

By the Committee on Finance & Taxation and Representatives
Starks and Fasano

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; revising
17 the exemptions for organizations providing
18 special benefits to minors, citizen support
19 organizations, and nonprofit cooperative
20 hospital laundries; revising the exemptions for
21 religious organizations, veterans'
22 organizations, educational institutions, and
23 works of art, to conform; amending s. 212.084,
24 F.S.; providing for application of provisions
25 relating to temporary exemption certificates to
26 newly organized organizations exempt under s.
27 501(c)(3); repealing s. 196.195(4), F.S., which
28 provides that certain nonprofit corporations
29 which are exempt from sales tax are nonprofit
30 for purposes of determining eligibility for the
31 religious, literary, scientific, or charitable

1 ad valorem tax exemption; repealing s.
2 196.196(1)(c), F.S., which provides related
3 provisions for determining whether property is
4 being used for a charitable, religious,
5 scientific, or literary purpose; amending ss.
6 212.0821, 376.3072, 403.715, 414.029, 496.404,
7 and 564.02, F.S.; conforming cross references;
8 providing an effective 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 (1)(n) Organizations providing special educational,
5 cultural, recreational, and social benefits to minors.--Also
6 ~~There shall be~~ exempt from the tax imposed by this chapter are
7 sales or leases to and sales of donated property by nonprofit
8 organizations which are incorporated pursuant to chapter 617
9 ~~or which hold a current exemption from federal corporate~~
10 ~~income tax pursuant to s. 501(c)(3) of the Internal Revenue~~
11 ~~Code~~ the primary purpose of which is providing activities that
12 contribute to the development of good character or good
13 sportsmanship, or to the educational or cultural development,
14 of minors. This exemption is extended only to that level of
15 the organization that has a salaried executive officer or an
16 elected nonsalaried executive officer. For the purpose of this
17 paragraph, the term "donated property" means any property
18 transferred to such nonprofit organization for less than 50
19 percent of its fair market value.

20 (m)(o) Religious institutions ~~Religious, charitable,~~
21 ~~scientific, educational, and veterans' institutions and~~
22 ~~organizations.--~~

23 1. There are exempt from the tax imposed by this
24 chapter transactions involving+

25 ~~a.~~ sales or leases directly to religious institutions
26 when used in carrying on their customary nonprofit religious
27 activities ~~churches~~ or sales or leases of tangible personal
28 property by religious institutions having an established
29 physical place for worship at which nonprofit religious
30 services and activities are regularly conducted and carried
31 on. ~~churches.~~

1 2. As used in this paragraph, "religious institutions"
2 means churches, synagogues, and established physical places
3 for worship at which nonprofit religious services and
4 activities are regularly conducted and carried on. The term
5 "religious institutions" includes nonprofit corporations the
6 sole purpose of which is to provide free transportation
7 services to church members, their families, and other church
8 attendees. The term "religious institutions" also includes
9 nonprofit state, nonprofit district, or other nonprofit
10 governing or administrative offices the function of which is
11 to assist or regulate the customary activities of religious
12 institutions. The term "religious institutions" also includes
13 any nonprofit corporation that is qualified as nonprofit under
14 s. 501(c)(3) of the Internal Revenue Code of 1986, as amended,
15 and that owns and operates a Florida television station, at
16 least 90 percent of the programming of which station consists
17 of programs of a religious nature and the financial support
18 for which, exclusive of receipts for broadcasting from other
19 nonprofit organizations, is predominantly from contributions
20 from the general public. The term "religious institutions"
21 also includes any nonprofit corporation that is qualified as
22 nonprofit under s. 501(c)(3) of the Internal Revenue Code of
23 1986, as amended, the primary activity of which is making and
24 distributing audio recordings of religious scriptures and
25 teachings to blind or visually impaired persons at no charge.
26 The term "religious institutions" also includes any nonprofit
27 corporation that is qualified as nonprofit under s. 501(c)(3)
28 of the Internal Revenue Code of 1986, as amended, the sole or
29 primary function of which is to provide, upon invitation,
30 nonprofit religious services, evangelistic services, religious
31 education, administrative assistance, or missionary assistance

1 for a church, synagogue, or established physical place of
2 worship at which nonprofit religious services and activities
3 are regularly conducted.

4 ~~b. Sales or leases to nonprofit religious, nonprofit~~
5 ~~charitable, nonprofit scientific, or nonprofit educational~~
6 ~~institutions when used in carrying on their customary~~
7 ~~nonprofit religious, nonprofit charitable, nonprofit~~
8 ~~scientific, or nonprofit educational activities, including~~
9 ~~church cemeteries; and~~

10 (n)c. Veteran organizations.--

11 1. There are exempt from the tax imposed by this
12 chapter transactions involving sales or leases to qualified
13 veterans' organizations and their auxiliaries when used in
14 carrying on their customary veterans' organization activities.

15 2. As used in this paragraph, the term "veterans'
16 organizations" means nationally chartered or recognized
17 veterans' organizations, including, but not limited to,
18 Florida chapters of the Paralyzed Veterans of America,
19 Catholic War Veterans of the U.S.A., Jewish War Veterans of
20 the U.S.A., and the Disabled American Veterans, Department of
21 Florida, Inc., which hold current exemptions from federal
22 income tax under s. 501(c)(4) or (19) of the Internal Revenue
23 Code of 1986, as amended.

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

27 ~~a. "Religious institutions" means churches,~~
28 ~~synagogues, and established physical places for worship at~~
29 ~~which nonprofit religious services and activities are~~
30 ~~regularly conducted and carried on. The term "religious~~
31 ~~institutions" includes nonprofit corporations the sole purpose~~

1 ~~of which is to provide free transportation services to church~~
2 ~~members, their families, and other church attendees. The term~~
3 ~~"religious institutions" also includes state, district, or~~
4 ~~other governing or administrative offices the function of~~
5 ~~which is to assist or regulate the customary activities of~~
6 ~~religious organizations or members. The term "religious~~
7 ~~institutions" also includes any nonprofit corporation which is~~
8 ~~qualified as nonprofit pursuant to s. 501(c)(3), Internal~~
9 ~~Revenue Code of 1986, as amended, which owns and operates a~~
10 ~~Florida television station, at least 90 percent of the~~
11 ~~programming of which station consists of programs of a~~
12 ~~religious nature, and the financial support for which,~~
13 ~~exclusive of receipts for broadcasting from other nonprofit~~
14 ~~organizations, is predominantly from contributions from the~~
15 ~~general public. The term "religious institutions" also~~
16 ~~includes any nonprofit corporation which is qualified as~~
17 ~~nonprofit pursuant to s. 501(c)(3), Internal Revenue Code of~~
18 ~~1986, as amended, which provides regular religious services to~~
19 ~~Florida state prisoners and which from its own established~~
20 ~~physical place of worship, operates a ministry providing~~
21 ~~worship and services of a charitable nature to the community~~
22 ~~on a weekly basis. The term "religious institutions" also~~
23 ~~includes any nonprofit corporation which is qualified as~~
24 ~~nonprofit pursuant to s. 501(c)(3), Internal Revenue Code of~~
25 ~~1986, as amended, the primary activity of which is making and~~
26 ~~distributing audio recordings of religious scriptures and~~
27 ~~teachings to blind or visually impaired persons at no charge.~~
28 ~~The term "religious institutions" also includes any nonprofit~~
29 ~~corporation that is qualified as nonprofit pursuant to s.~~
30 ~~501(c)(3), Internal Revenue Code of 1986, as amended, the sole~~
31 ~~or primary function of which is to provide, upon invitation,~~

