

By Senator Carlton

24-631A-01

1 A bill to be entitled
2 An act relating to tax administration;
3 repealing s. 212.084(6), F.S.; eliminating
4 provisions for temporary exemption
5 certificates; repealing s. 212.08(7)(ccc),
6 F.S.; eliminating the specific sales tax
7 exemption for organizations providing crime
8 prevention, drunk-driving prevention, and
9 juvenile-delinquency-prevention services;
10 amending s. 212.08, F.S.; providing that a
11 qualifying entity is entitled to a refund for
12 taxes paid on items purchased by the entity
13 prior to receiving a consumer certificate of
14 exemption; providing for retroactive
15 application; reinstating retroactively the
16 sales tax exemption for parent-teacher
17 organizations and parent-teacher associations;
18 eliminating obsolete provisions; requiring a
19 purchaser to file an affidavit stating the
20 exempt nature of a purchase with the selling
21 vendor instead of the Department of Revenue;
22 providing for retroactive application;
23 replacing the definition of the term "section
24 38 property" with an express definition of the
25 terms "industrial machinery and equipment" and
26 "motion picture and video equipment"; imposing
27 certain requirements, for purposes of taxation,
28 on the removal of a motor vehicle from this
29 state; providing residency requirements of
30 corporate officers, corporate stockholders, and
31 partners in a partnership relating to the

1 taxable status of sales of motor vehicles;
2 amending s. 212.06, F.S.; clarifying the
3 definition of the term "fixtures"; eliminating
4 reference to the term "trade fixture"; amending
5 s. 212.08, F.S.; replacing the Interstate
6 Commerce Commission with the Surface
7 Transportation Board as the entity that
8 licenses certain railroads as common carriers;
9 providing that, for a vessel, railroad, or
10 motor carrier engaged in interstate or foreign
11 commerce, sales tax applies to taxable
12 purchases in this state and applies even if the
13 vessel, railroad, or motor carrier has operated
14 for less than a fiscal year; amending s.
15 220.22, F.S.; eliminating the initial year's
16 information return for certain corporations;
17 repealing s. 624.509(10), F.S., which provides
18 for an exemption from the insurance premium tax
19 for insurers who write monoline flood insurance
20 policies; amending s. 213.285, F.S.; delaying
21 the future repeal of the certified audit
22 project; amending s. 213.30, F.S.; clarifying
23 that the rewards program is the only available
24 means of obtaining compensation for information
25 regarding another person's failure to comply
26 with the state's tax laws; amending s. 11, ch.
27 2000-165, Laws of Florida; clarifying which
28 provisions of ch. 213, F.S., apply to the
29 collection of unemployment contributions;
30 amending s. 45.031, F.S.; requiring the clerk
31 of court to give notice to the Department of

1 Revenue if there is a surplus resulting from
2 the foreclosure of an unemployment compensation
3 tax lien; amending s. 69.041, F.S.; permitting
4 the department to participate in the
5 disbursement of unemployment compensation tax
6 lien foreclosure funds; amending s. 213.053,
7 F.S.; providing for confidentiality and
8 information sharing; abrogating the expiration
9 of s. 215.20(3), F.S., relating to service
10 charges against certain trust funds,
11 notwithstanding s. 10, ch. 90-110, Laws of
12 Florida; repealing s. 4 of ch. 96-395, Laws of
13 Florida, which provides for the repeal of
14 exemptions provided for certain citizen support
15 organizations and the Florida Folk Festival;
16 providing for retroactive applicability;
17 providing effective dates.

18

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

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21 Section 1. Subsection (6) of section 212.084, Florida
22 Statutes, is repealed.

23 Section 2. Subsection (7) of section 212.08, Florida
24 Statutes, is amended to read:

25 212.08 Sales, rental, use, consumption, distribution,
26 and storage tax; specified exemptions.--The sale at retail,
27 the rental, the use, the consumption, the distribution, and
28 the storage to be used or consumed in this state of the
29 following are hereby specifically exempt from the tax imposed
30 by this chapter.

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1 (7) MISCELLANEOUS EXEMPTIONS.--Exemptions provided to
2 any entity by this chapter do not inure to any transaction
3 that is otherwise taxable under this chapter when payment is
4 made by a representative or employee of the entity by any
5 means, including, but not limited to, cash, check, or credit
6 card, even when that representative or employee is
7 subsequently reimbursed by the entity. In addition, exemptions
8 provided to any entity by this subsection do not inure to any
9 transaction that is otherwise taxable under this chapter
10 unless the entity has obtained a sales tax exemption
11 certificate from the department or the entity obtains or
12 provides other documentation as required by the department.
13 Eligible purchases or leases made with such a certificate must
14 be in strict compliance with this subsection and departmental
15 rules, and any person who makes an exempt purchase with a
16 certificate that is not in strict compliance with this
17 subsection and the rules is liable for and must pay the tax.
18 The department may adopt rules to administer this subsection.

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

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

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

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

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

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

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

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

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

29 1. The department shall issue a consumer's certificate
30 of exemption to any blind person who holds an identification
31 card as provided for in s. 413.091 and who either owns or

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

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

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

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

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

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

19 (l) Organizations providing special educational,
20 cultural, recreational, and social benefits to minors.--Also
21 exempt from the tax imposed by this chapter are sales or
22 leases to and sales of donated property by nonprofit
23 organizations which are incorporated pursuant to chapter 617
24 the primary purpose of which is providing activities that
25 contribute to the development of good character or good
26 sportsmanship, or to the educational or cultural development,
27 of minors. This exemption is extended only to that level of
28 the organization that has a salaried executive officer or an
29 elected nonsalaried executive officer. For the purpose of this
30 paragraph, the term "donated property" means any property
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1 transferred to such nonprofit organization for less than 50
2 percent of its fair market value.

3 (m) Religious institutions.--

4 1. There are exempt from the tax imposed by this
5 chapter transactions involving sales or leases directly to
6 religious institutions when used in carrying on their
7 customary nonprofit religious activities or sales or leases of
8 tangible personal property by religious institutions having an
9 established physical place for worship at which nonprofit
10 religious services and activities are regularly conducted and
11 carried on.

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

1 term "religious institutions" also includes any nonprofit
2 corporation that is qualified as nonprofit under s. 501(c)(3)
3 of the Internal Revenue Code of 1986, as amended, the primary
4 activity of which is making and distributing audio recordings
5 of religious scriptures and teachings to blind or visually
6 impaired persons at no charge. The term "religious
7 institutions" also includes any nonprofit corporation that is
8 qualified as nonprofit under s. 501(c)(3) of the Internal
9 Revenue Code of 1986, as amended, the sole or primary function
10 of which is to provide, upon invitation, nonprofit religious
11 services, evangelistic services, religious education,
12 administrative assistance, or missionary assistance for a
13 church, synagogue, or established physical place of worship at
14 which nonprofit religious services and activities are
15 regularly conducted.

16 (n) Veterans' organizations.--

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

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

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1 (o) Schools, colleges, and universities.--Also exempt
2 from the tax imposed by this chapter are sales or leases to
3 state tax-supported schools, colleges, or universities.

