

By the Committee on Fiscal Policy & Resources and
Representative Wallace

1 A bill to be entitled
2 An act relating to tax administration; amending
3 s. 45.031, F.S.; providing for notice of
4 disbursement of the proceeds of a judicial sale
5 to the Department of Revenue under certain
6 conditions when it was performing unemployment
7 compensation tax collection services pursuant
8 to a contract with the Agency for Workforce
9 Innovation; amending s. 69.041, F.S.;
10 authorizing the department to participate in
11 the distribution of surplus funds remaining
12 after such disbursement when it has an interest
13 in an unemployment compensation tax lien
14 pursuant to such a contract; amending s.
15 213.053, F.S.; providing application of
16 confidentiality and information sharing
17 provisions to ch. 443, F.S., while the
18 department is performing such tax collection
19 services; amending s. 11, ch. 2000-165, Laws of
20 Florida; specifying that the department is
21 administering a revenue law when it provides
22 such tax collection services and specifying the
23 provisions of ch. 213, F.S., that apply
24 thereto; amending s. 201.02, F.S.; providing
25 that the documentary stamp tax on deeds and
26 other instruments relating to real property or
27 interests in real property does not apply to a
28 contract to sell the residence of an employee
29 relocating at an employer's direction, or
30 related documents, under specified
31 circumstances; exempting deeds and other

1 instruments whereby property is conveyed from
2 an electric utility to a regional transmission
3 organization from said tax under certain
4 circumstances; amending s. 212.02, F.S.;
5 excluding from the definition of "lease,"
6 "let," "rental," or "license" payments made by
7 such an organization to an electric utility
8 under certain conditions; amending s. 212.031,
9 F.S.; exempting property occupied or used by
10 certain regional transmission organizations
11 from the tax on the lease or rental of or
12 license in real property; amending s. 212.06,
13 F.S.; revising the definition of "fixtures" for
14 purposes of determining if a person is
15 improving real property under ch. 212, F.S.;
16 providing intent; amending s. 212.08, F.S.;
17 specifying conditions for receipt of sales tax
18 exemptions provided to an entity under ch. 212,
19 F.S., and subsection (7) of said section;
20 providing for retroactive application; deleting
21 obsolete provisions relating to registration
22 with the WAGES Program Business Registry;
23 providing for retroactive application;
24 reinstating retroactively the sales tax
25 exemption for parent-teacher organizations and
26 parent-teacher associations; eliminating the
27 specific sales tax exemption for organizations
28 providing crime prevention, drunk driving
29 prevention, and juvenile delinquency prevention
30 services; providing for determination of a
31 mileage apportionment factor for the first year

1 of operation in this state of vessels,
2 railroads, or motor vehicles engaged in
3 interstate or foreign commerce and entitled to
4 a partial sales tax exemption; correcting
5 references; requiring a purchaser to file an
6 affidavit stating the exempt nature of a
7 purchase with the vendor instead of the
8 department for purposes of the sales tax
9 exemption for machinery and equipment used to
10 produce electrical or steam energy; providing
11 for retroactive application; revising the
12 application of the sales tax exemption for the
13 sale of drinking water in bottles or other
14 containers; replacing the definitions of
15 "section 38 property" with express definitions
16 of "industrial machinery and equipment" and
17 "motion picture or video equipment" and "sound
18 recording equipment" for purposes of the sales
19 tax exemptions therefor; providing intent and
20 purpose; providing that provisions authorizing
21 a partial sales tax exemption for a motor
22 vehicle sold to a resident of another state do
23 not require payment of tax to this state for
24 prior assessments under certain conditions;
25 providing for retroactive application;
26 providing that a vehicle purchased by a
27 nonresident corporation or partnership is not
28 eligible for the partial sales tax exemption
29 under certain circumstances; repealing s.
30 212.084(6), F.S.; eliminating provisions for
31 temporary sales tax exemption certificates for

1 newly organized charitable organizations;
2 repealing s. 4, ch. 96-395, Laws of Florida,
3 which provides for the repeal of sales tax
4 exemptions for certain citizen support
5 organizations and the Florida Folk Festival;
6 providing for retroactive application; amending
7 s. 213.285, F.S.; delaying the future repeal of
8 the certified audits project; amending ss.
9 213.053 and 213.21, F.S., to conform; amending
10 s. 213.30, F.S., relating to compensation for
11 information relating to a violation of tax
12 laws; specifying that said section is the only
13 available means of obtaining compensation for
14 information regarding another person's failure
15 to comply with the state's tax laws; providing
16 applicability; repealing s. 213.27(9), F.S.,
17 which authorizes the department to contract
18 with certain vendors to develop and implement a
19 voluntary system for sales and use tax
20 collection and administration; creating s.
21 213.256, F.S., the Simplified Sales and Use Tax
22 Administration Act; defining terms; authorizing
23 the department's participation in the
24 Streamlined Sales and Use Tax Agreement;
25 providing that the agreement must require each
26 state to abide by certain requirements in order
27 for the department to enter into the agreement;
28 authorizing the state to enter into multistate
29 discussions and providing for appointment of
30 delegates; specifying relationship of the
31 agreement to state law; specifying the effect

1 of the agreement with respect to persons other
2 than member states; providing that government
3 actions or state laws cannot be challenged on
4 the basis of inconsistency with the agreement;
5 providing liabilities and responsibilities of
6 sellers, certified service providers, and
7 providers of certified automated systems;
8 providing for maintenance of confidentiality of
9 certain information; providing a penalty;
10 requiring the department to make annual
11 recommendations to the Legislature regarding
12 compliance with the agreement; reviving and
13 readopting s. 215.20(3), F.S., which provides
14 for deduction of a service charge from certain
15 trust funds; amending s. 220.22, F.S.;
16 eliminating the initial year's corporate tax
17 information return for subchapter S
18 subsidiaries and directing the department to
19 designate by rule entities that are not
20 required to file a corporate tax return;
21 amending s. 443.131, F.S.; reducing the
22 Unemployment Compensation Trust Fund balance
23 thresholds used in computing unemployment
24 compensation contribution rate adjustment
25 factors; creating s. 443.1315, F.S.; providing
26 definitions; providing for treatment of Indian
27 tribes under the Unemployment Compensation Law;
28 providing that Indian tribes or tribal units
29 may elect to make payments in lieu of
30 contributions and providing requirements with
31 respect thereto; providing that such Indian

1 tribe or tribal unit may be required to file a
2 bond or deposit security at the discretion of
3 the director of the Agency for Workforce
4 Innovation; providing effect of failure of such
5 tribe or unit to make required payments;
6 providing requirements for notices; providing
7 responsibility for certain extended benefits;
8 providing for rules; providing for retroactive
9 application; repealing s. 624.509(10), F.S.,
10 which provides an exemption from the insurance
11 premium tax for insurers who write monoline
12 flood insurance policies not subsidized by the
13 Federal Government; providing effective dates.

14

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

16

17 Section 1. Subsection (7) of section 45.031, Florida
18 Statutes, is amended to read:

19

20 45.031 Judicial sales procedure.--In any sale of real
21 or personal property under an order or judgment, the following
22 procedure may be followed as an alternative to any other sale
23 procedure if so ordered by the court:

24

25 (7) DISBURSEMENTS OF PROCEEDS.--On filing a
26 certificate of title the clerk shall disburse the proceeds of
27 the sale in accordance with the order or final judgment, and
28 shall file a report of such disbursements and serve a copy of
29 it on each party not in default, and on the Department of
30 Revenue, if it was named as a defendant in the action or if
31 the Agency for Workforce Innovation or the Department of Labor
and Employment Security was named as a defendant while the
Department of Revenue was performing unemployment compensation

1 tax collection services pursuant to a contract with the Agency
2 for Workforce Innovation, in substantially the following form:

3
4 (Caption of Action)

5
6 CERTIFICATE OF DISBURSEMENTS

7
8 The undersigned clerk of the court certifies that he or
9 she disbursed the proceeds received from the sale of the
10 property as provided in the order or final judgment to the
11 persons and in the amounts as follows:

12 Name	Amount
13	
14 Total	
15	

16 WITNESS my hand and the seal of the court on,
17 ...(year)....

18(Clerk)..
19 By ...(Deputy Clerk)...

20
21 If no objections to the report are served within 10 days after
22 it is filed, the disbursements by the clerk shall stand
23 approved as reported. If timely objections to the report are
24 served, they shall be heard by the court. Service of
25 objections to the report does not affect or cloud the title of
26 the purchaser of the property in any manner.

27 Section 2. Paragraph (a) of subsection (4) of section
28 69.041, Florida Statutes, is amended to read:

29 69.041 State named party; lien foreclosure, suit to
30 quiet title.--

31

1 (4)(a) The Department of Revenue has the right to
2 participate in the disbursement of funds remaining in the
3 registry of the court after distribution pursuant to s.
4 45.031(7). The department shall participate in accordance with
5 applicable procedures in any mortgage foreclosure action in
6 which the department has a duly filed tax warrant, or
7 interests under a lien arising from a judgment, order, or
8 decree for child support, or interest in an unemployment
9 compensation tax lien pursuant to a contract with the Agency
10 for Workforce Innovation, against the subject property and
11 with the same priority, regardless of whether a default
12 against the department, the Agency for Workforce Innovation,
13 or the Department of Labor and Employment Security has been
14 entered for failure to file an answer or other responsive
15 pleading.