1 ~~nonprofit religious services, evangelistic services, religious~~
2 ~~education, administration assistance, or missionary assistance~~
3 ~~for a church, synagogue, or established physical place of~~
4 ~~worship at which nonprofit religious services and activities~~
5 ~~are regularly conducted.~~

6 ~~b. "Charitable institutions" means only nonprofit~~
7 ~~corporations qualified as nonprofit pursuant to s. 501(c)(3),~~
8 ~~Internal Revenue Code of 1954, as amended, and other nonprofit~~
9 ~~entities, the sole or primary function of which is to provide,~~
10 ~~or to raise funds for organizations which provide, one or more~~
11 ~~of the following services if a reasonable percentage of such~~
12 ~~service is provided free of charge, or at a substantially~~
13 ~~reduced cost, to persons, animals, or organizations that are~~
14 ~~unable to pay for such service:~~

15 ~~(I) Medical aid for the relief of disease, injury, or~~
16 ~~disability;~~

17 ~~(II) Regular provision of physical necessities such as~~
18 ~~food, clothing, or shelter;~~

19 ~~(III) Services for the prevention of or rehabilitation~~
20 ~~of persons from alcoholism or drug abuse; the prevention of~~
21 ~~suicide; or the alleviation of mental, physical, or sensory~~
22 ~~health problems;~~

23 ~~(IV) Social welfare services including adoption~~
24 ~~placement, child care, community care for the elderly,~~
25 ~~consumer credit counseling, and other social welfare services~~
26 ~~which clearly and substantially benefit a client population~~
27 ~~which is disadvantaged or suffers a hardship;~~

28 ~~(V) Medical research for the relief of disease,~~
29 ~~injury, or disability;~~

30 ~~(VI) Legal services; or~~

31

1 ~~(VII) Food, shelter, or medical care for animals or~~
2 ~~adoption services, cruelty investigations, or education~~
3 ~~programs concerning animals;~~
4
5 ~~and the term includes groups providing volunteer staff to~~
6 ~~organizations designated as charitable institutions under this~~
7 ~~sub-subparagraph; nonprofit organizations the sole or primary~~
8 ~~purpose of which is to coordinate, network, or link other~~
9 ~~institutions designated as charitable institutions under this~~
10 ~~sub-subparagraph with those persons, animals, or organizations~~
11 ~~in need of their services; and nonprofit national, state,~~
12 ~~district, or other governing, coordinating, or administrative~~
13 ~~organizations the sole or primary purpose of which is to~~
14 ~~represent or regulate the customary activities of other~~
15 ~~institutions designated as charitable institutions under this~~
16 ~~sub-subparagraph. Notwithstanding any other requirement of~~
17 ~~this section, any blood bank that relies solely upon volunteer~~
18 ~~donations of blood and tissue, that is licensed under chapter~~
19 ~~483, and that qualifies as tax exempt under s. 501(c)(3) of~~
20 ~~the Internal Revenue Code constitutes a charitable institution~~
21 ~~and is exempt from the tax imposed by this chapter. Sales to a~~
22 ~~health system foundation, qualified as nonprofit pursuant to~~
23 ~~s. 501(c)(3), Internal Revenue Code of 1986, as amended, which~~
24 ~~filed an application for exemption with the department prior~~
25 ~~to November 15, 1997, and which application is subsequently~~
26 ~~approved, shall be exempt as to any unpaid taxes on purchases~~
27 ~~made from November 14, 1990, to December 31, 1997.~~

28 ~~c. "Scientific organizations" means scientific~~
29 ~~organizations which hold current exemptions from federal~~
30 ~~income tax under s. 501(c)(3) of the Internal Revenue Code and~~
31 ~~also means organizations the purpose of which is to protect~~

1 ~~air and water quality or the purpose of which is to protect~~
2 ~~wildlife and which hold current exemptions from the federal~~
3 ~~income tax under s. 501(c)(3) of the Internal Revenue Code.~~
4 (o) Schools, colleges, and universities.--Also
5 exempt from the tax imposed by this chapter are sales or
6 leases to "Educational institutions" means state tax-supported
7 ~~or parochial, church and nonprofit private schools, colleges,~~
8 ~~or universities, which conduct regular classes and courses of~~
9 ~~study required for accreditation by, or membership in, the~~
10 ~~Southern Association of Colleges and Schools, the Department~~
11 ~~of Education, the Florida Council of Independent Schools, or~~
12 ~~the Florida Association of Christian Colleges and Schools,~~
13 ~~Inc., or nonprofit private schools which conduct regular~~
14 ~~classes and courses of study accepted for continuing education~~
15 ~~credit by a board of the Division of Medical Quality Assurance~~
16 ~~of the Department of Health or which conduct regular classes~~
17 ~~and courses of study accepted for continuing education credit~~
18 ~~by the American Medical Association. Nonprofit libraries, art~~
19 ~~galleries, performing arts centers that provide educational~~
20 ~~programs to school children, which programs involve~~
21 ~~performances or other educational activities at the performing~~
22 ~~arts center and serve a minimum of 50,000 school children a~~
23 ~~year, and museums open to the public are defined as~~
24 ~~educational institutions and are eligible for exemption. The~~
25 ~~term "educational institutions" includes private nonprofit~~
26 ~~organizations the purpose of which is to raise funds for~~
27 ~~schools teaching grades kindergarten through high school,~~
28 ~~colleges, and universities. The term "educational~~
29 ~~institutions" includes any nonprofit newspaper of free or paid~~
30 ~~circulation primarily on university or college campuses which~~
31 ~~holds a current exemption from federal income tax under s.~~