4 (p) Section 501(c)(3) organizations.--Also exempt from
5 the tax imposed by this chapter are sales or leases to
6 organizations determined by the Internal Revenue Service to be
7 currently exempt from federal income tax pursuant to s.
8 501(c)(3) of the Internal Revenue Code of 1986, as amended,
9 when such leases or purchases are used in carrying on their
10 customary nonprofit activities. The effective date of the
11 sales tax exemption certificate issued by the department to
12 the organization must be the same as the effective date of the
13 organization's exemption from federal income tax as determined
14 by the Internal Revenue Service or January 1, 2000, whichever
15 is later. Upon receipt of the certificate, as provided in s.
16 215.26, the organization may apply to the department to obtain
17 a refund of taxes paid on eligible purchases or leases after
18 the effective date of the certificate but before receipt of
19 the certificate. The department shall authorize a refund upon
20 an affirmative showing by the taxpayer to the satisfaction of
21 the department that the requirements of s. 213.255 and this
22 paragraph have been met.

23 1. To satisfy the requirements of s. 213.255(2)(b),
24 the following must be provided with the application:

25 a. A copy of the exemption certificate issued to the
26 501(c)(3) organization.

27 b. The sales invoices or other proofs of purchase or
28 lease showing the name and business address of the purchaser,
29 the price or rental payment and the amount of sales tax paid,
30 the date of purchase, and the names and addresses of the sales
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1 tax dealers or lessors from whom the items or leases were
2 purchased.

3 c. Proof that payment for the exempt items or leases
4 was made directly from the funds of the 501(c)(3) organization
5 claiming to be entitled to the refund. This proof must
6 include, but is not limited to, copies of the front and back
7 of any canceled check paid to a sales tax dealer or lessor.

8 2. Section 212.095 does not apply to any application
9 for refund which is made under this paragraph.

10 (q) Resource recovery equipment.--Also exempt is
11 resource recovery equipment which is owned and operated by or
12 on behalf of any county or municipality, certified by the
13 Department of Environmental Protection under the provisions of
14 s. 403.715.

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

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

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

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

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

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

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

24 a. A full-service facility that:

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

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

29 (III) Has adequate piers and storage facilities to
30 provide safe berthing of vessels in its care, custody, and
31 control; and

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

4 b. A marina that:

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

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

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

11 c. A shoreside facility that:

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

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

16 (III) Has necessary shops and equipment to provide
17 repairs or warranty work.

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

22 (v) Professional services.--

23 1. Also exempted are professional, insurance, or
24 personal service transactions that involve sales as
25 inconsequential elements for which no separate charges are
26 made.

27 2. The personal service transactions exempted pursuant
28 to subparagraph 1. do not exempt the sale of information
29 services involving the furnishing of printed, mimeographed, or
30 multigraphed matter, or matter duplicating written or printed
31 matter in any other manner, other than professional services

1 and services of employees, agents, or other persons acting in
2 a representative or fiduciary capacity or information services
3 furnished to newspapers and radio and television stations. As
4 used in this subparagraph, the term "information services"
5 includes the services of collecting, compiling, or analyzing
6 information of any kind or nature and furnishing reports
7 thereof to other persons.

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

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

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

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

29 (y) Charter fishing vessels.--The charge for
30 chartering any boat or vessel, with the crew furnished, solely
31 for the purpose of fishing is exempt from the tax imposed

1 under s. 212.04 or s. 212.05. This exemption does not apply
2 to any charge to enter or stay upon any "head-boat," party
3 boat, or other boat or vessel. Nothing in this paragraph
4 shall be construed to exempt any boat from sales or use tax
5 upon the purchase thereof except as provided in paragraph (t)
6 and s. 212.05.

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

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

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

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

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

23 (bb) Community cemeteries.--Also exempt are purchases
24 by any nonprofit corporation that has qualified under s.
25 501(c)(13) of the Internal Revenue Code of 1986, as amended,
26 and is operated for the purpose of maintaining a cemetery that
27 was donated to the community by deed.

28 (cc) Works of art.--

29 1. Also exempt are works of art sold to or used by an
30 educational institution.

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

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

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

25 5. The exemptions provided by this paragraph are
26 allowed only if the person who purchased the work of art gives
27 to the vendor an affidavit meeting the requirements,
28 established by rule, to document entitlement to the exemption.
29 The person who purchased the work of art shall forward a copy
30 of such affidavit to the Department of Revenue at the time it
31 is issued to the vendor.

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

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

20 8. For purposes of the exemptions provided by this
21 paragraph, the term:

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

1 Department of Health; or nonprofit libraries, art galleries,
2 performing arts centers that provide educational programs to
3 school children, which programs involve performances or other
4 educational activities at the performing arts center and serve
5 a minimum of 50,000 school children a year, and museums open
6 to the public.

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

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

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

26 (ff) Certain electricity or steam uses.--

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

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

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

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

- 1 4. Such exemption shall be applied as follows:
- 2 a. Beginning July 1, 1996, 20 percent of the charges
- 3 for such electricity shall be exempt.
- 4 b. Beginning July 1, 1997, 40 percent of the charges
- 5 for such electricity shall be exempt.
- 6 c. Beginning July 1, 1998, 60 percent of the charges
- 7 for such electricity or steam shall be exempt.
- 8 d. Beginning July 1, 1999, 80 percent of the charges
- 9 for such electricity or steam shall be exempt.
- 10 e. Beginning July 1, 2000, 100 percent of the charges
- 11 for such electricity or steam shall be exempt.
- 12 ~~5. Notwithstanding any other provision in this~~
- 13 ~~paragraph to the contrary, in order to receive the exemption~~
- 14 ~~provided in this paragraph a taxpayer must first register with~~
- 15 ~~the WAGES Program Business Registry established by the local~~
- 16 ~~WAGES coalition for the area in which the taxpayer is located.~~
- 17 ~~Such registration establishes a commitment on the part of the~~
- 18 ~~taxpayer to hire WAGES program participants to the maximum~~
- 19 ~~extent possible consistent with the nature of their business.~~
- 20 5.6.a. In order to determine whether the exemption
- 21 provided in this paragraph from the tax on charges for
- 22 electricity or steam has an effect on retaining or attracting
- 23 companies to this state, the Office of Program Policy Analysis
- 24 and Government Accountability shall monitor and report on the
- 25 industries receiving the exemption.
- 26 b. The report shall be submitted no later than January
- 27 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 c. The report 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 (gg) 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 (hh) Citizen support organizations.--Also exempt from
6 the tax imposed by this chapter are sales or leases to
7 nonprofit organizations that are incorporated under chapter
8 617 and that have been designated citizen support
9 organizations in support of state-funded environmental
10 programs or the management of state-owned lands in accordance
11 with s. 20.2551, or to support one or more state parks in
12 accordance with s. 258.015.

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

18 (jj) Solar energy systems.--Also exempt are solar
19 energy systems or any component thereof. The Florida Solar
20 Energy Center shall from time to time certify to the
21 department a list of equipment and requisite hardware
22 considered to be a solar energy system or a component thereof.
23 This exemption is repealed July 1, 2005.

24 (kk) Nonprofit cooperative hospital laundries.--Also
25 exempt from the tax imposed by this chapter are sales or
26 leases to nonprofit organizations that are incorporated under
27 chapter 617 and which are treated, for federal income tax
28 purposes, as cooperatives under subchapter T of the Internal
29 Revenue Code, whose sole purpose is to offer laundry supplies
30 and services to their members, which members must all be

31

1 exempt from federal income tax pursuant to s. 501(c)(3) of the
2 Internal Revenue Code.

