

By the Committee on Fiscal Resource and Senators Thomas, Bronson, Childers, Rossin, Saunders, Grant, Sebesta, Brown-Waite, Casas, Diaz-Balart, Cowin, Mitchell and Dawson

314-2079-00

1 A bill to be entitled
2 An act relating to tax on sales, use, and other
3 transactions; amending s. 212.02, F.S.;
4 defining "agricultural production"; amending s.
5 212.08, F.S.; revising application of the
6 partial exemption for self-propelled,
7 power-drawn, or power-driven farm equipment
8 used exclusively on a farm or in a forest in
9 specified activities and including rental or
10 lease of such equipment in such exemption;
11 reducing the rate of tax on such equipment;
12 amending s. 212.12, F.S., relating to
13 promulgation of tax brackets by the Department
14 of Revenue, to conform; providing an effective
15 date.

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

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19 Section 1. Subsection (34) is added to section 212.02,
20 Florida Statutes, to read:

21 212.02 Definitions.--The following terms and phrases
22 when used in this chapter have the meanings ascribed to them
23 in this section, except where the context clearly indicates a
24 different meaning:

25 (34) "Agricultural production" means the production of
26 plants and animals useful to humans, including the
27 preparation, planting, cultivating, or harvesting of these
28 products or any other practices necessary to accomplish
29 production through the harvest phase, and includes
30 aquaculture, horticulture, floriculture, viticulture,

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1 forestry, dairy, livestock, poultry, bees, and any and all
2 forms of farm products and farm production.

3 Section 2. Subsection (3) of section 212.08, Florida
4 Statutes, is amended to read:

5 212.08 Sales, rental, use, consumption, distribution,
6 and storage tax; specified exemptions.--The sale at retail,
7 the rental, the use, the consumption, the distribution, and
8 the storage to be used or consumed in this state of the
9 following are hereby specifically exempt from the tax imposed
10 by this chapter.

11 (3) EXEMPTIONS, PARTIAL; CERTAIN FARM
12 EQUIPMENT.--There shall be taxable at the rate of 2.5 ~~3~~
13 percent the sale, rental, lease, use, consumption, or storage
14 for use in this state of self-propelled, power-drawn, or
15 power-driven farm equipment used exclusively on a farm or in a
16 forest in the agricultural production of ~~plowing, planting,~~
17 ~~cultivating, or harvesting~~ crops or products as produced by
18 those agricultural industries included in s. 570.02(1), or for
19 fire prevention and suppression work with respect to such
20 crops or products. Harvesting may not be construed to include
21 processing activities. This exemption is not forfeited by
22 moving farm equipment between farms or forests. ~~The rental of~~
23 ~~self-propelled, power-drawn, or power-driven farm equipment~~
24 ~~shall be taxed at the rate of 3 percent.~~

25 Section 3. Subsection (11) of section 212.12, Florida
26 Statutes, is amended to read:

27 212.12 Dealer's credit for collecting tax; penalties
28 for noncompliance; powers of Department of Revenue in dealing
29 with delinquents; brackets applicable to taxable transactions;
30 records required.--

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1 (11) The department is authorized to provide by rule
2 the tax amounts and brackets applicable to all taxable
3 transactions that occur in counties that have a surtax at a
4 rate other than 1 percent which transactions would otherwise
5 have been transactions taxable at the rate of 6 percent.
6 Likewise, the department is authorized to promulgate by rule
7 the tax amounts and brackets applicable to transactions
8 taxable at 2.5 ~~3~~ percent pursuant to s. 212.08(3),
9 transactions taxable at 7 percent pursuant to s. 212.05(1)(e),
10 and on transactions which would otherwise have been so taxable
11 in counties which have adopted a discretionary sales surtax.

12 Section 4. This act shall take effect January 1, 2001.

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14 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
15 COMMITTEE SUBSTITUTE FOR
16 SB 1868

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17 The Committee Substitutes eliminates the phase-out of the
18 partial exemption for equipment used in agricultural
19 production and replaces it with a reduction in the rate from
20 3% to 2.5%, effective January 1, 2001.

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