1 ~~501(c)(3) of the Internal Revenue Code, and any educational~~
2 ~~television or radio network or system established pursuant to~~
3 ~~s. 229.805 or s. 229.8051 and any nonprofit television or~~
4 ~~radio station which is a part of such network or system and~~
5 ~~which holds a current exemption from federal income tax under~~
6 ~~s. 501(c)(3) of the Internal Revenue Code. The term~~
7 ~~"educational institutions" also includes state, district, or~~
8 ~~other governing or administrative offices the function of~~
9 ~~which is to assist or regulate the customary activities of~~
10 ~~educational organizations or members. The term "educational~~
11 ~~institutions" also includes a nonprofit educational cable~~
12 ~~consortium which holds a current exemption from federal income~~
13 ~~tax under s. 501(c)(3) of the Internal Revenue Code of 1986,~~
14 ~~as amended, whose primary purpose is the delivery of~~
15 ~~educational and instructional cable television programming and~~
16 ~~whose members are composed exclusively of educational~~
17 ~~organizations which hold a valid consumer certificate of~~
18 ~~exemption and which are either an educational institution as~~
19 ~~defined in this sub-subparagraph, or qualified as a nonprofit~~
20 ~~organization pursuant to s. 501(c)(3) of the Internal Revenue~~
21 ~~Code of 1986, as amended.~~

22 ~~e. "Veterans' organizations" means nationally~~
23 ~~chartered or recognized veterans' organizations, including,~~
24 ~~but not limited to, Florida chapters of the Paralyzed Veterans~~
25 ~~of America, Catholic War Veterans of the U.S.A., Jewish War~~
26 ~~Veterans of the U.S.A., and the Disabled American Veterans,~~
27 ~~Department of Florida, Inc., which hold current exemptions~~
28 ~~from federal income tax under s. 501(c)(3), (4), or (19) of~~
29 ~~the Internal Revenue Code.~~

30 (p) Section 501(c)(3) organizations.--Also exempt from
31 the tax imposed by this chapter are sales or leases to

1 organizations determined by the Internal Revenue Service to be
2 currently exempt from federal income tax pursuant to s.
3 501(c)(3) of the Internal Revenue Code of 1986, as amended,
4 when such leases or purchases are used in carrying on their
5 customary nonprofit activities.

6 (q)~~(p)~~ Resource recovery equipment.--Also exempt is
7 resource recovery equipment which is owned and operated by or
8 on behalf of any county or municipality, certified by the
9 Department of Environmental Protection under the provisions of
10 s. 403.715.

11 (r)~~(q)~~ School books and school lunches.--This
12 exemption applies to school books used in regularly prescribed
13 courses of study, and to school lunches served in public,
14 parochial, or nonprofit schools operated for and attended by
15 pupils of grades K through 12. Yearbooks, magazines,
16 newspapers, directories, bulletins, and similar publications
17 distributed by such educational institutions to their students
18 are also exempt. School books and food sold or served at
19 community colleges and other institutions of higher learning
20 are taxable.

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

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

1 (t) Boats temporarily docked in state.--
2 1. Notwithstanding the provisions of chapters 327 and
3 328, pertaining to the registration of vessels, a boat upon
4 which the state sales or use tax has not been paid is exempt
5 from the use tax under this chapter if it enters and remains
6 in this state for a period not to exceed a total of 20 days in
7 any calendar year calculated from the date of first dockage or
8 slippage at a facility, registered with the department, that
9 rents dockage or slippage space in this state. If a boat
10 brought into this state for use under this paragraph is placed
11 in a facility, registered with the department, for repairs,
12 alterations, refitting, or modifications and such repairs,
13 alterations, refitting, or modifications are supported by
14 written documentation, the 20-day period shall be tolled
15 during the time the boat is physically in the care, custody,
16 and control of the repair facility, including the time spent
17 on sea trials conducted by the facility. The 20-day time
18 period may be tolled only once within a calendar year when a
19 boat is placed for the first time that year in the physical
20 care, custody, and control of a registered repair facility;
21 however, the owner may request and the department may grant an
22 additional tolling of the 20-day period for purposes of
23 repairs that arise from a written guarantee given by the
24 registered repair facility, which guarantee covers only those
25 repairs or modifications made during the first tolled period.
26 Within 72 hours after the date upon which the registered
27 repair facility took possession of the boat, the facility must
28 have in its possession, on forms prescribed by the department,
29 an affidavit which states that the boat is under its care,
30 custody, and control and that the owner does not use the boat
31 while in the facility. Upon completion of the repairs,

1 alterations, refitting, or modifications, the registered
2 repair facility must, within 72 hours after the date of
3 release, have in its possession a copy of the release form
4 which shows the date of release and any other information the
5 department requires. The repair facility shall maintain a log
6 that documents all alterations, additions, repairs, and sea
7 trials during the time the boat is under the care, custody,
8 and control of the facility. The affidavit shall be
9 maintained by the registered repair facility as part of its
10 records for as long as required by s. 213.35. When, within 6
11 months after the date of its purchase, a boat is brought into
12 this state under this paragraph, the 6-month period provided
13 in s. 212.05(1)(a)2. or s. 212.06(8) shall be tolled.

14 2. During the period of repairs, alterations,
15 refitting, or modifications and during the 20-day period
16 referred to in subparagraph 1., the boat may be listed for
17 sale, contracted for sale, or sold exclusively by a broker or
18 dealer registered with the department without incurring a use
19 tax under this chapter; however, the sales tax levied under
20 this chapter applies to such sale.

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

23 4. As used in this paragraph, "registered repair
24 facility" means:

25 a. A full-service facility that:

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

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

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1 (III) Has adequate piers and storage facilities to
2 provide safe berthing of vessels in its care, custody, and
3 control; and
4 (IV) Has necessary shops and equipment to provide
5 repair or warranty work on vessels under the care, custody,
6 and control of the facility;
7 b. A marina that:
8 (I) Is located on a navigable body of water;
9 (II) Has adequate piers and storage facilities to
10 provide safe berthing of vessels in its care, custody, and
11 control; and
12 (III) Has necessary shops and equipment to provide
13 repairs or warranty work on vessels; or
14 c. A shoreside facility that:
15 (I) Is located on a navigable body of water;
16 (II) Has adequate piers and storage facilities to
17 provide safe berthing of vessels in its care, custody, and
18 control; and
19 (III) Has necessary shops and equipment to provide
20 repairs or warranty work.
21 (u) Volunteer fire departments.--Also exempt are
22 firefighting and rescue service equipment and supplies
23 purchased by volunteer fire departments, duly chartered under
24 the Florida Statutes as corporations not for profit.
25 (v) Professional services.--
26 1. Also exempted are professional, insurance, or
27 personal service transactions that involve sales as
28 inconsequential elements for which no separate charges are
29 made.
30 2. The personal service transactions exempted pursuant
31 to subparagraph 1. do not exempt the sale of information

1 services involving the furnishing of printed, mimeographed, or
2 multigraphed matter, or matter duplicating written or printed
3 matter in any other manner, other than professional services
4 and services of employees, agents, or other persons acting in
5 a representative or fiduciary capacity or information services
6 furnished to newspapers and radio and television stations. As
7 used in this subparagraph, the term "information services"
8 includes the services of collecting, compiling, or analyzing
9 information of any kind or nature and furnishing reports
10 thereof to other persons.