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

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

21 (nn) Parent-teacher organizations, parent-teacher
22 associations, and schools having grades K through
23 12.--Parent-teacher organizations and associations the purpose
24 of which is to raise funds for schools teaching grades K
25 through 12 and which are ~~qualified as educational institutions~~
26 ~~as defined by sub-subparagraph (cc)8.a.~~ associated with
27 schools having grades K through 12, and schools having grades
28 K through 12, may pay tax to their suppliers on the cost price
29 of school materials and supplies purchased, rented, or leased
30 for resale or rental to students in grades K through 12, of
31 items sold for fundraising purposes, and of items sold through

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

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

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

22 (qq) Complimentary items.--There is exempt from the
23 tax imposed by this chapter:

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

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

31

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

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

10 (ss) Racing dogs.--The sale of a racing dog by its
11 owner is exempt if the owner is also the breeder of the
12 animal.

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

21 (uu) Aircraft sales or leases.--The sale or lease of
22 an aircraft of more than 15,000 pounds maximum certified
23 takeoff weight for use by a common carrier is exempt from the
24 tax imposed by this chapter. As used in this paragraph,
25 "common carrier" means an airline operating under Federal
26 Aviation Administration regulations contained in Title 14,
27 chapter I, part 121 or part 129 of the Code of Federal
28 Regulations.

29 (vv) Nonprofit water systems.--Sales or leases to a
30 not-for-profit corporation which holds a current exemption
31 from federal income tax under s. 501(c)(4) or (12) of the

1 Internal Revenue Code, as amended, are exempt from the tax
2 imposed by this chapter if the sole or primary function of the
3 corporation is to construct, maintain, or operate a water
4 system in this state.

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

8 (xx) Advertising agencies.--

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

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

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

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

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

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

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

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

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

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

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

11 (zz) Certain repair and labor charges.--

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

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

28 3. This exemption shall be applied as follows:

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

31

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

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

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

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

17 (bbb) People-mover systems.--People-mover systems, and
18 parts thereof, which are purchased or manufactured by
19 contractors employed either directly by or as agents for the
20 United States Government, the state, a county, a municipality,
21 a political subdivision of the state, or the public operator
22 of a public-use airport as defined by s. 332.004(14) are
23 exempt from the tax imposed by this chapter when the systems
24 or parts go into or become part of publicly owned facilities.
25 In the case of contractors who manufacture and install such
26 systems and parts, this exemption extends to the purchase of
27 component parts and all other manufacturing and fabrication
28 costs. The department may provide a form to be used by
29 contractors to provide to suppliers of people-mover systems or
30 parts to certify the contractors' eligibility for the
31 exemption provided under this paragraph. As used in this

1 paragraph, "people-mover systems" includes wheeled passenger
2 vehicles and related control and power distribution systems
3 that are part of a transportation system for use by the
4 general public, regardless of whether such vehicles are
5 operator-controlled or driverless, self-propelled or propelled
6 by external power and control systems, or conducted on roads,
7 rails, guidebeams, or other permanent structures that are an
8 integral part of such transportation system. "Related control
9 and power distribution systems" includes any electrical or
10 electronic control or signaling equipment, but does not
11 include the embedded wiring, conduits, or cabling used to
12 transmit electrical or electronic signals among such control
13 equipment, power distribution equipment, signaling equipment,
14 and wheeled vehicles.

15 ~~(ccc) Organizations providing crime prevention, drunk~~
16 ~~driving prevention, or juvenile delinquency prevention~~
17 ~~services.--Sales or leases to any nonprofit organization that~~
18 ~~provides crime prevention services, drunk driving prevention~~
19 ~~services, or juvenile delinquency prevention services that~~
20 ~~benefit society as a whole are exempt from the tax imposed by~~
21 ~~this chapter, if the organization holds a current exemption~~
22 ~~from federal income tax under s. 501(c)(3) of the Internal~~
23 ~~Revenue Code and the organization has as its sole or primary~~
24 ~~purpose the provision of services that contribute to the~~
25 ~~prevention of hardships caused by crime, drunk driving, or~~
26 ~~juvenile delinquency.~~

27 (ccc)~~(ddd)~~ Florida Fire and Emergency Services
28 Foundation.--Sales or leases to the Florida Fire and Emergency
29 Services Foundation are exempt from the tax imposed by this
30 chapter.

31

1 ~~(ddd)(eee)~~ Railroad roadway materials.--Also exempt
2 from the tax imposed by this chapter are railroad roadway
3 materials used in the construction, repair, or maintenance of
4 railways. Railroad roadway materials shall include rails,
5 ties, ballasts, communication equipment, signal equipment,
6 power transmission equipment, and any other track materials.

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 3. (1) The amendments to paragraphs (ff) and
15 (nn) of subsection (7) of section 212.08, Florida Statutes,
16 which are made by section 2 of this act apply retroactively to
17 July 1, 2000.

18 (2) The amendments to the introductory paragraph, to
19 paragraph (p), and to the final, flush-left passage of
20 subsection (7) of section 212.08, Florida Statutes, which are
21 made by section 2 of this act are made to clarify rather than
22 change existing law, and these amendments apply retroactively
23 to January 1, 2001.

24 Section 4. Effective upon this act becoming a law and
25 applying retroactively to July 1, 1996, paragraph (c) of
26 subsection (5) of section 212.08, Florida Statutes, is amended
27 to read:

28 212.08 Sales, rental, use, consumption, distribution,
29 and storage tax; specified exemptions.--The sale at retail,
30 the rental, the use, the consumption, the distribution, and
31 the storage to be used or consumed in this state of the

1 following are hereby specifically exempt from the tax imposed
2 by this chapter.

3 (5) EXEMPTIONS; ACCOUNT OF USE.--

4 (c) Machinery and equipment used in production of
5 electrical or steam energy.--

6 1. The purchase of machinery and equipment for use at
7 a fixed location which machinery and equipment are necessary
8 in the production of electrical or steam energy resulting from
9 the burning of boiler fuels other than residual oil is exempt
10 from the tax imposed by this chapter. Such electrical or
11 steam energy must be primarily for use in manufacturing,
12 processing, compounding, or producing for sale items of
13 tangible personal property in this state. Use of a de minimis
14 amount of residual fuel to facilitate the burning of
15 nonresidual fuel shall not reduce the exemption otherwise
16 available under this paragraph.

17 2. In facilities where machinery and equipment are
18 necessary to burn both residual and nonresidual fuels, the
19 exemption shall be prorated. Such proration shall be based
20 upon the production of electrical or steam energy from
21 nonresidual fuels as a percentage of electrical or steam
22 energy from all fuels. If it is determined that 15 percent or
23 less of all electrical or steam energy generated was produced
24 by burning residual fuel, the full exemption shall apply.
25 Purchasers claiming a partial exemption shall obtain such
26 exemption by refund of taxes paid, or as otherwise provided in
27 the department's rules.

28 3. The department may adopt rules that provide for
29 implementation of this exemption. Purchasers of machinery and
30 equipment qualifying for the exemption provided in this
31 paragraph shall furnish the vendor ~~department~~ with an

1 affidavit stating that the item or items to be exempted are
2 for the use designated herein. Any person furnishing a false
3 affidavit to the vendor for the purpose of evading payment of
4 any tax imposed under this chapter shall be subject to the
5 penalty set forth in s. 212.085 and as otherwise provided by
6 law. Purchasers with self-accrual authority shall maintain all
7 documentation necessary to prove the exempt status of
8 purchases.

