

By the Committee on Fiscal Resource

314-285A-00

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, and the
13 Gasparilla Distance Classic Association, and
14 revising the exemptions for religious
15 organizations, organizations providing special
16 benefits to minors, veterans' organization
17 headquarters, educational institutions, works
18 of art, and citizen support organizations, to
19 conform; amending s. 212.084, F.S.; providing
20 for application of provisions relating to
21 temporary exemption certificates to newly
22 organized organizations exempt under s.
23 501(c)(3); amending s. 196.195, F.S.; revising
24 application of provisions specifying that
25 certain nonprofit corporations that are exempt
26 from sales tax are nonprofit for purposes of
27 determining eligibility for the religious,
28 literary, scientific, or charitable ad valorem
29 tax exemption; amending s. 196.196, F.S.;
30 revising a criterion for use in determining
31 whether property is being used for a

1 charitable, religious, scientific, or literary
2 purpose, to conform; amending ss. 212.0821,
3 212.084, 376.3072, 403.715, 414.029, 496.404,
4 and 564.02, F.S.; conforming cross-references;
5 providing an effective date.

6
7 Be It Enacted by the Legislature of the State of Florida:

8
9 Section 1. Subsection (7) of section 212.08, Florida
10 Statutes, is amended to read:

11 212.08 Sales, rental, use, consumption, distribution,
12 and storage tax; specified exemptions.--The sale at retail,
13 the rental, the use, the consumption, the distribution, and
14 the storage to be used or consumed in this state of the
15 following are hereby specifically exempt from the tax imposed
16 by this chapter.

17 (7) MISCELLANEOUS EXEMPTIONS.--

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

22 (b) Boiler fuels.--When purchased for use as a
23 combustible fuel, purchases of natural gas, residual oil,
24 recycled oil, waste oil, solid waste material, coal, sulfur,
25 wood, wood residues or wood bark used in an industrial
26 manufacturing, processing, compounding, or production process
27 at a fixed location in this state are exempt from the taxes
28 imposed by this chapter; however, such exemption shall not be
29 allowed unless the purchaser signs a certificate stating that
30 the fuel to be exempted is for the exclusive use designated
31 herein. This exemption does not apply to the use of boiler

1 fuels that are not used in manufacturing, processing,
2 compounding, or producing items of tangible personal property
3 for sale, or to the use of boiler fuels used by any firm
4 subject to regulation by the Division of Hotels and
5 Restaurants of the Department of Business and Professional
6 Regulation.

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

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

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

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

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

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

28 1. The department shall issue a consumer's certificate
29 of exemption to any blind person who holds an identification
30 card as provided for in s. 413.091 and who either owns or
31 rents, or contemplates the ownership or rental of, a guide dog

1 for the blind. The consumer's certificate of exemption shall
2 be issued without charge and shall be of such size as to be
3 capable of being carried in a wallet or billfold.

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

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

26 (j) Household fuels.--Also exempt from payment of the
27 tax imposed by this chapter are sales of utilities to
28 residential households or owners of residential models in this
29 state by utility companies who pay the gross receipts tax
30 imposed under s. 203.01, and sales of fuel to residential
31 households or owners of residential models, including oil,

1 kerosene, liquefied petroleum gas, coal, wood, and other fuel
2 products used in the household or residential model for the
3 purposes of heating, cooking, lighting, and refrigeration,
4 regardless of whether such sales of utilities and fuels are
5 separately metered and billed direct to the residents or are
6 metered and billed to the landlord. If any part of the utility
7 or fuel is used for a nonexempt purpose, the entire sale is
8 taxable. The landlord shall provide a separate meter for
9 nonexempt utility or fuel consumption. For the purposes of
10 this paragraph, licensed family day care homes shall also be
11 exempt.

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

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

23 ~~(m) Nonprofit corporations; homes for the aged,~~
24 ~~nursing homes, or hospices.--Nonprofit corporations which hold~~
25 ~~current exemptions from federal corporate income tax pursuant~~
26 ~~to s. 501(c)(3), Internal Revenue Code of 1954, as amended,~~
27 ~~and which either qualify as homes for the aged pursuant to s.~~
28 ~~196.1975(2) or are licensed as a nursing home or hospice under~~
29 ~~the provisions of chapter 400, are exempt from the tax imposed~~
30 ~~by this chapter.~~

31

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

13 ~~(m)(o)~~ Religious institutions ~~Religious, charitable,~~
14 ~~scientific, educational, and veterans' institutions and~~
15 ~~organizations.--~~

16 1. There are exempt from the tax imposed by this
17 chapter transactions involving+

18 ~~a.~~ sales or leases directly to religious institutions
19 when used in carrying on their customary nonprofit religious
20 activities ~~churches~~ or sales or leases of tangible personal
21 property of a religious nature by religious institutions.
22 ~~churches;~~

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

24 a. "Religious institutions" means churches,
25 synagogues, and established physical places for worship at
26 which nonprofit religious services and activities are
27 regularly conducted and carried on. The term "religious
28 institutions" includes nonprofit corporations the sole purpose
29 of which is to provide free transportation services to church
30 members, their families, and other church attendees. The term
31 "religious institutions" also includes nonprofit state,

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

27 ~~b. Sales or leases to nonprofit religious, nonprofit~~
28 ~~charitable, nonprofit scientific, or nonprofit educational~~
29 ~~institutions when used in carrying on their customary~~
30 ~~nonprofit religious, nonprofit charitable, nonprofit~~

31

1 ~~scientific, or nonprofit educational activities, including~~
2 ~~church cemeteries, and~~

