

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 revising an exemption from taxation for
5 machinery and equipment used in
6 silicon-technology production and research and
7 development; making the exemption applicable to
8 semiconductor-technology production and
9 research and development; providing an
10 exemption from taxation for building materials
11 purchased for use in manufacturing or expanding
12 clean rooms for semiconductor-manufacturing
13 facilities; revising definitions; revising
14 criteria and procedures; providing a partial
15 exemption for machinery and equipment for use
16 in defense and space technology research and
17 development and production; providing
18 definitions; authorizing certain school
19 districts to levy additional discretionary
20 millage; forgiving certain taxes; providing an
21 effective date.

22
23 Be It Enacted by the Legislature of the State of Florida:

24
25 Section 1. Paragraph (j) of subsection (5) of section
26 212.08, Florida Statutes, is amended to read:

27 212.08 Sales, rental, use, consumption, distribution,
28 and storage tax; specified exemptions.--The sale at retail,
29 the rental, the use, the consumption, the distribution, and
30 the storage to be used or consumed in this state of the
31

1 following are hereby specifically exempt from the tax imposed
2 by this chapter.

3 (5) EXEMPTIONS; ACCOUNT OF USE.--

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

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

19 b. Industrial machinery and equipment used in defense
20 or space technology facilities certified under subparagraph 6.
21 to manufacture, process, compound, or produce defense
22 technology products or space technology products for sale or
23 for use by these facilities are exempt from 25 percent of the
24 tax imposed by this chapter.

25 2.a. Machinery and equipment are exempt from the tax
26 imposed by this chapter if used ~~purchased for use~~
27 predominately in semiconductor ~~silicon~~ wafer research and
28 development activities in a semiconductor ~~silicon~~ technology
29 research and development facility certified under subparagraph
30 6.5-For purposes of this paragraph, machinery and equipment
31 includes molds, dies, machine tooling, other appurtenances or

1 accessories to machinery and equipment, testing equipment,
2 test beds, computers, and software, whether purchased or
3 self-fabricated, and, if self-fabricated, includes materials
4 and labor for design, fabrication, and assembly.

5 b. Machinery and equipment are exempt from 25 percent
6 of the tax imposed by this chapter if used predominately in
7 defense or space research and development activities in a
8 defense or space technology research and development facility
9 certified under subparagraph 6.

10 3. Building materials purchased for use in
11 manufacturing or expanding clean rooms in
12 semiconductor-manufacturing facilities are exempt from the tax
13 imposed by this chapter.

14 ~~4.3.~~ In addition to meeting the criteria mandated by
15 subparagraph 1., ~~or~~ subparagraph 2., or subparagraph 3., a
16 business must be certified by the Office of Tourism, Trade,
17 and Economic Development as authorized in this paragraph in
18 order to qualify for exemption under this paragraph.

19 ~~5.4.~~ For items purchased tax exempt pursuant to this
20 paragraph, possession of a written certification from the
21 purchaser, certifying the purchaser's entitlement to exemption
22 pursuant to this paragraph, relieves the seller of the
23 responsibility of collecting the tax on the sale of such
24 items, and the department shall look solely to the purchaser
25 for recovery of tax if it determines that the purchaser was
26 not entitled to the exemption.

27 ~~6.5.a.~~ To be eligible to receive the exemption
28 provided by subparagraph 1., ~~or~~ subparagraph 2., or
29 subparagraph 3., a qualifying business entity shall apply to
30 Enterprise Florida, Inc. The application shall be developed by
31

1 the Office of Tourism, Trade, and Economic Development in
2 consultation with Enterprise Florida, Inc.

3 b. Enterprise Florida, Inc., shall review each
4 submitted application and information and determine whether or
5 not the application is complete within 5 working days. Once an
6 application is complete, Enterprise Florida, Inc., shall,
7 within 10 working days, evaluate the application and recommend
8 approval or disapproval of the application to the Office of
9 Tourism, Trade, and Economic Development.