9 Section 5. Effective July 1, 2001, paragraphs (b),
10 (d), and (f) of subsection (5) of section 212.08, Florida
11 Statutes, are amended to read:

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

18 (5) EXEMPTIONS; ACCOUNT OF USE.--

19 (b) Machinery and equipment used to increase
20 productive output.--

21 1. Industrial machinery and equipment purchased for
22 exclusive use by a new business in spaceport activities as
23 defined by s. 212.02 or for use in new businesses which
24 manufacture, process, compound, or produce for sale items of
25 tangible personal property at fixed locations are exempt from
26 the tax imposed by this chapter upon an affirmative showing by
27 the taxpayer to the satisfaction of the department that such
28 items are used in a new business in this state. Such purchases
29 must be made prior to the date the business first begins its
30 productive operations, and delivery of the purchased item must
31 be made within 12 months of that date.

1 2.a. Industrial machinery and equipment purchased for
2 exclusive use by an expanding facility which is engaged in
3 spaceport activities as defined by s. 212.02 or for use in
4 expanding manufacturing facilities or plant units which
5 manufacture, process, compound, or produce for sale items of
6 tangible personal property at fixed locations in this state
7 are exempt from any amount of tax imposed by this chapter in
8 excess of \$50,000 per calendar year upon an affirmative
9 showing by the taxpayer to the satisfaction of the department
10 that such items are used to increase the productive output of
11 such expanded facility or business by not less than 10
12 percent.

13 b. Notwithstanding any other provision of this
14 section, industrial machinery and equipment purchased for use
15 in expanding printing manufacturing facilities or plant units
16 that manufacture, process, compound, or produce for sale items
17 of tangible personal property at fixed locations in this state
18 are exempt from any amount of tax imposed by this chapter upon
19 an affirmative showing by the taxpayer to the satisfaction of
20 the department that such items are used to increase the
21 productive output of such an expanded business by not less
22 than 10 percent.

23 3.a. To receive an exemption provided by subparagraph
24 1. or subparagraph 2., a qualifying business entity shall
25 apply to the department for a temporary tax exemption permit.
26 The application shall state that a new business exemption or
27 expanded business exemption is being sought. Upon a tentative
28 affirmative determination by the department pursuant to
29 subparagraph 1. or subparagraph 2., the department shall issue
30 such permit.

31

1 b. The applicant shall be required to maintain all
2 necessary books and records to support the exemption. Upon
3 completion of purchases of qualified machinery and equipment
4 pursuant to subparagraph 1. or subparagraph 2., the temporary
5 tax permit shall be delivered to the department or returned to
6 the department by certified or registered mail.

7 c. If, in a subsequent audit conducted by the
8 department, it is determined that the machinery and equipment
9 purchased as exempt under subparagraph 1. or subparagraph 2.
10 did not meet the criteria mandated by this paragraph or if
11 commencement of production did not occur, the amount of taxes
12 exempted at the time of purchase shall immediately be due and
13 payable to the department by the business entity, together
14 with the appropriate interest and penalty, computed from the
15 date of purchase, in the manner prescribed by this chapter.

16 d. In the event a qualifying business entity fails to
17 apply for a temporary exemption permit or if the tentative
18 determination by the department required to obtain a temporary
19 exemption permit is negative, a qualifying business entity
20 shall receive the exemption provided in subparagraph 1. or
21 subparagraph 2. through a refund of previously paid taxes. No
22 refund may be made for such taxes unless the criteria mandated
23 by subparagraph 1. or subparagraph 2. have been met and
24 commencement of production has occurred.

25 4. The department shall promulgate rules governing
26 applications for, issuance of, and the form of temporary tax
27 exemption permits; provisions for recapture of taxes; and the
28 manner and form of refund applications and may establish
29 guidelines as to the requisites for an affirmative showing of
30 increased productive output, commencement of production, and
31 qualification for exemption.

1 5. The exemptions provided in subparagraphs 1. and 2.
2 do not apply to machinery or equipment purchased or used by
3 electric utility companies, communications companies, oil or
4 gas exploration or production operations, publishing firms
5 that do not export at least 50 percent of their finished
6 product out of the state, any firm subject to regulation by
7 the Division of Hotels and Restaurants of the Department of
8 Business and Professional Regulation, or any firm which does
9 not manufacture, process, compound, or produce for sale items
10 of tangible personal property or which does not use such
11 machinery and equipment in spaceport activities as required by
12 this paragraph. The exemptions provided in subparagraphs 1.
13 and 2. shall apply to machinery and equipment purchased for
14 use in phosphate or other solid minerals severance, mining, or
15 processing operations only by way of a prospective credit
16 against taxes due under chapter 211 for taxes paid under this
17 chapter on such machinery and equipment.

18 6. For the purposes of the exemptions provided in
19 subparagraphs 1. and 2., these terms have the following
20 meanings:

21 a. "Industrial machinery and equipment" means tangible
22 personal property or other property that has a depreciable
23 life of 3 years or more and that is used as an integral part
24 in the manufacturing, processing, compounding, or production
25 of tangible personal property for sale or is exclusively used
26 in spaceport activities. A building and its structural
27 components are not industrial machinery and equipment unless
28 the building or structural component is so closely related to
29 the industrial machinery and equipment that it houses or
30 supports that the building or structural component can be
31 expected to be replaced when the machinery and equipment

1 itself is replaced. Heating and air conditioning systems are
2 not industrial machinery and equipment, unless the sole
3 justification for their installation is to meet the
4 requirements of the production process, even though the system
5 may provide incidental comfort to employees or serves, to an
6 insubstantial degree, nonproduction activities.~~"section 38~~
7 ~~property" as defined in s. 48(a)(1)(A) and (B)(i) of the~~
8 ~~Internal Revenue Code, provided "industrial machinery and~~
9 ~~equipment" shall be construed by regulations adopted by the~~
10 ~~Department of Revenue to mean tangible property used as an~~
11 ~~integral part of spaceport activities or of the manufacturing,~~
12 ~~processing, compounding, or producing for sale of items of~~
13 ~~tangible personal property.~~Such term includes parts and
14 accessories only to the extent that the exemption thereof is
15 consistent with the provisions of this paragraph.

16 b. "Productive output" means the number of units
17 actually produced by a single plant or operation in a single
18 continuous 12-month period, irrespective of sales. Increases
19 in productive output shall be measured by the output for 12
20 continuous months immediately following the completion of
21 installation of such machinery or equipment over the output
22 for the 12 continuous months immediately preceding such
23 installation. However, if a different 12-month continuous
24 period of time would more accurately reflect the increase in
25 productive output of machinery and equipment purchased to
26 facilitate an expansion, the increase in productive output may
27 be measured during that 12-month continuous period of time if
28 such time period is mutually agreed upon by the Department of
29 Revenue and the expanding business prior to the commencement
30 of production; provided, however, in no case may such time
31 period begin later than 2 years following the completion of

1 installation of the new machinery and equipment. The units
2 used to measure productive output shall be physically
3 comparable between the two periods, irrespective of sales.

4 (d) Machinery and equipment used under federal
5 procurement contract.--

6 1. Industrial machinery and equipment purchased by an
7 expanding business which manufactures tangible personal
8 property pursuant to federal procurement regulations at fixed
9 locations in this state are partially exempt from the tax
10 imposed in this chapter on that portion of the tax which is in
11 excess of \$100,000 per calendar year upon an affirmative
12 showing by the taxpayer to the satisfaction of the department
13 that such items are used to increase the implicit productive
14 output of the expanded business by not less than 10 percent.
15 The percentage of increase is measured as deflated implicit
16 productive output for the calendar year during which the
17 installation of the machinery or equipment is completed or
18 during which commencement of production utilizing such items
19 is begun divided by the implicit productive output for the
20 preceding calendar year. In no case may the commencement of
21 production begin later than 2 years following completion of
22 installation of the machinery or equipment.