16 Section 3. Subsection (1) of section 213.053, Florida
17 Statutes, is amended to read:

18 213.053 Confidentiality and information sharing.--

19 (1) The provisions of this section apply to s.
20 125.0104, county government; s. 125.0108, tourist impact tax;
21 chapter 175, municipal firefighters' pension trust funds;
22 chapter 185, municipal police officers' retirement trust
23 funds; chapter 198, estate taxes; chapter 199, intangible
24 personal property taxes; chapter 201, excise tax on documents;
25 chapter 203, gross receipts taxes; chapter 211, tax on
26 severance and production of minerals; chapter 212, tax on
27 sales, use, and other transactions; chapter 220, income tax
28 code; chapter 221, emergency excise tax; s. 252.372, emergency
29 management, preparedness, and assistance surcharge; s.
30 370.07(3), Apalachicola Bay oyster surcharge; chapter 376,
31 pollutant spill prevention and control; s. 403.718, waste tire

1 fees; s. 403.7185, lead-acid battery fees; s. 538.09,
2 registration of secondhand dealers; s. 538.25, registration of
3 secondary metals recyclers; ss. 624.501 and 624.509-624.515,
4 insurance code; s. 681.117, motor vehicle warranty
5 enforcement; and s. 896.102, reports of financial transactions
6 in trade or business. The provisions of this section, except
7 paragraph (7)(f), also apply to chapter 443 while the
8 department is performing tax collection services for the
9 Agency for Workforce Innovation pursuant to chapter 2000-165,
10 Laws of Florida; however, the exceptions to confidentiality
11 contained in ss. 443.171(7) and 443.1715 remain in full force
12 and effect.

13 Section 4. Paragraph (f) of subsection (4) of section
14 11 of chapter 2000-165, Laws of Florida, is amended to read:

15 Section 11.

16 (4) Effective October 1, 2000, the following programs
17 and functions are transferred to the Agency for Workforce
18 Innovation:

19 (f) The Division of Unemployment Compensation is
20 transferred by a type two transfer, as defined in section
21 20.06(2), Florida Statutes, from the Department of Labor and
22 Employment Security to the Agency for Workforce Innovation.
23 The resources, data, records, property, and unexpended
24 balances of appropriations, allocations, and other funds
25 within the Office of the Secretary or any other division,
26 office, bureau, or unit within the Department of Labor and
27 Employment Security that support the Division of Unemployment
28 Compensation are transferred by a type two transfer, as
29 defined in section 20.06(2), Florida Statutes, from the
30 Department of Labor and Employment Security. By January 1,
31 2001, the Agency for Workforce Innovation shall enter into a

1 contract with the Department of Revenue which shall provide
2 for the Department of Revenue to provide unemployment tax
3 collection services. The Department of Revenue, in
4 consultation with the Department of Labor and Employment
5 Security, shall determine the number of positions needed to
6 provide unemployment tax collection services within the
7 Department of Revenue. The number of unemployment tax
8 collection service positions the Department of Revenue
9 determines are needed shall not exceed the number of positions
10 that, prior to the contract, were authorized to the Department
11 of Labor and Employment Security for this purpose. Upon
12 entering into the contract with the Agency for Workforce
13 Innovation to provide unemployment tax collection services,
14 the number of required positions, as determined by the
15 Department of Revenue, shall be authorized within the
16 Department of Revenue. Beginning January 1, 2002, the Office
17 of Program Policy Analysis and Government Accountability shall
18 conduct a feasibility study regarding privatization of
19 unemployment tax collection services. A report on the
20 conclusions of this study shall be submitted to the Governor,
21 the President of the Senate, and the Speaker of the House of
22 Representatives. The Department of Revenue is considered to be
23 administering a revenue law of this state when it provides
24 unemployment compensation tax collection services pursuant to
25 its contract with the Agency for Workforce Innovation. The
26 following provisions of chapter 213, Florida Statutes, apply
27 to the collection of unemployment contributions by the
28 Department of Revenue unless prohibited by federal law: ss.
29 213.018, 213.025, 213.051, 213.053, 213.055, 213.071, 213.10,
30 213.21(2), (3), (4), (5), (6), (7), and (8), 213.2201, 213.23,
31 213.24, 213.25, 213.26, 213.27, 213.28, 213.285, 213.30,

1 213.34, 213.37, 213.50, 213.67, 213.69, 213.73, 213.731,
2 213.732, 213.733, 213.74, 213.755, and 213.757.

3 Section 5. Subsections (8) and (9) are added to
4 section 201.02, Florida Statutes, to read:

5 201.02 Tax on deeds and other instruments relating to
6 real property or interests in real property.--

7 (8) Taxes imposed by this section do not apply to a
8 contract to sell the residence of an employee relocating at
9 his or her employer's direction or documents related to the
10 contract, which contract is between the employee and the
11 employer or between the employee and a person in the business
12 of providing employee relocation services. Taxes on such
13 transactions apply only to the transfer of the real property
14 comprising the residence by deed that names the grantee.

15 (9) Taxes imposed by this section shall not apply to
16 deeds, instruments, or writings whereby any lands, tenements,
17 or other real property, or any interest therein, is granted,
18 assigned, transferred, or otherwise conveyed from an electric
19 utility to a regional transmission organization under the
20 jurisdiction of the Federal Energy Regulatory Commission.

21 Section 6. Paragraph (g) of subsection (10) of section
22 212.02, Florida Statutes, is amended to read:

23 212.02 Definitions.--The following terms and phrases
24 when used in this chapter have the meanings ascribed to them
25 in this section, except where the context clearly indicates a
26 different meaning:

27 (10) "Lease," "let," or "rental" means leasing or
28 renting of living quarters or sleeping or housekeeping
29 accommodations in hotels, apartment houses, roominghouses,
30 tourist or trailer camps and real property, the same being
31 defined as follows:

1 (g) "Lease," "let," or "rental" also means the leasing
2 or rental of tangible personal property and the possession or
3 use thereof by the lessee or rentee for a consideration,
4 without transfer of the title of such property, except as
5 expressly provided to the contrary herein. The term "lease,"
6 "let," or "rental" does not mean hourly, daily, or mileage
7 charges, to the extent that such charges are subject to the
8 jurisdiction of the Surface Transportation Board United States
9 ~~Interstate Commerce Commission~~, when such charges are paid by
10 reason of the presence of railroad cars owned by another on
11 the tracks of the taxpayer, or charges made pursuant to car
12 service agreements. "Lease," "let," "rental," or "license"
13 does not include payments by a regional transmission
14 organization operating under the jurisdiction of the Federal
15 Energy Regulatory Commission made to an electric utility in
16 connection with the regional transmission organization's use
17 or control of the utility's high-voltage bulk transmission
18 facilities. However, where two taxpayers, in connection with
19 the interchange of facilities, rent or lease property, each to
20 the other, for use in providing or furnishing any of the
21 services mentioned in s. 166.231, the term "lease or rental"
22 means only the net amount of rental involved.

23 Section 7. Paragraph (a) of subsection (1) of section
24 212.031, Florida Statutes, is amended to read:

25 212.031 Lease or rental of or license in real
26 property.--

27 (1)(a) It is declared to be the legislative intent
28 that every person is exercising a taxable privilege who
29 engages in the business of renting, leasing, letting, or
30 granting a license for the use of any real property unless
31 such property is:

- 1 1. Assessed as agricultural property under s. 193.461.
2 2. Used exclusively as dwelling units.
3 3. Property subject to tax on parking, docking, or
4 storage spaces under s. 212.03(6).
5 4. Recreational property or the common elements of a
6 condominium when subject to a lease between the developer or
7 owner thereof and the condominium association in its own right
8 or as agent for the owners of individual condominium units or
9 the owners of individual condominium units. However, only the
10 lease payments on such property shall be exempt from the tax
11 imposed by this chapter, and any other use made by the owner
12 or the condominium association shall be fully taxable under
13 this chapter.
14 5. A public or private street or right-of-way and
15 poles, conduits, fixtures, and similar improvements located on
16 such streets or rights-of-way, occupied or used by a utility
17 or franchised cable television company for utility or
18 communications or television purposes. For purposes of this
19 subparagraph, the term "utility" means any person providing
20 utility services as defined in s. 203.012 and includes a
21 regional transmission organization operating under the
22 jurisdiction of the Federal Energy Regulatory Commission. This
23 exception also applies to property, wherever located, on which
24 the following are placed: towers, antennas, cables, accessory
25 structures, or equipment, not including switching equipment,
26 used in the provision of mobile communications services as
27 defined in s. 202.11. For purposes of this chapter, towers
28 used in the provision of mobile communications services, as
29 defined in s. 202.11, are considered to be fixtures.
30 6. A public street or road which is used for
31 transportation purposes.

1 7. Property used at an airport exclusively for the
2 purpose of aircraft landing or aircraft taxiing or property
3 used by an airline for the purpose of loading or unloading
4 passengers or property onto or from aircraft or for fueling
5 aircraft.

6 8.a. Property used at a port authority, as defined in
7 s. 315.02(2), exclusively for the purpose of oceangoing
8 vessels or tugs docking, or such vessels mooring on property
9 used by a port authority for the purpose of loading or
10 unloading passengers or cargo onto or from such a vessel, or
11 property used at a port authority for fueling such vessels, or
12 to the extent that the amount paid for the use of any property
13 at the port is based on the charge for the amount of tonnage
14 actually imported or exported through the port by a tenant.

15 b. The amount charged for the use of any property at
16 the port in excess of the amount charged for tonnage actually
17 imported or exported shall remain subject to tax except as
18 provided in sub-subparagraph a.

19 9. Property used as an integral part of the
20 performance of qualified production services. As used in this
21 subparagraph, the term "qualified production services" means
22 any activity or service performed directly in connection with
23 the production of a qualified motion picture, as defined in s.
24 212.06(1)(b), and includes:

25 a. Photography, sound and recording, casting, location
26 managing and scouting, shooting, creation of special and
27 optical effects, animation, adaptation (language, media,
28 electronic, or otherwise), technological modifications,
29 computer graphics, set and stage support (such as
30 electricians, lighting designers and operators, greensmen,
31 prop managers and assistants, and grips), wardrobe (design,

1 preparation, and management), hair and makeup (design,
2 production, and application), performing (such as acting,
3 dancing, and playing), designing and executing stunts,
4 coaching, consulting, writing, scoring, composing,
5 choreographing, script supervising, directing, producing,
6 transmitting dailies, dubbing, mixing, editing, cutting,
7 looping, printing, processing, duplicating, storing, and
8 distributing;

9 b. The design, planning, engineering, construction,
10 alteration, repair, and maintenance of real or personal
11 property including stages, sets, props, models, paintings, and
12 facilities principally required for the performance of those
13 services listed in sub-subparagraph a.; and

14 c. Property management services directly related to
15 property used in connection with the services described in
16 sub-subparagraphs a. and b.