3 (n)c. Veteran organizations.--

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

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

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

20 ~~a. "Religious institutions" means churches,~~
21 ~~synagogues, and established physical places for worship at~~
22 ~~which nonprofit religious services and activities are~~
23 ~~regularly conducted and carried on. The term "religious~~
24 ~~institutions" includes nonprofit corporations the sole purpose~~
25 ~~of which is to provide free transportation services to church~~
26 ~~members, their families, and other church attendees. The term~~
27 ~~"religious institutions" also includes state, district, or~~
28 ~~other governing or administrative offices the function of~~
29 ~~which is to assist or regulate the customary activities of~~
30 ~~religious organizations or members. The term "religious~~
31 ~~institutions" also includes any nonprofit corporation which is~~

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

30 b. ~~"Charitable institutions" means only nonprofit~~
31 ~~corporations qualified as nonprofit pursuant to s. 501(c)(3),~~

1 ~~Internal Revenue Code of 1954, as amended, and other nonprofit~~
2 ~~entities, the sole or primary function of which is to provide,~~
3 ~~or to raise funds for organizations which provide, one or more~~
4 ~~of the following services if a reasonable percentage of such~~
5 ~~service is provided free of charge, or at a substantially~~
6 ~~reduced cost, to persons, animals, or organizations that are~~
7 ~~unable to pay for such service:~~
8 ~~(I) Medical aid for the relief of disease, injury, or~~
9 ~~disability;~~
10 ~~(II) Regular provision of physical necessities such as~~
11 ~~food, clothing, or shelter;~~
12 ~~(III) Services for the prevention of or rehabilitation~~
13 ~~of persons from alcoholism or drug abuse; the prevention of~~
14 ~~suicide; or the alleviation of mental, physical, or sensory~~
15 ~~health problems;~~
16 ~~(IV) Social welfare services including adoption~~
17 ~~placement, child care, community care for the elderly,~~
18 ~~consumer credit counseling, and other social welfare services~~
19 ~~which clearly and substantially benefit a client population~~
20 ~~which is disadvantaged or suffers a hardship;~~
21 ~~(V) Medical research for the relief of disease,~~
22 ~~injury, or disability;~~
23 ~~(VI) Legal services; or~~
24 ~~(VII) Food, shelter, or medical care for animals or~~
25 ~~adoption services, cruelty investigations, or education~~
26 ~~programs concerning animals;~~
27
28 ~~and the term includes groups providing volunteer staff to~~
29 ~~organizations designated as charitable institutions under this~~
30 ~~sub-subparagraph; nonprofit organizations the sole or primary~~
31 ~~purpose of which is to coordinate, network, or link other~~

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

20 ~~c. "Scientific organizations" means scientific~~
21 ~~organizations which hold current exemptions from federal~~
22 ~~income tax under s. 501(c)(3) of the Internal Revenue Code and~~
23 ~~also means organizations the purpose of which is to protect~~
24 ~~air and water quality or the purpose of which is to protect~~
25 ~~wildlife and which hold current exemptions from the federal~~
26 ~~income tax under s. 501(c)(3) of the Internal Revenue Code.~~

27 ~~(o)d. Schools, colleges, and universities.--Also~~
28 ~~exempt from the tax imposed by this chapter are sales or~~
29 ~~leases to"Educational institutions" means state tax-supported~~
30 ~~or parochial, church and nonprofit private schools, colleges,~~
31 ~~or universities, which conduct regular classes and courses of~~

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

1 ~~which is to assist or regulate the customary activities of~~
2 ~~educational organizations or members. The term "educational~~
3 ~~institutions" also includes a nonprofit educational cable~~
4 ~~consortium which holds a current exemption from federal income~~
5 ~~tax under s. 501(c)(3) of the Internal Revenue Code of 1986,~~
6 ~~as amended, whose primary purpose is the delivery of~~
7 ~~educational and instructional cable television programming and~~
8 ~~whose members are composed exclusively of educational~~
9 ~~organizations which hold a valid consumer certificate of~~
10 ~~exemption and which are either an educational institution as~~
11 ~~defined in this sub-subparagraph, or qualified as a nonprofit~~
12 ~~organization pursuant to s. 501(c)(3) of the Internal Revenue~~
13 ~~Code of 1986, as amended.~~

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

22 (p) Section 501(c)(3) organizations.--Also exempt from
23 the tax imposed by this chapter are sales or leases to
24 organizations determined by the Internal Revenue Service to be
25 currently exempt from federal income tax pursuant to s.
26 501(c)(3) of the Internal Revenue Code of 1986, as amended,
27 when such leases or purchases are used in carrying on their
28 customary nonprofit activities.

29 (q)(p) Resource recovery equipment.--Also exempt is
30 resource recovery equipment which is owned and operated by or
31 on behalf of any county or municipality, certified by the

1 Department of Environmental Protection under the provisions of
2 s. 403.715.

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

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

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

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

25 1. Notwithstanding the provisions of chapters 327 and
26 328, pertaining to the registration of vessels, a boat upon
27 which the state sales or use tax has not been paid is exempt
28 from the use tax under this chapter if it enters and remains
29 in this state for a period not to exceed a total of 20 days in
30 any calendar year calculated from the date of first dockage or
31 slippage at a facility, registered with the department, that