23 2. The amount of the exemption allowed shall equal the
24 taxes otherwise imposed by this chapter in excess of \$100,000
25 per calendar year on qualifying industrial machinery or
26 equipment reduced by the percentage of gross receipts from
27 cost-reimbursement type contracts attributable to the plant or
28 operation to total gross receipts so attributable, accrued for
29 the year of completion or commencement.

30 3. The exemption provided by this paragraph shall
31 inure to the taxpayer only through refund of previously paid

1 taxes. Such refund shall be made within 30 days of formal
2 approval by the department of the taxpayer's application,
3 which application may be made on an annual basis following
4 installation of the machinery or equipment.

5 4. For the purposes of this paragraph, the term:

6 a. "Cost-reimbursement type contracts" has the same
7 meaning as in 32 C.F.R. s. 3-405.

8 b. "Deflated implicit productive output" means the
9 product of implicit productive output times the quotient of
10 the national defense implicit price deflator for the preceding
11 calendar year divided by the deflator for the year of
12 completion or commencement.

13 c. "Eligible costs" means the total direct and
14 indirect costs, as defined in 32 C.F.R. ss. 15-202 and 15-203,
15 excluding general and administrative costs, selling expenses,
16 and profit, defined by the uniform cost-accounting standards
17 adopted by the Cost-Accounting Standards Board created
18 pursuant to 50 U.S.C. s. 2168.

19 d. "Implicit productive output" means the annual
20 eligible costs attributable to all contracts or subcontracts
21 subject to federal procurement regulations of the single plant
22 or operation at which the machinery or equipment is used.

23 e. "Industrial machinery and equipment" means tangible
24 personal property, or other property, that has a depreciable
25 life of 3 years or more, that qualifies as an eligible cost
26 under federal procurement regulations, and that is used as an
27 integral part of the process of production of tangible
28 personal property. A building and its structural components
29 are not industrial machinery and equipment unless the building
30 or structural component is so closely related to the
31 industrial machinery and equipment that it houses or supports

1 that the building or structural component can be expected to
2 be replaced when the machinery and equipment itself is
3 replaced. Heating and air conditioning systems are not
4 industrial machinery and equipment, unless the sole
5 justification for their installation is to meet the
6 requirements of the production process, even though the system
7 may provide incidental comfort to employees or serves, to an
8 insubstantial degree, nonproduction activities.~~section 38~~
9 ~~property" as defined in s. 48(a)(1)(A) and (B)(i) of the~~
10 ~~Internal Revenue Code, provided such industrial machinery and~~
11 ~~equipment qualified as an eligible cost under federal~~
12 ~~procurement regulations and are used as an integral part of~~
13 ~~the tangible personal property production process. Such term~~
14 includes parts and accessories only to the extent that the
15 exemption of such parts and accessories is consistent with the
16 provisions of this paragraph.

17 f. "National defense implicit price deflator" means
18 the national defense implicit price deflator for the gross
19 national product as determined by the Bureau of Economic
20 Analysis of the United States Department of Commerce.

21 5. The exclusions provided in subparagraph (b)5. apply
22 to this exemption. This exemption applies only to machinery
23 or equipment purchased pursuant to production contracts with
24 the United States Department of Defense and Armed Forces, the
25 National Aeronautics and Space Administration, and other
26 federal agencies for which the contracts are classified for
27 national security reasons. In no event shall the provisions
28 of this paragraph apply to any expanding business the increase
29 in productive output of which could be measured under the
30 provisions of sub-subparagraph (b)6.b. as physically
31 comparable between the two periods.

1 (f) Motion picture or video equipment used in motion
2 picture or television production activities and sound
3 recording equipment used in the production of master tapes and
4 master records.--

5 1. Motion picture or video equipment and sound
6 recording equipment purchased or leased for use in this state
7 in production activities is exempt from the tax imposed by
8 this chapter. The exemption provided by this paragraph shall
9 inure to the taxpayer upon presentation of the certificate of
10 exemption issued to the taxpayer under the provisions of s.
11 288.1258.

12 2. For the purpose of the exemption provided in
13 subparagraph 1.:

14 a. "Motion picture or video equipment" and "sound
15 recording equipment" includes only tangible personal property,
16 or other property, that has a depreciable life of 3 years or
17 more and ~~equipment meeting the definition of "section 38~~
18 ~~property" as defined in s. 48(a)(1)(A) and (B)(i) of the~~
19 ~~Internal Revenue Code~~ that is used by the lessee or purchaser
20 exclusively as an integral part of production activities;
21 however, motion picture or video equipment and sound recording
22 equipment does not include supplies, tape, records, film, or
23 video tape used in productions or other similar items;
24 vehicles or vessels; or general office equipment not
25 specifically suited to production activities. In addition,
26 the term does not include equipment purchased or leased by
27 television or radio broadcasting or cable companies licensed
28 by the Federal Communications Commission. Furthermore, a
29 building and its structural components are not motion picture
30 or video equipment and sound recording equipment unless the
31 building or structural component is so closely related to the

1 motion picture or video equipment and sound recording
2 equipment that it houses or supports that the building or
3 structural component can be expected to be replaced when the
4 motion picture or video equipment and sound recording
5 equipment itself is replaced. Heating and air conditioning
6 systems are not motion picture or video equipment and sound
7 recording equipment, unless the sole justification for their
8 installation is to meet the requirements of the production
9 activities, even though the system may provide incidental
10 comfort to employees or serves, to an insubstantial degree,
11 nonproduction activities.

12 b. "Production activities" means activities directed
13 toward the preparation of a:

14 (I) Master tape or master record embodying sound; or

15 (II) Motion picture or television production which is
16 produced for theatrical, commercial, advertising, or
17 educational purposes and utilizes live or animated actions or
18 a combination of live and animated actions. The motion picture
19 or television production shall be commercially produced for
20 sale or for showing on screens or broadcasting on television
21 and may be on film or video tape.

22 Section 6. Effective July 1, 2001, subsection (10) of
23 section 212.08, Florida Statutes, is amended to read:

24 212.08 Sales, rental, use, consumption, distribution,
25 and storage tax; specified exemptions.--The sale at retail,
26 the rental, the use, the consumption, the distribution, and
27 the storage to be used or consumed in this state of the
28 following are hereby specifically exempt from the tax imposed
29 by this chapter.

30 (10) PARTIAL EXEMPTION; MOTOR VEHICLE SOLD TO RESIDENT
31 OF ANOTHER STATE.--

1 (a) The tax collected on the sale of a new or used
2 motor vehicle in this state to a resident of another state
3 shall be an amount equal to the sales tax which would be
4 imposed on such sale under the laws of the state of which the
5 purchaser is a resident, except that such tax shall not exceed
6 the tax that would otherwise be imposed under this chapter.
7 At the time of the sale, the purchaser shall execute a
8 notarized statement of his or her intent to license the
9 vehicle in the state of which the purchaser is a resident
10 within 45 days of the sale and of the fact of the payment to
11 the State of Florida of a sales tax in an amount equivalent to
12 the sales tax of his or her state of residence and shall
13 submit the statement to the appropriate sales tax collection
14 agency in his or her state of residence. Nothing in this
15 subsection shall be construed to require the removal of the
16 vehicle from this state following the filing of an intent to
17 license the vehicle in the purchaser's home state if the
18 purchaser licenses the vehicle in his or her home state within
19 45 days after the date of sale.