17

18 This exemption will inure to the taxpayer upon presentation of
19 the certificate of exemption issued to the taxpayer under the
20 provisions of s. 288.1258.

21 10. Leased, subleased, licensed, or rented to a person
22 providing food and drink concessionaire services within the
23 premises of a convention hall, exhibition hall, auditorium,
24 stadium, theater, arena, civic center, performing arts center,
25 publicly owned recreational facility, or any business operated
26 under a permit issued pursuant to chapter 550. A person
27 providing retail concessionaire services involving the sale of
28 food and drink or other tangible personal property within the
29 premises of an airport shall be subject to tax on the rental
30 of real property used for that purpose, but shall not be
31 subject to the tax on any license to use the property. For

1 purposes of this subparagraph, the term "sale" shall not
2 include the leasing of tangible personal property.

3 11. Property occupied pursuant to an instrument
4 calling for payments which the department has declared, in a
5 Technical Assistance Advisement issued on or before March 15,
6 1993, to be nontaxable pursuant to rule 12A-1.070(19)(c),
7 Florida Administrative Code; provided that this subparagraph
8 shall only apply to property occupied by the same person
9 before and after the execution of the subject instrument and
10 only to those payments made pursuant to such instrument,
11 exclusive of renewals and extensions thereof occurring after
12 March 15, 1993.

13 12. Rented, leased, subleased, or licensed to a
14 concessionaire by a convention hall, exhibition hall,
15 auditorium, stadium, theater, arena, civic center, performing
16 arts center, or publicly owned recreational facility, during
17 an event at the facility, to be used by the concessionaire to
18 sell souvenirs, novelties, or other event-related products.
19 This subparagraph applies only to that portion of the rental,
20 lease, or license payment which is based on a percentage of
21 sales and not based on a fixed price.

22 13. Property used or occupied predominantly for space
23 flight business purposes. As used in this subparagraph, "space
24 flight business" means the manufacturing, processing, or
25 assembly of a space facility, space propulsion system, space
26 vehicle, satellite, or station of any kind possessing the
27 capacity for space flight, as defined by s. 212.02(23), or
28 components thereof, and also means the following activities
29 supporting space flight: vehicle launch activities, flight
30 operations, ground control or ground support, and all
31 administrative activities directly related thereto. Property

1 shall be deemed to be used or occupied predominantly for space
2 flight business purposes if more than 50 percent of the
3 property, or improvements thereon, is used for one or more
4 space flight business purposes. Possession by a landlord,
5 lessor, or licensor of a signed written statement from the
6 tenant, lessee, or licensee claiming the exemption shall
7 relieve the landlord, lessor, or licensor from the
8 responsibility of collecting the tax, and the department shall
9 look solely to the tenant, lessee, or licensee for recovery of
10 such tax if it determines that the exemption was not
11 applicable.

12 Section 8. Effective July 1, 2003, paragraph (a) of
13 subsection (1) of section 212.031, Florida Statutes, as
14 amended by chapter 2000-345, Laws of Florida, is amended to
15 read:

16 212.031 Lease or rental of or license in real
17 property.--

18 (1)(a) It is declared to be the legislative intent
19 that every person is exercising a taxable privilege who
20 engages in the business of renting, leasing, letting, or
21 granting a license for the use of any real property unless
22 such property is:

23 1. Assessed as agricultural property under s. 193.461.

24 2. Used exclusively as dwelling units.

25 3. Property subject to tax on parking, docking, or
26 storage spaces under s. 212.03(6).

27 4. Recreational property or the common elements of a
28 condominium when subject to a lease between the developer or
29 owner thereof and the condominium association in its own right
30 or as agent for the owners of individual condominium units or
31 the owners of individual condominium units. However, only the

1 lease payments on such property shall be exempt from the tax
2 imposed by this chapter, and any other use made by the owner
3 or the condominium association shall be fully taxable under
4 this chapter.

5 5. A public or private street or right-of-way and
6 poles, conduits, fixtures, and similar improvements located on
7 such streets or rights-of-way, occupied or used by a utility
8 or franchised cable television company for utility or
9 communications or television purposes. For purposes of this
10 subparagraph, the term "utility" means any person providing
11 utility services as defined in s. 203.012 and includes a
12 regional transmission organization operating under the
13 jurisdiction of the Federal Energy Regulatory Commission. This
14 exception also applies to property, wherever located, on which
15 the following are placed: towers, antennas, cables, accessory
16 structures, or equipment, not including switching equipment,
17 used in the provision of mobile communications services as
18 defined in s. 202.11. For purposes of this chapter, towers
19 used in the provision of mobile communications services, as
20 defined in s. 202.11, are considered to be fixtures.

21 6. A public street or road which is used for
22 transportation purposes.

23 7. Property used at an airport exclusively for the
24 purpose of aircraft landing or aircraft taxiing or property
25 used by an airline for the purpose of loading or unloading
26 passengers or property onto or from aircraft or for fueling
27 aircraft.

28 8.a. Property used at a port authority, as defined in
29 s. 315.02(2), exclusively for the purpose of oceangoing
30 vessels or tugs docking, or such vessels mooring on property
31 used by a port authority for the purpose of loading or

1 unloading passengers or cargo onto or from such a vessel, or
2 property used at a port authority for fueling such vessels, or
3 to the extent that the amount paid for the use of any property
4 at the port is based on the charge for the amount of tonnage
5 actually imported or exported through the port by a tenant.

6 b. The amount charged for the use of any property at
7 the port in excess of the amount charged for tonnage actually
8 imported or exported shall remain subject to tax except as
9 provided in sub-subparagraph a.

10 9. Property used as an integral part of the
11 performance of qualified production services. As used in this
12 subparagraph, the term "qualified production services" means
13 any activity or service performed directly in connection with
14 the production of a qualified motion picture, as defined in s.
15 212.06(1)(b), and includes:

16 a. Photography, sound and recording, casting, location
17 managing and scouting, shooting, creation of special and
18 optical effects, animation, adaptation (language, media,
19 electronic, or otherwise), technological modifications,
20 computer graphics, set and stage support (such as
21 electricians, lighting designers and operators, greensmen,
22 prop managers and assistants, and grips), wardrobe (design,
23 preparation, and management), hair and makeup (design,
24 production, and application), performing (such as acting,
25 dancing, and playing), designing and executing stunts,
26 coaching, consulting, writing, scoring, composing,
27 choreographing, script supervising, directing, producing,
28 transmitting dailies, dubbing, mixing, editing, cutting,
29 looping, printing, processing, duplicating, storing, and
30 distributing;

31

1 b. The design, planning, engineering, construction,
2 alteration, repair, and maintenance of real or personal
3 property including stages, sets, props, models, paintings, and
4 facilities principally required for the performance of those
5 services listed in sub-subparagraph a.; and

6 c. Property management services directly related to
7 property used in connection with the services described in
8 sub-subparagraphs a. and b.

9
10 This exemption will inure to the taxpayer upon presentation of
11 the certificate of exemption issued to the taxpayer under the
12 provisions of s. 288.1258.

13 10. Leased, subleased, licensed, or rented to a person
14 providing food and drink concessionaire services within the
15 premises of a convention hall, exhibition hall, auditorium,
16 stadium, theater, arena, civic center, performing arts center,
17 publicly owned recreational facility, or any business operated
18 under a permit issued pursuant to chapter 550. A person
19 providing retail concessionaire services involving the sale of
20 food and drink or other tangible personal property within the
21 premises of an airport shall be subject to tax on the rental
22 of real property used for that purpose, but shall not be
23 subject to the tax on any license to use the property. For
24 purposes of this subparagraph, the term "sale" shall not
25 include the leasing of tangible personal property.

26 11. Property occupied pursuant to an instrument
27 calling for payments which the department has declared, in a
28 Technical Assistance Advisement issued on or before March 15,
29 1993, to be nontaxable pursuant to rule 12A-1.070(19)(c),
30 Florida Administrative Code; provided that this subparagraph
31 shall only apply to property occupied by the same person

1 before and after the execution of the subject instrument and
2 only to those payments made pursuant to such instrument,
3 exclusive of renewals and extensions thereof occurring after
4 March 15, 1993.

5 12. Property used or occupied predominantly for space
6 flight business purposes. As used in this subparagraph, "space
7 flight business" means the manufacturing, processing, or
8 assembly of a space facility, space propulsion system, space
9 vehicle, satellite, or station of any kind possessing the
10 capacity for space flight, as defined by s. 212.02(23), or
11 components thereof, and also means the following activities
12 supporting space flight: vehicle launch activities, flight
13 operations, ground control or ground support, and all
14 administrative activities directly related thereto. Property
15 shall be deemed to be used or occupied predominantly for space
16 flight business purposes if more than 50 percent of the
17 property, or improvements thereon, is used for one or more
18 space flight business purposes. Possession by a landlord,
19 lessor, or licensor of a signed written statement from the
20 tenant, lessee, or licensee claiming the exemption shall
21 relieve the landlord, lessor, or licensor from the
22 responsibility of collecting the tax, and the department shall
23 look solely to the tenant, lessee, or licensee for recovery of
24 such tax if it determines that the exemption was not
25 applicable.

26 Section 9. (1) Effective July 1, 2001, paragraph (b)
27 of subsection (14) of section 212.06, Florida Statutes, is
28 amended to read:

29 212.06 Sales, storage, use tax; collectible from
30 dealers; "dealer" defined; dealers to collect from purchasers;
31 legislative intent as to scope of tax.--

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

3 (b) "Fixtures" means items that are an accessory to a
4 building, other structure, or land and that do not lose their
5 identity as accessories when installed but that do become
6 permanently attached to realty. However, the term does not
7 include the following items, whether or not such items are
8 attached to real property in a permanent manner: ~~trade~~

9 ~~fixtures~~; property of a type that is required to be
10 registered, licensed, titled, or documented by this state or
11 by the United States Government, including, but not limited
12 to, mobile homes, except mobile homes assessed as real
13 property; or industrial machinery or equipment. For purposes
14 of this paragraph, industrial machinery or equipment is not
15 limited to machinery and equipment used to manufacture,
16 process, compound, or produce tangible personal property. For
17 an item to be considered a fixture, it is not necessary that
18 the owner of the item also own the real property to which it
19 is attached.

