

By Representative Starks

1 A bill to be entitled
2 An act relating to taxation; amending s.
3 212.08, F.S.; providing an exemption from the
4 tax on sales, use, and other transactions for
5 sales or leases to all organizations exempt
6 from federal income tax under s. 501(c)(3) of
7 the Internal Revenue Code; removing specific
8 exemptions for military museums, homes for the
9 aged, nursing homes, and hospices, religious,
10 charitable, and scientific institutions, state
11 theater contract organizations, Coast Guard
12 auxiliaries, athletic event sponsors, the
13 Gasparilla Distance Classic Association, and
14 nonprofit organizations raising funds for or
15 making grants to organizations holding a
16 consumer's certificate of exemption, and
17 revising the exemptions for organizations
18 providing special benefits to minors, veterans'
19 organizations, educational institutions, works
20 of art, and citizen support organizations, to
21 conform; deleting an obsolete exemption for
22 electric vehicles; amending s. 212.084, F.S.;
23 providing for application of provisions
24 relating to temporary exemption certificates to
25 newly organized organizations exempt under s.
26 501(c)(3); amending s. 196.195, F.S.; revising
27 application of provisions which specify that
28 certain nonprofit corporations which are exempt
29 from sales tax are nonprofit for purposes of
30 determining eligibility for the religious,
31 literary, scientific, or charitable ad valorem

1 tax exemption; amending s. 196.196, F.S.;
2 revising a criterion for use in determining
3 whether property is being used for a
4 charitable, religious, scientific, or literary
5 purpose, to conform; amending ss. 212.0821,
6 403.715, 414.029, 496.404, and 564.02, F.S.;
7 correcting references; providing an effective
8 date.

9
10 Be It Enacted by the Legislature of the State of Florida:

11
12 Section 1. Subsection (7) of section 212.08, Florida
13 Statutes, is amended to read:

14 212.08 Sales, rental, use, consumption, distribution,
15 and storage tax; specified exemptions.--The sale at retail,
16 the rental, the use, the consumption, the distribution, and
17 the storage to be used or consumed in this state of the
18 following are hereby specifically exempt from the tax imposed
19 by this chapter.

20 (7) MISCELLANEOUS EXEMPTIONS.--

21 (a) Artificial commemorative flowers.--Exempt from the
22 tax imposed by this chapter is the sale of artificial
23 commemorative flowers by bona fide nationally chartered
24 veterans' organizations.

25 (b) Boiler fuels.--When purchased for use as a
26 combustible fuel, purchases of natural gas, residual oil,
27 recycled oil, waste oil, solid waste material, coal, sulfur,
28 wood, wood residues or wood bark used in an industrial
29 manufacturing, processing, compounding, or production process
30 at a fixed location in this state are exempt from the taxes
31 imposed by this chapter; however, such exemption shall not be

1 allowed unless the purchaser signs a certificate stating that
2 the fuel to be exempted is for the exclusive use designated
3 herein. This exemption does not apply to the use of boiler
4 fuels that are not used in manufacturing, processing,
5 compounding, or producing items of tangible personal property
6 for sale, or to the use of boiler fuels used by any firm
7 subject to regulation by the Division of Hotels and
8 Restaurants of the Department of Business and Professional
9 Regulation.

10 (c) Crustacea bait.--Also exempt from the tax imposed
11 by this chapter is the purchase by commercial fishers of bait
12 intended solely for use in the entrapment of Callinectes
13 sapidus and Menippe mercenaria.

14 (d) Feeds.--Feeds for poultry, ostriches, and
15 livestock, including racehorses and dairy cows, are exempt.

16 (e) Film rentals.--Film rentals are exempt when an
17 admission is charged for viewing such film, and license fees
18 and direct charges for films, videotapes, and transcriptions
19 used by television or radio stations or networks are exempt.

20 (f) Flags.--Also exempt are sales of the flag of the
21 United States and the official state flag of Florida.

22 (g) Florida Retired Educators Association and its
23 local chapters.--Also exempt from payment of the tax imposed
24 by this chapter are purchases of office supplies, equipment,
25 and publications made by the Florida Retired Educators
26 Association and its local chapters.

27 (h) Guide dogs for the blind.--Also exempt are the
28 sale or rental of guide dogs for the blind, commonly referred
29 to as "seeing-eye dogs," and the sale of food or other items
30 for such guide dogs.

31

1 1. The department shall issue a consumer's certificate
2 of exemption to any blind person who holds an identification
3 card as provided for in s. 413.091 and who either owns or
4 rents, or contemplates the ownership or rental of, a guide dog
5 for the blind. The consumer's certificate of exemption shall
6 be issued without charge and shall be of such size as to be
7 capable of being carried in a wallet or billfold.

8 2. The department shall make such rules concerning
9 items exempt from tax under the provisions of this paragraph
10 as may be necessary to provide that any person authorized to
11 have a consumer's certificate of exemption need only present
12 such a certificate at the time of paying for exempt goods and
13 shall not be required to pay any tax thereon.

14 (i) Hospital meals and rooms.--Also exempt from
15 payment of the tax imposed by this chapter on rentals and
16 meals are patients and inmates of any hospital or other
17 physical plant or facility designed and operated primarily for
18 the care of persons who are ill, aged, infirm, mentally or
19 physically incapacitated, or otherwise dependent on special
20 care or attention. Residents of a home for the aged are exempt
21 from payment of taxes on meals provided through the facility.
22 A home for the aged is defined as a facility that is licensed
23 or certified in part or in whole under chapter 400 or chapter
24 651, or that is financed by a mortgage loan made or insured by
25 the United States Department of Housing and Urban Development
26 under s. 202, s. 202 with a s. 8 subsidy, s. 221(d)(3) or (4),
27 s. 232, or s. 236 of the National Housing Act, or other such
28 similar facility designed and operated primarily for the care
29 of the aged.

30 (j) Household fuels.--Also exempt from payment of the
31 tax imposed by this chapter are sales of utilities to

1 residential households or owners of residential models in this
2 state by utility companies who pay the gross receipts tax
3 imposed under s. 203.01, and sales of fuel to residential
4 households or owners of residential models, including oil,
5 kerosene, liquefied petroleum gas, coal, wood, and other fuel
6 products used in the household or residential model for the
7 purposes of heating, cooking, lighting, and refrigeration,
8 regardless of whether such sales of utilities and fuels are
9 separately metered and billed direct to the residents or are
10 metered and billed to the landlord. If any part of the utility
11 or fuel is used for a nonexempt purpose, the entire sale is
12 taxable. The landlord shall provide a separate meter for
13 nonexempt utility or fuel consumption. For the purposes of
14 this paragraph, licensed family day care homes shall also be
15 exempt.

16 (k) Meals provided by certain nonprofit
17 organizations.--There is exempt from the tax imposed by this
18 chapter the sale of prepared meals by a nonprofit volunteer
19 organization to handicapped, elderly, or indigent persons when
20 such meals are delivered as a charitable function by the
21 organization to such persons at their places of residence.

22 ~~(l) Military museums.--Also exempt are sales to~~
23 ~~nonprofit corporations which hold current exemptions from~~
24 ~~federal corporate income tax pursuant to s. 501(c)(3),~~
25 ~~Internal Revenue Code of 1954, as amended, and whose primary~~
26 ~~purpose is to raise money for military museums.~~

27 ~~(m) Nonprofit corporations; homes for the aged,~~
28 ~~nursing homes, or hospices.--Nonprofit corporations which hold~~
29 ~~current exemptions from federal corporate income tax pursuant~~
30 ~~to s. 501(c)(3), Internal Revenue Code of 1954, as amended,~~
31 ~~and which either qualify as homes for the aged pursuant to s.~~

1 ~~196.1975(2) or are licensed as a nursing home or hospice under~~
2 ~~the provisions of chapter 400, are exempt from the tax imposed~~
3 ~~by this chapter.~~

4 (l)(n) Organizations providing special educational,
5 cultural, recreational, and social benefits to minors.--There
6 shall be exempt from the tax imposed by this chapter nonprofit
7 organizations which are incorporated pursuant to chapter 617
8 ~~or which hold a current exemption from federal corporate~~
9 ~~income tax pursuant to s. 501(c)(3) of the Internal Revenue~~
10 ~~Code~~ the primary purpose of which is providing activities that
11 contribute to the development of good character or good
12 sportsmanship, or to the educational or cultural development,
13 of minors. This exemption is extended only to that level of
14 the organization that has a salaried executive officer or an
15 elected nonsalaried executive officer.