1 rents dockage or slippage space in this state. If a boat
2 brought into this state for use under this paragraph is placed
3 in a facility, registered with the department, for repairs,
4 alterations, refitting, or modifications and such repairs,
5 alterations, refitting, or modifications are supported by
6 written documentation, the 20-day period shall be tolled
7 during the time the boat is physically in the care, custody,
8 and control of the repair facility, including the time spent
9 on sea trials conducted by the facility. The 20-day time
10 period may be tolled only once within a calendar year when a
11 boat is placed for the first time that year in the physical
12 care, custody, and control of a registered repair facility;
13 however, the owner may request and the department may grant an
14 additional tolling of the 20-day period for purposes of
15 repairs that arise from a written guarantee given by the
16 registered repair facility, which guarantee covers only those
17 repairs or modifications made during the first tolled period.
18 Within 72 hours after the date upon which the registered
19 repair facility took possession of the boat, the facility must
20 have in its possession, on forms prescribed by the department,
21 an affidavit which states that the boat is under its care,
22 custody, and control and that the owner does not use the boat
23 while in the facility. Upon completion of the repairs,
24 alterations, refitting, or modifications, the registered
25 repair facility must, within 72 hours after the date of
26 release, have in its possession a copy of the release form
27 which shows the date of release and any other information the
28 department requires. The repair facility shall maintain a log
29 that documents all alterations, additions, repairs, and sea
30 trials during the time the boat is under the care, custody,
31 and control of the facility. The affidavit shall be

1 maintained by the registered repair facility as part of its
2 records for as long as required by s. 213.35. When, within 6
3 months after the date of its purchase, a boat is brought into
4 this state under this paragraph, the 6-month period provided
5 in s. 212.05(1)(a)2. or s. 212.06(8) shall be tolled.

6 2. During the period of repairs, alterations,
7 refitting, or modifications and during the 20-day period
8 referred to in subparagraph 1., the boat may be listed for
9 sale, contracted for sale, or sold exclusively by a broker or
10 dealer registered with the department without incurring a use
11 tax under this chapter; however, the sales tax levied under
12 this chapter applies to such sale.

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

15 4. As used in this paragraph, "registered repair
16 facility" means:

17 a. A full-service facility that:

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

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

22 (III) Has adequate piers and storage facilities to
23 provide safe berthing of vessels in its care, custody, and
24 control; and

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

28 b. A marina that:

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

30
31

1 (II) Has adequate piers and storage facilities to
2 provide safe berthing of vessels in its care, custody, and
3 control; and

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

6 c. A shoreside facility that:

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

8 (II) Has adequate piers and storage facilities to
9 provide safe berthing of vessels in its care, custody, and
10 control; and

11 (III) Has necessary shops and equipment to provide
12 repairs or warranty work.

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

17 (v) Professional services.--

18 1. Also exempted are professional, insurance, or
19 personal service transactions that involve sales as
20 inconsequential elements for which no separate charges are
21 made.

22 2. The personal service transactions exempted pursuant
23 to subparagraph 1. do not exempt the sale of information
24 services involving the furnishing of printed, mimeographed, or
25 multigraphed matter, or matter duplicating written or printed
26 matter in any other manner, other than professional services
27 and services of employees, agents, or other persons acting in
28 a representative or fiduciary capacity or information services
29 furnished to newspapers and radio and television stations. As
30 used in this subparagraph, the term "information services"
31 includes the services of collecting, compiling, or analyzing

1 information of any kind or nature and furnishing reports
2 thereof to other persons.

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

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

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

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

24 (y) Charter fishing vessels.--The charge for
25 chartering any boat or vessel, with the crew furnished, solely
26 for the purpose of fishing is exempt from the tax imposed
27 under s. 212.04 or s. 212.05. This exemption does not apply
28 to any charge to enter or stay upon any "head-boat," party
29 boat, or other boat or vessel. Nothing in this paragraph
30 shall be construed to exempt any boat from sales or use tax
31

1 upon the purchase thereof except as provided in paragraph (t)
2 and s. 212.05.

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

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

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

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

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

19 (bb) Community cemeteries.--Also exempt are purchases
20 by any nonprofit corporation that has qualified under s.
21 501(c)(13) of the Internal Revenue Code of 1986, as amended,
22 and is operated for the purpose of maintaining a cemetery that
23 was donated to the community by deed.

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

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

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

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

10 3. The exemption provided by this paragraph for
11 donations is allowed only if the person who purchased the work
12 of art transfers title to the donated work of art to an
13 educational institution. Such transfer of title shall be
14 evidenced by an affidavit meeting requirements established by
15 rule to document entitlement to the exemption. Nothing in this
16 paragraph shall preclude a work of art donated to an
17 educational institution from remaining in the possession of
18 the donor or purchaser, as long as title to the work of art
19 lies with the educational institution.

20 4. A work of art is presumed to have been purchased in
21 or imported into this state exclusively for loan as provided
22 in subparagraph 2., if it is so loaned or placed in storage in
23 preparation for such a loan within 90 days after purchase or
24 importation, whichever is later; but a work of art is not
25 deemed to be placed in storage in preparation for loan for
26 purposes of this exemption if it is displayed at any place
27 other than an educational institution.

28 5. The exemptions provided by this paragraph are
29 allowed only if the person who purchased the work of art gives
30 to the vendor an affidavit meeting the requirements,
31 established by rule, to document entitlement to the exemption.

1 The person who purchased the work of art shall forward a copy
2 of such affidavit to the Department of Revenue at the time it
3 is issued to the vendor.

