

1 A bill to be entitled
2 An act relating to taxation; amending s.
3 212.08, F.S.; revising an exemption from
4 taxation for machinery and equipment used in
5 silicon-technology production and research and
6 development; making the exemption applicable to
7 semiconductor-technology production and
8 research and development; providing an
9 exemption from taxation for building materials
10 purchased for use in manufacturing or expanding
11 clean rooms for semiconductor-manufacturing
12 facilities; revising definitions; revising
13 criteria and procedures; forgiving certain
14 taxes; amending s. 212.20, F.S.; providing a
15 lump-sum payment to the International Game Fish
16 Association World Center; reducing the maximum
17 number of monthly distributions to account for
18 the lump-sum payment; providing for a refund of
19 certain taxes paid; providing effective dates.
20

21 Be It Enacted by the Legislature of the State of Florida:
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23 Section 1. Paragraph (j) of subsection (5) of section
24 212.08, Florida Statutes, is amended to read:

25 212.08 Sales, rental, use, consumption, distribution,
26 and storage tax; specified exemptions.--The sale at retail,
27 the rental, the use, the consumption, the distribution, and
28 the storage to be used or consumed in this state of the
29 following are hereby specifically exempt from the tax imposed
30 by this chapter.

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

1 (j) Machinery and equipment used in semiconductor
2 ~~silicon~~ technology production and research and development.--

3 1. Industrial machinery and equipment purchased for
4 use in semiconductor ~~silicon~~ technology facilities certified
5 under subparagraph 6.5 to manufacture, process, compound, or
6 produce semiconductor ~~silicon~~ technology products for sale or
7 for use by these facilities are exempt from the tax imposed by
8 this chapter.

9 2. Machinery and equipment are exempt from the tax
10 imposed by this chapter if purchased for use predominately in
11 semiconductor ~~silicon~~ wafer research and development
12 activities in a semiconductor ~~silicon~~ technology research and
13 development facility certified under subparagraph 6.5.

14 3. Building materials purchased for use in
15 manufacturing or expanding clean rooms in
16 semiconductor-manufacturing facilities are exempt from the tax
17 imposed by this chapter.

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

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

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1 6.5-a. To be eligible to receive the exemption
2 provided by subparagraph 1., ~~or~~ subparagraph 2., or
3 subparagraph 3., a qualifying business entity shall apply to
4 Enterprise Florida, Inc. The application shall be developed by
5 the Office of Tourism, Trade, and Economic Development in
6 consultation with Enterprise Florida, Inc.

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

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

27 ~~7.6-a.~~ A business ~~certified to receive this exemption~~
28 may apply once each year for the exemption.

29 ~~b.~~ ~~The first claim submitted by a business may include~~
30 ~~all eligible expenditures made after the date the business was~~
31 ~~certified.~~

1 ~~b.c.~~ To apply for the annual exemption, the business
2 shall submit a claim to the Office of Tourism, Trade, and
3 Economic Development, which claim indicates and documents the
4 sales and use taxes otherwise payable on eligible machinery
5 and equipment. The application claim must also indicate, for
6 program evaluation purposes only, the average number of
7 full-time equivalent employees at the facility over the
8 preceding calendar year, the average wage and benefits paid to
9 those employees over the preceding calendar year, ~~and~~ the
10 total investment made in real and tangible personal property
11 over the preceding calendar year, and the total value of
12 tax-exempt purchases and taxes exempted during the previous
13 year or, for the first claim submitted, since the date of
14 certification. The department shall assist the Office of
15 Tourism, Trade, and Economic Development in evaluating and
16 verifying information provided in the application for
17 exemption.

18 ~~c.d.~~ The Office of Tourism, Trade, and Economic
19 Development may use the information reported on the
20 application claims for evaluation purposes only and shall
21 prepare an annual report on the exemption program and its cost
22 and impact. The annual report for the preceding fiscal year
23 shall be submitted to the Governor, the President of the
24 Senate, and the Speaker of the House of Representatives by
25 September 30 of each fiscal year. This report may be submitted
26 in conjunction with the annual report required in s.
27 288.095(3)(c).

28 8.7. A business certified to receive this exemption
29 may elect to designate one or more state universities or
30 community colleges as recipients of up to 100 percent of the
31 amount of the exemption for which they may qualify. To receive

1 these funds, the institution must agree to match the funds so
2 earned with equivalent cash, programs, services, or other
3 in-kind support on a one-to-one basis in the pursuit of
4 research and development projects as requested by the
5 certified business. The rights to any patents, royalties, or
6 real or intellectual property must be vested in the business
7 unless otherwise agreed to by the business and the university
8 or community college.

