

By Senator Kirkpatrick

5-137-00

1 A bill to be entitled
 2 An act relating to the tax on sales, use, and
 3 other transactions; amending s. 212.08, F.S.;
 4 providing an exemption for machinery or
 5 equipment purchased or leased for use in the
 6 production, transmission, receipt, or
 7 redistribution of digital television signals;
 8 defining the term "machinery and equipment" for
 9 purposes of such 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 (f) of subsection (5) of section
 15 212.08, Florida Statutes, is amended 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 (5) EXEMPTIONS; ACCOUNT OF USE.--

23 (f) Motion picture or video equipment used in motion
 24 picture or television production activities and sound
 25 recording equipment used in the production of master tapes and
 26 master records; property purchased or leased to produce,
 27 transmit, receive, or redistribute digital television
 28 signals.--

29 1. Motion picture or video equipment and sound
 30 recording equipment purchased or leased for use in this state
 31 in production activities is exempt from the tax imposed by

1 this chapter upon an affirmative showing by the purchaser or
2 lessee to the satisfaction of the department that the
3 equipment will be used for production activities.

4 2. There is exempt from the tax imposed by this
5 chapter all machinery or equipment purchased or leased in this
6 state for use by a television studio, television network,
7 television production company, or federally licensed
8 television station in the production, origination, broadcast,
9 transmission, receipt, or redistribution of digital television
10 signals.

11 3. The exemptions ~~exemption~~ provided by this paragraph
12 shall inure to the taxpayer only through a refund of
13 previously paid taxes. Notwithstanding the provisions of s.
14 212.095, such refund shall be made within 30 days of formal
15 application, which application may be made after the
16 completion of production activities or on a quarterly basis.
17 Notwithstanding the provisions of chapter 213, the department
18 shall provide the Department of Commerce with a copy of each
19 refund application and the amount of such refund, if any.

20 4.2. For the purpose of the exemption provided in
21 subparagraph 1.:

22 a. "Motion picture or video equipment" and "sound
23 recording equipment" includes only equipment meeting the
24 definition of "section 38 property" as defined in s.
25 48(a)(1)(A) and (B)(i) of the Internal Revenue Code that is
26 used by the lessee or purchaser exclusively as an integral
27 part of production activities; however, motion picture or
28 video equipment and sound recording equipment does not include
29 supplies, tape, records, film, or video tape used in
30 productions or other similar items; vehicles or vessels; or
31 general office equipment not specifically suited to production

1 activities. In addition, the term does not include equipment
2 purchased or leased by television or radio broadcasting or
3 cable companies licensed by the Federal Communications
4 Commission.

5 b. "Production activities" means activities directed
6 toward the preparation of a:

7 (I) Master tape or master record embodying sound; or

8 (II) Motion picture or television production which is
9 produced for theatrical, commercial, advertising, or
10 educational purposes and utilizes live or animated actions or
11 a combination of live and animated actions. The motion picture
12 or television production shall be commercially produced for
13 sale or for showing on screens or broadcasting on television
14 and may be on film or video tape.

15 5. For the purpose of the exemption provided in
16 subparagraph 2., the term "machinery and equipment" means
17 machinery or equipment as described in 47 C.F.R., part 73, or
18 "section 38 property" as defined in s. 48(a)(1)(A) and (B)(i)
19 of the Internal Revenue Code, purchased or leased in this
20 state for use by a television studio, television network,
21 television production company, or federally licensed
22 television station in the production, origination, broadcast,
23 transmission, receipt, or redistribution of digital television
24 signals.

25 Section 2. This act shall take effect upon becoming a
26 law.

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SENATE SUMMARY

Provides an exemption from the tax on sales, use, and other transactions for machinery or equipment purchased or leased for use in the production, transmission, receipt, or redistribution of digital television signals. Defines the term "machinery and equipment" for purposes of the exemption.