20 (b) Notwithstanding the partial exemption allowed in
21 paragraph (a), a vehicle is subject to this state's sales tax
22 at the applicable state sales tax rate plus authorized
23 surtaxes when the vehicle is purchased by a nonresident
24 corporation or partnership and:

25 1. An officer of the corporation is a resident of this
26 state;

27 2. A stockholder of the corporation who owns at least
28 10 percent of the corporation is a resident of this state; or

29 3. A partner in the partnership who has at least 10
30 percent ownership is a resident of this state.

31

1 However, if the vehicle is removed from this state within 45
2 days after purchase and remains outside the state for a
3 minimum of 180 days, the vehicle may qualify for the partial
4 exemption allowed in paragraph (a) despite the residency of
5 owners or stockholders of the purchasing entity.

6 Section 7. Effective July 1, 2001, paragraph (b) of
7 subsection (14) of section 212.06, Florida Statutes, is
8 amended to read:

9 212.06 Sales, storage, use tax; collectible from
10 dealers; "dealer" defined; dealers to collect from purchasers;
11 legislative intent as to scope of tax.--

12 (14) For the purpose of determining whether a person
13 is improving real property, the term:

14 (b) "Fixtures" means items that are an accessory to a
15 building, other structure, or land and that do not lose their
16 identity as accessories when installed but that do become
17 permanently attached to realty. However, the term does not
18 include the following items, whether or not such items are
19 attached to real property in a permanent manner: ~~trade~~
20 ~~fixtures~~; property of a type that is required to be
21 registered, licensed, titled, or documented by this state or
22 by the United States Government, including, but not limited
23 to, mobile homes, except mobile homes assessed as real
24 property; or industrial machinery or equipment. For purposes
25 of this paragraph, industrial machinery or equipment is not
26 limited to machinery and equipment used to manufacture,
27 process, compound, or produce tangible personal property. For
28 an item to be considered a fixture, it is not necessary that
29 the owner of the item also own the real property to which it
30 is attached.

31

1 Section 8. It is the intent of the Legislature that
2 the amendment to section 212.06(14)(b), Florida Statutes,
3 relating to industrial machinery or equipment, which is made
4 by section 7 of this act is remedial in nature and merely
5 clarifies existing law.

6 Section 9. Paragraph (a) of subsection (8) and
7 subsection (9) of section 212.08, Florida Statutes, are
8 amended to read:

9 212.08 Sales, rental, use, consumption, distribution,
10 and storage tax; specified exemptions.--The sale at retail,
11 the rental, the use, the consumption, the distribution, and
12 the storage to be used or consumed in this state of the
13 following are hereby specifically exempt from the tax imposed
14 by this chapter.

15 (8) PARTIAL EXEMPTIONS; VESSELS ENGAGED IN INTERSTATE
16 OR FOREIGN COMMERCE.--

17 (a) The sale or use of vessels and parts thereof used
18 to transport persons or property in interstate or foreign
19 commerce, including commercial fishing vessels, is subject to
20 the taxes imposed in this chapter only to the extent provided
21 herein. The basis of the tax shall be the ratio of intrastate
22 mileage to interstate or foreign mileage traveled by the
23 carrier's vessels which were used in interstate or foreign
24 commerce and which had at least some Florida mileage during
25 the previous fiscal year. The ratio would be determined at the
26 close of the carrier's fiscal year. However, during the fiscal
27 year in which the vessel begins its initial operations in this
28 state, the vessel's mileage apportionment factor may be
29 determined on the basis of an estimated ratio of anticipated
30 miles in this state to anticipated total miles for that year,
31 and, subsequently, additional tax must be paid on the vessel,

1 or a refund may be applied for, on the basis of the actual
2 ratio of the vessel's miles in this state to its total miles
3 for that year.This ratio shall be applied each month to the
4 total Florida purchases of such vessels and parts thereof
5 which are used in Florida to establish that portion of the
6 total used and consumed in intrastate movement and subject to
7 the tax at the applicable rate. The basis for imposition of
8 any discretionary surtax shall be as set forth in s. 212.054.
9 Items, appropriate to carry out the purposes for which a
10 vessel is designed or equipped and used, purchased by the
11 owner, operator, or agent of a vessel for use on board such
12 vessel shall be deemed to be parts of the vessel upon which
13 the same are used or consumed. Vessels and parts thereof used
14 to transport persons or property in interstate and foreign
15 commerce are hereby determined to be susceptible to a distinct
16 and separate classification for taxation under the provisions
17 of this chapter. Vessels and parts thereof used exclusively in
18 intrastate commerce do not qualify for the proration of tax.

19 (9) PARTIAL EXEMPTIONS; RAILROADS AND MOTOR VEHICLES
20 ENGAGED IN INTERSTATE OR FOREIGN COMMERCE.--

21 (a) Railroads which are licensed as common carriers by
22 the Surface Transportation Board Interstate Commerce
23 ~~Commission~~ and parts thereof used to transport persons or
24 property in interstate or foreign commerce are subject to tax
25 imposed in this chapter only to the extent provided herein.
26 The basis of the tax shall be the ratio of intrastate mileage
27 to interstate or foreign mileage traveled by the carrier
28 during the previous fiscal year of the carrier. Such ratio is
29 to be determined at the close of the carrier's fiscal year.
30 However, during the fiscal year in which the railroad begins
31 its initial operations in this state, the railroad's mileage

1 apportionment factor may be determined on the basis of an
2 estimated ratio of anticipated miles in this state to
3 anticipated total miles for that year, and, subsequently,
4 additional tax must be paid on the railroad, or a refund may
5 be applied for, on the basis of the actual ratio of the
6 railroad's miles in this state to its total miles for that
7 year. This ratio shall be applied each month to the Florida
8 ~~total~~ purchases of the railroad which are used in this state
9 to establish that portion of the total used and consumed in
10 intrastate movement and subject to tax under this chapter. The
11 basis for imposition of any discretionary surtax is set forth
12 in s. 212.054. Railroads which are licensed as common carriers
13 by the Surface Transportation Board ~~Interstate Commerce~~
14 ~~Commission~~ and parts thereof used to transport persons or
15 property in interstate and foreign commerce are hereby
16 determined to be susceptible to a distinct and separate
17 classification for taxation under the provisions of this
18 chapter.

19 (b) Motor vehicles which are engaged in interstate
20 commerce as common carriers, and parts thereof, used to
21 transport persons or property in interstate or foreign
22 commerce are subject to tax imposed in this chapter only to
23 the extent provided herein. The basis of the tax shall be the
24 ratio of intrastate mileage to interstate or foreign mileage
25 traveled by the carrier's motor vehicles which were used in
26 interstate or foreign commerce and which had at least some
27 Florida mileage during the previous fiscal year of the
28 carrier. Such ratio is to be determined at the close of the
29 carrier's fiscal year. However, during the fiscal year in
30 which the carrier begins its initial operations in this state,
31 the carrier's mileage apportionment factor may be determined

1 on the basis of an estimated ratio of anticipated miles in
2 this state to anticipated total miles for that year, and,
3 subsequently, additional tax must be paid on the carrier, or a
4 refund may be applied for, on the basis of the actual ratio of
5 the carrier's miles in this state to its total miles for that
6 year. This ratio shall be applied each month to the Florida
7 ~~total~~ purchases of such motor vehicles and parts thereof which
8 are used in this state to establish that portion of the total
9 used and consumed in intrastate movement and subject to tax
10 under this chapter. The basis for imposition of any
11 discretionary surtax is set forth in s. 212.054. Motor
12 vehicles which are engaged in interstate commerce, and parts
13 thereof, used to transport persons or property in interstate
14 and foreign commerce are hereby determined to be susceptible
15 to a distinct and separate classification for taxation under
16 the provisions of this chapter. Motor vehicles and parts
17 thereof used exclusively in intrastate commerce do not qualify
18 for the proration of tax. For purposes of this paragraph,
19 parts of a motor vehicle engaged in interstate commerce
20 include a separate tank not connected to the fuel supply
21 system of the motor vehicle into which diesel fuel is placed
22 to operate a refrigeration unit or other equipment.