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

13 7. Any educational institution to which a work of art
14 has been donated pursuant to this paragraph shall make
15 available to the department the title to the work of art and
16 any other relevant information. Any educational institution
17 which has received a work of art on loan pursuant to this
18 paragraph shall make available to the department information
19 relating to the work of art. Any educational institution that
20 transfers from its possession a work of art as defined by this
21 paragraph which has been loaned to it must notify the
22 Department of Revenue within 60 days after the transfer.

23 8. For purposes of the exemptions provided by this
24 paragraph, the term:

25 a. "Educational institutions" includes state
26 tax-supported, parochial, church, and nonprofit private
27 schools, colleges, or universities that conduct regular
28 classes and courses of study required for accreditation by or
29 membership in the Southern Association of Colleges and
30 Schools, the Florida Council of Independent Schools, or the
31 Florida Association of Christian Colleges and Schools, Inc.;

1 nonprofit private schools that conduct regular classes and
2 courses of study accepted for continuing education credit by a
3 board of the Division of Medical Quality Assurance of the
4 Department of Health; or nonprofit libraries, art galleries,
5 performing arts centers that provide educational programs to
6 school children, which programs involve performances or other
7 educational activities at the performing arts center and serve
8 a minimum of 50,000 schoolchildren a year, and museums open to
9 the public.

10 b. "Work of art" includes pictorial representations,
11 sculpture, jewelry, antiques, stamp collections and coin
12 collections, and other tangible personal property, the value
13 of which is attributable predominantly to its artistic,
14 historical, political, cultural, or social importance.

15 ~~(dd)~~~~(ee)~~ Taxicab leases.--The lease of or license to
16 use a taxicab or taxicab-related equipment and services
17 provided by a taxicab company to an independent taxicab
18 operator are exempt, provided, however, the exemptions
19 provided under this paragraph only apply if sales or use tax
20 has been paid on the acquisition of the taxicab and its
21 related equipment.

22 ~~(ee)~~~~(ff)~~ Aircraft repair and maintenance labor
23 charges.--There shall be exempt from the tax imposed by this
24 chapter all labor charges for the repair and maintenance of
25 aircraft of more than 15,000 pounds maximum certified takeoff
26 weight and rotary wing aircraft of more than 10,000 pounds
27 maximum certified takeoff weight. Except as otherwise provided
28 in this chapter, charges for parts and equipment furnished in
29 connection with such labor charges are taxable.

30
31

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

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

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

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

10 b. ~~Are funded primarily by county or municipal~~
11 ~~governments and have as their primary purpose the~~
12 ~~encouragement and facilitation of the use of certain locations~~
13 ~~within this state as venues for sporting events.~~

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

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

19 1. Subject to the provisions of subparagraph 4.,
20 charges for electricity or steam used to operate machinery and
21 equipment at a fixed location in this state when such
22 machinery and equipment is used to manufacture, process,
23 compound, produce, or prepare for shipment items of tangible
24 personal property for sale, or to operate pollution control
25 equipment, recycling equipment, maintenance equipment, or
26 monitoring or control equipment used in such operations are
27 exempt to the extent provided in this paragraph. If 75 percent
28 or more of the electricity or steam used at the fixed location
29 is used to operate qualifying machinery or equipment, 100
30 percent of the charges for electricity or steam used at the
31 fixed location are exempt. If less than 75 percent but 50

1 percent or more of the electricity or steam used at the fixed
2 location is used to operate qualifying machinery or equipment,
3 50 percent of the charges for electricity or steam used at the
4 fixed location are exempt. If less than 50 percent of the
5 electricity or steam used at the fixed location is used to
6 operate qualifying machinery or equipment, none of the charges
7 for electricity or steam used at the fixed location are
8 exempt.

9 2. This exemption applies only to industries
10 classified under SIC Industry Major Group Numbers 10, 12, 13,
11 14, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34,
12 35, 36, 37, 38, and 39 and Industry Group Number 212. As used
13 in this paragraph, "SIC" means those classifications contained
14 in the Standard Industrial Classification Manual, 1987, as
15 published by the Office of Management and Budget, Executive
16 Office of the President.

17 3. Possession by a seller of a written certification
18 by the purchaser, certifying the purchaser's entitlement to an
19 exemption permitted by this subsection, relieves the seller
20 from the responsibility of collecting the tax on the
21 nontaxable amounts, and the department shall look solely to
22 the purchaser for recovery of such tax if it determines that
23 the purchaser was not entitled to the exemption.

24 4. Such exemption shall be applied as follows:

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

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

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

31

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

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

5 5. Notwithstanding any other provision in this
6 paragraph to the contrary, in order to receive the exemption
7 provided in this paragraph a taxpayer must first register with
8 the WAGES Program Business Registry established by the local
9 WAGES coalition for the area in which the taxpayer is located.
10 Such registration establishes a commitment on the part of the
11 taxpayer to hire WAGES program participants to the maximum
12 extent possible consistent with the nature of their business.

13 6.a. In order to determine whether the exemption
14 provided in this paragraph from the tax on charges for
15 electricity or steam has an effect on retaining or attracting
16 companies to this state, the Office of Program Policy Analysis
17 and Government Accountability shall periodically monitor and
18 report on the industries receiving the exemption.

19 b. The first report shall be submitted no later than
20 January 1, 1997, and must be conducted in such a manner as to
21 specifically determine the number of companies within each SIC
22 Industry Major Group receiving the exemption as of September
23 1, 1996, and the number of individuals employed by companies
24 within each SIC Industry Major Group receiving the exemption
25 as of September 1, 1996.

