

Amendment No. ____ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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The Committee on Finance & Taxation offered the following:

Amendment (with title amendment)

Remove from the bill: Everything after the enacting clause
and insert in lieu thereof:

Section 1. Paragraph (j) of subsection (5) of section 212.08, Florida Statutes, is amended to read:

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

(5) EXEMPTIONS; ACCOUNT OF USE.--

(j) Machinery and equipment used in semiconductor, defense, or space silicon technology production and research and development; building materials used for clean rooms.--

1.a. Industrial machinery and equipment used purchased ~~for use~~ in semiconductor silicon technology facilities certified under subparagraph 6.5 to manufacture, process,

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1 compound, or produce semiconductor ~~silicon~~ technology products
2 for sale or for use by these facilities are exempt from the
3 tax imposed by this chapter.

4 b. Industrial machinery and equipment used in defense
5 or space technology facilities certified under subparagraph 6.
6 to manufacture, process, compound, or produce defense
7 technology products or space technology products for sale or
8 for use by these facilities are exempt from 25 percent of the
9 tax imposed by this chapter.

10 c. For purposes of this subparagraph, "industrial
11 machinery and equipment" includes molds, dies, machine
12 tooling, other appurtenances or accessories to machinery and
13 equipment, testing equipment, test beds, computers, and
14 software, whether purchased or self-fabricated, and, if
15 self-fabricated, includes materials and labor for design,
16 fabrication, and assembly.

17 2.a. Machinery and equipment are exempt from the tax
18 imposed by this chapter if used ~~purchased for use~~
19 predominately in semiconductor ~~silicon~~ wafer research and
20 development activities in a semiconductor ~~silicon~~ technology
21 research and development facility certified under subparagraph
22 6 5.

23 b. Machinery and equipment are exempt from 25 percent
24 of the tax imposed by this chapter if used predominately in
25 defense or space research and development activities in a
26 defense or space technology research and development facility
27 certified under subparagraph 6.

28 c. For purposes of this subparagraph, "machinery and
29 equipment" includes molds, dies, machine tooling, other
30 appurtenances or accessories to machinery and equipment,
31 testing equipment, test beds, computers, and software, whether

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1 purchased or self-fabricated, and, if self-fabricated,
2 includes materials and labor for design, fabrication, and
3 assembly.

4 3. Building materials used in manufacturing or
5 expanding clean rooms in semiconductor manufacturing
6 facilities are exempt from the tax imposed by this chapter.

7 4.3. In addition to meeting the criteria mandated by
8 subparagraph 1., or subparagraph 2., or subparagraph 3., a
9 business must be certified by the Office of Tourism, Trade,
10 and Economic Development as authorized in this paragraph in
11 order to qualify for exemption under this paragraph.

12 5.4. For items purchased tax exempt or partially
13 exempt pursuant to this paragraph, possession of a written
14 certification from the purchaser, certifying the purchaser's
15 entitlement to exemption pursuant to this paragraph, relieves
16 the seller of the responsibility of collecting the amount of
17 tax on the sale of such items that is qualified for the
18 exemption under this paragraph, and the department shall look
19 solely to the purchaser for recovery of tax if it determines
20 that the purchaser was not entitled to the exemption.

21 6.5.a. To be eligible to receive the exemption
22 provided by subparagraph 1., or subparagraph 2., or
23 subparagraph 3., a qualifying business entity shall apply to
24 Enterprise Florida, Inc. The application shall be developed by
25 the Office of Tourism, Trade, and Economic Development in
26 consultation with Enterprise Florida, Inc.

27 b. Enterprise Florida, Inc., shall review each
28 submitted application and information and determine whether or
29 not the application is complete within 5 working days. Once an
30 application is complete, Enterprise Florida, Inc., shall,
31 within 10 working days, evaluate the application and recommend

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1 approval or disapproval of the application to the Office of
2 Tourism, Trade, and Economic Development.