23 Section 10. Effective July 1, 2001, subsection (4) of
24 section 220.22, Florida Statutes, is amended to read:

25 220.22 Returns; filing requirement.--

26 (4) The department shall designate by rule certain
27 not-for-profit entities and others that are not required to
28 file a return, including an initial information return, under
29 this code unless the entities have taxable income as defined
30 in s. 220.13(2). These entities must include subchapter S
31 corporations, tax-exempt entities, and others that do not

1 ~~usually owe federal income tax. For the year in which an~~
2 ~~election is made pursuant to s. 1361(b)(3) of the Internal~~
3 ~~Revenue Code, the qualified subchapter S subsidiary shall file~~
4 ~~an informational return with the department, which return~~
5 ~~shall be restricted to information identifying the subsidiary,~~
6 ~~the electing S corporation parent, and the effective date of~~
7 ~~the election.~~

8 Section 11. Effective July 1, 2001, subsection (10) of
9 section 624.509, Florida Statutes, is repealed.

10 Section 12. Subsection (2) of section 213.285, Florida
11 Statutes, is amended to read:

12 213.285 Certified audits.--

13 (2)(a) The department is authorized to initiate a
14 certified audits project to further enhance tax compliance
15 reviews performed by qualified practitioners and to encourage
16 taxpayers to hire qualified practitioners at their own expense
17 to review and report on their tax compliance. The nature of
18 certified audit work performed by qualified practitioners
19 shall be agreed-upon procedures in which the department is the
20 specified user of the resulting report.

21 (b) As an incentive for taxpayers to incur the costs
22 of a certified audit, the department shall compromise
23 penalties and abate interest due on any tax liabilities
24 revealed by a certified audit as provided in s. 213.21. This
25 authority to compromise penalties or abate interest shall not
26 apply to any liability for taxes that were collected by the
27 participating taxpayer but that were not remitted to the
28 department.

29 (c) The certified audits project is repealed on July
30 1, 2006 ~~2002~~, or upon completion of the project as determined
31 by the department, whichever occurs first.

1 Section 13. Subsection (3) is added to section 213.30,
2 Florida Statutes, to read:

3 213.30 Compensation for information relating to a
4 violation of the tax laws.--

5 (1) The executive director of the department, pursuant
6 to rules adopted by the department, is authorized to
7 compensate persons providing information to the department
8 leading to:

9 (a) The punishment of, or collection of taxes,
10 penalties, or interest from, any person with respect to the
11 taxes enumerated in s. 213.05. The amount of any payment made
12 under this paragraph may not exceed 10 percent of any tax,
13 penalties, or interest collected as a result of such
14 information.

15 (b) The identification and registration of a taxpayer
16 who is not in compliance with the registration requirements of
17 any tax statute that is listed in s. 213.05. The amount of
18 the payment made to any person who provides information to the
19 department which results in the registration of a noncompliant
20 taxpayer shall be \$100. The reward authorized in this
21 paragraph shall be paid only if the noncompliant taxpayer:

- 22 1. Conducts business from a permanent, fixed location;
- 23 2. Is engaged in a bona fide taxable activity; and
- 24 3. Is found by the department to have an unpaid tax
25 liability.

26 (2) Any employee of the department or of any other
27 state or federal agency who comes into possession of
28 information relating to a violation of a revenue law while an
29 employee of such agency may provide information to the
30 department of the type described in subsection (1), but the
31 employee may not be compensated under this section. Any

1 former employee of the department or any other state or
2 federal agency who came into possession of information
3 relating to a violation of a revenue law while an employee of
4 such agency may provide information to the department of the
5 type described in subsection (1), but the former employee may
6 not receive compensation under this section.

7 (3) Notwithstanding the provisions of any other law,
8 this section is the sole means by which any person may obtain
9 any moneys as the result of or in relation to the failure by
10 another person to comply with the tax laws of this state. The
11 use of any other law to obtain moneys for such failure is in
12 derogation of this statute and conflicts with the state's duty
13 to administer the tax laws.

14 Section 14. The amendment to section 213.30, Florida
15 Statutes, made by this act does not apply to any case in
16 litigation or under seal on the effective date of this act.

17 Section 15. Paragraph (f) of subsection (4) of section
18 11 of chapter 2000-165, Laws of Florida, is amended to read:

19 (4) Effective October 1, 2000, the following programs
20 and functions are transferred to the Agency for Workforce
21 Innovation:

22 (f) The Division of Unemployment Compensation is
23 transferred by a type two transfer, as defined in section
24 20.06(2), Florida Statutes, from the Department of Labor and
25 Employment Security to the Agency for Workforce Innovation.
26 The resources, data, records, property, and unexpended
27 balances of appropriations, allocations, and other funds
28 within the Office of the Secretary or any other division,
29 office, bureau, or unit within the Department of Labor and
30 Employment Security that support the Division of Unemployment
31 Compensation are transferred by a type two transfer, as

1 defined in section 20.06(2), Florida Statutes, from the
2 Department of Labor and Employment Security. By January 1,
3 2001, the Agency for Workforce Innovation shall enter into a
4 contract with the Department of Revenue which shall provide
5 for the Department of Revenue to provide unemployment tax
6 collection services. The Department of Revenue, in
7 consultation with the Department of Labor and Employment
8 Security, shall determine the number of positions needed to
9 provide unemployment tax collection services within the
10 Department of Revenue. The number of unemployment tax
11 collection service positions the Department of Revenue
12 determines are needed shall not exceed the number of positions
13 that, prior to the contract, were authorized to the Department
14 of Labor and Employment Security for this purpose. Upon
15 entering into the contract with the Agency for Workforce
16 Innovation to provide unemployment tax collection services,
17 the number of required positions, as determined by the
18 Department of Revenue, shall be authorized within the
19 Department of Revenue. Beginning January 1, 2002, the Office
20 of Program Policy Analysis and Government Accountability shall
21 conduct a feasibility study regarding privatization of
22 unemployment tax collection services. A report on the
23 conclusions of this study shall be submitted to the Governor,
24 the President of the Senate, and the Speaker of the House of
25 Representatives. The Department of Revenue is considered to be
26 administering a revenue law of this state when it provides
27 unemployment compensation tax collection services pursuant to
28 its contract with the Agency for Workforce Innovation. The
29 following provisions of chapter 213, Florida Statutes, apply
30 to the collection of unemployment contributions by the
31 Department of Revenue unless prohibited by federal law: ss.

1 213.018, 213.025, 213.051, 213.053, 213.055, 213.071, 213.10,
2 213.21(2), (3), (4), (5), (6), (7), and (8), 213.2201, 213.23,
3 213.24, 213.25, 213.26, 213.27, 213.28, 213.285, 213.30,
4 213.34, 213.37, 213.50, 213.67, 213.69, 213.73, 213.731,
5 213.732, 213.733, 213.74, 213.755, and 213.757.

