

By Senator Sebesta

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A bill to be entitled
An act relating to the tax on sales, use, and
other transactions; amending s. 212.08, F.S.;
providing an exemption for use of a specified
percentage of nonresidual fuel to produce
electrical or steam energy; providing an
effective date.

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

Section 1. Paragraph (c) of subsection (5) of section
212.08, Florida Statutes, is amended to read:

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

(5) EXEMPTIONS; ACCOUNT OF USE.--

(c) Machinery and equipment used in production of
electrical or steam energy.--

1. The purchase of machinery and equipment for use at
a fixed location which machinery and equipment are necessary
in the production of electrical or steam energy resulting from
the burning of boiler fuels other than residual oil is exempt
from the tax imposed by this chapter. Such electrical or
steam energy must be primarily for use in manufacturing,
processing, compounding, or producing for sale items of
tangible personal property in this state. Use of a de minimis
amount of residual fuel to facilitate the burning of

1 nonresidual fuel shall not reduce the exemption otherwise
2 available under this paragraph.

3 2. In facilities where machinery and equipment are
4 necessary to burn both residual and nonresidual fuels, the
5 exemption shall be prorated. Such proration shall be based
6 upon the production of electrical or steam energy from
7 nonresidual fuels as a percentage of electrical or steam
8 energy from all fuels. If it is determined that 15 percent or
9 less of all electrical or steam energy generated was produced
10 by burning nonresidual fuel, the exemption shall apply.
11 Purchasers claiming a partial exemption shall obtain such
12 exemption by refund of taxes paid, or as otherwise provided in
13 the department's rules.

14 3. The department may adopt rules that provide for
15 implementation of this exemption. Purchasers of machinery and
16 equipment qualifying for the exemption provided in this
17 paragraph shall furnish the department with an affidavit
18 stating that the item or items to be exempted are for the use
19 designated herein. Any person furnishing a false affidavit to
20 the vendor for the purpose of evading payment of any tax
21 imposed under this chapter shall be subject to the penalty set
22 forth in s. 212.085 and as otherwise provided by law.
23 Purchasers with self-accrual authority shall maintain all
24 documentation necessary to prove the exempt status of
25 purchases.

26 Section 2. This act shall take effect July 1, 2000.
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SENATE SUMMARY

Provides an exemption from the tax on sales, use, and other transactions for machinery and equipment used in the production of electrical or steam energy, if 15 percent or less of such energy was produced by burning nonresidual fuel.