

By the Committee on Community Affairs and Representatives  
Bradley and Ritchie

1                                   A bill to be entitled  
2           An act relating to tax on sales, use, and other  
3           transactions; amending s. 212.08, F.S.;  
4           providing an exemption for building materials  
5           used in the rehabilitation of real property  
6           located in a Front Porch Florida Community;  
7           providing for application to governmental  
8           agencies under certain conditions; providing  
9           requirements for refund applications; providing  
10          for review and certification of applications by  
11          the Office of Urban Opportunity within the  
12          Office of Tourism, Trade, and Economic  
13          Development; providing limitations; providing  
14          duties of the Department of Revenue; providing  
15          for certain deductions from amounts deposited  
16          in the Local Government Half-cent Sales Tax  
17          Clearing Trust Fund; providing for rules;  
18          providing definitions; providing for  
19          expiration; providing an effective date.

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

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23           Section 1. Paragraph (n) is added to subsection (5) of  
24 section 212.08, Florida Statutes, 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       (n) Building materials used in the rehabilitation of  
2 real property located in a Front Porch Florida Community.--  
3       1. Building materials used in the rehabilitation of  
4 real property located in a Front Porch Florida Community  
5 shall be exempt from the tax imposed by this chapter upon an  
6 affirmative showing to the satisfaction of the department that  
7 the items have been used for the rehabilitation of real  
8 property located in a Front Porch Florida Community. Except as  
9 provided in subparagraph 2., this exemption inures to the  
10 owner, lessee, or lessor of the rehabilitated real property  
11 located in a Front Porch Florida Community only through a  
12 refund of previously paid taxes. To receive a refund pursuant  
13 to this paragraph, the owner, lessee, or lessor of the  
14 rehabilitated real property located in a Front Porch Florida  
15 Community must file an application under oath with the Office  
16 of Urban Opportunity within the Office of Tourism, Trade, and  
17 Economic Development, which includes:  
18       a. The name and address of the person claiming the  
19 refund.  
20       b. An address and assessment role parcel number of the  
21 rehabilitated real property in a Front Porch Florida Community  
22 for which a refund of previously paid taxes is being sought.  
23       c. A description of the improvements made to  
24 accomplish the rehabilitation of the real property.  
25       d. A copy of the building permit issued for the  
26 rehabilitation of the real property.  
27       e. A sworn statement, under the penalty of perjury,  
28 from the general contractor licensed in this state with whom  
29 the applicant contracted to make the improvements necessary to  
30 accomplish the rehabilitation of the real property, which  
31 statement lists the building materials used in the

1 rehabilitation of the real property, the actual cost of the  
2 building materials, and the amount of sales tax paid in this  
3 state on the building materials. In the event that a general  
4 contractor has not been used, the applicant shall provide this  
5 information in a sworn statement, under the penalty of  
6 perjury. Copies of the invoices which evidence the purchase  
7 of the building materials used in such rehabilitation and the  
8 payment of sales tax on the building materials shall be  
9 attached to the sworn statement provided by the general  
10 contractor or by the applicant. Unless the actual cost of  
11 building materials used in the rehabilitation of real property  
12 and the payment of sales taxes due thereon is documented by a  
13 general contractor or by the applicant in this manner, the  
14 cost of such building materials shall be an amount equal to 40  
15 percent of the increase in assessed value for ad valorem tax  
16 purposes.

17 f. The Front Porch Florida Community in which the  
18 rehabilitated real property is located.

19 g. A certification by the local building inspector  
20 that the improvements necessary to accomplish the  
21 rehabilitation of the real property are substantially  
22 completed.

23 h. If applicable, whether the business is a small  
24 business as defined by s. 288.703(1).

25 i. If applicable, the name and address of each  
26 permanent employee of the business, including, for each  
27 employee who is a resident of a Front Porch Florida Community,  
28 the name of the Front Porch Florida Community in which the  
29 employee resides.