16 (m)(o) Churches ~~Religious, charitable, scientific,~~
17 ~~educational, and veterans' institutions and organizations.--~~

18 ~~i.~~ There are exempt from the tax imposed by this
19 chapter transactions involving:

20 ~~a.~~ sales or leases directly to churches or sales or
21 leases of tangible personal property by churches.†

22 ~~b.~~ ~~Sales or leases to nonprofit religious, nonprofit~~
23 ~~charitable, nonprofit scientific, or nonprofit educational~~
24 ~~institutions when used in carrying on their customary~~
25 ~~nonprofit religious, nonprofit charitable, nonprofit~~
26 ~~scientific, or nonprofit educational activities, including~~
27 ~~church cemeteries; and~~

28 (n)e. Veterans' organizations.--There are exempt from
29 the tax imposed by this chapter transactions involving sales
30 or leases to qualified veterans' organizations and their
31 auxiliaries when used in carrying on their customary veterans'

1 organization activities. As used in this paragraph, "veterans'
2 organizations" means nationally chartered or recognized
3 veterans' organizations, including, but not limited to,
4 Florida chapters of the Paralyzed Veterans of America,
5 Catholic War Veterans of the U.S.A., Jewish War Veterans of
6 the U.S.A., and the Disabled American Veterans, Department of
7 Florida, Inc., which hold current exemptions from federal
8 income tax under s. 501(c)(4) or (19) of the Internal Revenue
9 Code.

10 ~~2. The provisions of this section authorizing~~
11 ~~exemptions from tax shall be strictly defined, limited, and~~
12 ~~applied in each category as follows:~~

13 ~~a. "Religious institutions" means churches,~~
14 ~~synagogues, and established physical places for worship at~~
15 ~~which nonprofit religious services and activities are~~
16 ~~regularly conducted and carried on. The term "religious~~
17 ~~institutions" includes nonprofit corporations the sole purpose~~
18 ~~of which is to provide free transportation services to church~~
19 ~~members, their families, and other church attendees. The term~~
20 ~~"religious institutions" also includes state, district, or~~
21 ~~other governing or administrative offices the function of~~
22 ~~which is to assist or regulate the customary activities of~~
23 ~~religious organizations or members. The term "religious~~
24 ~~institutions" also includes any nonprofit corporation which is~~
25 ~~qualified as nonprofit pursuant to s. 501(c)(3), Internal~~
26 ~~Revenue Code of 1986, as amended, which owns and operates a~~
27 ~~Florida television station, at least 90 percent of the~~
28 ~~programming of which station consists of programs of a~~
29 ~~religious nature, and the financial support for which,~~
30 ~~exclusive of receipts for broadcasting from other nonprofit~~
31 ~~organizations, is predominantly from contributions from the~~

1 ~~general public. The term "religious institutions" also~~
2 ~~includes any nonprofit corporation which is qualified as~~
3 ~~nonprofit pursuant to s. 501(c)(3), Internal Revenue Code of~~
4 ~~1986, as amended, which provides regular religious services to~~
5 ~~Florida state prisoners and which from its own established~~
6 ~~physical place of worship, operates a ministry providing~~
7 ~~worship and services of a charitable nature to the community~~
8 ~~on a weekly basis. The term "religious institutions" also~~
9 ~~includes any nonprofit corporation which is qualified as~~
10 ~~nonprofit pursuant to s. 501(c)(3), Internal Revenue Code of~~
11 ~~1986, as amended, the primary activity of which is making and~~
12 ~~distributing audio recordings of religious scriptures and~~
13 ~~teachings to blind or visually impaired persons at no charge.~~
14 ~~The term "religious institutions" also includes any nonprofit~~
15 ~~corporation that is qualified as nonprofit pursuant to s.~~
16 ~~501(c)(3), Internal Revenue Code of 1986, as amended, the sole~~
17 ~~or primary function of which is to provide, upon invitation,~~
18 ~~nonprofit religious services, evangelistic services, religious~~
19 ~~education, administration assistance, or missionary assistance~~
20 ~~for a church, synagogue, or established physical place of~~
21 ~~worship at which nonprofit religious services and activities~~
22 ~~are regularly conducted.~~

23 ~~b. "Charitable institutions" means only nonprofit~~
24 ~~corporations qualified as nonprofit pursuant to s. 501(c)(3),~~
25 ~~Internal Revenue Code of 1954, as amended, and other nonprofit~~
26 ~~entities, the sole or primary function of which is to provide,~~
27 ~~or to raise funds for organizations which provide, one or more~~
28 ~~of the following services if a reasonable percentage of such~~
29 ~~service is provided free of charge, or at a substantially~~
30 ~~reduced cost, to persons, animals, or organizations that are~~
31 ~~unable to pay for such service.~~

1 ~~(I) Medical aid for the relief of disease, injury, or~~
2 ~~disability;~~
3 ~~(II) Regular provision of physical necessities such as~~
4 ~~food, clothing, or shelter;~~
5 ~~(III) Services for the prevention of or rehabilitation~~
6 ~~of persons from alcoholism or drug abuse; the prevention of~~
7 ~~suicide; or the alleviation of mental, physical, or sensory~~
8 ~~health problems;~~
9 ~~(IV) Social welfare services including adoption~~
10 ~~placement, child care, community care for the elderly,~~
11 ~~consumer credit counseling, and other social welfare services~~
12 ~~which clearly and substantially benefit a client population~~
13 ~~which is disadvantaged or suffers a hardship;~~
14 ~~(V) Medical research for the relief of disease,~~
15 ~~injury, or disability;~~
16 ~~(VI) Legal services; or~~
17 ~~(VII) Food, shelter, or medical care for animals or~~
18 ~~adoption services, cruelty investigations, or education~~
19 ~~programs concerning animals;~~
20
21 ~~and the term includes groups providing volunteer staff to~~
22 ~~organizations designated as charitable institutions under this~~
23 ~~sub-subparagraph; nonprofit organizations the sole or primary~~
24 ~~purpose of which is to coordinate, network, or link other~~
25 ~~institutions designated as charitable institutions under this~~
26 ~~sub-subparagraph with those persons, animals, or organizations~~
27 ~~in need of their services; and nonprofit national, state,~~
28 ~~district, or other governing, coordinating, or administrative~~
29 ~~organizations the sole or primary purpose of which is to~~
30 ~~represent or regulate the customary activities of other~~
31 ~~institutions designated as charitable institutions under this~~

1 ~~sub-subparagraph. Notwithstanding any other requirement of~~
2 ~~this section, any blood bank that relies solely upon volunteer~~
3 ~~donations of blood and tissue, that is licensed under chapter~~
4 ~~483, and that qualifies as tax exempt under s. 501(c)(3) of~~
5 ~~the Internal Revenue Code constitutes a charitable institution~~
6 ~~and is exempt from the tax imposed by this chapter. Sales to a~~
7 ~~health system foundation, qualified as nonprofit pursuant to~~
8 ~~s. 501(c)(3), Internal Revenue Code of 1986, as amended, which~~
9 ~~filed an application for exemption with the department prior~~
10 ~~to November 15, 1997, and which application is subsequently~~
11 ~~approved, shall be exempt as to any unpaid taxes on purchases~~
12 ~~made from November 14, 1990, to December 31, 1997.~~