20 (2) It is the intent of the Legislature that the
21 amendment to s. 212.06(14)(b), Florida Statutes, relating to
22 industrial machinery or equipment, by this section is remedial
23 in nature and merely clarifies existing law.

24 Section 10. (1) Subsection (7), paragraph (a) of
25 subsection (8), and subsection (9) of section 212.08, Florida
26 Statutes, are amended to read:

27 212.08 Sales, rental, use, consumption, distribution,
28 and storage tax; specified exemptions.--The sale at retail,
29 the rental, the use, the consumption, the distribution, and
30 the storage to be used or consumed in this state of the
31

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

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

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

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

1 allowed unless the purchaser signs a certificate stating that
2 the fuel to be exempted is for the exclusive use designated
3 herein. This exemption does not apply to the use of boiler
4 fuels that are not used in manufacturing, processing,
5 compounding, or producing items of tangible personal property
6 for sale, or to the use of boiler fuels used by any firm
7 subject to regulation by the Division of Hotels and
8 Restaurants of the Department of Business and Professional
9 Regulation.

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

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

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

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

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

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

31

1 1. The department shall issue a consumer's certificate
2 of exemption to any blind person who holds an identification
3 card as provided for in s. 413.091 and who either owns or
4 rents, or contemplates the ownership or rental of, a guide dog
5 for the blind. The consumer's certificate of exemption shall
6 be issued without charge and shall be of such size as to be
7 capable of being carried in a wallet or billfold.

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

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

30 (j) Household fuels.--Also exempt from payment of the
31 tax imposed by this chapter are sales of utilities to

1 residential households or owners of residential models in this
2 state by utility companies who pay the gross receipts tax
3 imposed under s. 203.01, and sales of fuel to residential
4 households or owners of residential models, including oil,
5 kerosene, liquefied petroleum gas, coal, wood, and other fuel
6 products used in the household or residential model for the
7 purposes of heating, cooking, lighting, and refrigeration,
8 regardless of whether such sales of utilities and fuels are
9 separately metered and billed direct to the residents or are
10 metered and billed to the landlord. If any part of the utility
11 or fuel is used for a nonexempt purpose, the entire sale is
12 taxable. The landlord shall provide a separate meter for
13 nonexempt utility or fuel consumption. For the purposes of
14 this paragraph, licensed family day care homes shall also be
15 exempt.

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

22 (l) Organizations providing special educational,
23 cultural, recreational, and social benefits to minors.--Also
24 exempt from the tax imposed by this chapter are sales or
25 leases to and sales of donated property by nonprofit
26 organizations which are incorporated pursuant to chapter 617
27 the primary purpose of which is providing activities that
28 contribute to the development of good character or good
29 sportsmanship, or to the educational or cultural development,
30 of minors. This exemption is extended only to that level of
31 the organization that has a salaried executive officer or an

1 elected nonsalaried executive officer. For the purpose of this
2 paragraph, the term "donated property" means any property
3 transferred to such nonprofit organization for less than 50
4 percent of its fair market value.

5 (m) Religious institutions.--

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

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

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

18 (n) Veterans' organizations.--

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

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

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.

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

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

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

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

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.

31

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

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

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

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

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

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

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

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

22 (2)(a) The amendments to paragraphs (ff) and (nn) of
23 subsection (7) of s. 212.08, Florida Statutes, by this section
24 apply retroactively to July 1, 2000.

25 (b) The amendments to the introductory paragraph and
26 to the final, flush-left passage of subsection (7) of s.
27 212.08, Florida Statutes, by this section are made to clarify
28 rather than change existing law, and these amendments apply
29 retroactively to January 1, 2001.

30 Section 11. Effective upon this act becoming a law and
31 applying retroactively to July 1, 1996, paragraph (c) of

1 subsection (5) of section 212.08, Florida Statutes, is amended
2 to read:

3 212.08 Sales, rental, use, consumption, distribution,
4 and storage tax; specified exemptions.--The sale at retail,
5 the rental, the use, the consumption, the distribution, and
6 the storage to be used or consumed in this state of the
7 following are hereby specifically exempt from the tax imposed
8 by this chapter.

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

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

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

23 2. In facilities where machinery and equipment are
24 necessary to burn both residual and nonresidual fuels, the
25 exemption shall be prorated. Such proration shall be based
26 upon the production of electrical or steam energy from
27 nonresidual fuels as a percentage of electrical or steam
28 energy from all fuels. If it is determined that 15 percent or
29 less of all electrical or steam energy generated was produced
30 by burning residual fuel, the full exemption shall apply.
31 Purchasers claiming a partial exemption shall obtain such

1 exemption by refund of taxes paid, or as otherwise provided in
2 the department's rules.

3 3. The department may adopt rules that provide for
4 implementation of this exemption. Purchasers of machinery and
5 equipment qualifying for the exemption provided in this
6 paragraph shall furnish the vendor ~~department~~ with an
7 affidavit stating that the item or items to be exempted are
8 for the use designated herein. Any person furnishing a false
9 affidavit to the vendor for the purpose of evading payment of
10 any tax imposed under this chapter shall be subject to the
11 penalty set forth in s. 212.085 and as otherwise provided by
12 law. Purchasers with self-accrual authority shall maintain all
13 documentation necessary to prove the exempt status of
14 purchases.

15 Section 12. Effective July 1, 2001, paragraph (a) of
16 subsection (4), paragraphs (b), (d), and (f) of subsection
17 (5), and subsection (10) of section 212.08, Florida Statutes,
18 are amended to read:

19 212.08 Sales, rental, use, consumption, distribution,
20 and storage tax; specified exemptions.--The sale at retail,
21 the rental, the use, the consumption, the distribution, and
22 the storage to be used or consumed in this state of the
23 following are hereby specifically exempt from the tax imposed
24 by this chapter.

25 (4) EXEMPTIONS; ITEMS BEARING OTHER EXCISE TAXES,
26 ETC.--

27 (a) Also exempt are:

28 1. Water delivered to the purchaser through pipes or
29 conduits or delivered for irrigation purposes. The sale of
30 drinking water in bottles, cans, or other containers,
31 including water that contains minerals or carbonation in its

1 natural state or water to which minerals have been added at a
2 water treatment facility regulated by the Department of
3 Environmental Protection or the Department of Health, is
4 exempt. This exemption does not apply to the sale of drinking
5 water in bottles, cans, or other containers if carbonation,
6 ~~minerals,~~ or flavorings, except those added at a water
7 treatment facility, have been added. Water that has been
8 enhanced by the addition of minerals, and that does not
9 contain any added carbonation or flavorings, is also exempt.

10 2. All fuels used by a public or private utility,
11 including any municipal corporation or rural electric
12 cooperative association, in the generation of electric power
13 or energy for sale. Fuel other than motor fuel and diesel
14 fuel is taxable as provided in this chapter with the exception
15 of fuel expressly exempt herein. Motor fuels and diesel fuels
16 are taxable as provided in chapter 206, with the exception of
17 those motor fuels and diesel fuels used by railroad
18 locomotives or vessels to transport persons or property in
19 interstate or foreign commerce, which are taxable under this
20 chapter only to the extent provided herein. The basis of the
21 tax shall be the ratio of intrastate mileage to interstate or
22 foreign mileage traveled by the carrier's railroad locomotives
23 or vessels that were used in interstate or foreign commerce
24 and that had at least some Florida mileage during the previous
25 fiscal year of the carrier, such ratio to be determined at the
26 close of the fiscal year of the carrier. This ratio shall be
27 applied each month to the total Florida purchases made in this
28 state of motor and diesel fuels to establish that portion of
29 the total used and consumed in intrastate movement and subject
30 to tax under this chapter. The basis for imposition of any
31 discretionary surtax shall be set forth in s. 212.054. Fuels

1 used exclusively in intrastate commerce do not qualify for the
2 proration of tax.

3 3. The transmission or wheeling of electricity.

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

5 (b) Machinery and equipment used to increase
6 productive output.--

7 1. Industrial machinery and equipment purchased for
8 exclusive use by a new business in spaceport activities as
9 defined by s. 212.02 or for use in new businesses which
10 manufacture, process, compound, or produce for sale items of
11 tangible personal property at fixed locations are exempt from
12 the tax imposed by this chapter upon an affirmative showing by
13 the taxpayer to the satisfaction of the department that such
14 items are used in a new business in this state. Such purchases
15 must be made prior to the date the business first begins its
16 productive operations, and delivery of the purchased item must
17 be made within 12 months of that date.

18 2.a. Industrial machinery and equipment purchased for
19 exclusive use by an expanding facility which is engaged in
20 spaceport activities as defined by s. 212.02 or for use in
21 expanding manufacturing facilities or plant units which
22 manufacture, process, compound, or produce for sale items of
23 tangible personal property at fixed locations in this state
24 are exempt from any amount of tax imposed by this chapter in
25 excess of \$50,000 per calendar year upon an affirmative
26 showing by the taxpayer to the satisfaction of the department
27 that such items are used to increase the productive output of
28 such expanded facility or business by not less than 10
29 percent.

30 b. Notwithstanding any other provision of this
31 section, industrial machinery and equipment purchased for use

1 in expanding printing manufacturing facilities or plant units
2 that manufacture, process, compound, or produce for sale items
3 of tangible personal property at fixed locations in this state
4 are exempt from any amount of tax imposed by this chapter upon
5 an affirmative showing by the taxpayer to the satisfaction of
6 the department that such items are used to increase the
7 productive output of such an expanded business by not less
8 than 10 percent.

9 3.a. To receive an exemption provided by subparagraph
10 1. or subparagraph 2., a qualifying business entity shall
11 apply to the department for a temporary tax exemption permit.
12 The application shall state that a new business exemption or
13 expanded business exemption is being sought. Upon a tentative
14 affirmative determination by the department pursuant to
15 subparagraph 1. or subparagraph 2., the department shall issue
16 such permit.

