

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; amending s. 212.20,  
14          F.S.; providing a lump-sum payment to the  
15          International Game Fish Association World  
16          Center; reducing the maximum number of monthly  
17          distributions to account for the lump-sum  
18          payment; providing for a refund of certain  
19          taxes paid; providing effective dates.

20  
21   Be It Enacted by the Legislature of the State of Florida:

22  
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.

31

1           6.5-a. To be eligible to receive the exemption  
2 provided by subparagraph 1., ~~or~~ 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. Effective upon this act becoming a law,  
2 paragraph (f) of subsection (6) of section 212.20, Florida  
3 Statutes, is amended to read:

4           212.20 Funds collected, disposition; additional powers  
5 of department; operational expense; refund of taxes  
6 adjudicated unconstitutionally collected.--

7           (6) Distribution of all proceeds under this chapter  
8 shall be as follows:

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

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

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

19           3. After the distribution under subparagraphs 1. and  
20 2., 9.653 percent of the amount remitted by a sales tax dealer  
21 located within a participating county pursuant to s. 218.61  
22 shall be transferred into the Local Government Half-cent Sales  
23 Tax Clearing Trust Fund.

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

28           5. Of the remaining proceeds:

29           a. Beginning July 1, 1992, \$166,667 shall be  
30 distributed monthly by the department to each applicant that  
31 has been certified as a "facility for a new professional

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

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

21 c. Beginning 30 days after notice by the Office of  
22 Tourism, Trade, and Economic Development ~~Department of~~  
23 ~~Commerce~~ to the Department of Revenue that the applicant has  
24 been certified as the International Game Fish Association  
25 World Center facility pursuant to s. 288.1169, and the  
26 facility is open to the public, \$83,333 shall be distributed  
27 monthly, for up to 168 ~~180~~ months, to the applicant. This  
28 distribution is subject to reduction pursuant to s. 288.1169.  
29 A lump-sum payment of \$999,996 shall be made after  
30 certification and before July 1, 2000.

31

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

3           Section 3. Effective July 1, 2000, for the period July  
4 1, 1998, through June 30, 1999, every business classified  
5 under Industry Group Number 212, which has collected and paid  
6 tax imposed by chapter 212, Florida Statutes, on charges for  
7 steam or electrical energy used in the manner provided by  
8 section 212.08(7)(ii), Florida Statutes, shall qualify for a  
9 refund of said taxes pursuant to sections 213.255 and 215.26,  
10 Florida Statutes, or shall be relieved of the requirement to  
11 pay such taxes if those taxes have not been collected and  
12 paid. It is the intent of the Legislature that this provision  
13 shall be applied as if Industry Group Number 212 had never  
14 been excluded from this exemption. As used in this section,  
15 the term "SIC" means those classifications contained in the  
16 Standard Industrial Classification Manual, 1987, as published  
17 by the Office of Management and Budget, Executive Office of  
18 the President.

19           Section 4. This act shall take effect upon becoming a  
20 law, except that section 1 of this act shall take effect  
21 January 1, 2001.  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31