13 ~~c. "Scientific organizations" means scientific~~
14 ~~organizations which hold current exemptions from federal~~
15 ~~income tax under s. 501(c)(3) of the Internal Revenue Code and~~
16 ~~also means organizations the purpose of which is to protect~~
17 ~~air and water quality or the purpose of which is to protect~~
18 ~~wildlife and which hold current exemptions from the federal~~
19 ~~income tax under s. 501(c)(3) of the Internal Revenue Code.~~

20 ~~(o)d. Schools, colleges, and universities.--Also~~
21 ~~exempt from the tax imposed by this chapter are sales or~~
22 ~~leases to Educational institutions" means state tax-supported~~
23 ~~or parochial, church and nonprofit private schools, colleges,~~
24 ~~or universities, which conduct regular classes and courses of~~
25 ~~study required for accreditation by, or membership in, the~~
26 ~~Southern Association of Colleges and Schools, the Department~~
27 ~~of Education, the Florida Council of Independent Schools, or~~
28 ~~the Florida Association of Christian Colleges and Schools,~~
29 ~~Inc., or nonprofit private schools which conduct regular~~
30 ~~classes and courses of study accepted for continuing education~~
31 ~~credit by a board of the Division of Medical Quality Assurance~~

1 ~~of the Department of Health or which conduct regular classes~~
2 ~~and courses of study accepted for continuing education credit~~
3 ~~by the American Medical Association. Nonprofit libraries, art~~
4 ~~galleries, performing arts centers that provide educational~~
5 ~~programs to school children, which programs involve~~
6 ~~performances or other educational activities at the performing~~
7 ~~arts center and serve a minimum of 50,000 school children a~~
8 ~~year, and museums open to the public are defined as~~
9 ~~educational institutions and are eligible for exemption. The~~
10 ~~term "educational institutions" includes private nonprofit~~
11 ~~organizations the purpose of which is to raise funds for~~
12 ~~schools teaching grades kindergarten through high school,~~
13 ~~colleges, and universities. The term "educational~~
14 ~~institutions" includes any nonprofit newspaper of free or paid~~
15 ~~circulation primarily on university or college campuses which~~
16 ~~holds a current exemption from federal income tax under s.~~
17 ~~501(c)(3) of the Internal Revenue Code, and any educational~~
18 ~~television or radio network or system established pursuant to~~
19 ~~s. 229.805 or s. 229.8051 and any nonprofit television or~~
20 ~~radio station which is a part of such network or system and~~
21 ~~which holds a current exemption from federal income tax under~~
22 ~~s. 501(c)(3) of the Internal Revenue Code. The term~~
23 ~~"educational institutions" also includes state, district, or~~
24 ~~other governing or administrative offices the function of~~
25 ~~which is to assist or regulate the customary activities of~~
26 ~~educational organizations or members. The term "educational~~
27 ~~institutions" also includes a nonprofit educational cable~~
28 ~~consortium which holds a current exemption from federal income~~
29 ~~tax under s. 501(c)(3) of the Internal Revenue Code of 1986,~~
30 ~~as amended, whose primary purpose is the delivery of~~
31 ~~educational and instructional cable television programming and~~

1 ~~whose members are composed exclusively of educational~~
2 ~~organizations which hold a valid consumer certificate of~~
3 ~~exemption and which are either an educational institution as~~
4 ~~defined in this sub-subparagraph, or qualified as a nonprofit~~
5 ~~organization pursuant to s. 501(c)(3) of the Internal Revenue~~
6 ~~Code of 1986, as amended.~~

7 ~~e. "Veterans' organizations" means nationally~~
8 ~~chartered or recognized veterans' organizations, including,~~
9 ~~but not limited to, Florida chapters of the Paralyzed Veterans~~
10 ~~of America, Catholic War Veterans of the U.S.A., Jewish War~~
11 ~~Veterans of the U.S.A., and the Disabled American Veterans,~~
12 ~~Department of Florida, Inc., which hold current exemptions~~
13 ~~from federal income tax under s. 501(c)(3), (4), or (19) of~~
14 ~~the Internal Revenue Code.~~

15 (p) Section 501(c)(3) organizations.--Also exempt from
16 the tax imposed by this chapter are sales or leases to
17 organizations holding an exemption from federal income tax
18 under s. 501(c)(3) of the Internal Revenue Code, as amended.

19 (q)(p) Resource recovery equipment.--Also exempt is
20 resource recovery equipment which is owned and operated by or
21 on behalf of any county or municipality, certified by the
22 Department of Environmental Protection under the provisions of
23 s. 403.715.

24 (r)(q) School books and school lunches.--This
25 exemption applies to school books used in regularly prescribed
26 courses of study, and to school lunches served in public,
27 parochial, or nonprofit schools operated for and attended by
28 pupils of grades K through 12. Yearbooks, magazines,
29 newspapers, directories, bulletins, and similar publications
30 distributed by such educational institutions to their students
31 are also exempt. School books and food sold or served at

1 community colleges and other institutions of higher learning
2 are taxable.

3 ~~(r) State theater contract organizations.--Nonprofit~~
4 ~~organizations incorporated in accordance with chapter 617~~
5 ~~which have qualified under s. 501(c)(3) of the Internal~~
6 ~~Revenue Code of 1954, as amended, and which have been~~
7 ~~designated as state theater contract organizations as provided~~
8 ~~in s. 265.289 are exempt from the tax imposed by this chapter.~~

9 (s) Tasting beverages.--Vinous and alcoholic beverages
10 provided by distributors or vendors for the purpose of "wine
11 tasting" and "spirituous beverage tasting" as contemplated
12 under the provisions of ss. 564.06 and 565.12, respectively,
13 are exempt from the tax imposed by this chapter.

14 (t) Boats temporarily docked in state.--

15 1. Notwithstanding the provisions of chapters 327 and
16 328, pertaining to the registration of vessels, a boat upon
17 which the state sales or use tax has not been paid is exempt
18 from the use tax under this chapter if it enters and remains
19 in this state for a period not to exceed a total of 20 days in
20 any calendar year calculated from the date of first dockage or
21 slippage at a facility, registered with the department, that
22 rents dockage or slippage space in this state. If a boat
23 brought into this state for use under this paragraph is placed
24 in a facility, registered with the department, for repairs,
25 alterations, refitting, or modifications and such repairs,
26 alterations, refitting, or modifications are supported by
27 written documentation, the 20-day period shall be tolled
28 during the time the boat is physically in the care, custody,
29 and control of the repair facility, including the time spent
30 on sea trials conducted by the facility. The 20-day time
31 period may be tolled only once within a calendar year when a

1 boat is placed for the first time that year in the physical
2 care, custody, and control of a registered repair facility;
3 however, the owner may request and the department may grant an
4 additional tolling of the 20-day period for purposes of
5 repairs that arise from a written guarantee given by the
6 registered repair facility, which guarantee covers only those
7 repairs or modifications made during the first tolled period.
8 Within 72 hours after the date upon which the registered
9 repair facility took possession of the boat, the facility must
10 have in its possession, on forms prescribed by the department,
11 an affidavit which states that the boat is under its care,
12 custody, and control and that the owner does not use the boat
13 while in the facility. Upon completion of the repairs,
14 alterations, refitting, or modifications, the registered
15 repair facility must, within 72 hours after the date of
16 release, have in its possession a copy of the release form
17 which shows the date of release and any other information the
18 department requires. The repair facility shall maintain a log
19 that documents all alterations, additions, repairs, and sea
20 trials during the time the boat is under the care, custody,
21 and control of the facility. The affidavit shall be
22 maintained by the registered repair facility as part of its
23 records for as long as required by s. 213.35. When, within 6
24 months after the date of its purchase, a boat is brought into
25 this state under this paragraph, the 6-month period provided
26 in s. 212.05(1)(a)2. or s. 212.06(8) shall be tolled.