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

23 c. If, in a subsequent audit conducted by the
24 department, it is determined that the machinery and equipment
25 purchased as exempt under subparagraph 1. or subparagraph 2.
26 did not meet the criteria mandated by this paragraph or if
27 commencement of production did not occur, the amount of taxes
28 exempted at the time of purchase shall immediately be due and
29 payable to the department by the business entity, together
30 with the appropriate interest and penalty, computed from the
31 date of purchase, in the manner prescribed by this chapter.

1 d. In the event a qualifying business entity fails to
2 apply for a temporary exemption permit or if the tentative
3 determination by the department required to obtain a temporary
4 exemption permit is negative, a qualifying business entity
5 shall receive the exemption provided in subparagraph 1. or
6 subparagraph 2. through a refund of previously paid taxes. No
7 refund may be made for such taxes unless the criteria mandated
8 by subparagraph 1. or subparagraph 2. have been met and
9 commencement of production has occurred.

10 4. The department shall promulgate rules governing
11 applications for, issuance of, and the form of temporary tax
12 exemption permits; provisions for recapture of taxes; and the
13 manner and form of refund applications and may establish
14 guidelines as to the requisites for an affirmative showing of
15 increased productive output, commencement of production, and
16 qualification for exemption.

17 5. The exemptions provided in subparagraphs 1. and 2.
18 do not apply to machinery or equipment purchased or used by
19 electric utility companies, communications companies, oil or
20 gas exploration or production operations, publishing firms
21 that do not export at least 50 percent of their finished
22 product out of the state, any firm subject to regulation by
23 the Division of Hotels and Restaurants of the Department of
24 Business and Professional Regulation, or any firm which does
25 not manufacture, process, compound, or produce for sale items
26 of tangible personal property or which does not use such
27 machinery and equipment in spaceport activities as required by
28 this paragraph. The exemptions provided in subparagraphs 1.
29 and 2. shall apply to machinery and equipment purchased for
30 use in phosphate or other solid minerals severance, mining, or
31 processing operations only by way of a prospective credit

1 against taxes due under chapter 211 for taxes paid under this
2 chapter on such machinery and equipment.

3 6. For the purposes of the exemptions provided in
4 subparagraphs 1. and 2., these terms have the following
5 meanings:

6 a. "Industrial machinery and equipment" means tangible
7 personal property or other property that has a depreciable
8 life of 3 years or more and that is used as an integral part
9 in the manufacturing, processing, compounding, or production
10 of tangible personal property for sale or is exclusively used
11 in spaceport activities. A building and its structural
12 components are not industrial machinery and equipment unless
13 the building or structural component is so closely related to
14 the industrial machinery and equipment that it houses or
15 supports that the building or structural component can be
16 expected to be replaced when the machinery and equipment
17 itself is replaced. Heating and air conditioning systems are
18 not industrial machinery and equipment, unless the sole
19 justification for their installation is to meet the
20 requirements of the production process, even though the system
21 may provide incidental comfort to employees or serves, to an
22 insubstantial degree, nonproduction activities.~~section 38~~
23 ~~property" as defined in s. 48(a)(1)(A) and (B)(i) of the~~
24 ~~Internal Revenue Code, provided "industrial machinery and~~
25 ~~equipment" shall be construed by regulations adopted by the~~
26 ~~Department of Revenue to mean tangible property used as an~~
27 ~~integral part of spaceport activities or of the manufacturing,~~
28 ~~processing, compounding, or producing for sale of items of~~
29 ~~tangible personal property.~~Such term includes parts and
30 accessories only to the extent that the exemption thereof is
31 consistent with the provisions of this paragraph.

1 b. "Productive output" means the number of units
2 actually produced by a single plant or operation in a single
3 continuous 12-month period, irrespective of sales. Increases
4 in productive output shall be measured by the output for 12
5 continuous months immediately following the completion of
6 installation of such machinery or equipment over the output
7 for the 12 continuous months immediately preceding such
8 installation. However, if a different 12-month continuous
9 period of time would more accurately reflect the increase in
10 productive output of machinery and equipment purchased to
11 facilitate an expansion, the increase in productive output may
12 be measured during that 12-month continuous period of time if
13 such time period is mutually agreed upon by the Department of
14 Revenue and the expanding business prior to the commencement
15 of production; provided, however, in no case may such time
16 period begin later than 2 years following the completion of
17 installation of the new machinery and equipment. The units
18 used to measure productive output shall be physically
19 comparable between the two periods, irrespective of sales.

20 (d) Machinery and equipment used under federal
21 procurement contract.--

22 1. Industrial machinery and equipment purchased by an
23 expanding business which manufactures tangible personal
24 property pursuant to federal procurement regulations at fixed
25 locations in this state are partially exempt from the tax
26 imposed in this chapter on that portion of the tax which is in
27 excess of \$100,000 per calendar year upon an affirmative
28 showing by the taxpayer to the satisfaction of the department
29 that such items are used to increase the implicit productive
30 output of the expanded business by not less than 10 percent.
31 The percentage of increase is measured as deflated implicit

1 productive output for the calendar year during which the
2 installation of the machinery or equipment is completed or
3 during which commencement of production utilizing such items
4 is begun divided by the implicit productive output for the
5 preceding calendar year. In no case may the commencement of
6 production begin later than 2 years following completion of
7 installation of the machinery or equipment.

8 2. The amount of the exemption allowed shall equal the
9 taxes otherwise imposed by this chapter in excess of \$100,000
10 per calendar year on qualifying industrial machinery or
11 equipment reduced by the percentage of gross receipts from
12 cost-reimbursement type contracts attributable to the plant or
13 operation to total gross receipts so attributable, accrued for
14 the year of completion or commencement.

15 3. The exemption provided by this paragraph shall
16 inure to the taxpayer only through refund of previously paid
17 taxes. Such refund shall be made within 30 days of formal
18 approval by the department of the taxpayer's application,
19 which application may be made on an annual basis following
20 installation of the machinery or equipment.

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

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

24 b. "Deflated implicit productive output" means the
25 product of implicit productive output times the quotient of
26 the national defense implicit price deflator for the preceding
27 calendar year divided by the deflator for the year of
28 completion or commencement.

29 c. "Eligible costs" means the total direct and
30 indirect costs, as defined in 32 C.F.R. ss. 15-202 and 15-203,
31 excluding general and administrative costs, selling expenses,

1 and profit, defined by the uniform cost-accounting standards
2 adopted by the Cost-Accounting Standards Board created
3 pursuant to 50 U.S.C. s. 2168.
4 d. "Implicit productive output" means the annual
5 eligible costs attributable to all contracts or subcontracts
6 subject to federal procurement regulations of the single plant
7 or operation at which the machinery or equipment is used.
8 e. "Industrial machinery and equipment" means tangible
9 personal property, or other property, that has a depreciable
10 life of 3 years or more, that qualifies as an eligible cost
11 under federal procurement regulations, and that is used as an
12 integral part of the process of production of tangible
13 personal property. A building and its structural components
14 are not industrial machinery and equipment unless the building
15 or structural component is so closely related to the
16 industrial machinery and equipment that it houses or supports
17 that the building or structural component can be expected to
18 be replaced when the machinery and equipment itself is
19 replaced. Heating and air conditioning systems are not
20 industrial machinery and equipment, unless the sole
21 justification for their installation is to meet the
22 requirements of the production process, even though the system
23 may provide incidental comfort to employees or serves, to an
24 insubstantial degree, nonproduction activities.~~section 38~~
25 ~~property" as defined in s. 48(a)(1)(A) and (B)(i) of the~~
26 ~~Internal Revenue Code, provided such industrial machinery and~~
27 ~~equipment qualified as an eligible cost under federal~~
28 ~~procurement regulations and are used as an integral part of~~
29 ~~the tangible personal property production process.~~Such term
30 includes parts and accessories only to the extent that the
31

1 exemption of such parts and accessories is consistent with the
2 provisions of this paragraph.

3 f. "National defense implicit price deflator" means
4 the national defense implicit price deflator for the gross
5 national product as determined by the Bureau of Economic
6 Analysis of the United States Department of Commerce.

7 5. The exclusions provided in subparagraph (b)5. apply
8 to this exemption. This exemption applies only to machinery
9 or equipment purchased pursuant to production contracts with
10 the United States Department of Defense and Armed Forces, the
11 National Aeronautics and Space Administration, and other
12 federal agencies for which the contracts are classified for
13 national security reasons. In no event shall the provisions
14 of this paragraph apply to any expanding business the increase
15 in productive output of which could be measured under the
16 provisions of sub-subparagraph (b)6.b. as physically
17 comparable between the two periods.

18 (f) Motion picture or video equipment used in motion
19 picture or television production activities and sound
20 recording equipment used in the production of master tapes and
21 master records.--

22 1. Motion picture or video equipment and sound
23 recording equipment purchased or leased for use in this state
24 in production activities is exempt from the tax imposed by
25 this chapter. The exemption provided by this paragraph shall
26 inure to the taxpayer upon presentation of the certificate of
27 exemption issued to the taxpayer under the provisions of s.
28 288.1258.

29 2. For the purpose of the exemption provided in
30 subparagraph 1.:

31

1 a. "Motion picture or video equipment" and "sound
2 recording equipment" includes only tangible personal property,
3 or other property, that has a depreciable life of 3 years or
4 more and ~~equipment meeting the definition of "section 38~~
5 property" as defined in s. 48(a)(1)(A) and (B)(i) of the
6 Internal Revenue Code that is used by the lessee or purchaser
7 exclusively as an integral part of production activities;
8 however, motion picture or video equipment and sound recording
9 equipment does not include supplies, tape, records, film, or
10 video tape used in productions or other similar items;
11 vehicles or vessels; or general office equipment not
12 specifically suited to production activities. In addition,
13 the term does not include equipment purchased or leased by
14 television or radio broadcasting or cable companies licensed
15 by the Federal Communications Commission. Furthermore, a
16 building and its structural components are not motion picture
17 or video equipment and sound recording equipment unless the
18 building or structural component is so closely related to the
19 motion picture or video equipment and sound recording
20 equipment that it houses or supports that the building or
21 structural component can be expected to be replaced when the
22 motion picture or video equipment and sound recording
23 equipment itself is replaced. Heating and air conditioning
24 systems are not motion picture or video equipment and sound
25 recording equipment, unless the sole justification for their
26 installation is to meet the requirements of the production
27 activities, even though the system may provide incidental
28 comfort to employees or serves, to an insubstantial degree,
29 nonproduction activities.