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

23 ~~7.6.a. A business certified to receive this exemption~~
24 ~~may apply once each year for the exemption.~~

25 ~~b. The first claim submitted by a business may include~~
26 ~~all eligible expenditures made after the date the business was~~
27 ~~certified.~~

28 ~~b.c. To apply for the annual exemption, the business~~
29 ~~shall submit a claim to the Office of Tourism, Trade, and~~
30 ~~Economic Development, which claim indicates and documents the~~
31 ~~sales and use taxes otherwise payable on eligible machinery~~

1 ~~and equipment.~~ The application claim must also indicate, for
2 program evaluation purposes only, the average number of
3 full-time equivalent employees at the facility over the
4 preceding calendar year, the average wage and benefits paid to
5 those employees over the preceding calendar year, ~~and~~ the
6 total investment made in real and tangible personal property
7 over the preceding calendar year, and the total value of
8 tax-exempt purchases and taxes exempted during the previous
9 year or, for the first claim submitted, since the date of
10 certification. The department shall assist the Office of
11 Tourism, Trade, and Economic Development in evaluating and
12 verifying information provided in the application for
13 exemption.

14 ~~c.d.~~ The Office of Tourism, Trade, and Economic
15 Development may use the information reported on the
16 application claims for evaluation purposes only and shall
17 prepare an annual report on the exemption program and its cost
18 and impact. The annual report for the preceding fiscal year
19 shall be submitted to the Governor, the President of the
20 Senate, and the Speaker of the House of Representatives by
21 September 30 of each fiscal year. This report may be submitted
22 in conjunction with the annual report required in s.
23 288.095(3)(c).

24 ~~8.7.~~ A business certified to receive this exemption
25 may elect to designate one or more state universities or
26 community colleges as recipients of up to 100 percent of the
27 amount of the exemption for which they may qualify. To receive
28 these funds, the institution must agree to match the funds so
29 earned with equivalent cash, programs, services, or other
30 in-kind support on a one-to-one basis in the pursuit of
31 research and development projects as requested by the

1 certified business. The rights to any patents, royalties, or
2 real or intellectual property must be vested in the business
3 unless otherwise agreed to by the business and the university
4 or community college.

5 ~~9.8.~~ As used in this paragraph, the term:

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

8 b. "Research and development" means basic and applied
9 research in the science or engineering, as well as the design,
10 development, and testing of prototypes or processes of new or
11 improved products. Research and development does not include
12 market research, routine consumer product testing, sales
13 research, research in the social sciences or psychology,
14 nontechnological activities, or technical services.

15 c. "Semiconductor ~~Silicon~~ technology products" means
16 raw semiconductor ~~silicon~~ wafers or semiconductor thin films
17 that are transformed into semiconductor memory or logic
18 wafers, including wafers containing mixed memory and logic
19 circuits; related assembly and test operations; active-matrix
20 flat panel displays; semiconductor chips; semiconductor
21 lasers; optoelectronic elements; and related semiconductor
22 ~~silicon~~ technology products as determined by the Office of
23 Tourism, Trade, and Economic Development.

24 d. "Clean rooms" means manufacturing facilities
25 enclosed in a manner that meets the clean manufacturing
26 requirements necessary for high-technology
27 semiconductor-manufacturing environments.

28 e. "Defense technology products" means products that
29 have a military application, including, but not limited to,
30 weapons, weapons systems, guidance systems, surveillance
31 systems, communications or information systems, munitions,

1 aircraft, vessels, or boats, or components thereof, which are
2 intended for military use and manufactured in performance of a
3 contract with the United States Department of Defense or the
4 military branch of a recognized foreign government or a
5 subcontract thereunder which relates to matters of national
6 defense.

7 f. "Space technology products" means products that are
8 specifically designed or manufactured for application in space
9 activities, including, but not limited to, space launch
10 vehicles, missiles, satellites or research payloads, avionics,
11 and associated control systems and processing systems. The
12 term does not include products that are designed or
13 manufactured for general commercial aviation or other uses
14 even though those products may also serve an incidental use in
15 space applications.

16 Section 2. Notwithstanding the General Appropriations
17 Act for 2000-2001, any school district that has submitted a
18 proposal to be a charter school district under section
19 228.058, Florida Statutes, prior to March 1, 2000, may levy up
20 to 1.0 of additional discretionary school millage, for 1 year
21 only, to provide funds necessary to implement the transition
22 to charter district status.

23 Section 3. Any tax liability that accrued under
24 section 550.09515(2)(a)2., Florida Statutes, between January
25 1, 2000, and May 22, 2000, is forgiven, and the Department of
26 Business and Professional Regulation may not maintain an
27 action to collect such taxes.

28 Section 4. This act shall take effect January 1, 2001.
29
30
31