27 2. During the period of repairs, alterations,
28 refitting, or modifications and during the 20-day period
29 referred to in subparagraph 1., the boat may be listed for
30 sale, contracted for sale, or sold exclusively by a broker or
31 dealer registered with the department without incurring a use

1 tax under this chapter; however, the sales tax levied under
2 this chapter applies to such sale.

3 3. The mere storage of a boat at a registered repair
4 facility does not qualify as a tax-exempt use in this state.

5 4. As used in this paragraph, "registered repair
6 facility" means:

7 a. A full-service facility that:

8 (I) Is located on a navigable body of water;

9 (II) Has haulout capability such as a dry dock, travel
10 lift, railway, or similar equipment to service craft under the
11 care, custody, and control of the facility;

12 (III) Has adequate piers and storage facilities to
13 provide safe berthing of vessels in its care, custody, and
14 control; and

15 (IV) Has necessary shops and equipment to provide
16 repair or warranty work on vessels under the care, custody,
17 and control of the facility;

18 b. A marina that:

19 (I) Is located on a navigable body of water;

20 (II) Has adequate piers and storage facilities to
21 provide safe berthing of vessels in its care, custody, and
22 control; and

23 (III) Has necessary shops and equipment to provide
24 repairs or warranty work on vessels; or

25 c. A shoreside facility that:

26 (I) Is located on a navigable body of water;

27 (II) Has adequate piers and storage facilities to
28 provide safe berthing of vessels in its care, custody, and
29 control; and

30 (III) Has necessary shops and equipment to provide
31 repairs or warranty work.

1 (u) Volunteer fire departments.--Also exempt are
2 firefighting and rescue service equipment and supplies
3 purchased by volunteer fire departments, duly chartered under
4 the Florida Statutes as corporations not for profit.

5 (v) Professional services.--

6 1. Also exempted are professional, insurance, or
7 personal service transactions that involve sales as
8 inconsequential elements for which no separate charges are
9 made.

10 2. The personal service transactions exempted pursuant
11 to subparagraph 1. do not exempt the sale of information
12 services involving the furnishing of printed, mimeographed, or
13 multigraphed matter, or matter duplicating written or printed
14 matter in any other manner, other than professional services
15 and services of employees, agents, or other persons acting in
16 a representative or fiduciary capacity or information services
17 furnished to newspapers and radio and television stations. As
18 used in this subparagraph, the term "information services"
19 includes the services of collecting, compiling, or analyzing
20 information of any kind or nature and furnishing reports
21 thereof to other persons.

22 3. This exemption does not apply to any service
23 warranty transaction taxable under s. 212.0506.

24 4. This exemption does not apply to any service
25 transaction taxable under s. 212.05(1)(j).

26 (w) Certain newspaper, magazine, and newsletter
27 subscriptions, shoppers, and community newspapers.--Likewise
28 exempt are newspaper, magazine, and newsletter subscriptions
29 in which the product is delivered to the customer by mail.
30 Also exempt are free, circulated publications that are
31 published on a regular basis, the content of which is

1 primarily advertising, and that are distributed through the
2 mail, home delivery, or newsstands. The exemption for
3 newspaper, magazine, and newsletter subscriptions which is
4 provided in this paragraph applies only to subscriptions
5 entered into after March 1, 1997.

6 (x) Sporting equipment brought into the
7 state.--Sporting equipment brought into Florida, for a period
8 of not more than 4 months in any calendar year, used by an
9 athletic team or an individual athlete in a sporting event is
10 exempt from the use tax if such equipment is removed from the
11 state within 7 days after the completion of the event.

12 (y) Charter fishing vessels.--The charge for
13 chartering any boat or vessel, with the crew furnished, solely
14 for the purpose of fishing is exempt from the tax imposed
15 under s. 212.04 or s. 212.05. This exemption does not apply
16 to any charge to enter or stay upon any "head-boat," party
17 boat, or other boat or vessel. Nothing in this paragraph
18 shall be construed to exempt any boat from sales or use tax
19 upon the purchase thereof except as provided in paragraph (t)
20 and s. 212.05.

21 (z) Vending machines sponsored by nonprofit or
22 charitable organizations.--Also exempt are food or drinks for
23 human consumption sold for 25 cents or less through a
24 coin-operated vending machine sponsored by a nonprofit
25 corporation qualified as nonprofit pursuant to s. 501(c)(3) or
26 (4) of the Internal Revenue Code of 1986, as amended.

27 (aa) Certain commercial vehicles.--Also exempt is the
28 sale, lease, or rental of a commercial motor vehicle as
29 defined in s. 207.002(2), when the following conditions are
30 met:

31

1 1. The sale, lease, or rental occurs between two
2 commonly owned and controlled corporations;

3 2. Such vehicle was titled and registered in this
4 state at the time of the sale, lease, or rental; and

5 3. Florida sales tax was paid on the acquisition of
6 such vehicle by the seller, lessor, or renter.

7 (bb) Community cemeteries.--Also exempt are purchases
8 by any nonprofit corporation that has qualified under s.
9 501(c)(13) of the Internal Revenue Code of 1986, as amended,
10 and is operated for the purpose of maintaining a cemetery that
11 was donated to the community by deed.

12 ~~(cc) Coast Guard auxiliaries.--A nonprofit~~
13 ~~organization that is affiliated with the Coast Guard, that is~~
14 ~~exempt from federal income tax pursuant to s. 501(a) and~~
15 ~~(c)(3) of the Internal Revenue Code of 1986, as amended, and~~
16 ~~the primary purpose of which is to promote safe boating and to~~
17 ~~conduct free public education classes in basic seamanship is~~
18 ~~exempt from the tax imposed by this chapter.~~

19 (cc)~~(dd)~~ Works of art.--

20 1. Also exempt are works of art sold to or used by an
21 educational institution,~~as defined in sub-subparagraph~~
22 ~~(o)2.d.~~

23 2. This exemption also applies to the sale to or use
24 in this state of any work of art by any person if it was
25 purchased or imported exclusively for the purpose of being
26 donated to any educational institution, or loaned to and made
27 available for display by any educational institution, provided
28 that the term of the loan agreement is for at least 10 years.

29 3. The exemption provided by this paragraph for
30 donations is allowed only if the person who purchased the work
31 of art transfers title to the donated work of art to an

1 educational institution. Such transfer of title shall be
2 evidenced by an affidavit meeting requirements established by
3 rule to document entitlement to the exemption. Nothing in this
4 paragraph shall preclude a work of art donated to an
5 educational institution from remaining in the possession of
6 the donor or purchaser, as long as title to the work of art
7 lies with the educational institution.

8 4. A work of art is presumed to have been purchased in
9 or imported into this state exclusively for loan as provided
10 in subparagraph 2., if it is so loaned or placed in storage in
11 preparation for such a loan within 90 days after purchase or
12 importation, whichever is later; but a work of art is not
13 deemed to be placed in storage in preparation for loan for
14 purposes of this exemption if it is displayed at any place
15 other than an educational institution.

16 5. The exemptions provided by this paragraph are
17 allowed only if the person who purchased the work of art gives
18 to the vendor an affidavit meeting the requirements,
19 established by rule, to document entitlement to the exemption.
20 The person who purchased the work of art shall forward a copy
21 of such affidavit to the Department of Revenue at the time it
22 is issued to the vendor.