9 9.8. As used in this paragraph, the term:

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

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

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

28 d. "Clean rooms" means manufacturing facilities
29 enclosed in a manner that meets the clean manufacturing
30 requirements necessary for high-technology
31 semiconductor-manufacturing environments.

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

6 Section 3. Effective upon this act becoming a law,
7 paragraph (f) of subsection (6) of section 212.20, Florida
8 Statutes, is amended to read:

9 212.20 Funds collected, disposition; additional powers
10 of department; operational expense; refund of taxes
11 adjudicated unconstitutionally collected.--

12 (6) Distribution of all proceeds under this chapter
13 shall be as follows:

14 (f) The proceeds of all other taxes and fees imposed
15 pursuant to this chapter shall be distributed as follows:

16 1. In any fiscal year, the greater of \$500 million,
17 minus an amount equal to 4.6 percent of the proceeds of the
18 taxes collected pursuant to chapter 201, or 5 percent of all
19 other taxes and fees imposed pursuant to this chapter shall be
20 deposited in monthly installments into the General Revenue
21 Fund.

22 2. Two-tenths of one percent shall be transferred to
23 the Solid Waste Management Trust Fund.

24 3. After the distribution under subparagraphs 1. and
25 2., 9.653 percent of the amount remitted by a sales tax dealer
26 located within a participating county pursuant to s. 218.61
27 shall be transferred into the Local Government Half-cent Sales
28 Tax Clearing Trust Fund.

29 4. After the distribution under subparagraphs 1., 2.,
30 and 3., 0.054 percent shall be transferred to the Local
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1 Government Half-cent Sales Tax Clearing Trust Fund and
2 distributed pursuant to s. 218.65.

3 5. Of the remaining proceeds:

4 a. Beginning July 1, 1992, \$166,667 shall be
5 distributed monthly by the department to each applicant that
6 has been certified as a "facility for a new professional
7 sports franchise" or a "facility for a retained professional
8 sports franchise" pursuant to s. 288.1162 and \$41,667 shall be
9 distributed monthly by the department to each applicant that
10 has been certified as a "new spring training franchise
11 facility" pursuant to s. 288.1162. Distributions shall begin
12 60 days following such certification and shall continue for 30
13 years. Nothing contained herein shall be construed to allow an
14 applicant certified pursuant to s. 288.1162 to receive more in
15 distributions than actually expended by the applicant for the
16 public purposes provided for in s. 288.1162(7). However, a
17 certified applicant shall receive distributions up to the
18 maximum amount allowable and undistributed under this section
19 for additional renovations and improvements to the facility
20 for the franchise without additional certification.

21 b. Beginning 30 days after notice by the Office of
22 Tourism, Trade, and Economic Development to the Department of
23 Revenue that an applicant has been certified as the
24 professional golf hall of fame pursuant to s. 288.1168 and is
25 open to the public, \$166,667 shall be distributed monthly, for
26 up to 300 months, to the applicant.

27 c. Beginning 30 days after notice by the Office of
28 Tourism, Trade, and Economic Development ~~Department of~~
29 ~~Commerce~~ to the Department of Revenue that the applicant has
30 been certified as the International Game Fish Association
31 World Center facility pursuant to s. 288.1169, and the

1 facility is open to the public, \$83,333 shall be distributed
2 monthly, for up to 168 ~~180~~ months, to the applicant. This
3 distribution is subject to reduction pursuant to s. 288.1169.
4 A lump-sum payment of \$999,996 shall be made after
5 certification and before July 1, 2000.

6 6. All other proceeds shall remain with the General
7 Revenue Fund.

8 Section 4. Effective July 1, 2000, for the period July
9 1, 1998, through June 30, 1999, every business classified
10 under Industry Group Number 212, which has collected and paid
11 tax imposed by chapter 212, Florida Statutes, on charges for
12 steam or electrical energy used in the manner provided by
13 section 212.08(7)(ii), Florida Statutes, shall qualify for a
14 refund of said taxes pursuant to sections 213.255 and 215.26,
15 Florida Statutes, or shall be relieved of the requirement to
16 pay such taxes if those taxes have not been collected and
17 paid. It is the intent of the Legislature that this provision
18 shall be applied as if Industry Group Number 212 had never
19 been excluded from this exemption. As used in this section,
20 the term "SIC" means those classifications contained in the
21 Standard Industrial Classification Manual, 1987, as published
22 by the Office of Management and Budget, Executive Office of
23 the President.

24 Section 5. This act shall take effect upon becoming a
25 law, except that section 1 of this act shall take effect
26 January 1, 2001.