26 c. The second report shall be submitted no later than
27 January 1, 2001, and must be comprehensive in scope, but, at a
28 minimum, must be conducted in such a manner as to specifically
29 determine the number of companies within each SIC Industry
30 Major Group receiving the exemption as of September 1, 2000,
31 the number of individuals employed by companies within each

1 SIC Industry Major Group receiving the exemption as of
2 September 1, 2000, whether the change, if any, in such number
3 of companies or employees is attributable to the exemption
4 provided in this paragraph, whether it would be sound public
5 policy to continue or discontinue the exemption, and the
6 consequences of doing so.

7 d. Both reports shall be submitted to the President of
8 the Senate, the Speaker of the House of Representatives, the
9 Senate Minority Leader, and the House Minority Leader.

10 (hh)~~(jj)~~ Fair associations.--Also exempt from the tax
11 imposed by this chapter is the sale, use, lease, rental, or
12 grant of a license to use, made directly to or by a fair
13 association, of real or tangible personal property; any charge
14 made by a fair association, or its agents, for parking,
15 admissions, or for temporary parking of vehicles used for
16 sleeping quarters; rentals, subleases, and sublicenses of real
17 or tangible personal property between the owner of the central
18 amusement attraction and any owner of an amusement ride, as
19 those terms are used in ss. 616.15(1)(b) and 616.242(3)(a),
20 for the furnishing of amusement rides at a public fair or
21 exposition; and other transactions of a fair association which
22 are incurred directly by the fair association in the
23 financing, construction, and operation of a fair, exposition,
24 or other event or facility that is authorized by s. 616.08. As
25 used in this paragraph, the terms "fair association" and
26 "public fair or exposition" have the same meaning as those
27 terms are defined in s. 616.001. This exemption does not apply
28 to the sale of tangible personal property made by a fair
29 association through an agent or independent contractor; sales
30 of admissions and tangible personal property by a
31 concessionaire, vendor, exhibitor, or licensee; or rentals and

1 subleases of tangible personal property or real property
2 between the owner of the central amusement attraction and a
3 concessionaire, vendor, exhibitor, or licensee, except for the
4 furnishing of amusement rides, which transactions are exempt.

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

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

21 (kk)~~(mm)~~ Solar energy systems.--Also exempt are solar
22 energy systems or any component thereof. The Florida Solar
23 Energy Center shall from time to time certify to the
24 department a list of equipment and requisite hardware
25 considered to be a solar energy system or a component thereof.
26 This exemption is repealed July 1, 2002.

27 (ll)~~(nn)~~ Nonprofit cooperative hospital
28 laundries.--Also exempt from the tax imposed by this chapter
29 are sales or leases to nonprofit organizations that are
30 incorporated under chapter 617 and which are treated, for
31 federal income tax purposes, as cooperatives under subchapter

1 T of the Internal Revenue Code, whose sole purpose is to offer
2 laundry supplies and services to their members, which members
3 must all be exempt from federal income tax pursuant to s.
4 501(c)(3) of the Internal Revenue Code, ~~are exempt from the~~
5 ~~tax imposed by this chapter.~~

6 (mm)~~(oo)~~ Complimentary meals.--Also exempt from the
7 tax imposed by this chapter are food or drinks that are
8 furnished as part of a packaged room rate by any person
9 offering for rent or lease any transient living accommodations
10 as described in s. 509.013(4)(a) which are licensed under part
11 I of chapter 509 and which are subject to the tax under s.
12 212.03, if a separate charge or specific amount for the food
13 or drinks is not shown. Such food or drinks are considered to
14 be sold at retail as part of the total charge for the
15 transient living accommodations. Moreover, the person offering
16 the accommodations is not considered to be the consumer of
17 items purchased in furnishing such food or drinks and may
18 purchase those items under conditions of a sale for resale.

19 (nn)~~(pp)~~ Nonprofit corporation conducting the
20 correctional work programs.--Products sold pursuant to s.
21 946.515 by the corporation organized pursuant to part II of
22 chapter 946 are exempt from the tax imposed by this chapter.
23 This exemption applies retroactively to July 1, 1983.

24 (oo)~~(qq)~~ Parent-teacher organizations, parent-teacher
25 associations, and schools having grades K through
26 12.--Parent-teacher organizations and associations qualified
27 as educational institutions as defined by sub-subparagraph
28 ~~(cc)8.a. under paragraph (o)~~ associated with schools having
29 grades K through 12, and schools having grades K through 12,
30 may pay tax to their suppliers on the cost price of school
31 materials and supplies purchased, rented, or leased for resale

1 or rental to students in grades K through 12, of items sold
2 for fundraising purposes, and of items sold through vending
3 machines located on the school premises, in lieu of collecting
4 the tax imposed by this chapter from the purchaser. This
5 paragraph also applies to food or beverages sold through
6 vending machines located in the student lunchroom or dining
7 room of a school having kindergarten through grade 12.

8 (pp)~~(rr)~~ Mobile home lot improvements.--Items
9 purchased by developers for use in making improvements to a
10 mobile home lot owned by the developer may be purchased
11 tax-exempt as a sale for resale if made pursuant to a contract
12 that requires the developer to sell a mobile home to a
13 purchaser, place the mobile home on the lot, and make the
14 improvements to the lot for a single lump-sum price. The
15 developer must collect and remit sales tax on the entire
16 lump-sum price.

17 (qq)~~(ss)~~ Veterans Administration.--When a veteran of
18 the armed forces purchases an aircraft, boat, mobile home,
19 motor vehicle, or other vehicle from a dealer pursuant to the
20 provisions of 38 U.S.C. s. 3902(a), or any successor provision
21 of the United States Code, the amount that is paid directly to
22 the dealer by the Veterans Administration is not taxable.
23 However, any portion of the purchase price which is paid
24 directly to the dealer by the veteran is taxable.