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

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

15 (w) Certain newspaper, magazine, and newsletter
16 subscriptions, shoppers, and community newspapers.--Likewise
17 exempt are newspaper, magazine, and newsletter subscriptions
18 in which the product is delivered to the customer by mail.
19 Also exempt are free, circulated publications that are
20 published on a regular basis, the content of which is
21 primarily advertising, and that are distributed through the
22 mail, home delivery, or newsstands. The exemption for
23 newspaper, magazine, and newsletter subscriptions which is
24 provided in this paragraph applies only to subscriptions
25 entered into after March 1, 1997.

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

1 (y) Charter fishing vessels.--The charge for
2 chartering any boat or vessel, with the crew furnished, solely
3 for the purpose of fishing is exempt from the tax imposed
4 under s. 212.04 or s. 212.05. This exemption does not apply
5 to any charge to enter or stay upon any "head-boat," party
6 boat, or other boat or vessel. Nothing in this paragraph
7 shall be construed to exempt any boat from sales or use tax
8 upon the purchase thereof except as provided in paragraph (t)
9 and s. 212.05.

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

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

- 20 1. The sale, lease, or rental occurs between two
- 21 commonly owned and controlled corporations;
- 22 2. Such vehicle was titled and registered in this
- 23 state at the time of the sale, lease, or rental; and
- 24 3. Florida sales tax was paid on the acquisition of
- 25 such vehicle by the seller, lessor, or renter.

26 (bb) Community cemeteries.--Also exempt are purchases
27 by any nonprofit corporation that has qualified under s.
28 501(c)(13) of the Internal Revenue Code of 1986, as amended,
29 and is operated for the purpose of maintaining a cemetery that
30 was donated to the community by deed.

31

1 ~~(cc) Coast Guard auxiliaries. A nonprofit~~
2 ~~organization that is affiliated with the Coast Guard, that is~~
3 ~~exempt from federal income tax pursuant to s. 501(a) and~~
4 ~~(c)(3) of the Internal Revenue Code of 1986, as amended, and~~
5 ~~the primary purpose of which is to promote safe boating and to~~
6 ~~conduct free public education classes in basic seamanship is~~
7 ~~exempt from the tax imposed by this chapter.~~

8 (cc)(dd) Works of art.--

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

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

18 3. The exemption provided by this paragraph for
19 donations is allowed only if the person who purchased the work
20 of art transfers title to the donated work of art to an
21 educational institution. Such transfer of title shall be
22 evidenced by an affidavit meeting requirements established by
23 rule to document entitlement to the exemption. Nothing in this
24 paragraph shall preclude a work of art donated to an
25 educational institution from remaining in the possession of
26 the donor or purchaser, as long as title to the work of art
27 lies with the educational institution.

28 4. A work of art is presumed to have been purchased in
29 or imported into this state exclusively for loan as provided
30 in subparagraph 2., if it is so loaned or placed in storage in
31 preparation for such a loan within 90 days after purchase or

1 importation, whichever is later; but a work of art is not
2 deemed to be placed in storage in preparation for loan for
3 purposes of this exemption if it is displayed at any place
4 other than an educational institution.

5 5. The exemptions provided by this paragraph are
6 allowed only if the person who purchased the work of art gives
7 to the vendor an affidavit meeting the requirements,
8 established by rule, to document entitlement to the exemption.
9 The person who purchased the work of art shall forward a copy
10 of such affidavit to the Department of Revenue at the time it
11 is issued to the vendor.

12 6. The exemption for loans provided by subparagraph 2.
13 applies only for the period during which a work of art is in
14 the possession of the educational institution or is in storage
15 before transfer of possession to that institution; and when it
16 ceases to be so possessed or held, tax based upon the sales
17 price paid by the owner is payable, and the statute of
18 limitations provided in s. 95.091 shall begin to run at that
19 time. However, tax shall not become due if the work of art is
20 donated to an educational institution after the loan ceases.

21 7. Any educational institution to which a work of art
22 has been donated pursuant to this paragraph shall make
23 available to the department the title to the work of art and
24 any other relevant information. Any educational institution
25 which has received a work of art on loan pursuant to this
26 paragraph shall make available to the department information
27 relating to the work of art. Any educational institution that
28 transfers from its possession a work of art as defined by this
29 paragraph which has been loaned to it must notify the
30 Department of Revenue within 60 days after the transfer.

31

1 8. For purposes of the exemptions provided by this
2 paragraph, the term:
3 a. "Educational institutions" includes state
4 tax-supported, parochial, church, and nonprofit private
5 schools, colleges, or universities that conduct regular
6 classes and courses of study required for accreditation by or
7 membership in the Southern Association of Colleges and
8 Schools, the Florida Council of Independent Schools, or the
9 Florida Association of Christian Colleges and Schools, Inc.;
10 nonprofit private schools that conduct regular classes and
11 courses of study accepted for continuing education credit by a
12 board of the Division of Medical Quality Assurance of the
13 Department of Health; or nonprofit libraries, art galleries,
14 performing arts centers that provide educational programs to
15 school children, which programs involve performances or other
16 educational activities at the performing arts center and serve
17 a minimum of 50,000 schoolchildren a year, and museums open to
18 the public.

19 b. "Work of art" includes pictorial representations,
20 sculpture, jewelry, antiques, stamp collections and coin
21 collections, and other tangible personal property, the value
22 of which is attributable predominantly to its artistic,
23 historical, political, cultural, or social importance.

24 ~~(dd)(ee)~~ Taxicab leases.--The lease of or license to
25 use a taxicab or taxicab-related equipment and services
26 provided by a taxicab company to an independent taxicab
27 operator are exempt, provided, however, the exemptions
28 provided under this paragraph only apply if sales or use tax
29 has been paid on the acquisition of the taxicab and its
30 related equipment.

31

1 (ee)~~(ff)~~ Aircraft repair and maintenance labor
2 charges.--There shall be exempt from the tax imposed by this
3 chapter all labor charges for the repair and maintenance of
4 aircraft of more than 15,000 pounds maximum certified takeoff
5 weight and rotary wing aircraft of more than 10,000 pounds
6 maximum certified takeoff weight. Except as otherwise provided
7 in this chapter, charges for parts and equipment furnished in
8 connection with such labor charges are taxable.