30 b. "Production activities" means activities directed
31 toward the preparation of a:

1 (I) Master tape or master record embodying sound; or
2 (II) Motion picture or television production which is
3 produced for theatrical, commercial, advertising, or
4 educational purposes and utilizes live or animated actions or
5 a combination of live and animated actions. The motion picture
6 or television production shall be commercially produced for
7 sale or for showing on screens or broadcasting on television
8 and may be on film or video tape.

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

11 (a) The tax collected on the sale of a new or used
12 motor vehicle in this state to a resident of another state
13 shall be an amount equal to the sales tax which would be
14 imposed on such sale under the laws of the state of which the
15 purchaser is a resident, except that such tax shall not exceed
16 the tax that would otherwise be imposed under this chapter.
17 At the time of the sale, the purchaser shall execute a
18 notarized statement of his or her intent to license the
19 vehicle in the state of which the purchaser is a resident
20 within 45 days of the sale and of the fact of the payment to
21 the State of Florida of a sales tax in an amount equivalent to
22 the sales tax of his or her state of residence and shall
23 submit the statement to the appropriate sales tax collection
24 agency in his or her state of residence. Nothing in this
25 subsection shall be construed to require the removal of the
26 vehicle from this state following the filing of an intent to
27 license the vehicle in the purchaser's home state if the
28 purchaser licenses the vehicle in his or her home state within
29 45 days after the date of sale. Nothing in this paragraph
30 shall require the payment of tax to this state for assessments
31 made prior to July 1, 2001, if the tax imposed by this section

1 has been paid to the state in which the vehicle was licensed
2 and the department has assessed a like amount of tax on the
3 same transaction. This applies retroactively to assessments
4 which have been protested prior to August 1, 1999, and have
5 not been paid on July 1, 2001.

6 (b) Notwithstanding the partial exemption allowed
7 under paragraph (a), a vehicle is subject to this state's
8 sales tax at the applicable state sales tax rate plus
9 authorized surtaxes when the vehicle is purchased by a
10 nonresident corporation or partnership and:

11 1. An officer of the corporation is a resident of this
12 state;

13 2. A stockholder of the corporation who owns at least
14 10 percent of the corporation is a resident of this state; or

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

17
18 However, if the vehicle is removed from this state within 45
19 days after purchase and remains outside the state for a
20 minimum of 180 days, the vehicle may qualify for the partial
21 exemption allowed under paragraph (a) despite the residency of
22 owners or stockholders of the purchasing entity.

23 Section 13. (1) It is the intent of the Legislature
24 to provide guidance in tax matters that is current and useful.
25 Accordingly, the continued reference to a federal regulation
26 that no longer exists causes confusion and an undue burden on
27 persons affected by s. 212.08, Florida Statutes.

28 (2) It is the purpose of the amendment to s.
29 212.08(5)(b), (d), and (f), Florida Statutes, by this act to
30 replace specific references therein to "section 38 property"
31 as defined in s. 48(a)(1)(A) and (B)(i) of the Internal

1 Revenue Code with a general description of such property, and
2 such new description shall have the same meaning as the former
3 federal Internal Revenue Code regulation without limitation.

4 Section 14. Subsection (6) of section 212.084, Florida
5 Statutes, is repealed.

6 Section 15. Effective upon this act becoming a law,
7 and applying retroactively to June 1, 2001, if this act does
8 not become a law by that date, section 4 of chapter 96-395,
9 Laws of Florida, is repealed.

10 Section 16. 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 17. Paragraph (n) of subsection (7) of section
2 213.053, Florida Statutes, is amended to read:

3 213.053 Confidentiality and information sharing.--

4 (7) Notwithstanding any other provision of this
5 section, the department may provide:

6 (n) Information contained in returns, reports,
7 accounts, or declarations to the Board of Accountancy in
8 connection with a disciplinary proceeding conducted pursuant
9 to chapter 473 when related to a certified public accountant
10 participating in the certified audits project, or to the court
11 in connection with a civil proceeding brought by the
12 department relating to a claim for recovery of taxes due to
13 negligence on the part of a certified public accountant
14 participating in the certified audits project. In any
15 judicial proceeding brought by the department, upon motion for
16 protective order, the court shall limit disclosure of tax
17 information when necessary to effectuate the purposes of this
18 section. This paragraph is repealed on July 1, 2006 ~~2002~~.

19
20 Disclosure of information under this subsection shall be
21 pursuant to a written agreement between the executive director
22 and the agency. Such agencies, governmental or
23 nongovernmental, shall be bound by the same requirements of
24 confidentiality as the Department of Revenue. Breach of
25 confidentiality is a misdemeanor of the first degree,
26 punishable as provided by s. 775.082 or s. 775.083.

27 Section 18. Subsection (8) of section 213.21, Florida
28 Statutes, is amended to read:

29 213.21 Informal conferences; compromises.--

30 (8) In order to determine whether certified audits are
31 an effective tool in the overall state tax collection effort,

1 the executive director of the department or the executive
2 director's designee shall settle or compromise penalty
3 liabilities of taxpayers who participate in the certified
4 audits project. As further incentive for participating in the
5 program, the department shall abate the first \$25,000 of any
6 interest liability and 25 percent of any interest due in
7 excess of the first \$25,000. A settlement or compromise of
8 penalties or interest pursuant to this subsection shall not be
9 subject to the provisions of paragraph (3)(a), except for the
10 requirement relating to confidentiality of records. The
11 department may consider an additional compromise of tax or
12 interest pursuant to the provisions of paragraph (3)(a). This
13 subsection does not apply to any liability related to taxes
14 collected but not remitted to the department. This subsection
15 is repealed on July 1, 2006 ~~2002~~.

16 Section 19. (1) Subsection (3) is added to section
17 213.30, Florida Statutes, to read:

18 213.30 Compensation for information relating to a
19 violation of the tax laws.--

20 (1) The executive director of the department, pursuant
21 to rules adopted by the department, is authorized to
22 compensate persons providing information to the department
23 leading to:

24 (a) The punishment of, or collection of taxes,
25 penalties, or interest from, any person with respect to the
26 taxes enumerated in s. 213.05. The amount of any payment made
27 under this paragraph may not exceed 10 percent of any tax,
28 penalties, or interest collected as a result of such
29 information.

30 (b) The identification and registration of a taxpayer
31 who is not in compliance with the registration requirements of

1 any tax statute that is listed in s. 213.05. The amount of
2 the payment made to any person who provides information to the
3 department which results in the registration of a noncompliant
4 taxpayer shall be \$100. The reward authorized in this
5 paragraph shall be paid only if the noncompliant taxpayer:

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

10 (2) Any employee of the department or of any other
11 state or federal agency who comes into possession of
12 information relating to a violation of a revenue law while an
13 employee of such agency may provide information to the
14 department of the type described in subsection (1), but the
15 employee may not be compensated under this section. Any
16 former employee of the department or any other state or
17 federal agency who came into possession of information
18 relating to a violation of a revenue law while an employee of
19 such agency may provide information to the department of the
20 type described in subsection (1), but the former employee may
21 not receive compensation under this section.

22 (3) Notwithstanding the provisions of any other law,
23 this section is the sole means by which any person may obtain
24 any compensation as the result of, or in relation to, the
25 failure by another person to comply with the tax laws of this
26 state. The use of any other law to obtain compensation for
27 such failure is in derogation of this statute and conflicts
28 with the state's duty to administer the tax laws.

29 (2) The amendment to s. 213.30, Florida Statutes, by
30 this section does not apply to any case in litigation or under
31 seal on the effective date of this section.

1 Section 20. Subsection (9) of section 213.27, Florida
2 Statutes, is repealed.
3 Section 21. Section 213.256, Florida Statutes, is
4 created to read:
5 213.256 Simplified Sales and Use Tax Administration
6 Act.--
7 (1) As used in this section:
8 (a) "Department" means the Department of Revenue.
9 (b) "Agreement" means the Streamlined Sales and Use
10 Tax Agreement as amended and adopted on January 27, 2001, by
11 the Executive Committee of the National Conference of State
12 Legislatures.
13 (c) "Certified automated system" means software
14 certified jointly by the states that are signatories to the
15 agreement to calculate the tax imposed by each jurisdiction on
16 a transaction, determine the amount of tax to remit to the
17 appropriate state, and maintain a record of the transaction.
18 (d) "Certified service provider" means an agent
19 certified jointly by the states that are signatories to the
20 agreement to perform all of the seller's sales tax functions.
21 (e) "Person" means an individual, trust, estate,
22 fiduciary, partnership, limited liability company, limited
23 liability partnership, corporation, or any other legal entity.
24 (f) "Sales tax" means the tax levied under chapter
25 212.
26 (g) "Seller" means any person making sales, leases, or
27 rentals of personal property or services.
28 (h) "State" means any state of the United States and
29 the District of Columbia.
30 (i) "Use tax" means the tax levied under chapter 212.
31

1 (2)(a) The executive director of the department shall
2 enter into the Streamlined Sales and Use Tax Agreement with
3 one or more states to simplify and modernize sales and use tax
4 administration in order to substantially reduce the burden of
5 tax compliance for all sellers and for all types of commerce.
6 In furtherance of the agreement, the executive director of the
7 department or his or her designee shall act jointly with other
8 states that are members of the agreement to establish
9 standards for certification of a certified service provider
10 and certified automated system and establish performance
11 standards for multistate sellers.

12 (b) The executive director of the department or his or
13 her designee shall take other actions reasonably required to
14 administer this section. Other actions authorized by this
15 section include, but are not limited to, the adoption of rules
16 and the joint procurement, with other member states, of goods
17 and services in furtherance of the cooperative agreement.

