

Bill No. CS for SB 1604

Amendment No. ____

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Senator Childers moved the following amendment:

Senate Amendment (with title amendment)

On page 1, line 22, through
page 7, line 13, delete those lines

and insert:

Section 1. Paragraph (j) of subsection (5) and
paragraph (d) 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.--

(j) Machinery and equipment used in semiconductor,
defense, or space silicon technology production and research
and development.--

1.a. Industrial machinery and equipment used ~~purchased~~

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1 ~~for use~~ in semiconductor silicon technology facilities
2 certified under subparagraph 6.5 to manufacture, process,
3 compound, or produce semiconductor silicon technology products
4 for sale or for use by these facilities are exempt from the
5 tax imposed by this chapter. For purposes of this paragraph,
6 industrial machinery and equipment includes molds, dies,
7 machine tooling, other appurtenances or accessories to
8 machinery and equipment, testing equipment, test beds,
9 computers, and software, whether purchased or self-fabricated,
10 and, if self-fabricated, includes materials and labor for
11 design, fabrication, and assembly.

12 b. Industrial machinery and equipment used in defense
13 or space technology facilities certified under subparagraph 6.
14 to manufacture, process, compound, or produce defense
15 technology products or space technology products for sale or
16 for use by these facilities are exempt from 25 percent of the
17 tax imposed by this chapter.

18 2.a. Machinery and equipment are exempt from the tax
19 imposed by this chapter if ~~used~~ ~~purchased for use~~
20 predominately in semiconductor silicon wafer research and
21 development activities in a semiconductor silicon technology
22 research and development facility certified under subparagraph
23 6.5. For purposes of this paragraph, machinery and equipment
24 includes molds, dies, machine tooling, other appurtenances or
25 accessories to machinery and equipment, testing equipment,
26 test beds, computers, and software, whether purchased or
27 self-fabricated, and, if self-fabricated, includes materials
28 and labor for design, fabrication, and assembly.

29 b. Machinery and equipment are exempt from 25 percent
30 of the tax imposed by this chapter if used predominately in
31 defense or space research and development activities in a

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1 defense or space technology research and development facility
2 certified under subparagraph 6.

3 3. Building materials purchased for use in
4 manufacturing or expanding clean rooms in
5 semiconductor-manufacturing facilities are exempt from the tax
6 imposed by this chapter.

7 4.3. In addition to meeting the criteria mandated by
8 subparagraph 1., or subparagraph 2., or subparagraph 3., a
9 business must be certified by the Office of Tourism, Trade,
10 and Economic Development as authorized in this paragraph in
11 order to qualify for exemption under this paragraph.

12 5.4. For items purchased tax exempt pursuant to this
13 paragraph, possession of a written certification from the
14 purchaser, certifying the purchaser's entitlement to exemption
15 pursuant to this paragraph, relieves the seller of the
16 responsibility of collecting the tax on the sale of such
17 items, and the department shall look solely to the purchaser
18 for recovery of tax if it determines that the purchaser was
19 not entitled to the exemption.

20 6.5.a. To be eligible to receive the exemption
21 provided by subparagraph 1., or subparagraph 2., or
22 subparagraph 3., a qualifying business entity shall apply to
23 Enterprise Florida, Inc. The application shall be developed by
24 the Office of Tourism, Trade, and Economic Development in
25 consultation with Enterprise Florida, Inc.

26 b. Enterprise Florida, Inc., shall review each
27 submitted application and information and determine whether or
28 not the application is complete within 5 working days. Once an
29 application is complete, Enterprise Florida, Inc., shall,
30 within 10 working days, evaluate the application and recommend
31 approval or disapproval of the application to the Office of

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1 Tourism, Trade, and Economic Development.

2 c. Upon receipt of the application and recommendation
3 from Enterprise Florida, Inc., the Office of Tourism, Trade,
4 and Economic Development shall certify within 5 working days
5 those applicants who are found to meet the requirements of
6 this section and notify the applicant, Enterprise Florida,
7 Inc., and the department of the certification. If the Office
8 of Tourism, Trade, and Economic Development finds that the
9 applicant does not meet the requirements of this section, it
10 shall notify the applicant and Enterprise Florida, Inc.,
11 within 10 working days that the application for certification
12 has been denied and the reasons for denial. The Office of
13 Tourism, Trade, and Economic Development has final approval
14 authority for certification under this section.

15 ~~7.6.a. A business certified to receive this exemption~~
16 may apply once each year for the exemption.