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

12 ~~1. Are incorporated pursuant to chapter 617;~~

13 ~~2. Hold a current exemption from federal corporate~~
14 ~~income tax liability pursuant to s. 501(c)(3) of the Internal~~
15 ~~Revenue Code of 1986, as amended; and~~

16 ~~3.a. Sponsor golf tournaments sanctioned by the PGA~~
17 ~~Tour, PGA of America, or the LPGA; or~~

18 ~~b. Are funded primarily by county or municipal~~
19 ~~governments and have as their primary purpose the~~
20 ~~encouragement and facilitation of the use of certain locations~~
21 ~~within this state as venues for sporting events.~~

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

26 (gg)~~(ii)~~ Certain electricity or steam uses.--

27 1. Subject to the provisions of subparagraph 4.,
28 charges for electricity or steam used to operate machinery and
29 equipment at a fixed location in this state when such
30 machinery and equipment is used to manufacture, process,
31 compound, produce, or prepare for shipment items of tangible

1 personal property for sale, or to operate pollution control
2 equipment, recycling equipment, maintenance equipment, or
3 monitoring or control equipment used in such operations are
4 exempt to the extent provided in this paragraph. If 75 percent
5 or more of the electricity or steam used at the fixed location
6 is used to operate qualifying machinery or equipment, 100
7 percent of the charges for electricity or steam used at the
8 fixed location are exempt. If less than 75 percent but 50
9 percent or more of the electricity or steam used at the fixed
10 location is used to operate qualifying machinery or equipment,
11 50 percent of the charges for electricity or steam used at the
12 fixed location are exempt. If less than 50 percent of the
13 electricity or steam used at the fixed location is used to
14 operate qualifying machinery or equipment, none of the charges
15 for electricity or steam used at the fixed location are
16 exempt.

17 2. This exemption applies only to industries
18 classified under SIC Industry Major Group Numbers 10, 12, 13,
19 14, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34,
20 35, 36, 37, 38, and 39 and Industry Group Number 212. As used
21 in this paragraph, "SIC" means those classifications contained
22 in the Standard Industrial Classification Manual, 1987, as
23 published by the Office of Management and Budget, Executive
24 Office of the President.

25 3. Possession by a seller of a written certification
26 by the purchaser, certifying the purchaser's entitlement to an
27 exemption permitted by this subsection, relieves the seller
28 from the responsibility of collecting the tax on the
29 nontaxable amounts, and the department shall look solely to
30 the purchaser for recovery of such tax if it determines that
31 the purchaser was not entitled to the exemption.

- 1 4. Such exemption shall be applied as follows:
- 2 a. Beginning July 1, 1996, 20 percent of the charges
- 3 for such electricity shall be exempt.
- 4 b. Beginning July 1, 1997, 40 percent of the charges
- 5 for such electricity shall be exempt.
- 6 c. Beginning July 1, 1998, 60 percent of the charges
- 7 for such electricity or steam shall be exempt.
- 8 d. Beginning July 1, 1999, 80 percent of the charges
- 9 for such electricity or steam shall be exempt.
- 10 e. Beginning July 1, 2000, 100 percent of the charges
- 11 for such electricity or steam shall be exempt.
- 12 5. Notwithstanding any other provision in this
- 13 paragraph to the contrary, in order to receive the exemption
- 14 provided in this paragraph a taxpayer must first register with
- 15 the WAGES Program Business Registry established by the local
- 16 WAGES coalition for the area in which the taxpayer is located.
- 17 Such registration establishes a commitment on the part of the
- 18 taxpayer to hire WAGES program participants to the maximum
- 19 extent possible consistent with the nature of their business.
- 20 6.a. In order to determine whether the exemption
- 21 provided in this paragraph from the tax on charges for
- 22 electricity or steam has an effect on retaining or attracting
- 23 companies to this state, the Office of Program Policy Analysis
- 24 and Government Accountability shall periodically monitor and
- 25 report on the industries receiving the exemption.
- 26 b. The first report shall be submitted no later than
- 27 January 1, 1997, and must be conducted in such a manner as to
- 28 specifically determine the number of companies within each SIC
- 29 Industry Major Group receiving the exemption as of September
- 30 1, 1996, and the number of individuals employed by companies
- 31

1 within each SIC Industry Major Group receiving the exemption
2 as of September 1, 1996.

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

15 d. Both reports shall be submitted to the President of
16 the Senate, the Speaker of the House of Representatives, the
17 Senate Minority Leader, and the House Minority Leader.

18 (hh)~~(jj)~~ Fair associations.--Also exempt from the tax
19 imposed by this chapter is the sale, use, lease, rental, or
20 grant of a license to use, made directly to or by a fair
21 association, of real or tangible personal property; any charge
22 made by a fair association, or its agents, for parking,
23 admissions, or for temporary parking of vehicles used for
24 sleeping quarters; rentals, subleases, and sublicenses of real
25 or tangible personal property between the owner of the central
26 amusement attraction and any owner of an amusement ride, as
27 those terms are used in ss. 616.15(1)(b) and 616.242(3)(a),
28 for the furnishing of amusement rides at a public fair or
29 exposition; and other transactions of a fair association which
30 are incurred directly by the fair association in the
31 financing, construction, and operation of a fair, exposition,

1 or other event or facility that is authorized by s. 616.08. As
2 used in this paragraph, the terms "fair association" and
3 "public fair or exposition" have the same meaning as those
4 terms are defined in s. 616.001. This exemption does not apply
5 to the sale of tangible personal property made by a fair
6 association through an agent or independent contractor; sales
7 of admissions and tangible personal property by a
8 concessionaire, vendor, exhibitor, or licensee; or rentals and
9 subleases of tangible personal property or real property
10 between the owner of the central amusement attraction and a
11 concessionaire, vendor, exhibitor, or licensee, except for the
12 furnishing of amusement rides, which transactions are exempt.

13 (ii)~~(kk)~~ Citizen support organizations.--Also exempt
14 from the tax imposed by this chapter are sales or leases to
15 ~~Beginning July 1, 1996,~~ nonprofit organizations that are
16 incorporated under chapter 617 ~~or hold a current exemption~~
17 ~~from federal corporate income tax under s. 501(c)(3) of the~~
18 ~~Internal Revenue Code, as amended,~~ and that have been
19 designated citizen support organizations in support of
20 state-funded environmental programs or the management of
21 state-owned lands in accordance with s. 370.0205, or to
22 support one or more state parks in accordance with s. 258.015
23 ~~are exempt from the tax imposed by this chapter.~~

24 (jj)~~(ll)~~ Florida Folk Festival.--There shall be exempt
25 from the tax imposed by this chapter income of a revenue
26 nature received from admissions to the Florida Folk Festival
27 held pursuant to s. 267.16 at the Stephen Foster State Folk
28 Culture Center, a unit of the state park system.

29 (kk)~~(mm)~~ Solar energy systems.--Also exempt are solar
30 energy systems or any component thereof. The Florida Solar
31 Energy Center shall from time to time certify to the

1 department a list of equipment and requisite hardware
2 considered to be a solar energy system or a component thereof.
3 This exemption is repealed July 1, 2002.