23 6. The exemption for loans provided by subparagraph 2.
24 applies only for the period during which a work of art is in
25 the possession of the educational institution or is in storage
26 before transfer of possession to that institution; and when it
27 ceases to be so possessed or held, tax based upon the sales
28 price paid by the owner is payable, and the statute of
29 limitations provided in s. 95.091 shall begin to run at that
30 time. However, tax shall not become due if the work of art is
31 donated to an educational institution after the loan ceases.

1 7. Any educational institution to which a work of art
2 has been donated pursuant to this paragraph shall make
3 available to the department the title to the work of art and
4 any other relevant information. Any educational institution
5 which has received a work of art on loan pursuant to this
6 paragraph shall make available to the department information
7 relating to the work of art. Any educational institution that
8 transfers from its possession a work of art as defined by this
9 paragraph which has been loaned to it must notify the
10 Department of Revenue within 60 days after the transfer.

11 8. For purposes of the exemptions provided by this
12 paragraph:⁷

13 a. "Educational institutions" means state
14 tax-supported or parochial, church and nonprofit private
15 schools, colleges, or universities which conduct regular
16 classes and courses of study required for accreditation by, or
17 membership in, the Southern Association of Colleges and
18 Schools, the Department of Education, the Florida Council of
19 Independent Schools, or the Florida Association of Christian
20 Colleges and Schools, Inc., or nonprofit private schools which
21 conduct regular classes and courses of study accepted for
22 continuing education credit by a board of the Division of
23 Medical Quality Assurance of the Department of Health or which
24 conduct regular classes and courses of study accepted for
25 continuing education credit by the American Medical
26 Association. Nonprofit libraries, art galleries, performing
27 arts centers that provide educational programs to school
28 children, which programs involve performances or other
29 educational activities at the performing arts center and serve
30 a minimum of 50,000 school children a year, and museums open
31 to the public are defined as educational institutions and are

1 eligible for exemption. The term "educational institutions"
2 includes private nonprofit organizations the purpose of which
3 is to raise funds for schools teaching grades kindergarten
4 through high school, colleges, and universities. The term
5 "educational institutions" includes any nonprofit newspaper of
6 free or paid circulation primarily on university or college
7 campuses which holds a current exemption from federal income
8 tax under s. 501(c)(3) of the Internal Revenue Code, and any
9 educational television or radio network or system established
10 pursuant to s. 229.805 or s. 229.8051 and any nonprofit
11 television or radio station which is a part of such network or
12 system and which holds a current exemption from federal income
13 tax under s. 501(c)(3) of the Internal Revenue Code. The term
14 "educational institutions" also includes state, district, or
15 other governing or administrative offices the function of
16 which is to assist or regulate the customary activities of
17 educational organizations or members. The term "educational
18 institutions" also includes a nonprofit educational cable
19 consortium which holds a current exemption from federal income
20 tax under s. 501(c)(3) of the Internal Revenue Code of 1986,
21 as amended, whose primary purpose is the delivery of
22 educational and instructional cable television programming and
23 whose members are composed exclusively of educational
24 organizations which hold a valid consumer certificate of
25 exemption and which are either an educational institution as
26 defined in this sub-subparagraph, or qualified as a nonprofit
27 organization pursuant to s. 501(c)(3) of the Internal Revenue
28 Code of 1986, as amended.

29 b. ~~the term~~ "Work of art" includes pictorial
30 representations, sculpture, jewelry, antiques, stamp
31 collections and coin collections, and other tangible personal

1 property, the value of which is attributable predominantly to
2 its artistic, historical, political, cultural, or social
3 importance.

4 (dd)~~(ee)~~ Taxicab leases.--The lease of or license to
5 use a taxicab or taxicab-related equipment and services
6 provided by a taxicab company to an independent taxicab
7 operator are exempt, provided, however, the exemptions
8 provided under this paragraph only apply if sales or use tax
9 has been paid on the acquisition of the taxicab and its
10 related equipment.

11 (ee)~~(ff)~~ Aircraft repair and maintenance labor
12 charges.--There shall be exempt from the tax imposed by this
13 chapter all labor charges for the repair and maintenance of
14 aircraft of more than 15,000 pounds maximum certified takeoff
15 weight and rotary wing aircraft of more than 10,000 pounds
16 maximum certified takeoff weight. Except as otherwise provided
17 in this chapter, charges for parts and equipment furnished in
18 connection with such labor charges are taxable.

19 ~~(gg) Athletic event sponsors.--There shall be exempt~~
20 ~~from the tax imposed by this chapter sales or leases to~~
21 ~~organizations that:~~

22 1. ~~Are incorporated pursuant to chapter 617;~~
23 2. ~~Hold a current exemption from federal corporate~~
24 ~~income tax liability pursuant to s. 501(c)(3) of the Internal~~
25 ~~Revenue Code of 1986, as amended; and~~

26 3.a. ~~Sponsor golf tournaments sanctioned by the PGA~~
27 ~~Four, PGA of America, or the LPGA; or~~

28 b. ~~Are funded primarily by county or municipal~~
29 ~~governments and have as their primary purpose the~~
30 ~~encouragement and facilitation of the use of certain locations~~
31 ~~within this state as venues for sporting events.~~

1 ~~(hh) Electric vehicles.-- Effective July 1, 1995,~~
2 ~~through June 30, 2000, the sale of an electric vehicle, as~~
3 ~~defined in s. 320.01, is exempt from the tax imposed by this~~
4 ~~chapter.~~

5 (ff)~~(ii)~~ Certain electricity or steam uses.--

6 1. Subject to the provisions of subparagraph 4.,
7 charges for electricity or steam used to operate machinery and
8 equipment at a fixed location in this state when such
9 machinery and equipment is used to manufacture, process,
10 compound, produce, or prepare for shipment items of tangible
11 personal property for sale, or to operate pollution control
12 equipment, recycling equipment, maintenance equipment, or
13 monitoring or control equipment used in such operations are
14 exempt to the extent provided in this paragraph. If 75 percent
15 or more of the electricity or steam used at the fixed location
16 is used to operate qualifying machinery or equipment, 100
17 percent of the charges for electricity or steam used at the
18 fixed location are exempt. If less than 75 percent but 50
19 percent or more of the electricity or steam used at the fixed
20 location is used to operate qualifying machinery or equipment,
21 50 percent of the charges for electricity or steam used at the
22 fixed location are exempt. If less than 50 percent of the
23 electricity or steam used at the fixed location is used to
24 operate qualifying machinery or equipment, none of the charges
25 for electricity or steam used at the fixed location are
26 exempt.

27 2. This exemption applies only to industries
28 classified under SIC Industry Major Group Numbers 10, 12, 13,
29 14, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34,
30 35, 36, 37, 38, and 39 and Industry Group Number 212. As used
31 in this paragraph, "SIC" means those classifications contained

1 in the Standard Industrial Classification Manual, 1987, as
2 published by the Office of Management and Budget, Executive
3 Office of the President.

4 3. Possession by a seller of a written certification
5 by the purchaser, certifying the purchaser's entitlement to an
6 exemption permitted by this subsection, relieves the seller
7 from the responsibility of collecting the tax on the
8 nontaxable amounts, and the department shall look solely to
9 the purchaser for recovery of such tax if it determines that
10 the purchaser was not entitled to the exemption.

11 4. Such exemption shall be applied as follows:

12 a. Beginning July 1, 1996, 20 percent of the charges
13 for such electricity shall be exempt.

14 b. Beginning July 1, 1997, 40 percent of the charges
15 for such electricity shall be exempt.

16 c. Beginning July 1, 1998, 60 percent of the charges
17 for such electricity or steam shall be exempt.

18 d. Beginning July 1, 1999, 80 percent of the charges
19 for such electricity or steam shall be exempt.

20 e. Beginning July 1, 2000, 100 percent of the charges
21 for such electricity or steam shall be exempt.