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

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

31

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

4
5 The exemptions in this paragraph do not apply to businesses
6 with the primary activity of serving prepared meals or
7 alcoholic beverages for immediate consumption.

8 (ss)~~(uu)~~ Donated foods or beverages.--Any food or
9 beverage donated by a dealer that sells food products at
10 retail to a food bank or an organization that holds a current
11 exemption from federal corporate income tax pursuant to s.
12 501(c) of the Internal Revenue Code of 1986, as amended, is
13 exempt from the tax imposed by this chapter.

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

17 (uu)~~(ww)~~ Equipment used in aircraft repair and
18 maintenance.--There shall be exempt from the tax imposed by
19 this chapter replacement engines, parts, and equipment used in
20 the repair or maintenance of aircraft of more than 15,000
21 pounds maximum certified takeoff weight and rotary wing
22 aircraft of more than 10,300 pounds maximum certified takeoff
23 weight, when such parts or equipment are installed on such
24 aircraft that is being repaired or maintained in this state.
25 are installed on such aircraft that is being repaired or
26 maintained in this state.

27 (vv)~~(xx)~~ Aircraft sales or leases.--The sale or lease
28 of an aircraft of more than 15,000 pounds maximum certified
29 takeoff weight for use by a common carrier is exempt from the
30 tax imposed by this chapter. As used in this paragraph,
31 "common carrier" means an airline operating under Federal

1 Aviation Administration regulations contained in Title 14,
2 chapter I, part 121 or part 129 of the Code of Federal
3 Regulations.

4 ~~(yy) Sales or leases to Gasparilla Distance Classic~~
5 ~~Association, Inc.--Also exempt from the tax imposed by this~~
6 ~~chapter are sales or leases to the Gasparilla Distance Classic~~
7 ~~Association, Inc., if that organization holds a current~~
8 ~~exemption from federal corporate income tax liability pursuant~~
9 ~~to s. 501(c)(3) of the Internal Revenue Code of 1986, as~~
10 ~~amended.~~

11 ~~(zz) Nonprofit organizations raising funds for or~~
12 ~~making grants to organizations holding consumer's certificate~~
13 ~~of exemption.--Sales or leases to an organization which holds~~
14 ~~current exemption from federal income tax pursuant to s.~~
15 ~~501(c)(3) of the Internal Revenue Code, as amended, the sole~~
16 ~~or primary function of which is to raise funds for or make~~
17 ~~grants to another organization or organizations currently~~
18 ~~holding a consumer's certificate of exemption issued by the~~
19 ~~department are exempt from the tax imposed by this chapter.~~

20 (ww)~~(aaa)~~ Nonprofit water systems.--Sales or leases to
21 a not-for-profit corporation which holds a current exemption
22 from federal income tax under s. 501(c)(12) of the Internal
23 Revenue Code, as amended, are exempt from the tax imposed by
24 this chapter if the sole or primary function of the
25 corporation is to construct, maintain, or operate a water
26 system in this state.

27 (xx)~~(bbb)~~ Library cooperatives.--Sales or leases to
28 library cooperatives certified under s. 257.41(2) are exempt
29 from the tax imposed by this chapter.

30 (yy)~~(ccc)~~ Advertising agencies.--

31

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

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

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

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

20 c. Sold by an advertising agency to its clients in the
21 performance of advertising services for the clients, whether
22 or not the charges for these items are marked up or separately
23 stated.

24
25 The exemption provided by this subparagraph does not apply
26 when tangible personal property such as film, paper, and
27 videotapes is purchased to create items such as photographic
28 negatives and positives, videos, films, galleys, mechanicals,
29 veloxes, illustrations, and artwork that are sold to an
30 advertising agency or produced in-house by an advertising
31 agency on behalf of its clients.

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

10 4. For items purchased by an advertising agency and
11 exempt from tax under this paragraph, possession of an
12 exemption certificate from the advertising agency certifying
13 the agency's entitlement to exemption relieves the vendor of
14 the responsibility of collecting the tax on the sale of such
15 items to the advertising agency, and the department shall look
16 solely to the advertising agency for recovery of tax if it
17 determines that the advertising agency was not entitled to the
18 exemption.

19 5. The exemptions provided by this paragraph apply
20 retroactively, except that all taxes that have been collected
21 must be remitted, and taxes that have been remitted before
22 July 1, 1999, on transactions that are subject to exemption
23 under this paragraph are not subject to refund.

24 6. The department may adopt rules that interpret or
25 define the provisions of these exemptions and provide examples
26 regarding the application of these exemptions.

27 ~~(dd)~~ (zz) Bullion.--The sale of gold, silver, or
28 platinum bullion, or any combination thereof, in a single
29 transaction is exempt if the sales price exceeds \$500. The
30 dealer must maintain proper documentation, as prescribed by
31 rule of the department, to identify that portion of a

1 transaction which involves the sale of gold, silver, or
2 platinum bullion and is exempt under this paragraph.

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

4 1. Subject to the provisions of subparagraphs 2. and
5 3., there is exempt from the tax imposed by this chapter all
6 labor charges for the repair of, and parts and materials used
7 in the repair of and incorporated into, industrial machinery
8 and equipment which is used for the manufacture, processing,
9 compounding, or production of items of tangible personal
10 property at a fixed location within this state.