30 2. This exemption inures to a city, county, or other  
31 governmental agency through a refund of previously paid taxes

1 if the building materials used in the rehabilitation of real  
2 property located in a Front Porch Florida Community are paid  
3 for from the funds of a community development block grant or  
4 similar grant or loan program. To receive a refund pursuant to  
5 this paragraph, a city, county, or other governmental agency  
6 must file an application which includes the same information  
7 required to be provided in subparagraph 1. by an owner,  
8 lessee, or lessor of rehabilitated real property. In addition,  
9 the application must include a sworn statement signed by the  
10 chief executive officer of the city, county, or other  
11 governmental agency seeking a refund which states that the  
12 building materials for which a refund is sought were paid for  
13 from the funds of a community development block grant or  
14 similar grant or loan program.

15 3. Within 10 working days after receipt of an  
16 application, the Office of Urban Opportunity within the Office  
17 of Tourism, Trade, and Economic Development shall review the  
18 application to determine if it contains all the information  
19 required pursuant to subparagraph 1. or subparagraph 2. and  
20 meets the criteria set out in this paragraph. The Office of  
21 Urban Opportunity shall certify all applications that contain  
22 the information required pursuant to subparagraph 1. or  
23 subparagraph 2. and meet the criteria set out in this  
24 paragraph as eligible to receive a refund. If applicable, the  
25 Office of Urban Opportunity shall also certify if 20 percent  
26 of the employees of the business are residents of a Front  
27 Porch Florida Community, excluding temporary and part-time  
28 employees. The certification shall be in writing, and a copy  
29 of the certification shall be transmitted to the executive  
30 director of the Department of Revenue. The applicant shall be  
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1 responsible for forwarding a certified application to the  
2 department within the time specified in subparagraph 4.

3 4. An application for a refund pursuant to this  
4 paragraph must be submitted to the department within 6 months  
5 after the rehabilitation of the property is deemed to be  
6 substantially completed by the local building inspector.

7 5. The provisions of s. 212.095 do not apply to any  
8 refund application made pursuant to this paragraph. No more  
9 than one exemption through a refund of previously paid taxes  
10 for the rehabilitation of real property shall be permitted for  
11 any one parcel of real property. No refund shall be granted  
12 pursuant to this paragraph unless the amount to be refunded  
13 exceeds \$500. No refund granted pursuant to this paragraph  
14 shall exceed the lesser of 97 percent of the Florida sales or  
15 use tax paid on the cost of the building materials used in the  
16 rehabilitation of the real property as determined pursuant to  
17 sub-subparagraph 1.e. or \$10,000, or, if no less than 20  
18 percent of the employees of the business are residents of a  
19 Front Porch Florida Community, excluding temporary and  
20 part-time employees, the amount of refund granted pursuant to  
21 this paragraph shall not exceed the lesser of 97 percent of  
22 the sales tax paid on the cost of such building materials or  
23 \$20,000. A refund approved pursuant to this paragraph shall  
24 be made within 30 days of formal approval by the department of  
25 the application for the refund.

26 6. The department shall adopt rules governing the  
27 manner and form of refund applications and may establish  
28 guidelines as to the requisites for an affirmative showing of  
29 qualification for exemption under this paragraph.

30 7. The department shall deduct an amount equal to 10  
31 percent of each refund granted under the provisions of this

1 paragraph from the amount transferred into the Local  
2 Government Half-cent Sales Tax Clearing Trust Fund pursuant to  
3 s. 212.20 for the county area in which the rehabilitated real  
4 property is located and shall transfer that amount to the  
5 General Revenue Fund.

6 8. For the purposes of the exemption provided in this  
7 paragraph:

8 a. "Building materials" means tangible personal  
9 property which becomes a component part of improvements to  
10 real property.

11 b. "Real property" has the same meaning as provided in  
12 s. 192.001(12).

13 c. "Rehabilitation of real property" means the  
14 reconstruction, renovation, restoration, rehabilitation,  
15 construction, or expansion of improvements to real property.

16 d. "Substantially completed" has the same meaning as  
17 provided in s. 192.042(1).

18 9. The provisions of this paragraph shall expire and  
19 be void on December 31, 2005.

20 Section 2. This act shall take effect July 1, 2000.

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