

Bill No. CS for CS for CS for SB 2548

Amendment No.

| | <u>Senate</u> | CHAMBER ACTION | <u>House</u> |
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| 11 | Senator Hargrett moved the following amendment: | | |
| 12 | | | |
| 13 | Senate Amendment (with title amendment) | | |
| 14 | On page 27, line 8, through page 32, line 25, delete | | |
| 15 | those lines | | |
| 16 | | | |
| 17 | and insert: | | |
| 18 | Section 10. Paragraph (j) of subsection (5) and | | |
| 19 | paragraph (eee) of subsection (7) of section 212.08, Florida | | |
| 20 | Statutes, are amended and paragraphs (n) and (o) are added to | | |
| 21 | subsection (5) of that section to read: | | |
| 22 | 212.08 Sales, rental, use, consumption, distribution, | | |
| 23 | and storage tax; specified exemptions.--The sale at retail, | | |
| 24 | the rental, the use, the consumption, the distribution, and | | |
| 25 | the storage to be used or consumed in this state of the | | |
| 26 | following are hereby specifically exempt from the tax imposed | | |
| 27 | by this chapter. | | |
| 28 | (5) EXEMPTIONS; ACCOUNT OF USE.-- | | |
| 29 | (j) Machinery and equipment used in <u>semiconductor</u> | | |
| 30 | silicon technology production and research and development.-- | | |
| 31 | 1. Industrial machinery and equipment purchased for | | |

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

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

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

15 ~~4.3~~. In addition to meeting the criteria mandated by
16 subparagraph 1., ~~or~~ subparagraph 2., or subparagraph 3., a
17 business must be certified by the Office of Tourism, Trade,
18 and Economic Development as authorized in this paragraph in
19 order to qualify for exemption under this paragraph.

20 ~~5.4~~. For items purchased tax exempt pursuant to this
21 paragraph, possession of a written certification from the
22 purchaser, certifying the purchaser's entitlement to exemption
23 pursuant to this paragraph, relieves the seller of the
24 responsibility of collecting the tax on the sale of such
25 items, and the department shall look solely to the purchaser
26 for recovery of tax if it determines that the purchaser was
27 not entitled to the exemption.

28 ~~6.5~~.a. To be eligible to receive the exemption
29 provided by subparagraph 1., ~~or~~ subparagraph 2., or
30 subparagraph 3., a qualifying business entity shall apply to
31 Enterprise Florida, Inc. The application shall be developed by

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1 the Office of Tourism, Trade, and Economic Development in
2 consultation with Enterprise Florida, Inc.

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

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

23 ~~7.6.a. A business certified to receive this exemption~~
24 ~~may apply once each year for the exemption.~~

25 ~~b. The first claim submitted by a business may include~~
26 ~~all eligible expenditures made after the date the business was~~
27 ~~certified.~~

28 ~~b.c. To apply for the annual exemption, the business~~
29 ~~shall submit a claim to the Office of Tourism, Trade, and~~
30 ~~Economic Development, which claim indicates and documents the~~
31 ~~sales and use taxes otherwise payable on eligible machinery~~

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1 ~~and equipment.~~The application claim must also indicate, for
2 program evaluation purposes only, the average number of
3 full-time equivalent employees at the facility over the
4 preceding calendar year, the average wage and benefits paid to
5 those employees over the preceding calendar year, ~~and~~ the
6 total investment made in real and tangible personal property
7 over the preceding calendar year, and the total value of
8 tax-exempt purchases and taxes exempted during the previous
9 year ~~or, for the first claim submitted, since the date of~~
10 ~~certification.~~ The department shall assist the Office of
11 Tourism, Trade, and Economic Development in evaluating and
12 verifying information provided in the application for
13 exemption.

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

24 ~~8.7.~~ A business certified to receive this exemption
25 may elect to designate one or more state universities or
26 community colleges as recipients of up to 100 percent of the
27 amount of the exemption for which they may qualify. To receive
28 these funds, the institution must agree to match the funds so
29 earned with equivalent cash, programs, services, or other
30 in-kind support on a one-to-one basis in the pursuit of
31 research and development projects as requested by the

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1 certified business. The rights to any patents, royalties, or
2 real or intellectual property must be vested in the business
3 unless otherwise agreed to by the business and the university
4 or community college.