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

19 3. This exemption shall be applied as follows:

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

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

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

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

28 (bbb)~~(fff)~~ Film and other printing supplies.--Also
29 exempt are the following materials purchased, produced, or
30 created by businesses classified under SIC Industry Numbers
31 275, 276, 277, 278, or 279 for use in producing graphic matter

1 for sale: film, photographic paper, dyes used for embossing
2 and engraving, artwork, typography, lithographic plates, and
3 negatives. As used in this paragraph, "SIC" means those
4 classifications contained in the Standard Industrial
5 Classification Manual, 1987, as published by the Office of
6 Management and Budget, Executive Office of the President.

7
8 Exemptions provided to any entity by this subsection shall not
9 inure to any transaction otherwise taxable under this chapter
10 when payment is made by a representative or employee of such
11 entity by any means, including, but not limited to, cash,
12 check, or credit card even when that representative or
13 employee is subsequently reimbursed by such entity.

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

16 212.084 Review of exemption certificates; reissuance;
17 specified expiration date; temporary exemption certificates.--

18 (6)(a) The Department of Revenue may issue temporary
19 exemption certificates to newly organized charitable
20 organizations applying for exemption under s. 212.08(7)(p)~~s.~~
21 ~~212.08(7)(o)2.b.~~ when a lack of historical information
22 prevents the applicant from qualifying immediately for an
23 exemption certificate. The department may require the
24 applicant to submit the information necessary to demonstrate
25 that the organization's proposed activities will qualify for
26 exemption under this chapter. The application must include an
27 estimate of the organization's expenditures that would be
28 taxable except for the temporary exemption certificate. If at
29 any time the amount of actual expenditures otherwise subject
30 to tax exceeds the anticipated amount, the applicant must file
31 with the department a supplemental application stating the

1 actual expenditures and the estimated expenditures for the
2 duration of the period covered by the temporary certificate.

3 (b) A recipient of a temporary certificate must
4 qualify for a permanent certificate before the temporary
5 certificate expires, or the recipient will be liable for the
6 taxes and interest on all purchases for which the temporary
7 exemption certificate was used. The executive director of the
8 department may require the applicant for a temporary exemption
9 certificate to file a cash or surety bond in an amount
10 sufficient to satisfy the department's estimate of taxes and
11 interest that would be due if the organization failed to
12 timely qualify for a regular exemption certificate.

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

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

28 196.195 Determining profit or nonprofit status of
29 applicant.--

30 (4) Notwithstanding the provisions of subsections (2)
31 and (3), a corporation organized as nonprofit under chapter

1 617 which has a valid consumer certificate of exemption
2 pursuant to s. 212.08(7)(m), (n), (o), or (p)and which has a
3 valid exemption from federal income tax under s. 501(c)(3) of
4 the Internal Revenue Code is nonprofit. Proof provided by a
5 corporation of its status as described in this subsection
6 shall be sufficient to establish the organization's nonprofit
7 status, and any corporation providing such proof is not
8 required to provide any other information in order to
9 establish its nonprofit status.

10 Section 4. Paragraph (c) of subsection (1) of section
11 196.196, Florida Statutes, is amended to read:

12 196.196 Determining whether property is entitled to
13 charitable, religious, scientific, or literary exemption.--

14 (1) In the determination of whether an applicant is
15 actually using all or a portion of its property predominantly
16 for a charitable, religious, scientific, or literary purpose,
17 the following criteria shall be applied:

18 (c) The extent to which the property is used to
19 conduct activities that ~~which~~ cause a corporation to qualify
20 for a consumer certificate of exemption under s. 212.08(7)(m),
21 (n), (o), or (p). Such activities shall be considered as part
22 of the exempt purposes of the applicant.

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

25 212.0821 Legislative intent that political
26 subdivisions and public libraries use their sales tax
27 exemption certificates for purchases on behalf of specified
28 groups.--It is the intent of the Legislature that the
29 political subdivisions of the state and the public libraries
30 utilize their sales tax exemption certificates to purchase,
31 with funds provided by the following groups, services,

1 equipment, supplies, and items necessary for the operation of
2 such groups, in addition to the normal exempt purchases that
3 political subdivisions and libraries are empowered to make:

4 (2) Counties and municipalities shall purchase
5 necessary goods and services requested by REACT groups,
6 neighborhood crime watch groups, and state or locally
7 recognized organizations solely engaged in youth activities
8 identical to those discussed in s. 212.08(7)(1)~~s.~~
9 ~~212.08(7)(n)~~.

10 Section 6. Paragraph (a) of subsection (2) of section
11 376.3072, Florida Statutes, is amended to read:

12 376.3072 Florida Petroleum Liability and Restoration
13 Insurance Program.--

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

17 1. A site at which an incident has occurred shall be
18 eligible for restoration if the insured is a participant in
19 the third-party liability insurance program or otherwise meets
20 applicable financial responsibility requirements. After July
21 1, 1993, the insured must also provide the required excess
22 insurance coverage or self-insurance for restoration to
23 achieve the financial responsibility requirements of 40 C.F.R.
24 s. 280.97, subpart H, not covered by paragraph (d).

25 2. A site which had a discharge reported prior to
26 January 1, 1989, for which notice was given pursuant to s.
27 376.3071(9) or (12), and which is ineligible for the
28 third-party liability insurance program solely due to that
29 discharge shall be eligible for participation in the
30 restoration program for any incident occurring on or after
31 January 1, 1989, in accordance with subsection (3).