22 5. Notwithstanding any other provision in this
23 paragraph to the contrary, in order to receive the exemption
24 provided in this paragraph a taxpayer must first register with
25 the WAGES Program Business Registry established by the local
26 WAGES coalition for the area in which the taxpayer is located.
27 Such registration establishes a commitment on the part of the
28 taxpayer to hire WAGES program participants to the maximum
29 extent possible consistent with the nature of their business.

30 6.a. In order to determine whether the exemption
31 provided in this paragraph from the tax on charges for

1 electricity or steam has an effect on retaining or attracting
2 companies to this state, the Office of Program Policy Analysis
3 and Government Accountability shall periodically monitor and
4 report on the industries receiving the exemption.

5 b. The first report shall be submitted no later than
6 January 1, 1997, and must be conducted in such a manner as to
7 specifically determine the number of companies within each SIC
8 Industry Major Group receiving the exemption as of September
9 1, 1996, and the number of individuals employed by companies
10 within each SIC Industry Major Group receiving the exemption
11 as of September 1, 1996.

12 c. The second report shall be submitted no later than
13 January 1, 2001, and must be comprehensive in scope, but, at a
14 minimum, must be conducted in such a manner as to specifically
15 determine the number of companies within each SIC Industry
16 Major Group receiving the exemption as of September 1, 2000,
17 the number of individuals employed by companies within each
18 SIC Industry Major Group receiving the exemption as of
19 September 1, 2000, whether the change, if any, in such number
20 of companies or employees is attributable to the exemption
21 provided in this paragraph, whether it would be sound public
22 policy to continue or discontinue the exemption, and the
23 consequences of doing so.

24 d. Both reports shall be submitted to the President of
25 the Senate, the Speaker of the House of Representatives, the
26 Senate Minority Leader, and the House Minority Leader.

27 ~~(gg)~~(jj) Fair associations.--Also exempt from the tax
28 imposed by this chapter is the sale, use, lease, rental, or
29 grant of a license to use, made directly to or by a fair
30 association, of real or tangible personal property; any charge
31 made by a fair association, or its agents, for parking,

1 admissions, or for temporary parking of vehicles used for
2 sleeping quarters; rentals, subleases, and sublicenses of real
3 or tangible personal property between the owner of the central
4 amusement attraction and any owner of an amusement ride, as
5 those terms are used in ss. 616.15(1)(b) and 616.242(3)(a),
6 for the furnishing of amusement rides at a public fair or
7 exposition; and other transactions of a fair association which
8 are incurred directly by the fair association in the
9 financing, construction, and operation of a fair, exposition,
10 or other event or facility that is authorized by s. 616.08. As
11 used in this paragraph, the terms "fair association" and
12 "public fair or exposition" have the same meaning as those
13 terms are defined in s. 616.001. This exemption does not apply
14 to the sale of tangible personal property made by a fair
15 association through an agent or independent contractor; sales
16 of admissions and tangible personal property by a
17 concessionaire, vendor, exhibitor, or licensee; or rentals and
18 subleases of tangible personal property or real property
19 between the owner of the central amusement attraction and a
20 concessionaire, vendor, exhibitor, or licensee, except for the
21 furnishing of amusement rides, which transactions are exempt.

22 (hh)~~(kk)~~ Citizen support organizations.--~~Beginning~~
23 ~~July 1, 1996,~~ Nonprofit organizations that are incorporated
24 under chapter 617 ~~or hold a current exemption from federal~~
25 ~~corporate income tax under s. 501(c)(3) of the Internal~~
26 ~~Revenue Code, as amended,~~ and that have been designated
27 citizen support organizations in support of state-funded
28 environmental programs or the management of state-owned lands
29 in accordance with s. 370.0205, or to support one or more
30 state parks in accordance with s. 258.015 are exempt from the
31 tax imposed by this chapter.

1 (ii)~~(ll)~~ Florida Folk Festival.--There shall be exempt
2 from the tax imposed by this chapter income of a revenue
3 nature received from admissions to the Florida Folk Festival
4 held pursuant to s. 267.16 at the Stephen Foster State Folk
5 Culture Center, a unit of the state park system.

6 (jj)~~(mm)~~ Solar energy systems.--Also exempt are solar
7 energy systems or any component thereof. The Florida Solar
8 Energy Center shall from time to time certify to the
9 department a list of equipment and requisite hardware
10 considered to be a solar energy system or a component thereof.
11 This exemption is repealed July 1, 2002.

12 (kk)~~(nn)~~ Nonprofit cooperative hospital
13 laundries.--Nonprofit organizations that are incorporated
14 under chapter 617 and which are treated, for federal income
15 tax purposes, as cooperatives under subchapter T of the
16 Internal Revenue Code, whose sole purpose is to offer laundry
17 supplies and services to their members, which members must all
18 be exempt from federal income tax pursuant to s. 501(c)(3) of
19 the Internal Revenue Code, are exempt from the tax imposed by
20 this chapter.

21 (ll)~~(oo)~~ Complimentary meals.--Also exempt from the
22 tax imposed by this chapter are food or drinks that are
23 furnished as part of a packaged room rate by any person
24 offering for rent or lease any transient living accommodations
25 as described in s. 509.013(4)(a) which are licensed under part
26 I of chapter 509 and which are subject to the tax under s.
27 212.03, if a separate charge or specific amount for the food
28 or drinks is not shown. Such food or drinks are considered to
29 be sold at retail as part of the total charge for the
30 transient living accommodations. Moreover, the person offering
31 the accommodations is not considered to be the consumer of

1 items purchased in furnishing such food or drinks and may
2 purchase those items under conditions of a sale for resale.
3 (mm)~~(pp)~~ Nonprofit corporation conducting the
4 correctional work programs.--Products sold pursuant to s.
5 946.515 by the corporation organized pursuant to part II of
6 chapter 946 are exempt from the tax imposed by this chapter.
7 This exemption applies retroactively to July 1, 1983.
8 (nn)~~(qq)~~ Parent-teacher organizations, parent-teacher
9 associations, and schools having grades K through
10 12.--Parent-teacher organizations and associations qualified
11 as educational institutions as defined by sub-subparagraph
12 ~~(cc)8.a. under paragraph (o)~~ associated with schools having
13 grades K through 12, and schools having grades K through 12,
14 may pay tax to their suppliers on the cost price of school
15 materials and supplies purchased, rented, or leased for resale
16 or rental to students in grades K through 12, of items sold
17 for fundraising purposes, and of items sold through vending
18 machines located on the school premises, in lieu of collecting
19 the tax imposed by this chapter from the purchaser. This
20 paragraph also applies to food or beverages sold through
21 vending machines located in the student lunchroom or dining
22 room of a school having kindergarten through grade 12.
23 (oo)~~(rr)~~ Mobile home lot improvements.--Items
24 purchased by developers for use in making improvements to a
25 mobile home lot owned by the developer may be purchased
26 tax-exempt as a sale for resale if made pursuant to a contract
27 that requires the developer to sell a mobile home to a
28 purchaser, place the mobile home on the lot, and make the
29 improvements to the lot for a single lump-sum price. The
30 developer must collect and remit sales tax on the entire
31 lump-sum price.

1 (pp)~~(ss)~~ Veterans Administration.--When a veteran of
2 the armed forces purchases an aircraft, boat, mobile home,
3 motor vehicle, or other vehicle from a dealer pursuant to the
4 provisions of 38 U.S.C. s. 3902(a), or any successor provision
5 of the United States Code, the amount that is paid directly to
6 the dealer by the Veterans Administration is not taxable.
7 However, any portion of the purchase price which is paid
8 directly to the dealer by the veteran is taxable.

9 (qq)~~(tt)~~ Complimentary items.--There is exempt from
10 the tax imposed by this chapter:

11 1. Any food or drink, whether or not cooked or
12 prepared on the premises, provided without charge as a sample
13 or for the convenience of customers by a dealer that primarily
14 sells food product items at retail.