4 (ll)~~(mm)~~ Nonprofit cooperative hospital
5 laundries.--Also exempt from the tax imposed by this chapter
6 are sales or leases to nonprofit organizations that are
7 incorporated under chapter 617 and which are treated, for
8 federal income tax purposes, as cooperatives under subchapter
9 T of the Internal Revenue Code, whose sole purpose is to offer
10 laundry supplies and services to their members, which members
11 must all be exempt from federal income tax pursuant to s.
12 501(c)(3) of the Internal Revenue Code, ~~are exempt from the~~
13 ~~tax imposed by this chapter.~~

14 (mm)~~(oo)~~ Complimentary meals.--Also exempt from the
15 tax imposed by this chapter are food or drinks that are
16 furnished as part of a packaged room rate by any person
17 offering for rent or lease any transient living accommodations
18 as described in s. 509.013(4)(a) which are licensed under part
19 I of chapter 509 and which are subject to the tax under s.
20 212.03, if a separate charge or specific amount for the food
21 or drinks is not shown. Such food or drinks are considered to
22 be sold at retail as part of the total charge for the
23 transient living accommodations. Moreover, the person offering
24 the accommodations is not considered to be the consumer of
25 items purchased in furnishing such food or drinks and may
26 purchase those items under conditions of a sale for resale.

27 (nn)~~(pp)~~ Nonprofit corporation conducting the
28 correctional work programs.--Products sold pursuant to s.
29 946.515 by the corporation organized pursuant to part II of
30 chapter 946 are exempt from the tax imposed by this chapter.
31 This exemption applies retroactively to July 1, 1983.

1 ~~(qq)~~ (oo) Parent-teacher organizations, parent-teacher
2 associations, and schools having grades K through
3 12.--Parent-teacher organizations and associations qualified
4 as educational institutions as defined by sub-subparagraph
5 ~~(cc)8.a. under paragraph (o)~~ associated with schools having
6 grades K through 12, and schools having grades K through 12,
7 may pay tax to their suppliers on the cost price of school
8 materials and supplies purchased, rented, or leased for resale
9 or rental to students in grades K through 12, of items sold
10 for fundraising purposes, and of items sold through vending
11 machines located on the school premises, in lieu of collecting
12 the tax imposed by this chapter from the purchaser. This
13 paragraph also applies to food or beverages sold through
14 vending machines located in the student lunchroom or dining
15 room of a school having kindergarten through grade 12.

16 ~~(rr)~~ (pp) Mobile home lot improvements.--Items
17 purchased by developers for use in making improvements to a
18 mobile home lot owned by the developer may be purchased
19 tax-exempt as a sale for resale if made pursuant to a contract
20 that requires the developer to sell a mobile home to a
21 purchaser, place the mobile home on the lot, and make the
22 improvements to the lot for a single lump-sum price. The
23 developer must collect and remit sales tax on the entire
24 lump-sum price.

25 ~~(ss)~~ (qq) Veterans Administration.--When a veteran of
26 the armed forces purchases an aircraft, boat, mobile home,
27 motor vehicle, or other vehicle from a dealer pursuant to the
28 provisions of 38 U.S.C. s. 3902(a), or any successor provision
29 of the United States Code, the amount that is paid directly to
30 the dealer by the Veterans Administration is not taxable.

31

1 However, any portion of the purchase price which is paid
2 directly to the dealer by the veteran is taxable.

3 (rr)~~(tt)~~ Complimentary items.--There is exempt from
4 the tax imposed by this chapter:

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

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

12

13 The exemptions in this paragraph do not apply to businesses
14 with the primary activity of serving prepared meals or
15 alcoholic beverages for immediate consumption.

16 (ss)~~(uu)~~ Donated foods or beverages.--Any food or
17 beverage donated by a dealer that sells food products at
18 retail to a food bank or an organization that holds a current
19 exemption from federal corporate income tax pursuant to s.
20 501(c) of the Internal Revenue Code of 1986, as amended, is
21 exempt from the tax imposed by this chapter.

22 (tt)~~(vv)~~ Racing dogs.--The sale of a racing dog by its
23 owner is exempt if the owner is also the breeder of the
24 animal.

25 (uu)~~(ww)~~ Equipment used in aircraft repair and
26 maintenance.--There shall be exempt from the tax imposed by
27 this chapter replacement engines, parts, and equipment used in
28 the repair or maintenance of aircraft of more than 15,000
29 pounds maximum certified takeoff weight and rotary wing
30 aircraft of more than 10,300 pounds maximum certified takeoff
31 weight, when such parts or equipment are installed on such

1 aircraft that is being repaired or maintained in this state.
2 are installed on such aircraft that is being repaired or
3 maintained in this state.

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

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

19 ~~(zz) Nonprofit organizations raising funds for or~~
20 ~~making grants to organizations holding consumer's certificate~~
21 ~~of exemption.--Sales or leases to an organization which holds~~
22 ~~current exemption from federal income tax pursuant to s.~~
23 ~~501(c)(3) of the Internal Revenue Code, as amended, the sole~~
24 ~~or primary function of which is to raise funds for or make~~
25 ~~grants to another organization or organizations currently~~
26 ~~holding a consumer's certificate of exemption issued by the~~
27 ~~department are exempt from the tax imposed by this chapter.~~

28 (ww)~~(aaa)~~ Nonprofit water systems.--Sales or leases to
29 a not-for-profit corporation which holds a current exemption
30 from federal income tax under s. 501(c)(12) of the Internal
31 Revenue Code, as amended, are exempt from the tax imposed by

1 this chapter if the sole or primary function of the
2 corporation is to construct, maintain, or operate a water
3 system in this state.

4 (xx)~~(bb)~~ Library cooperatives.--Sales or leases to
5 library cooperatives certified under s. 257.41(2) are exempt
6 from the tax imposed by this chapter.

7 (yy)~~(cc)~~ Advertising agencies.--

8 1. As used in this paragraph, the term "advertising
9 agency" means any firm that is primarily engaged in the
10 business of providing advertising materials and services to
11 its clients.

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

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

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

27 c. Sold by an advertising agency to its clients in the
28 performance of advertising services for the clients, whether
29 or not the charges for these items are marked up or separately
30 stated.

31

1 The exemption provided by this subparagraph does not apply
2 when tangible personal property such as film, paper, and
3 videotapes is purchased to create items such as photographic
4 negatives and positives, videos, films, galleys, mechanicals,
5 veloxes, illustrations, and artwork that are sold to an
6 advertising agency or produced in-house by an advertising
7 agency on behalf of its clients.

8 3. The items exempted from tax under subparagraph 2.
9 and the creative services used by an advertising agency to
10 design the advertising for promotional goods such as displays,
11 display containers, exhibits, newspaper inserts, brochures,
12 catalogues, direct mail letters or flats, shirts, hats, pens,
13 pencils, key chains, or other printed goods or materials are
14 not subject to tax. However, when such promotional goods are
15 produced or reproduced for distribution, tax applies to the
16 sales price charged to the client for such promotional goods.