5 9.8. As used in this paragraph, the term:

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

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

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

24 d. "Clean rooms" means manufacturing facilities
25 enclosed in a manner that meets the clean manufacturing
26 requirements necessary for high-technology
27 semiconductor-manufacturing environments.

28 (n) Materials for construction of single-family homes
29 in certain areas.--

30 1. As used in this paragraph, the term:

31 a. "Building materials" means tangible personal

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1 property that becomes a component part of a qualified home.

2 b. "Qualified home" means a single-family home having
3 an appraised value of no more than \$160,000 which is located
4 in an enterprise zone, empowerment zone, or Front Porch
5 Florida Community and which is constructed and occupied by the
6 owner thereof for residential purposes.

7 c. "Substantially completed" has the same meaning as
8 provided in s. 192.042(1).

9 2. Building materials used in the construction of a
10 qualified home and the costs of labor associated with the
11 construction of a qualified home are exempt from the tax
12 imposed by this chapter upon an affirmative showing to the
13 satisfaction of the department that the requirements of this
14 paragraph have been met. This exemption inures to the owner
15 through a refund of previously paid taxes. To receive this
16 refund, the owner must file an application under oath with the
17 department which includes:

18 a. The name and address of the owner.

19 b. The address and assessment roll parcel number of
20 the home for which a refund is sought.

21 c. A copy of the building permit issued for the home.

22 d. A certification by the local building inspector
23 that the home is substantially completed.

24 e. A sworn statement, under penalty of perjury, from
25 the general contractor licensed in this state with whom the
26 owner contracted to construct the home, which statement lists
27 the building materials used in the construction of the home
28 and the actual cost thereof, the labor costs associated with
29 such construction, and the amount of sales tax paid on these
30 materials and labor costs. If a general contractor was not
31 used, the owner shall provide this information in a sworn

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1 statement, under penalty of perjury. Copies of invoices
2 evidencing payment of sales tax must be attached to the sworn
3 statement.

4 f. A sworn statement, under penalty of perjury, from
5 the owner affirming that he or she is occupying the home for
6 residential purposes.

7 3. An application for a refund under this paragraph
8 must be submitted to the department within 6 months after the
9 date the home is deemed to be substantially completed by the
10 local building inspector. Within 30 working days after receipt
11 of the application, the department shall determine if it meets
12 the requirements of this paragraph. A refund approved pursuant
13 to this paragraph shall be made within 30 days after formal
14 approval of the application by the department. The provisions
15 of s. 212.095 do not apply to any refund application made
16 under this paragraph.

17 4. The department shall establish by rule an
18 application form and criteria for establishing eligibility for
19 exemption under this paragraph.

20 5. The exemption shall apply to purchases of materials
21 on or after July 1, 2000.

22 (o) Building materials in redevelopment projects.--

23 1. As used in this paragraph, the term:

24 a. "Building materials" means tangible personal
25 property that becomes a component part of a housing project or
26 a mixed-use project.

27 b. "Housing project" means the conversion of an
28 existing manufacturing or industrial building to housing units
29 in an urban high-crime area, enterprise zone, empowerment
30 zone, Front Porch Community, designated brownfield area, or
31 urban infill area and in which the developer agrees to set

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1 aside at least 20 percent of the housing units in the project
2 for low-income and moderate-income persons.

3 c. "Mixed-use project" means the conversion of an
4 existing manufacturing or industrial building to mixed-use
5 units that include artists' studios, art and entertainment
6 services, or other compatible uses. A mixed-use project must
7 be located in an urban high-crime area, enterprise zone,
8 empowerment zone, Front Porch Community, designated brownfield
9 area, or urban infill area and the developer must agree to set
10 aside at least 20 percent of the square footage of the project
11 for low-income and moderate-income housing.

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

14 2. Building materials used in the construction of a
15 housing project or mixed-use project are exempt from the tax
16 imposed by this chapter upon an affirmative showing to the
17 satisfaction of the department that the requirements of this
18 paragraph have been met. This exemption inures to the owner
19 through a refund of previously paid taxes. To receive this
20 refund, the owner must file an application under oath with the
21 department which includes:

22 a. The name and address of the owner.

23 b. The address and assessment roll parcel number of
24 the project for which a refund is sought.

25 c. A copy of the building permit issued for the
26 project.

27 d. A certification by the local building inspector
28 that the project is substantially completed.