6 Section 16. Subsection (7) of section 45.031, Florida
7 Statutes, is amended to read:

8 45.031 Judicial sales procedure.--In any sale of real
9 or personal property under an order or judgment, the following
10 procedure may be followed as an alternative to any other sale
11 procedure if so ordered by the court:

12 (7) DISBURSEMENTS OF PROCEEDS.--On filing a
13 certificate of title the clerk shall disburse the proceeds of
14 the sale in accordance with the order or final judgment, and
15 shall file a report of such disbursements and serve a copy of
16 it on each party not in default, and on the Department of
17 Revenue, if it was named as a defendant in the action or if
18 the Agency for Workforce Innovation or the Florida Department
19 of Labor and Employment Security was named as a defendant
20 while the Department of Revenue was performing unemployment
21 compensation tax collection services pursuant to a contract
22 with the Agency for Workforce Innovation, in substantially the
23 following form:

24
25 (Caption of Action)

26
27 CERTIFICATE OF DISBURSEMENTS

28
29 The undersigned clerk of the court certifies that he or
30 she disbursed the proceeds received from the sale of the
31

1 property as provided in the order or final judgment to the
2 persons and in the amounts as follows:

3 Name Amount

4

5

Total

6

7 WITNESS my hand and the seal of the court on,

8 ...(year)....

9

...(Clerk)...

10

By ...(Deputy Clerk)...

11

12 If no objections to the report are served within 10 days after
13 it is filed, the disbursements by the clerk shall stand
14 approved as reported. If timely objections to the report are
15 served, they shall be heard by the court. Service of
16 objections to the report does not affect or cloud the title of
17 the purchaser of the property in any manner.

18

Section 17. Paragraph (a) of subsection (4) of section
19 69.041, Florida Statutes, is amended to read:

20

69.041 State named party; lien foreclosure, suit to
21 quiet title.--

22

(4)(a) The Department of Revenue has the right to
23 participate in the disbursement of funds remaining in the
24 registry of the court after distribution pursuant to s.
25 45.031(7). The department shall participate in accordance with
26 applicable procedures in any mortgage foreclosure action in
27 which the department has a duly filed tax warrant, or
28 interests under a lien arising from a judgment, order, or
29 decree for child support, or interest in an unemployment
30 compensation tax lien pursuant to a contract with the Agency
31 for Workforce Innovation, against the subject property and

1 with the same priority, regardless of whether a default
2 against the department, the Agency for Workforce Innovation,
3 or the Department of Labor and Employment Security has been
4 entered for failure to file an answer or other responsive
5 pleading.

6 Section 18. Subsection (1) of section 213.053, Florida
7 Statutes, is amended to read:

8 213.053 Confidentiality and information sharing.--

9 (1) The provisions of this section apply to s.
10 125.0104, county government; s. 125.0108, tourist impact tax;
11 chapter 175, municipal firefighters' pension trust funds;
12 chapter 185, municipal police officers' retirement trust
13 funds; chapter 198, estate taxes; chapter 199, intangible
14 personal property taxes; chapter 201, excise tax on documents;
15 chapter 203, gross receipts taxes; chapter 211, tax on
16 severance and production of minerals; chapter 212, tax on
17 sales, use, and other transactions; chapter 220, income tax
18 code; chapter 221, emergency excise tax; s. 252.372, emergency
19 management, preparedness, and assistance surcharge; s.
20 370.07(3), Apalachicola Bay oyster surcharge; chapter 376,
21 pollutant spill prevention and control; s. 403.718, waste tire
22 fees; s. 403.7185, lead-acid battery fees; s. 538.09,
23 registration of secondhand dealers; s. 538.25, registration of
24 secondary metals recyclers; ss. 624.501 and 624.509-624.515,
25 insurance code; s. 681.117, motor vehicle warranty
26 enforcement; and s. 896.102, reports of financial transactions
27 in trade or business. The provisions of this section, except
28 paragraph (7)(f), also apply to chapter 443 while the
29 department is performing tax collection services for the
30 Agency for Workforce Innovation pursuant to chapter 2000-165,
31 Laws of Florida; however, the exceptions to confidentiality

1 contained in ss. 443.171(7) and 443.1715 remain in full force
2 and effect.

3 Section 19. Effective July 1, 2001, notwithstanding
4 section 10 of chapter 90-110, Laws of Florida, subsection (3)
5 of section 215.20, Florida Statutes, shall not expire on
6 October 1, 2001, as scheduled by that law, but subsection (3)
7 of section 215.20, Florida Statutes, is revived and readopted.

8 Section 20. Effective upon becoming a law, and
9 applying retroactively to June 1, 2001, if this act does not
10 become a law by that date, section 4 of chapter 96-395, Laws
11 of Florida, is repealed.

12 Section 21. Except as otherwise expressly provided in
13 this act, this act shall take effect upon becoming a law.

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SENATE SUMMARY

Repeals s. 212.084(6), F.S., thereby eliminating provisions for temporary tax exemption certificates. Repeals s. 212.08(7)(ccc), F.S., thereby eliminating the specific tax exemptions for organizations providing crime prevention, drunk driving prevention, and juvenile delinquency prevention services. Provides that a qualifying 501(c)(3) entity is entitled to a refund for taxes paid on items purchased by the entity prior to receiving a consumer certificate of exemption. Reinstates the sales tax exemption for parent-teacher organizations and parent-teacher associations. Requires a purchaser to file an affidavit stating the exempt nature of a purchase with the selling vendor instead of the Department of Revenue. Provides for retroactivity. Replaces the definition of the term "section 38 property" with an express definition of the terms "industrial machinery and equipment" and "motion picture and video equipment." Imposes certain requirements, for purposes of taxation, on the removal of a motor vehicle from this state. Provides residency requirements of corporate officers and stockholders relating to the taxable status of sales of motor vehicles. Clarifies the definition of the term "fixtures." Eliminates a reference to the term "trade fixture." Replaces the Interstate Commerce Commission with the Surface Transportation Board as the entity that licenses certain railroads as common carriers. Provides that for a vessel, railroad, or motor carrier engaged in interstate or foreign commerce sales tax applies to taxable purchases in this state and applies even if the vessel, railroad, or motor carrier has operated for less than a fiscal year. Eliminates the initial year's information return for certain corporations. Repeals s. 624.509(10), F.S., which provides for an exemption from the insurance premium tax for insurers that write monoline flood insurance policies. Delays the sunset of the certified audit project by 4 years. Clarifies that the rewards program under s. 213.30, F.S., is the only available means of obtaining compensation for information regarding another person's failure to comply with the state's tax laws. Clarifies which provisions of ch. 213, F.S., apply to the collection of unemployment contributions. Requires the clerk of court to give notice to the Department of Revenue if there is a surplus resulting from the foreclosure of an unemployment compensation tax lien. Permits the department to participate in the disbursement of unemployment compensation tax lien foreclosure funds. Provides for confidentiality and information sharing. Abrogates the expiration of s. 215.20(3), F.S., relating to service charges against certain trust funds, notwithstanding s. 10, ch. 90-110, Laws of Florida. Repeals s. 4 of ch. 96-395, Laws of Florida, which provides for the repeal of exemptions provided for certain citizen support organizations and the Florida Folk Festival; provides for retroactive applicability to June 1, 2001, if this act does not become a law by that date.