15 2. Any item given to a customer as part of a price
16 guarantee plan related to point-of-sale errors by a dealer
17 that primarily sells food products at retail.

18
19 The exemptions in this paragraph do not apply to businesses
20 with the primary activity of serving prepared meals or
21 alcoholic beverages for immediate consumption.

22 (rr)~~(uu)~~ Donated foods or beverages.--Any food or
23 beverage donated by a dealer that sells food products at
24 retail to a food bank or an organization that holds a current
25 exemption from federal corporate income tax pursuant to s.
26 501(c) of the Internal Revenue Code of 1986, as amended, is
27 exempt from the tax imposed by this chapter.

28 (ss)~~(vv)~~ Racing dogs.--The sale of a racing dog by its
29 owner is exempt if the owner is also the breeder of the
30 animal.

31

1 (tt)~~(ww)~~ Equipment used in aircraft repair and
2 maintenance.--There shall be exempt from the tax imposed by
3 this chapter replacement engines, parts, and equipment used in
4 the repair or maintenance of aircraft of more than 15,000
5 pounds maximum certified takeoff weight and rotary wing
6 aircraft of more than 10,300 pounds maximum certified takeoff
7 weight, when such parts or equipment are installed on such
8 aircraft that is being repaired or maintained in this state.

9 (uu)~~(xx)~~ Aircraft sales or leases.--The sale or lease
10 of an aircraft of more than 15,000 pounds maximum certified
11 takeoff weight for use by a common carrier is exempt from the
12 tax imposed by this chapter. As used in this paragraph,
13 "common carrier" means an airline operating under Federal
14 Aviation Administration regulations contained in Title 14,
15 chapter I, part 121 or part 129 of the Code of Federal
16 Regulations.

17 ~~(yy) Sales or leases to Gasparilla Distance Classic~~
18 ~~Association, Inc.--Also exempt from the tax imposed by this~~
19 ~~chapter are sales or leases to the Gasparilla Distance Classic~~
20 ~~Association, Inc., if that organization holds a current~~
21 ~~exemption from federal corporate income tax liability pursuant~~
22 ~~to s. 501(c)(3) of the Internal Revenue Code of 1986, as~~
23 ~~amended.~~

24 ~~(zz) Nonprofit organizations raising funds for or~~
25 ~~making grants to organizations holding consumer's certificate~~
26 ~~of exemption.--Sales or leases to an organization which holds~~
27 ~~current exemption from federal income tax pursuant to s.~~
28 ~~501(c)(3) of the Internal Revenue Code, as amended, the sole~~
29 ~~or primary function of which is to raise funds for or make~~
30 ~~grants to another organization or organizations currently~~

31

1 ~~holding a consumer's certificate of exemption issued by the~~
2 ~~department are exempt from the tax imposed by this chapter.~~

3 (vv)~~(aaa)~~ Nonprofit water systems.--Sales or leases to
4 a not-for-profit corporation which holds a current exemption
5 from federal income tax under s. 501(c)(12) of the Internal
6 Revenue Code, as amended, are exempt from the tax imposed by
7 this chapter if the sole or primary function of the
8 corporation is to construct, maintain, or operate a water
9 system in this state.

10 (ww)~~(bbb)~~ Library cooperatives.--Sales or leases to
11 library cooperatives certified under s. 257.41(2) are exempt
12 from the tax imposed by this chapter.

13 (xx)~~(ccc)~~ Advertising agencies.--

14 1. As used in this paragraph, the term "advertising
15 agency" means any firm that is primarily engaged in the
16 business of providing advertising materials and services to
17 its clients.

18 2. The sale of advertising services by an advertising
19 agency to a client is exempt from the tax imposed by this
20 chapter. Also exempt from the tax imposed by this chapter are
21 items of tangible personal property such as photographic
22 negatives and positives, videos, films, galleys, mechanicals,
23 veloxes, illustrations, digital audiotapes, analog tapes,
24 printed advertisement copies, compact discs for the purpose of
25 recording, digital equipment, and artwork and the services
26 used to produce those items if the items are:

27 a. Sold to an advertising agency that is acting as an
28 agent for its clients pursuant to contract, and are created
29 for the performance of advertising services for the clients;

30
31

1 b. Produced, fabricated, manufactured, or otherwise
2 created by an advertising agency for its clients, and are used
3 in the performance of advertising services for the clients; or

4 c. Sold by an advertising agency to its clients in the
5 performance of advertising services for the clients, whether
6 or not the charges for these items are marked up or separately
7 stated.

8
9 The exemption provided by this subparagraph does not apply
10 when tangible personal property such as film, paper, and
11 videotapes is purchased to create items such as photographic
12 negatives and positives, videos, films, galleys, mechanicals,
13 veloxes, illustrations, and artwork that are sold to an
14 advertising agency or produced in-house by an advertising
15 agency on behalf of its clients.

16 3. The items exempted from tax under subparagraph 2.
17 and the creative services used by an advertising agency to
18 design the advertising for promotional goods such as displays,
19 display containers, exhibits, newspaper inserts, brochures,
20 catalogues, direct mail letters or flats, shirts, hats, pens,
21 pencils, key chains, or other printed goods or materials are
22 not subject to tax. However, when such promotional goods are
23 produced or reproduced for distribution, tax applies to the
24 sales price charged to the client for such promotional goods.

25 4. For items purchased by an advertising agency and
26 exempt from tax under this paragraph, possession of an
27 exemption certificate from the advertising agency certifying
28 the agency's entitlement to exemption relieves the vendor of
29 the responsibility of collecting the tax on the sale of such
30 items to the advertising agency, and the department shall look
31 solely to the advertising agency for recovery of tax if it

1 determines that the advertising agency was not entitled to the
2 exemption.

3 5. The exemptions provided by this paragraph apply
4 retroactively, except that all taxes that have been collected
5 must be remitted, and taxes that have been remitted before
6 July 1, 1999, on transactions that are subject to exemption
7 under this paragraph are not subject to refund.

8 6. The department may adopt rules that interpret or
9 define the provisions of these exemptions and provide examples
10 regarding the application of these exemptions.

11 (yy)~~(ddd)~~ Bullion.--The sale of gold, silver, or
12 platinum bullion, or any combination thereof, in a single
13 transaction is exempt if the sales price exceeds \$500. The
14 dealer must maintain proper documentation, as prescribed by
15 rule of the department, to identify that portion of a
16 transaction which involves the sale of gold, silver, or
17 platinum bullion and is exempt under this paragraph.

18 (zz)~~(eee)~~ Certain repair and labor charges.--

19 1. Subject to the provisions of subparagraphs 2. and
20 3., there is exempt from the tax imposed by this chapter all
21 labor charges for the repair of, and parts and materials used
22 in the repair of and incorporated into, industrial machinery
23 and equipment which is used for the manufacture, processing,
24 compounding, or production of items of tangible personal
25 property at a fixed location within this state.

26 2. This exemption applies only to industries
27 classified under SIC Industry Major Group Numbers 10, 12, 13,
28 14, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34,
29 36, 37, 38, and 39 and Industry Group Number 212. As used in
30 this subparagraph, "SIC" means those classifications contained
31 in the Standard Industrial Classification Manual, 1987, as

1 published by the Office of Management and Budget, Executive
2 Office of the President.

3 3. This exemption shall be applied as follows:

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

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

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

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

12 (aaa)~~(fff)~~ Film and other printing supplies.--Also
13 exempt are the following materials purchased, produced, or
14 created by businesses classified under SIC Industry Numbers
15 275, 276, 277, 278, or 279 for use in producing graphic matter
16 for sale: film, photographic paper, dyes used for embossing
17 and engraving, artwork, typography, lithographic plates, and
18 negatives. As used in this paragraph, "SIC" means those
19 classifications contained in the Standard Industrial
20 Classification Manual, 1987, as published by the Office of
21 Management and Budget, Executive Office of the President.