17 4. For items purchased by an advertising agency and
18 exempt from tax under this paragraph, possession of an
19 exemption certificate from the advertising agency certifying
20 the agency's entitlement to exemption relieves the vendor of
21 the responsibility of collecting the tax on the sale of such
22 items to the advertising agency, and the department shall look
23 solely to the advertising agency for recovery of tax if it
24 determines that the advertising agency was not entitled to the
25 exemption.

26 5. The exemptions provided by this paragraph apply
27 retroactively, except that all taxes that have been collected
28 must be remitted, and taxes that have been remitted before
29 July 1, 1999, on transactions that are subject to exemption
30 under this paragraph are not subject to refund.

31

1 6. The department may adopt rules that interpret or
2 define the provisions of these exemptions and provide examples
3 regarding the application of these exemptions.

4 (zz)~~(ddd)~~ Bullion.--The sale of gold, silver, or
5 platinum bullion, or any combination thereof, in a single
6 transaction is exempt if the sales price exceeds \$500. The
7 dealer must maintain proper documentation, as prescribed by
8 rule of the department, to identify that portion of a
9 transaction which involves the sale of gold, silver, or
10 platinum bullion and is exempt under this paragraph.

11 (aaa)~~(eee)~~ Certain repair and labor charges.--

12 1. Subject to the provisions of subparagraphs 2. and
13 3., there is exempt from the tax imposed by this chapter all
14 labor charges for the repair of, and parts and materials used
15 in the repair of and incorporated into, industrial machinery
16 and equipment which is used for the manufacture, processing,
17 compounding, or production of items of tangible personal
18 property at a fixed location within this state.

19 2. This exemption applies only to industries
20 classified under SIC Industry Major Group Numbers 10, 12, 13,
21 14, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34,
22 36, 37, 38, and 39 and Industry Group Number 212. As used in
23 this subparagraph, "SIC" means those classifications contained
24 in the Standard Industrial Classification Manual, 1987, as
25 published by the Office of Management and Budget, Executive
26 Office of the President.

27 3. This exemption shall be applied as follows:

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

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

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

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

5 **(bbb)**~~(fff)~~ Film and other printing supplies.--Also
6 exempt are the following materials purchased, produced, or
7 created by businesses classified under SIC Industry Numbers
8 275, 276, 277, 278, or 279 for use in producing graphic matter
9 for sale: film, photographic paper, dyes used for embossing
10 and engraving, artwork, typography, lithographic plates, and
11 negatives. As used in this paragraph, "SIC" means those
12 classifications contained in the Standard Industrial
13 Classification Manual, 1987, as published by the Office of
14 Management and Budget, Executive Office of the President.

15
16 Exemptions provided to any entity by this subsection shall not
17 inure to any transaction otherwise taxable under this chapter
18 when payment is made by a representative or employee of such
19 entity by any means, including, but not limited to, cash,
20 check, or credit card even when that representative or
21 employee is subsequently reimbursed by such entity.

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

24 212.084 Review of exemption certificates; reissuance;
25 specified expiration date; temporary exemption certificates.--

26 (6)(a) The Department of Revenue may issue temporary
27 exemption certificates to newly organized ~~charitable~~
28 organizations applying for exemption under s. 212.08(7)(p)~~s.~~
29 ~~212.08(7)(o)2.b.~~ when a lack of historical information
30 prevents the applicant from qualifying immediately for an
31 exemption certificate. The department may require the

1 applicant to submit the information necessary to demonstrate
2 that the organization's proposed activities will qualify for
3 exemption under this chapter. The application must include an
4 estimate of the organization's expenditures that would be
5 taxable except for the temporary exemption certificate. If at
6 any time the amount of actual expenditures otherwise subject
7 to tax exceeds the anticipated amount, the applicant must file
8 with the department a supplemental application stating the
9 actual expenditures and the estimated expenditures for the
10 duration of the period covered by the temporary certificate.

11 (b) A recipient of a temporary certificate must
12 qualify for a permanent certificate before the temporary
13 certificate expires, or the recipient will be liable for the
14 taxes and interest on all purchases for which the temporary
15 exemption certificate was used. The executive director of the
16 department may require the applicant for a temporary exemption
17 certificate to file a cash or surety bond in an amount
18 sufficient to satisfy the department's estimate of taxes and
19 interest that would be due if the organization failed to
20 timely qualify for a regular exemption certificate.

21 (c) A temporary exemption certificate expires 12
22 months after the date of issuance and may be renewed once for
23 an additional 12 months. If at any time the department
24 determines that the organization will not meet the criteria in
25 s. 212.08(7)(p)~~s. 212.08(7)(o)2.b.~~ for the issuance of a
26 regular exemption certificate, the temporary exemption
27 certificate must be canceled, and the taxes and interest on
28 all purchases for which the temporary exemption certificate
29 was used are due within 30 days after the cancellation. The
30 department may adopt rules governing the application for, the
31 issuance of, and the form of the temporary exemption

1 certificate and providing for the collection of back taxes and
2 interest.

3 Section 3. Subsection (4) of section 196.195 and
4 paragraph (c) of subsection (1) of section 196.196, Florida
5 Statutes, are repealed.

6 Section 4. Subsection (2) of section 212.0821, Florida
7 Statutes, is amended to read:

8 212.0821 Legislative intent that political
9 subdivisions and public libraries use their sales tax
10 exemption certificates for purchases on behalf of specified
11 groups.--It is the intent of the Legislature that the
12 political subdivisions of the state and the public libraries
13 utilize their sales tax exemption certificates to purchase,
14 with funds provided by the following groups, services,
15 equipment, supplies, and items necessary for the operation of
16 such groups, in addition to the normal exempt purchases that
17 political subdivisions and libraries are empowered to make:

18 (2) Counties and municipalities shall purchase
19 necessary goods and services requested by REACT groups,
20 neighborhood crime watch groups, and state or locally
21 recognized organizations solely engaged in youth activities
22 identical to those discussed in s. 212.08(7)(1)~~s.~~
23 ~~212.08(7)(n)~~.

24 Section 5. Paragraph (a) of subsection (2) of section
25 376.3072, Florida Statutes, is amended to read:

26 376.3072 Florida Petroleum Liability and Restoration
27 Insurance Program.--

28 (2)(a) Any owner or operator of a petroleum storage
29 system may become an insured in the restoration insurance
30 program at a facility provided:

31

1 1. A site at which an incident has occurred shall be
2 eligible for restoration if the insured is a participant in
3 the third-party liability insurance program or otherwise meets
4 applicable financial responsibility requirements. After July
5 1, 1993, the insured must also provide the required excess
6 insurance coverage or self-insurance for restoration to
7 achieve the financial responsibility requirements of 40 C.F.R.
8 s. 280.97, subpart H, not covered by paragraph (d).