17 ~~b. The first claim submitted by a business may include~~
18 ~~all eligible expenditures made after the date the business was~~
19 ~~certified.~~

20 ~~b.c. To apply for the annual exemption, the business~~
21 ~~shall submit a claim to the Office of Tourism, Trade, and~~
22 ~~Economic Development, which claim indicates and documents the~~
23 ~~sales and use taxes otherwise payable on eligible machinery~~
24 ~~and equipment. The application claim must also indicate, for~~
25 program evaluation purposes only, the average number of
26 full-time equivalent employees at the facility over the
27 preceding calendar year, the average wage and benefits paid to
28 those employees over the preceding calendar year, ~~and~~ the
29 total investment made in real and tangible personal property
30 over the preceding calendar year, and the total value of
31 tax-exempt purchases and taxes exempted during the previous

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1 ~~year or, for the first claim submitted, since the date of~~
2 ~~certification.~~ The department shall assist the Office of
3 Tourism, Trade, and Economic Development in evaluating and
4 verifying information provided in the application for
5 exemption.

6 ~~c.d.~~ The Office of Tourism, Trade, and Economic
7 Development may use the information reported on the
8 application ~~claims~~ for evaluation purposes only and shall
9 prepare an annual report on the exemption program and its cost
10 and impact. The annual report for the preceding fiscal year
11 shall be submitted to the Governor, the President of the
12 Senate, and the Speaker of the House of Representatives by
13 September 30 of each fiscal year. This report may be submitted
14 in conjunction with the annual report required in s.
15 288.095(3)(c).

16 ~~8.7.~~ A business certified to receive this exemption
17 may elect to designate one or more state universities or
18 community colleges as recipients of up to 100 percent of the
19 amount of the exemption for which they may qualify. To receive
20 these funds, the institution must agree to match the funds so
21 earned with equivalent cash, programs, services, or other
22 in-kind support on a one-to-one basis in the pursuit of
23 research and development projects as requested by the
24 certified business. The rights to any patents, royalties, or
25 real or intellectual property must be vested in the business
26 unless otherwise agreed to by the business and the university
27 or community college.

28 ~~9.8.~~ As used in this paragraph, the term:

29 a. "Predominately" means at least 50 percent of the
30 time in qualifying research and development.

31 b. "Research and development" means basic and applied

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1 research in the science or engineering, as well as the design,
2 development, and testing of prototypes or processes of new or
3 improved products. Research and development does not include
4 market research, routine consumer product testing, sales
5 research, research in the social sciences or psychology,
6 nontechnological activities, or technical services.

7 c. "Semiconductor ~~Silicon~~ technology products" means
8 raw semiconductor ~~silicon~~ wafers or semiconductor thin films
9 that are transformed into semiconductor memory or logic
10 wafers, including wafers containing mixed memory and logic
11 circuits; related assembly and test operations; active-matrix
12 flat panel displays; semiconductor chips; semiconductor
13 lasers; optoelectronic elements; and related semiconductor
14 ~~silicon~~ technology products as determined by the Office of
15 Tourism, Trade, and Economic Development.

16 d. "Clean rooms" means manufacturing facilities
17 enclosed in a manner that meets the clean manufacturing
18 requirements necessary for high-technology
19 semiconductor-manufacturing environments.

20 e. "Defense technology products" means products that
21 have a military application, including, but not limited to,
22 weapons, weapons systems, guidance systems, surveillance
23 systems, communications or information systems, munitions,
24 aircraft, vessels, or boats, or components thereof, which are
25 intended for military use and manufactured in performance of a
26 contract with the United States Department of Defense or the
27 military branch of a recognized foreign government or a
28 subcontract thereunder which relates to matters of national
29 defense.

30 f. "Space technology products" means products that are
31 specifically designed or manufactured for application in space

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1 activities, including, but not limited to, space launch
 2 vehicles, missiles, satellites or research payloads, avionics,
 3 and associated control systems and processing systems. The
 4 term does not include products that are designed or
 5 manufactured for general commercial aviation or other uses
 6 even though those products may also serve an incidental use in
 7 space applications.

8 (7) MISCELLANEOUS EXEMPTIONS.--

9 (d) Feeds.--Feeds for poultry, ostriches, and
 10 livestock, including racehorses, racing greyhounds, and dairy
 11 cows, are exempt.

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

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

22 And the title is amended as follows:

23 On page 1, line 18, after the semicolon,

24

25 insert:

26 providing an exemption for feeds for racing
 27 greyhounds;

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