18 (c) The executive director of the department or his or
19 her designee may represent this state before the other states
20 that are signatories to the agreement.

21 (3) The executive director of the department shall not
22 enter into the Streamlined Sales and Use Tax Agreement unless
23 the agreement requires each state to abide by the following
24 requirements:

25 (a) The agreement must set restrictions to limit, over
26 time, the number of state tax rates.

27 (b) The agreement must establish uniform standards
28 for:

29 1. The sourcing of transactions to taxing
30 jurisdictions.

31 2. The administration of exempt sales.

- 1 3. Sales and use tax returns and remittances.
2 (c) The agreement must provide a central electronic
3 registration system that allows a seller to register to
4 collect and remit sales and use taxes for all signatory
5 states.
6 (d) The agreement must provide that registration with
7 the central registration system and the collection of sales
8 and use taxes in the signatory state will not be used as a
9 factor in determining whether the seller has nexus with a
10 state for any tax.
11 (e) The agreement must provide for reduction of the
12 burdens of complying with local sales and use taxes through:
13 1. Restricting variances between the state and local
14 tax bases.
15 2. Requiring states to administer any sales and use
16 taxes levied by local jurisdictions within the state so that
17 sellers who collect and remit these taxes will not have to
18 register or file returns with, remit funds to, or be subject
19 to independent audits from local taxing jurisdictions.
20 3. Restricting the frequency of changes in the local
21 sales and use tax rates and setting effective dates for the
22 application of local jurisdictional boundary changes to local
23 sales and use taxes.
24 4. Providing notice of changes in local sales and use
25 tax rates and of local changes in the boundaries of local
26 taxing jurisdictions.
27 (f) The agreement must outline any monetary allowances
28 that are to be provided by the states to sellers or certified
29 service providers. The agreement must allow for a joint study
30 by the public and private sectors, which must be completed by
31 July 1, 2002, of the compliance cost to sellers and certified

1 service providers of collecting sales and use taxes for state
2 and local governments under various levels of complexity.

3 (g) The agreement must require each state to certify
4 compliance with the terms of the agreement before joining and
5 to maintain compliance, under the laws of the member state,
6 with all provisions of the agreement while a member.

7 (h) The agreement must require each state to adopt a
8 uniform policy for certified service providers which protects
9 the privacy of consumers and maintains the confidentiality of
10 tax information.

11 (i) The agreement must provide for the appointment of
12 an advisory council of private sector representatives and an
13 advisory council of nonmember state representatives to consult
14 within the administration of the agreement.

15 (4) For the purposes of reviewing or amending the
16 agreement to embody the simplification requirements as set
17 forth in subsection (3), this state shall enter into
18 multistate discussions. For purposes of such discussions, this
19 state shall be represented by three delegates, one appointed
20 by the President of the Senate, one appointed by the Speaker
21 of the House of Representatives, and the executive director of
22 the department or his or her designee.

23 (5) No provision of the agreement authorized by this
24 section in whole or in part invalidates or amends any
25 provision of the laws of this state. Adoption of the agreement
26 by this state does not amend or modify any law of the state.
27 Implementation of any condition of the agreement in this
28 state, whether adopted before, at, or after membership of this
29 state in the agreement, must be by the action of the state.

30 (6) The agreement authorized by this section is an
31 accord among individual cooperating sovereigns in furtherance

1 of their governmental functions. The agreement provides a
2 mechanism among the member states to establish and maintain a
3 cooperative, simplified system for the application and
4 administration of sales and use taxes under the duly adopted
5 law of each member state.

6 (7)(a) The agreement authorized by this act binds and
7 inures only to the benefit of this state and the other member
8 states. No person, other than a member state, is an intended
9 beneficiary of the agreement. Any benefit to a person other
10 than a state is established by the laws of this state and of
11 other member states and not by the terms of the agreement.

12 (b) Consistent with paragraph (a), no person has any
13 cause of action or defense under the agreement or by virtue of
14 this state's approval of the agreement. No person may
15 challenge, in any action brought under any provision of law,
16 any action or inaction by any department, agency, or other
17 instrumentality of this state, or of any political subdivision
18 of this state, on the ground that the action or inaction is
19 inconsistent with the agreement.

20 (c) No law of this state, or the application thereof,
21 may be declared invalid as to any person or circumstance on
22 the ground that the provision or application is inconsistent
23 with the agreement.

24 (8)(a) A certified service provider is the agent of a
25 seller with whom the certified service provider has contracted
26 for the collection and remittance of sales and use taxes. As
27 the seller's agent, the certified service provider is liable
28 for sales and use tax due each member state on all sales
29 transactions it processes for the seller except as set out in
30 this subsection.

31

1 (b) A seller that contracts with a certified service
2 provider is not liable to the state for sales or use tax due
3 on transactions processed by the certified service provider
4 unless the seller has misrepresented the type of items it
5 sells or has committed fraud. In the absence of probable cause
6 to believe that the seller has committed fraud or made a
7 material misrepresentation, the seller is not subject to audit
8 on the transactions processed by the certified service
9 provider. A seller is subject to audit for transactions that
10 have not been processed by the certified service provider. The
11 member states acting jointly may perform a system check of the
12 seller and review the seller's procedures to determine if the
13 certified service provider's system is functioning properly
14 and to determine the extent to which the seller's transactions
15 are being processed by the certified service provider.

16 (c) A person that provides a certified automated
17 system is responsible for the proper functioning of that
18 system and is liable to the state for underpayments of tax
19 attributable to errors in the functioning of the certified
20 automated system. A seller that uses a certified automated
21 system remains responsible and is liable to the state for
22 reporting and remitting tax.

23 (d) A seller that has a proprietary system for
24 determining the amount of tax due on transactions and has
25 signed an agreement establishing a performance standard for
26 that system is liable for the failure of the system to meet
27 the performance standard.

28 (9) Disclosure of information necessary under this
29 section must be pursuant to a written agreement between the
30 executive director of the department or his or her designee
31 and the certified service provider. The certified service

1 provider is bound by the same requirements of confidentiality
2 as the department. Breach of confidentiality is a misdemeanor
3 of the first degree, punishable as provided in s. 775.082 or
4 s. 775.083.

5 (10) On or before January 1 annually, the department
6 shall provide recommendations to the President of the Senate,
7 the Senate Minority Leader, the Speaker of the House of
8 Representatives, and the Minority Leader of the House of
9 Representatives for provisions to be adopted for inclusion
10 within the system which are necessary to bring it into
11 compliance with the Streamlined Sales and Use Tax Agreement.

12 Section 22. Notwithstanding section 10 of chapter
13 90-110, Laws of Florida, subsection (3) of s. 215.20, Florida
14 Statutes, shall not expire on October 1, 2001, as scheduled by
15 that section, but subsection (3) of s. 215.20, Florida
16 Statutes, is revived and readopted.

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

19 220.22 Returns; filing requirement.--

20 (4) The department shall designate by rule certain
21 not-for-profit entities and others that are not required to
22 file a return, including an initial information return, under
23 this code unless the entities have taxable income as defined
24 in s. 220.13(2). These entities shall include subchapter S
25 corporations, tax-exempt entities, and others that do not
26 usually owe federal income tax.~~For the year in which an~~
27 ~~election is made pursuant to s. 1361(b)(3) of the Internal~~
28 ~~Revenue Code, the qualified subchapter S subsidiary shall file~~
29 ~~an informational return with the department, which return~~
30 ~~shall be restricted to information identifying the subsidiary,~~
31

1 ~~the electing S corporation parent, and the effective date of~~
2 ~~the election.~~

3 Section 24. Paragraph (e) of subsection (3) of section
4 443.131, Florida Statutes, is amended to read:

5 443.131 Contributions.--

6 (3) CONTRIBUTION RATES BASED ON BENEFIT EXPERIENCE.--

7 (e)1. Variations from the standard rate of
8 contributions shall be assigned with respect to each calendar
9 year to employers eligible therefor. In determining the
10 contribution rate, varying from the standard rate to be
11 assigned each employer, adjustment factors provided for in
12 sub-subparagraphs a.-c. will be added to the benefit ratio.
13 This addition will be accomplished in two steps by adding a
14 variable adjustment factor and a final adjustment factor as
15 defined below. The sum of these adjustment factors provided
16 for in sub-subparagraphs a.-c. will first be algebraically
17 summed. The sum of these adjustment factors will then be
18 divided by a gross benefit ratio to be determined as follows:
19 Total benefit payments for the previous 3 years, as defined in
20 subparagraph (b)1., charged to employers eligible to be
21 assigned a contribution rate different from the standard rate
22 minus excess payments for the same period divided by taxable
23 payroll entering into the computation of individual benefit
24 ratios for the calendar year for which the contribution rate
25 is being computed. The ratio of the sum of the adjustment
26 factors provided for in sub-subparagraphs a.-c. to the gross
27 benefit ratio will be multiplied by each individual benefit
28 ratio below the maximum tax rate to obtain variable adjustment
29 factors; except that in any instance in which the sum of an
30 employer's individual benefit ratio and variable adjustment
31 factor exceeds the maximum tax rate, the variable adjustment

1 factor will be reduced so that the sum equals the maximum tax
2 rate. The variable adjustment factor of each such employer
3 will be multiplied by his or her taxable payroll entering into
4 the computation of his or her benefit ratio. The sum of these
5 products will be divided by the taxable payroll of such
6 employers that entered into the computation of their benefit
7 ratios. The resulting ratio will be subtracted from the sum of
8 the adjustment factors provided for in sub-subparagraphs a.-c.
9 to obtain the final adjustment factor. The variable adjustment
10 factors and the final adjustment factor will be computed to
11 five decimal places and rounded to the fourth decimal place.
12 This final adjustment factor will be added to the variable
13 adjustment factor and benefit ratio of each employer to obtain
14 each employer's contribution rate; however, at no time shall
15 an employer's contribution rate be rounded to less than 0.1
16 percent.