9 2. A site which had a discharge reported prior to
10 January 1, 1989, for which notice was given pursuant to s.
11 376.3071(9) or (12), and which is ineligible for the
12 third-party liability insurance program solely due to that
13 discharge shall be eligible for participation in the
14 restoration program for any incident occurring on or after
15 January 1, 1989, in accordance with subsection (3).
16 Restoration funding for an eligible contaminated site will be
17 provided without participation in the third-party liability
18 insurance program until the site is restored as required by
19 the department or until the department determines that the
20 site does not require restoration.

21 3. Notwithstanding paragraph (b), a site where an
22 application is filed with the department prior to January 1,
23 1995, where the owner is a small business under s. 288.703(1),
24 a state community college with less than 2,500 FTE, a
25 religious institution as defined by s. 212.08(7)(m)~~s.~~
26 ~~212.08(7)(o)2.a.~~, a charitable institution as defined by s.
27 212.08(7)(p)~~s. 212.08(7)(o)2.b.~~, or a county or municipality
28 with a population of less than 50,000, shall be eligible for
29 up to \$300,000 of eligible restoration costs, less a
30 deductible of \$10,000 for small businesses, eligible community
31 colleges, and religious or charitable institutions, and

1 \$30,000 for eligible counties and municipalities, provided
2 that:

3 a. Except as provided in sub-subparagraph e., the
4 facility was in compliance with department rules at the time
5 of the discharge.

6 b. The owner or operator has, upon discovery of a
7 discharge, promptly reported the discharge to the department,
8 and drained and removed the system from service, if necessary.

9 c. The owner or operator has not intentionally caused
10 or concealed a discharge or disabled leak detection equipment.

11 d. The owner or operator proceeds to complete initial
12 remedial action as defined by department rules.

13 e. The owner or operator, if required and if it has
14 not already done so, applies for third-party liability
15 coverage for the facility within 30 days of receipt of an
16 eligibility order issued by the department pursuant to this
17 provision.

18
19 However, the department may consider in-kind services from
20 eligible counties and municipalities in lieu of the \$30,000
21 deductible. The cost of conducting initial remedial action as
22 defined by department rules shall be an eligible restoration
23 cost pursuant to this provision.

24 4.a. By January 1, 1997, facilities at sites with
25 existing contamination shall be required to have methods of
26 release detection to be eligible for restoration insurance
27 coverage for new discharges subject to department rules for
28 secondary containment. Annual storage system testing, in
29 conjunction with inventory control, shall be considered to be
30 a method of release detection until the later of December 22,
31 1998, or 10 years after the date of installation or the last

1 upgrade. Other methods of release detection for storage tanks
2 which meet such requirement are:
3 (I) Interstitial monitoring of tank and integral
4 piping secondary containment systems;
5 (II) Automatic tank gauging systems; or
6 (III) A statistical inventory reconciliation system
7 with a tank test every 3 years.
8 b. For pressurized integral piping systems, the owner
9 or operator must use:
10 (I) An automatic in-line leak detector with flow
11 restriction meeting the requirements of department rules used
12 in conjunction with an annual tightness or pressure test; or
13 (II) An automatic in-line leak detector with
14 electronic flow shut-off meeting the requirements of
15 department rules.
16 c. For suction integral piping systems, the owner or
17 operator must use:
18 (I) A single check valve installed directly below the
19 suction pump, provided there are no other valves between the
20 dispenser and the tank; or
21 (II) An annual tightness test or other approved test.
22 d. Owners of facilities with existing contamination
23 that install internal release detection systems in accordance
24 with sub-subparagraph a. shall permanently close their
25 external groundwater and vapor monitoring wells in accordance
26 with department rules by December 31, 1998. Upon installation
27 of the internal release detection system, these wells shall be
28 secured and taken out of service until permanent closure.
29 e. Facilities with vapor levels of contamination
30 meeting the requirements of or below the concentrations
31 specified in the performance standards for release detection

1 methods specified in department rules may continue to use
2 vapor monitoring wells for release detection.

3 f. The department may approve other methods of release
4 detection for storage tanks and integral piping which have at
5 least the same capability to detect a new release as the
6 methods specified in this subparagraph.

7 Section 6. Section 403.715, Florida Statutes, is
8 amended to read:

9 403.715 Certification of resource recovery or
10 recycling equipment.--For purposes of implementing the tax
11 exemptions provided by s. 212.08(5)(e) and (7)(q)~~(7)(p)~~, the
12 department shall establish a system for the examination and
13 certification of resource recovery or recycling equipment.
14 Application for certification of equipment shall be submitted
15 to the department on forms prescribed by it which include such
16 pertinent information as the department may require. The
17 department may require appropriate certification by a
18 certified public accountant or professional engineer that the
19 equipment for which these exemptions are being sought complies
20 with the exemption criteria set forth in s. 212.08(5)(e) and
21 (7)(q)~~(7)(p)~~. Within 30 days after receipt of an application
22 by the department, a representative of the department may
23 inspect the equipment. Within 30 days after such inspection,
24 the department shall issue a written decision granting or
25 denying certification.

26 Section 7. Section 414.029, Florida Statutes, is
27 amended to read:

28 414.029 WAGES Program Business Registry.--Each local
29 WAGES coalition created pursuant to s. 414.028 must establish
30 a business registry for business firms committed to assist in
31 the effort of finding jobs for WAGES Program participants.

1 Registered businesses agree to work with the coalition and to
2 hire WAGES Program participants to the maximum extent possible
3 consistent with the nature of their business. Each quarter,
4 the coalition must publish a list of businesses registered as
5 a prerequisite for receiving a tax exemption provided under s.
6 212.08(5)(b) or (7)(gg) ~~(7)(ii)~~ and the number of jobs each
7 has provided for program participants.

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

10 496.404 Definitions.--As used in ss. 496.401-496.424:

11 (8) "Educational institutions" means those
12 institutions and organizations described in s.

13 212.08(7)(cc)8.a.s. ~~212.08(7)(o)2.d.~~

14 Section 9. Paragraph (b) of subsection (3) of section
15 564.02, Florida Statutes, is amended to read:

16 564.02 License fees; vendors; manufacturers and
17 distributors.--

18 (3)

19 (b) A bona fide religious order, monastery, church, or
20 religious body that has a tax-exempt status ~~as a religious~~
21 ~~organization~~ as provided by s. 212.08(7)(m) or (p)s.

22 ~~212.08(7)(o)~~ may be licensed as a distributor under this
23 subsection if its sales and distribution are limited to wines
24 sold solely for religious or sacramental purposes to holders
25 of valid permits obtained under s. 564.03; and such religious
26 order, monastery, church, or religious body shall pay a state
27 license tax of \$50 for each and every such distribution
28 establishment to be operated by the licensee.

29 Section 10. This act shall take effect January 1,
30 2001.

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