

By Senator Horne

6-100-00

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

A bill to be entitled  
An act relating to the tax on sales, use, and  
other transactions; amending s. 212.17, F.S.;  
providing for a credit or refund against such  
tax paid by a dealer on the unpaid balance due  
on certain worthless accounts; providing  
procedures; providing restrictions; providing  
applicability; providing an effective date.

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

Section 1. Subsection (8) is added to section 212.17,  
Florida Statutes, to read:

212.17 Credits for returned goods, rentals, or  
admissions; goods acquired for dealer's own use and  
subsequently resold; additional powers of department.--

(8) A dealer who has paid the tax imposed by this  
chapter on tangible personal property or services may take a  
credit or obtain a refund for any tax paid by the dealer on  
the unpaid balance due on worthless accounts within 12 months  
following the month in which the bad debt has been charged off  
for federal income tax purposes by the dealer or by the person  
who owns the retail account pursuant to a private label credit  
card agreement with the dealer. As used in this subsection,  
the term "private label credit card agreement" means an  
agreement made directly between a dealer and a bank or other  
financial institution pursuant to which the bank or other  
financial institution issues to some of the dealer's customers  
credit cards that carry the name of the dealer and can be used  
solely for purchases from that dealer or from another member  
of an affiliated group of corporations, as defined in s.

1 220.03(1)(b), in which the dealer is a member. In determining  
2 whether a credit or refund has been properly claimed, the  
3 department may look solely to records and information  
4 available from the dealer and may, but is not required to,  
5 audit the bank or financial institution that issued the  
6 private label credit card. If a tax credit or refund has been  
7 made for any account so charged off and the account is  
8 thereafter paid in whole or in part, the amount so paid must  
9 be included in the first return filed after such a collection,  
10 and the tax must be paid accordingly. It is the intent of the  
11 Legislature that this subsection neither validates nor  
12 invalidates any assignment by a dealer to another person of  
13 the right to any credit or refund under this section. In  
14 addition, this subsection may not be used as evidence of  
15 legislative intent as to subsection (2) or subsection (3) in  
16 any judicial proceeding pending on June 30, 2000, or initiated  
17 after that date, or with respect to any credit or refund claim  
18 pending on or initiated after that date. It is the further  
19 intent of the Legislature that this subsection applies only to  
20 transactions that entail the use of a private label credit  
21 card.

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

23  
24 \*\*\*\*\*

25 SENATE SUMMARY

26 Provides for a credit or refund against the tax on sales,  
27 use, and other transactions for the tax paid on the  
28 unpaid balance due on certain worthless accounts when the  
29 transactions creating the accounts entail the use of a  
30 private label credit card. Provides procedures. Defines  
the term "private label credit card agreement." Provides  
restrictions. Prohibits using this act as evidence of  
legislative intent concerning s. 212.17(2), F.S., or s.  
212.17(3), F.S. Provides applicability.