

By Senator Sebesta

20-1643-00

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 providing that the exemption set forth in s.
5 212.08(7)(eee), F.S., for certain repair and
6 labor charges applies to industries classified
7 under SIC Code 35; provides for retroactivity;
8 provides an effective date.

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

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12 Section 1. Paragraph (eee) of subsection (7) of
13 section 212.08, Florida Statutes, is amended to read:

14 212.08 Sales, rental, use, consumption, distribution,
15 and storage tax; specified exemptions.--The sale at retail,
16 the rental, the use, the consumption, the distribution, and
17 the storage to be used or consumed in this state of the
18 following are hereby specifically exempt from the tax imposed
19 by this chapter.

20 (7) MISCELLANEOUS EXEMPTIONS.--

21 (eee) Certain repair and labor charges.--

22 1. Subject to the provisions of subparagraphs 2. and
23 3., there is exempt from the tax imposed by this chapter all
24 labor charges for the repair of, and parts and materials used
25 in the repair of and incorporated into, industrial machinery
26 and equipment which is used for the manufacture, processing,
27 compounding, ~~or~~ production, or production and shipping of
28 items of tangible personal property at a fixed location within
29 this state.

30 2. This exemption applies only to industries
31 classified under SIC Industry Major Group Numbers 10, 12, 13,

1 14, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34,
2 35,36, 37, 38, and 39 and Industry Group Number 212. As used
3 in this subparagraph, "SIC" means those classifications
4 contained in the Standard Industrial Classification Manual,
5 1987, as published by the Office of Management and Budget,
6 Executive Office of the President.

7 3. This exemption shall be applied as follows:

8 a. Beginning July 1, 1999, 25 percent of such charges
9 for repair parts and labor shall be exempt.

10 b. Beginning July 1, 2000, 50 percent of such charges
11 for repair parts and labor shall be exempt.

12 c. Beginning July 1, 2001, 75 percent of such charges
13 for repair parts and labor shall be exempt.

14 d. Beginning July 1, 2002, 100 percent of such charges
15 for repair parts and labor shall be exempt.

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

23 Section 2. The amendment to section 212.08(7)(eee),
24 Florida Statutes, which is set forth in section 1 of this act,
25 providing that the exemption from the tax on sales, use, and
26 other transactions for certain repair and labor charges
27 applies to industries classified under SIC Industry Major
28 Group Number 35, is remedial in nature and applies
29 retroactively as if SIC Code 35 had been included effective
30 July 1, 1999.

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

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SENATE SUMMARY

Provides that the exemption from the tax on sales, use, and other transactions which is set forth in s. 212.08(7)(eee), F.S., applies to industries classified under SIC Code 35. Provides that this amendment is remedial and that the exemption provided in this act is effective retroactively from July 1, 1999.