

Bill No. CS for SB 1458

Amendment No. ____

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
---------------	----------------	--------------

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

.
.
.
.
.
.

Senator Childers moved the following amendment:

Senate Amendment (with title amendment)

On page 1, line 26, through
page 6, line 12, delete those lines

insert:

Section 2. Paragraph (b) of subsection (5) and paragraphs (d) and (eee) of subsection (7) of section 212.08, Florida Statutes, are 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.

(5) EXEMPTIONS; ACCOUNT OF USE.--

(b) Machinery and equipment used to increase productive output.--

1. Industrial machinery and equipment purchased for exclusive use by a new business in spaceport activities as

Bill No. CS for SB 1458

Amendment No. ____

1 defined by s. 212.02 or for use in new businesses which
 2 manufacture, process, compound, or produce for sale items of
 3 tangible personal property at fixed locations are exempt from
 4 the tax imposed by this chapter upon an affirmative showing by
 5 the taxpayer to the satisfaction of the department that such
 6 items are used in a new business in this state. Such purchases
 7 must be made prior to the date the business first begins its
 8 productive operations, and delivery of the purchased item must
 9 be made within 12 months of that date.

10 2.a. Industrial machinery and equipment purchased for
 11 exclusive use by an expanding facility which is engaged in
 12 spaceport activities as defined by s. 212.02 or for use in
 13 expanding manufacturing facilities or plant units which
 14 manufacture, process, compound, or produce for sale items of
 15 tangible personal property at fixed locations in this state
 16 are exempt from any amount of tax imposed by this chapter in
 17 excess of \$15,000~~\$50,000~~ per calendar year upon an
 18 affirmative showing by the taxpayer to the satisfaction of the
 19 department that such items are used to increase the productive
 20 output of such expanded facility or business by not less than
 21 10 percent.

22 b. Notwithstanding any other provision of this
 23 section, industrial machinery and equipment purchased for use
 24 in expanding printing manufacturing facilities or plant units
 25 that manufacture, process, compound, or produce for sale items
 26 of tangible personal property at fixed locations in this state
 27 are exempt from any amount of tax imposed by this chapter upon
 28 an affirmative showing by the taxpayer to the satisfaction of
 29 the department that such items are used to increase the
 30 productive output of such an expanded business by not less
 31 than 10 percent.

Bill No. CS for SB 1458

Amendment No. ____

1 3.a. To receive an exemption provided by subparagraph
2 1. or subparagraph 2., a qualifying business entity shall
3 apply to the department for a temporary tax exemption permit.
4 The application shall state that a new business exemption or
5 expanded business exemption is being sought. Upon a tentative
6 affirmative determination by the department pursuant to
7 subparagraph 1. or subparagraph 2., the department shall issue
8 such permit.

9 b. The applicant shall be required to maintain all
10 necessary books and records to support the exemption. Upon
11 completion of purchases of qualified machinery and equipment
12 pursuant to subparagraph 1. or subparagraph 2., the temporary
13 tax permit shall be delivered to the department or returned to
14 the department by certified or registered mail.

15 c. If, in a subsequent audit conducted by the
16 department, it is determined that the machinery and equipment
17 purchased as exempt under subparagraph 1. or subparagraph 2.
18 did not meet the criteria mandated by this paragraph or if
19 commencement of production did not occur, the amount of taxes
20 exempted at the time of purchase shall immediately be due and
21 payable to the department by the business entity, together
22 with the appropriate interest and penalty, computed from the
23 date of purchase, in the manner prescribed by this chapter.

24 d. In the event a qualifying business entity fails to
25 apply for a temporary exemption permit or if the tentative
26 determination by the department required to obtain a temporary
27 exemption permit is negative, a qualifying business entity
28 shall receive the exemption provided in subparagraph 1. or
29 subparagraph 2. through a refund of previously paid taxes. No
30 refund may be made for such taxes unless the criteria mandated
31 by subparagraph 1. or subparagraph 2. have been met and

Bill No. CS for SB 1458

Amendment No. ____

1 commencement of production has occurred.