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

29 Section 2. Subsection (6) of section 212.084, Florida
30 Statutes, is amended to read:

31

1 212.084 Review of exemption certificates; reissuance;
2 specified expiration date; temporary exemption certificates.--

3 (6)(a) The Department of Revenue may issue temporary
4 exemption certificates to newly organized ~~charitable~~
5 organizations applying for exemption under s.

6 ~~212.08(7)(p)(o)2.b.~~when a lack of historical information
7 prevents the applicant from qualifying immediately for an
8 exemption certificate. The department may require the
9 applicant to submit the information necessary to demonstrate
10 that the organization's proposed activities will qualify for
11 exemption under this chapter. The application must include an
12 estimate of the organization's expenditures that would be
13 taxable except for the temporary exemption certificate. If at
14 any time the amount of actual expenditures otherwise subject
15 to tax exceeds the anticipated amount, the applicant must file
16 with the department a supplemental application stating the
17 actual expenditures and the estimated expenditures for the
18 duration of the period covered by the temporary certificate.

19 (b) A recipient of a temporary certificate must
20 qualify for a permanent certificate before the temporary
21 certificate expires, or the recipient will be liable for the
22 taxes and interest on all purchases for which the temporary
23 exemption certificate was used. The executive director of the
24 department may require the applicant for a temporary exemption
25 certificate to file a cash or surety bond in an amount
26 sufficient to satisfy the department's estimate of taxes and
27 interest that would be due if the organization failed to
28 timely qualify for a regular exemption certificate.

29 (c) A temporary exemption certificate expires 12
30 months after the date of issuance and may be renewed once for
31 an additional 12 months. If at any time the department

1 determines that the organization will not meet the criteria in
2 s. 212.08(7)~~(p)~~~~(o)~~~~2.b.~~ for the issuance of a regular exemption
3 certificate, the temporary exemption certificate must be
4 canceled, and the taxes and interest on all purchases for
5 which the temporary exemption certificate was used are due
6 within 30 days after the cancellation. The department may
7 adopt rules governing the application for, the issuance of,
8 and the form of the temporary exemption certificate and
9 providing for the collection of back taxes and interest.

10 Section 3. Subsection (4) of section 196.195, Florida
11 Statutes, is amended to read:

12 196.195 Determining profit or nonprofit status of
13 applicant.--

14 (4) Notwithstanding the provisions of subsections (2)
15 and (3), a corporation organized as nonprofit under chapter
16 617 which has a valid consumer certificate of exemption
17 pursuant to s. 212.08(7)(m), (n), (o), or (p) and which has a
18 valid exemption from federal income tax under s. 501(c)(3) of
19 the Internal Revenue Code is nonprofit. Proof provided by a
20 corporation of its status as described in this subsection
21 shall be sufficient to establish the organization's nonprofit
22 status, and any corporation providing such proof is not
23 required to provide any other information in order to
24 establish its nonprofit status.

25 Section 4. Paragraph (c) of subsection (1) of section
26 196.196, Florida Statutes, is amended to read:

27 196.196 Determining whether property is entitled to
28 charitable, religious, scientific, or literary exemption.--

29 (1) In the determination of whether an applicant is
30 actually using all or a portion of its property predominantly
31

1 for a charitable, religious, scientific, or literary purpose,
2 the following criteria shall be applied:

3 (c) The extent to which the property is used to
4 conduct activities which cause a corporation to qualify for a
5 consumer certificate of exemption under s. 212.08(7)(m), (n),
6 (o), or (p). Such activities shall be considered as part of
7 the exempt purposes of the applicant.

8 Section 5. Subsection (2) of section 212.0821, Florida
9 Statutes, is amended to read:

10 212.0821 Legislative intent that political
11 subdivisions and public libraries use their sales tax
12 exemption certificates for purchases on behalf of specified
13 groups.--It is the intent of the Legislature that the
14 political subdivisions of the state and the public libraries
15 utilize their sales tax exemption certificates to purchase,
16 with funds provided by the following groups, services,
17 equipment, supplies, and items necessary for the operation of
18 such groups, in addition to the normal exempt purchases that
19 political subdivisions and libraries are empowered to make:

20 (2) Counties and municipalities shall purchase
21 necessary goods and services requested by REACT groups,
22 neighborhood crime watch groups, and state or locally
23 recognized organizations solely engaged in youth activities
24 identical to those discussed in s. 212.08(7)(l)~~(n)~~.

25 Section 6. Section 403.715, Florida Statutes, is
26 amended to read:

27 403.715 Certification of resource recovery or
28 recycling equipment.--For purposes of implementing the tax
29 exemptions provided by s. 212.08(5)(e) and (7)(q)~~(p)~~, the
30 department shall establish a system for the examination and
31 certification of resource recovery or recycling equipment.

1 Application for certification of equipment shall be submitted
2 to the department on forms prescribed by it which include such
3 pertinent information as the department may require. The
4 department may require appropriate certification by a
5 certified public accountant or professional engineer that the
6 equipment for which these exemptions are being sought complies
7 with the exemption criteria set forth in s. 212.08(5)(e) and
8 (7)(g)~~(p)~~. Within 30 days after receipt of an application by
9 the department, a representative of the department may inspect
10 the equipment. Within 30 days after such inspection, the
11 department shall issue a written decision granting or denying
12 certification.

13 Section 7. Section 414.029, Florida Statutes, is
14 amended to read:

15 414.029 WAGES Program Business Registry.--Each local
16 WAGES coalition created pursuant to s. 414.028 must establish
17 a business registry for business firms committed to assist in
18 the effort of finding jobs for WAGES Program participants.
19 Registered businesses agree to work with the coalition and to
20 hire WAGES Program participants to the maximum extent possible
21 consistent with the nature of their business. Each quarter,
22 the coalition must publish a list of businesses registered as
23 a prerequisite for receiving a tax exemption provided under s.
24 212.08(5)(b) or (7)(ff)~~(ii)~~and the number of jobs each has
25 provided for program participants.

26 Section 8. Subsection (8) of section 496.404, Florida
27 Statutes, is amended to read:

28 496.404 Definitions.--As used in ss. 496.401-496.424:

29 (8) "Educational institutions" means those
30 institutions and organizations described in s.

31 212.08(7)(cc)8.~~(o)~~2.d.

1 Section 9. Paragraph (b) of subsection (3) of section
2 564.02, Florida Statutes, is amended to read:

3 564.02 License fees; vendors; manufacturers and
4 distributors.--

5 (3)

6 (b) A bona fide religious order, monastery, church, or
7 religious body that has a tax-exempt status ~~as a religious~~
8 ~~organization~~ as provided by s. 212.08(7)(m) or (p)~~(o)~~ may be
9 licensed as a distributor under this subsection if its sales
10 and distribution are limited to wines sold solely for
11 religious or sacramental purposes to holders of valid permits
12 obtained under s. 564.03; and such religious order, monastery,
13 church, or religious body shall pay a state license tax of \$50
14 for each and every such distribution establishment to be
15 operated by the licensee.

16 Section 10. This act shall take effect July 1, 2000.

17
18 *****

19 HOUSE SUMMARY

20
21 Provides a sales tax exemption for sales or leases to all
22 organizations exempt from federal income tax under s.
23 501(c)(3) of the Internal Revenue Code, and removes and
24 revises various specific exemptions to conform. Revises
25 application of provisions which specify that certain
26 nonprofit corporations which are exempt from sales tax
27 are nonprofit for purposes of determining eligibility for
28 the religious, literary, scientific, or charitable ad
29 valorem tax exemption, and provisions which specify a
30 criterion to be used in determining if property is being
31 used for a charitable, religious, scientific, or literary
purpose.