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

16 ~~7.6.a. A business certified to receive this exemption~~
17 ~~may apply once each year for the exemption.~~

18 ~~b. The first claim submitted by a business may include~~
19 ~~all eligible expenditures made after the date the business was~~
20 ~~certified.~~

21 ~~b.c. To apply for the annual exemption, the business~~
22 ~~shall submit a claim to the Office of Tourism, Trade, and~~
23 ~~Economic Development, which claim indicates and documents the~~
24 ~~sales and use taxes otherwise payable on eligible machinery~~
25 ~~and equipment. The application claim must also indicate, for~~
26 ~~program evaluation purposes only, the average number of~~
27 ~~full-time equivalent employees at the facility over the~~
28 ~~preceding calendar year, the average wage and benefits paid to~~
29 ~~those employees over the preceding calendar year, and the~~
30 ~~total investment made in real and tangible personal property~~
31 ~~over the preceding calendar year, and the total value of~~

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1 tax-exempt purchases and taxes exempted during the previous
2 year or, for the first claim submitted, since the date of
3 certification. The department shall assist the Office of
4 Tourism, Trade, and Economic Development in evaluating and
5 verifying information provided in the application for
6 exemption.

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

17 8.7. A business certified to receive this exemption
18 may elect to designate one or more state universities or
19 community colleges as recipients of up to 100 percent of the
20 amount of the exemption for which they may qualify. To receive
21 these funds, the institution must agree to match the funds so
22 earned with equivalent cash, programs, services, or other
23 in-kind support on a one-to-one basis in the pursuit of
24 research and development projects as requested by the
25 certified business. The rights to any patents, royalties, or
26 real or intellectual property must be vested in the business
27 unless otherwise agreed to by the business and the university
28 or community college.

29 9.8. As used in this paragraph, the term:
30 a. "Predominately" means at least 50 percent of the
31 time in qualifying research and development.

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1 b. "Research and development" means basic and applied
2 research in the science or engineering, as well as the design,
3 development, and testing of prototypes or processes of new or
4 improved products. Research and development does not include
5 market research, routine consumer product testing, sales
6 research, research in the social sciences or psychology,
7 nontechnological activities, or technical services.

8 c. "Semiconductor Silicon technology products" means
9 raw semiconductor silicon wafers or semiconductor thin films
10 that are transformed into semiconductor memory or logic
11 wafers, including wafers containing mixed memory and logic
12 circuits; related assembly and test operations; active-matrix
13 flat panel displays; semiconductor chips; semiconductor
14 lasers; optoelectronic elements;and related semiconductor
15 silicon technology products as determined by the Office of
16 Tourism, Trade, and Economic Development.

17 d. "Clean rooms" means manufacturing facilities
18 enclosed in a manner that meets the clean manufacturing
19 requirements necessary for high technology semiconductor
20 manufacturing environments.

21 e. "Defense technology products" means products that
22 have a military application, including, but not limited to,
23 weapons, weapons systems, guidance systems, surveillance
24 systems, communications or information systems, munitions,
25 aircraft, vessels, or boats, or components thereof, which are
26 intended for military use and manufactured in performance of a
27 contract with the United States Department of Defense or the
28 military branch of a recognized foreign government or a
29 subcontract thereunder which relates to matters of national
30 defense.

31 f. "Space technology products" means products that are

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1 specifically designed or manufactured for application in space
 2 activities, including, but not limited to, space launch
 3 vehicles, missiles, satellites or research payloads, avionics,
 4 and associated control systems and processing systems. The
 5 term does not include products that are designed or
 6 manufactured for general commercial aviation or other uses,
 7 even though those products may also serve an incidental use in
 8 space applications.

9 Section 2. This act shall take effect January 1, 2001.

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

13 And the title is amended as follows:

14 remove from the title of the bill: the entire title

15

16 and insert in lieu thereof:

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A bill to be entitled

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An act relating to tax on sales, use, and other

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transactions; amending s. 212.08, F.S.;

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revising application of the exemption for

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machinery and equipment used in silicon

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technology production and research and

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development; providing for application to

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semiconductor, rather than silicon, technology

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production and research and development;

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providing a partial exemption for machinery and

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equipment for use in defense or space

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technology production and research and

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development; providing an exemption for

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building materials used in manufacturing or

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expanding clean rooms in semiconductor

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1 manufacturing facilities; revising exemption
2 application requirements; providing
3 definitions; providing an effective date.
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