of 2 ~~3~~ percent
21 the sale, rental, lease, use, consumption, or storage for use
22 in this state of self-propelled, power-drawn, or power-driven
23 farm equipment used exclusively on a farm or in a forest in
24 the agricultural production of ~~plowing, planting, cultivating,~~
25 ~~or harvesting~~ crops or products as produced by those
26 agricultural industries included in s. 570.02(1), or for fire
27 prevention and suppression work with respect to such crops or
28 products. Harvesting may not be construed to include
29 processing activities. This exemption is not forfeited by
30 moving farm equipment between farms or forests. However, this
31 exemption shall not be allowed unless the purchaser, renter,

1 or lessee signs a certificate stating that the farm equipment
2 is to be used exclusively on a farm or in a forest for
3 agricultural production or for fire prevention and
4 suppression, as required by this subsection. Possession by a
5 seller, lessor, or other dealer of a written certification by
6 the purchaser, renter, or lessee certifying the purchaser's,
7 renter's, or lessee's entitlement to an exemption permitted by
8 this subsection relieves the seller from the responsibility of
9 collecting the tax on the nontaxable amounts, and the
10 department shall look solely to the purchaser for recovery of
11 such tax if it determines that the purchaser was not entitled
12 to the exemption.~~The rental of self-propelled, power-drawn,~~
13 ~~or power-driven farm equipment shall be taxed at the rate of 3~~
14 ~~percent.~~

15 Section 3. Subsection (11) of section 212.12, Florida
16 Statutes, is amended to read:

17 212.12 Dealer's credit for collecting tax; penalties
18 for noncompliance; powers of Department of Revenue in dealing
19 with delinquents; brackets applicable to taxable transactions;
20 records required.--

21 (11) The department is authorized to provide by rule
22 the tax amounts and brackets applicable to all taxable
23 transactions that occur in counties that have a surtax at a
24 rate other than 1 percent which transactions would otherwise
25 have been transactions taxable at the rate of 6 percent.
26 Likewise, the department is authorized to promulgate by rule
27 the tax amounts and brackets applicable to transactions
28 taxable at 2 or 3 percent pursuant to s. 212.08(3),
29 transactions taxable at 7 percent pursuant to s. 212.05(1)(e),
30 and on transactions which would otherwise have been so taxable
31 in counties which have adopted a discretionary sales surtax.

1 Section 4. Effective July 1, 2000, paragraph (a) of
2 subsection (15) of section 212.06, Florida Statutes, is
3 amended to read:

4 212.06 Sales, storage, use tax; collectible from
5 dealers; "dealer" defined; dealers to collect from purchasers;
6 legislative intent as to scope of tax.--

7 (15)(a) When a contractor secures rock, shell, fill
8 dirt, or similar materials from a location that he or she owns
9 or leases and uses such materials to fulfill a real property
10 contract on the property of another person, the contractor is
11 the ultimate consumer of such materials and is liable for use
12 tax thereon. This paragraph does not apply to a person or a
13 corporation or affiliated group as defined by s. 220.03(1)(b)
14 or (e) that ~~who~~ secures such materials from a location that
15 he, ~~or~~ she, or it owns for use on his, ~~or~~ her, or its own
16 property. The basis upon which the contractor shall remit the
17 tax is the fair retail market value determined by establishing
18 either the price he or she would have to pay for it on the
19 open market or the price he or she would regularly charge if
20 he or she sold it to other contractors or users.

21 Section 5. Except as otherwise provided herein, this
22 act shall take effect January 1, 2001.
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