1 Restoration funding for an eligible contaminated site will be
2 provided without participation in the third-party liability
3 insurance program until the site is restored as required by
4 the department or until the department determines that the
5 site does not require restoration.

6 3. Notwithstanding paragraph (b), a site where an
7 application is filed with the department prior to January 1,
8 1995, where the owner is a small business under s. 288.703(1),
9 a state community college with less than 2,500 FTE, a
10 religious institution as defined by s. 212.08(7)(m)~~s.~~
11 ~~212.08(7)(o)2.a.~~, a charitable institution as defined by s.
12 212.08(70)(p)~~s. 212.08(7)(o)2.b.~~, or a county or municipality
13 with a population of less than 50,000, shall be eligible for
14 up to \$300,000 of eligible restoration costs, less a
15 deductible of \$10,000 for small businesses, eligible community
16 colleges, and religious or charitable institutions, and
17 \$30,000 for eligible counties and municipalities, provided
18 that:

19 a. Except as provided in sub-subparagraph e., the
20 facility was in compliance with department rules at the time
21 of the discharge.

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

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

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

29 e. The owner or operator, if required and if it has
30 not already done so, applies for third-party liability
31 coverage for the facility within 30 days of receipt of an

1 eligibility order issued by the department pursuant to this
2 provision.

3

4 However, the department may consider in-kind services from
5 eligible counties and municipalities in lieu of the \$30,000
6 deductible. The cost of conducting initial remedial action as
7 defined by department rules shall be an eligible restoration
8 cost pursuant to this provision.

9 4.a. By January 1, 1997, facilities at sites with
10 existing contamination shall be required to have methods of
11 release detection to be eligible for restoration insurance
12 coverage for new discharges subject to department rules for
13 secondary containment. Annual storage system testing, in
14 conjunction with inventory control, shall be considered to be
15 a method of release detection until the later of December 22,
16 1998, or 10 years after the date of installation or the last
17 upgrade. Other methods of release detection for storage tanks
18 which meet such requirement are:

19 (I) Interstitial monitoring of tank and integral
20 piping secondary containment systems;

21 (II) Automatic tank gauging systems; or

22 (III) A statistical inventory reconciliation system
23 with a tank test every 3 years.

24 b. For pressurized integral piping systems, the owner
25 or operator must use:

26 (I) An automatic in-line leak detector with flow
27 restriction meeting the requirements of department rules used
28 in conjunction with an annual tightness or pressure test; or

29 (II) An automatic in-line leak detector with
30 electronic flow shut-off meeting the requirements of
31 department rules.

1 c. For suction integral piping systems, the owner or
2 operator must use:

3 (I) A single check valve installed directly below the
4 suction pump, provided there are no other valves between the
5 dispenser and the tank; or

6 (II) An annual tightness test or other approved test.

7 d. Owners of facilities with existing contamination
8 that install internal release detection systems in accordance
9 with sub-subparagraph a. shall permanently close their
10 external groundwater and vapor monitoring wells in accordance
11 with department rules by December 31, 1998. Upon installation
12 of the internal release detection system, these wells shall be
13 secured and taken out of service until permanent closure.

14 e. Facilities with vapor levels of contamination
15 meeting the requirements of or below the concentrations
16 specified in the performance standards for release detection
17 methods specified in department rules may continue to use
18 vapor monitoring wells for release detection.

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

23 Section 7. Section 403.715, Florida Statutes, is
24 amended to read:

25 403.715 Certification of resource recovery or
26 recycling equipment.--For purposes of implementing the tax
27 exemptions provided by s. 212.08(5)(e) and (7)(q)~~(7)(p)~~, the
28 department shall establish a system for the examination and
29 certification of resource recovery or recycling equipment.
30 Application for certification of equipment shall be submitted
31 to the department on forms prescribed by it which include such

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

11 Section 8. Section 414.029, Florida Statutes, is
12 amended to read:

13 414.029 WAGES Program Business Registry.--Each local
14 WAGES coalition created pursuant to s. 414.028 must establish
15 a business registry for business firms committed to assist in
16 the effort of finding jobs for WAGES Program participants.
17 Registered businesses agree to work with the coalition and to
18 hire WAGES Program participants to the maximum extent possible
19 consistent with the nature of their business. Each quarter,
20 the coalition must publish a list of businesses registered as
21 a prerequisite for receiving a tax exemption provided under s.
22 212.08(5)(b) or (7)(gg)~~(7)(ii)~~ and the number of jobs each
23 has provided for program participants.

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

26 496.404 Definitions.--As used in ss. 496.401-496.424:

27 (8) "Educational institutions" means those
28 institutions and organizations described in s.

29 212.08(7)(cc)8.a.s. ~~212.08(7)(o)2.d.~~

30 Section 10. Paragraph (b) of subsection (3) of section
31 564.02, Florida Statutes, is amended to read:

1 564.02 License fees; vendors; manufacturers and
2 distributors.--
3 (3)
4 (b) A bona fide religious order, monastery, church, or
5 religious body that has a tax-exempt status ~~as a religious~~
6 ~~organization~~ as provided by s. 212.08(7)(m) or (p)~~s.~~
7 ~~212.08(7)(o)~~ may be licensed as a distributor under this
8 subsection if its sales and distribution are limited to wines
9 sold solely for religious or sacramental purposes to holders
10 of valid permits obtained under s. 564.03; and such religious
11 order, monastery, church, or religious body shall pay a state
12 license tax of \$50 for each and every such distribution
13 establishment to be operated by the licensee.

14 Section 11. This act shall take effect July 1, 2000.

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SENATE SUMMARY

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