

By Representative Byrd

1 A bill to be entitled
2 An act relating to tax on sales, use, and other
3 transactions; amending s. 212.17, F.S.;
4 providing conditions under which a dealer who
5 has entered into a private label credit card
6 agreement may take a credit or obtain a refund
7 for taxes paid on unpaid balances of worthless
8 accounts; providing intent; providing an
9 effective date.

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

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13 Section 1. Subsection (8) is added to section 212.17,
14 Florida Statutes, to read:15 212.17 Credits for returned goods, rentals, or
16 admissions; goods acquired for dealer's own use and
17 subsequently resold; additional powers of department.--

18 (8) A dealer who has paid the tax imposed by this
19 chapter on tangible personal property or services may take a
20 credit or obtain a refund for any tax paid by the dealer on
21 the unpaid balance due on worthless accounts within 12 months
22 following the month in which the bad debt has been charged off
23 for federal income tax purposes by the person who owns the
24 retail account pursuant to a private label credit card
25 agreement with the dealer. As used in this subsection,
26 "private label credit card agreement" means an agreement
27 directly between a dealer and a bank or other financial
28 institution pursuant to which the bank or other financial
29 institution issues to some of the dealer's customers credit
30 cards that carry the name of the dealer and can be used solely
31 for purchases from that dealer or from another member of an

1 affiliated group of corporations, as defined by s.
2 220.03(1)(b), in which the dealer is a member. In determining
3 whether a credit or refund has been properly claimed, the
4 department may look solely to records and information
5 available from the dealer, and may, but shall not be required
6 to, audit the bank or financial institution which issued the
7 private label credit card. If any accounts so charged off for
8 which a credit or refund has been obtained are thereafter in
9 whole or in part paid, the amount so paid shall be included in
10 the first return filed after such collection and the tax paid
11 accordingly.

12 Section 2. It is the specific intent of the
13 Legislature that nothing in this act either affirms or denies
14 the efficacy of any assignment by a dealer to another person
15 of the right to any credit or refund under s. 212.17, Florida
16 Statutes. In addition, this act shall not, in any pending or
17 future administrative or judicial proceeding or with respect
18 to any pending or future credit or refund claim, be argued or
19 offered as evidence of legislative intent as to s. 212.17(2)or
20 (3), Florida Statutes. Further, it is the intent of the
21 Legislature that this act has no operation except with respect
22 to transactions entailing the use of a private label credit
23 card.

24 Section 3. This act shall take effect July 1, 2000.

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27 HOUSE SUMMARY

28 Provides conditions under which a sales tax dealer who
29 has entered into a private label credit card agreement
30 may take a credit or obtain a refund for taxes paid on
31 unpaid balances of worthless accounts.