2 4. The department shall promulgate rules governing
3 applications for, issuance of, and the form of temporary tax
4 exemption permits; provisions for recapture of taxes; and the
5 manner and form of refund applications and may establish
6 guidelines as to the requisites for an affirmative showing of
7 increased productive output, commencement of production, and
8 qualification for exemption.

9 5. The exemptions provided in subparagraphs 1. and 2.
10 do not apply to machinery or equipment purchased or used by
11 electric utility companies, communications companies, oil or
12 gas exploration or production operations, publishing firms
13 that do not export at least 50 percent of their finished
14 product out of the state, any firm subject to regulation by
15 the Division of Hotels and Restaurants of the Department of
16 Business and Professional Regulation, or any firm which does
17 not manufacture, process, compound, or produce for sale items
18 of tangible personal property or which does not use such
19 machinery and equipment in spaceport activities as required by
20 this paragraph. The exemptions provided in subparagraphs 1.
21 and 2. shall apply to machinery and equipment purchased for
22 use in phosphate or other solid minerals severance, mining, or
23 processing operations only by way of a prospective credit
24 against taxes due under chapter 211 for taxes paid under this
25 chapter on such machinery and equipment.

26 6. For the purposes of the exemptions provided in
27 subparagraphs 1. and 2., these terms have the following
28 meanings:

29 a. "Industrial machinery and equipment" means "section
30 38 property" as defined in s. 48(a)(1)(A) and (B)(i) of the
31 Internal Revenue Code, provided "industrial machinery and

Bill No. CS for SB 1458

Amendment No. ____

1 equipment" shall be construed by regulations adopted by the
 2 Department of Revenue to mean tangible property used as an
 3 integral part of spaceport activities or of the manufacturing,
 4 processing, compounding, or producing for sale of items of
 5 tangible personal property. Such term includes parts and
 6 accessories only to the extent that the exemption thereof is
 7 consistent with the provisions of this paragraph.

8 b. "Productive output" means the number of units
 9 actually produced by a single plant or operation in a single
 10 continuous 12-month period, irrespective of sales. Increases
 11 in productive output shall be measured by the output for 12
 12 continuous months immediately following the completion of
 13 installation of such machinery or equipment over the output
 14 for the 12 continuous months immediately preceding such
 15 installation. However, if a different 12-month continuous
 16 period of time would more accurately reflect the increase in
 17 productive output of machinery and equipment purchased to
 18 facilitate an expansion, the increase in productive output may
 19 be measured during that 12-month continuous period of time if
 20 such time period is mutually agreed upon by the Department of
 21 Revenue and the expanding business prior to the commencement
 22 of production; provided, however, in no case may such time
 23 period begin later than 2 years following the completion of
 24 installation of the new machinery and equipment. The units
 25 used to measure productive output shall be physically
 26 comparable between the two periods, irrespective of sales.

27 7. Notwithstanding any other provision in this
 28 paragraph to the contrary, in order to receive the exemption
 29 provided in this paragraph a taxpayer must register with the
 30 WAGES Program Business Registry established by the local WAGES
 31 coalition for the area in which the taxpayer is located. Such

Bill No. CS for SB 1458

Amendment No. ____

1 registration establishes a commitment on the part of the
2 taxpayer to hire WAGES program participants to the maximum
3 extent possible consistent with the nature of their business.

4 (7) MISCELLANEOUS EXEMPTIONS.--

5 (d) Feeds.--Feeds for poultry, ostriches, and
6 livestock, including racehorses, racing greyhounds, and dairy
7 cows, are exempt.

8
9

10 ===== T I T L E A M E N D M E N T =====

11 And the title is amended as follows:

12 On page 1, line 6, after the semicolon,

13
14

insert:

15 providing an exemption for feeds for racing
16 greyhounds;

17
18
19
20
21
22
23
24
25
26
27
28
29
30
31