29 e. A sworn statement, under penalty of perjury, from
30 the general contractor licensed in this state with whom the
31 owner contracted to construct the project, which statement

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1 lists the building materials used in the construction of the
 2 project and the actual cost thereof, and the amount of sales
 3 tax paid on these materials. If a general contractor was not
 4 used, the owner shall provide this information in a sworn
 5 statement, under penalty of perjury. Copies of invoices
 6 evidencing payment of sales tax must be attached to the sworn
 7 statement.

8 3. An application for a refund under this paragraph
 9 must be submitted to the department within 6 months after the
 10 date the project is deemed to be substantially completed by
 11 the local building inspector. Within 30 working days after
 12 receipt of the application, the department shall determine if
 13 it meets the requirements of this paragraph. A refund approved
 14 pursuant to this paragraph shall be made within 30 days after
 15 formal approval of the application by the department. The
 16 provisions of s. 212.095 do not apply to any refund
 17 application made under this paragraph.

18 4. The department shall establish by rule an
 19 application form and criteria for establishing eligibility for
 20 exemption under this paragraph.

21 5. The exemption shall apply to purchases of materials
 22 on or after July 1, 2000.

23 (7) MISCELLANEOUS EXEMPTIONS.--

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

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

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1 location within this state.

2 2. This exemption applies only to industries
3 classified under SIC Industry Major Group Numbers 10, 12, 13,
4 14, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34,
5 35,36, 37, 38, and 39 and Industry Group Number 212. As used
6 in this subparagraph, "SIC" means those classifications
7 contained in the Standard Industrial Classification Manual,
8 1987, as published by the Office of Management and Budget,
9 Executive Office of the President.

10 3. This exemption shall be applied as follows:

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

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

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

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

19

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

26 Section 11. The amendment to section 212.08(7)(eee)2.,
27 Florida Statutes, made by this act is remedial in nature and
28 shall have the force and effect as if SIC Code 35 had been
29 included from July 1, 1999.

30 Section 12. The agencies involved with the Urban
31 Infill Implementation Project Grants Program under section

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1 163.2523, Florida Statutes, the State Apartment Incentive Loan
2 Program under section 420.5087, Florida Statutes, the HOME
3 Investment Partnership Program under section 420.5089, Florida
4 Statutes, and the State Housing Tax Credit Program under
5 section 420.5093, Florida Statutes, shall give priority
6 consideration to projects that would convert vacant industrial
7 and manufacturing facilities to affordable housing units
8 within urban high-crime areas, enterprise zones, empowerment
9 zones, Front Porch Communities, designated brownfield areas,
10 or urban infill areas.

11 Section 13. The Department of Community Affairs, in
12 conjunction with the Office of Tourism, Trade, and Economic
13 Development, the Office of Urban Opportunities, and Enterprise
14 Florida, Inc., shall recommend new economic incentives or
15 revisions to existing economic incentives in order to promote
16 the reuse of vacant industrial and manufacturing facilities
17 for affordable housing and mixed-use development. The report
18 must also identify any state regulatory or programmatic
19 barriers to the reuse of such facilities. The department
20 shall submit a report to the President of the Senate and the
21 Speaker of the House of Representatives containing its
22 recommendations by January 31, 2001. Based upon consultation
23 with the Department of Environmental Protection, the
24 department shall include, as a component of the report, any
25 recommended modifications to the Brownfields Redevelopment
26 Act, sections 376.77-376.85, Florida Statutes, for revising
27 liability protection or economic incentives under the act to
28 promote reuse of such facilities.

29
30 (Redesignate subsequent sections.)

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1 ===== T I T L E A M E N D M E N T =====

2 And the title is amended as follows:

3 On page 3, line 5, after the semicolon

4

5 insert:

6 providing an exemption from the tax on sales,
7 use, and other transactions for building
8 materials used in the construction of certain
9 single-family homes located in an enterprise
10 zone, empowerment zone, or Front Porch Florida
11 Community; providing an exemption from the tax
12 on sales, use, and other transactions for
13 building materials used in the construction of
14 specified redevelopment projects; providing
15 requirements for refund applications; providing
16 for rules; directing the agencies involved with
17 specified housing programs to give priority
18 consideration to specified projects in
19 urban-core neighborhoods; directing the
20 Department of Community Affairs to propose
21 modifications to the Brownfields Redevelopment
22 Act for consideration by the Legislature;

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