17 a. An adjustment factor for noncharge benefits will be
18 computed to the fifth decimal place, and rounded to the fourth
19 decimal place, by dividing the amount of benefit payments
20 noncharged in the 3 preceding years as defined in subparagraph
21 (b)1. by the taxable payroll of employers eligible to be
22 considered for assignment of a contribution rate different
23 from the standard rate that have a benefit ratio for the
24 current year less than the maximum contribution rate. The
25 taxable payroll of such employers will be the taxable payrolls
26 for the 3 years ending June 30 of the current calendar year
27 that had been reported to the division by September 30 of the
28 same calendar year. Noncharge benefits for the purpose of this
29 section shall be defined as benefit payments to an individual
30 which were paid from the Unemployment Compensation Trust Fund
31

1 but which were not charged to the unemployment record of any
2 employer.

3 b. An excess payments adjustment factor will be
4 computed to the fifth decimal place, and rounded to the fourth
5 decimal place, by dividing the total excess payments during
6 the 3 preceding years as defined in subparagraph (b)1. by the
7 taxable payroll of employers eligible to be considered for
8 assignment of a contribution rate different from the standard
9 rate that have a benefit ratio for the current year less than
10 the maximum contribution rate. The taxable payroll of such
11 employers will be the same as used in computing the noncharge
12 adjustment factor as described in sub-subparagraph a. The term
13 "excess payments" for the purpose of this section is defined
14 as the amount of benefit payments charged to the employment
15 record of an employer during the 3 preceding years, as defined
16 in subparagraph (b)1., less the product of the maximum
17 contribution rate and his or her taxable payroll for the 3
18 years ending June 30 of the current calendar year that had
19 been reported to the division by September 30 of the same
20 calendar year. The term "total excess payments" is defined as
21 the sum of the individual employer excess payments for those
22 employers that were eligible to be considered for assignment
23 of a contribution rate different from the standard rate.

24 c. If the balance in the Unemployment Compensation
25 Trust Fund as of June 30 of the calendar year immediately
26 preceding the calendar year for which the contribution rate is
27 being computed is less than 3.7 ~~4~~ percent of the taxable
28 payrolls for the year ending June 30 as reported to the
29 division by September 30 of that calendar year, a positive
30 adjustment factor will be computed. Such adjustment factor
31 shall be computed annually to the fifth decimal place, and

1 rounded to the fourth decimal place, by dividing the sum of
2 the total taxable payrolls for the year ending June 30 of the
3 current calendar year as reported to the division by September
4 30 of such calendar year into a sum equal to one-fourth of the
5 difference between the amount in the fund as of June 30 of
6 such calendar year and the sum of 4.7 5 percent of the total
7 taxable payrolls for that year. Such adjustment factor will
8 remain in effect in subsequent years until a balance in the
9 Unemployment Compensation Trust Fund as of June 30 of the year
10 immediately preceding the effective date of such contribution
11 rate equals or exceeds 3.7 4 percent of the taxable payrolls
12 for the year ending June 30 of the current calendar year as
13 reported to the division by September 30 of that calendar
14 year. If the balance in the Unemployment Compensation Trust
15 Fund as of June 30 of the year immediately preceding the
16 calendar year for which the contribution rate is being
17 computed exceeds 4.7 5 percent of the taxable payrolls for the
18 year ending June 30 of the current calendar year as reported
19 to the division by September 30 of that calendar year, a
20 negative adjustment factor will be computed. Such adjustment
21 factor shall be computed annually to the fifth decimal place,
22 and rounded to the fourth decimal place, by dividing the sum
23 of the total taxable payrolls for the year ending June 30 of
24 the current calendar year as reported to the division by
25 September 30 of such calendar year into a sum equal to
26 one-fourth of the difference between the amount in the fund as
27 of June 30 of the current calendar year and 4.7 5 percent of
28 the total taxable payrolls of such year. Such adjustment
29 factor will remain in effect in subsequent years until the
30 balance in the Unemployment Compensation Trust Fund as of June
31 30 of the year immediately preceding the effective date of

1 such contribution rate is less than 4.7 5 percent but more
2 than 3.7 4 percent of the taxable payrolls for the year ending
3 June 30 of the current calendar year as reported to the
4 division by September 30 of that calendar year.

5 d. The maximum contribution rate that can be assigned
6 to any employer shall be 5.4 percent, except those employers
7 participating in an approved short-time compensation plan in
8 which case the maximum shall be 1 percent above the current
9 maximum contribution rate, with respect to any calendar year
10 in which short-time compensation benefits are in the
11 employer's employment record.

12 2. In the event of the transfer of employment records
13 to an employing unit pursuant to paragraph (g) which, prior to
14 such transfer, was an employer, the division shall recompute a
15 benefit ratio for the successor employer on the basis of the
16 combined employment records and reassign an appropriate
17 contribution rate to such successor employer as of the
18 beginning of the calendar quarter immediately following the
19 effective date of such transfer of employment records.

20 Section 25. (1) Section 443.1315, Florida Statutes,
21 is created to read:

22 443.1315 Treatment of Indian tribes.--

23 (1) As used in this section:

24 (a) "Employer" includes any Indian tribe for which
25 service in employment as defined by this chapter is performed.

26 (b) "Employment" includes service performed in the
27 employ of an Indian tribe, as defined by s. 3306(u) of the
28 Federal Unemployment Tax Act, provided such service is
29 excluded from "employment," as defined by said act, solely by
30 reason of s. 3306(c)(7) of said act and is not otherwise
31 excluded from "employment" under this chapter. For purposes of

1 this section, the exclusions from employment under s.
2 443.036(21)(d) shall be applicable to services performed in
3 the employ of an Indian tribe.

4 (2) Benefits based on service in employment, as
5 defined by this section, shall be payable in the same amount,
6 on the same terms, and subject to the same conditions as
7 benefits payable on the basis of other service subject to this
8 chapter.

9 (3)(a) Indian tribes or tribal units, including
10 subdivisions, subsidiaries, or business enterprises wholly
11 owned by such Indian tribes, subject to this chapter shall pay
12 contributions under the same terms and conditions as all other
13 subject employers, unless they elect to pay into the
14 Unemployment Compensation Trust Fund amounts equal to the
15 amount of benefits attributable to service in the employ of
16 the Indian tribe.

17 (b) Indian tribes electing to make payments in lieu of
18 contributions must make such election in the same manner and
19 under the same conditions as provided by s. 443.131 for state
20 and local governments and nonprofit organizations subject to
21 this chapter. Indian tribes shall determine if reimbursement
22 for benefits paid will be elected by the tribe as a whole, by
23 individual tribal units, or by combinations of individual
24 tribal units.

25 (c) Indian tribes or tribal units shall be billed for
26 the full amount of benefits attributable to service in the
27 employ of the Indian tribe or tribal unit on the same schedule
28 as other employing units that have elected to make payments in
29 lieu of contributions.

30 (d) At the discretion of the director of the Agency
31 for Workforce Innovation or his or her designee, any Indian

1 tribe or tribal unit that elects to become liable for payments
2 in lieu of contributions shall be required, within 90 days
3 after the effective date of its election, to:

4 1. Execute and file with the director or his or her
5 designee a surety bond approved by the director or his or her
6 designee; or

7 2. Deposit with the director or his or her designee
8 money or securities on the same basis as other employers with
9 the same election option.

10 (4)(a)1. Failure of the Indian tribe or tribal unit to
11 make required payments, including assessments of interest and
12 penalty, within 90 days after receipt of the bill, will cause
13 the Indian tribe to lose the option to make payments in lieu
14 of contributions, as described in subsection (3), for the
15 following tax year, unless payment in full is received before
16 contribution rates for the next tax year are computed.

17 2. Any Indian tribe that loses the option to make
18 payments in lieu of contributions due to late payment or
19 nonpayment, as described in subparagraph 1., shall have such
20 option reinstated if, after a period of 1 year, all
21 contributions have been made timely, provided no
22 contributions, payments in lieu of contributions for benefits
23 paid, penalties, or interest remain outstanding.

24 (b)1. Failure of the Indian tribe or any tribal unit
25 thereof to make required payments, including assessments of
26 interest and penalty, after all collection activities deemed
27 necessary by the director of the Agency for Workforce
28 Innovation or his or her designee have been exhausted, will
29 cause services performed for such tribe to not be treated as
30 "employment" for purposes of paragraph (1)(b).

31

1 2. The director or his or her designee may determine
2 that any Indian tribe that loses coverage under subparagraph
3 1. may have services performed for such tribe again included
4 as "employment" for purposes of paragraph (1)(b) if all
5 contributions, payments in lieu of contributions, penalties,
6 and interest have been paid.

7 (c) If an Indian tribe fails to make payments required
8 under this section, including assessments of interest and
9 penalty, within 90 days after a final notice of delinquency,
10 the director of the Agency for Workforce Innovation shall
11 immediately notify the United States Internal Revenue Service
12 and the United States Department of Labor.

13 (5) Notices of payment and reporting delinquency to
14 Indian tribes or their tribal units shall include information
15 that failure to make full payment within the prescribed
16 timeframe:

17 (a) Will cause the Indian tribe to be liable for taxes
18 under the Federal Unemployment Tax Act.

19 (b) Will cause the Indian tribe to lose the option to
20 make payments in lieu of contributions.

21 (c) Could cause the Indian tribe to be excepted from
22 the definition of "employer," as provided in paragraph (1)(a),
23 and services in the employ of the Indian tribe, as provided in
24 paragraph (1)(b), to be excepted from "employment."

25 (6) Extended benefits paid that are attributable to
26 service in the employ of an Indian tribe and not reimbursed by
27 the Federal Government shall be financed in their entirety by
28 such Indian tribe.

29 (7) The Agency for Workforce Innovation is authorized
30 to adopt any rules it deems necessary to implement this
31 section.

1 (2) This section shall take effect upon this act
2 becoming a law and shall apply retroactively to December 21,
3 2000.

4 Section 26. Effective July 1, 2001, subsection (10) of
5 section 624.509, Florida Statutes, is repealed.

6 Section 27. Except as otherwise provided herein, this
7 act shall take effect upon becoming a law.

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

HOUSE SUMMARY

Revises provisions relating to tax administration in the following areas:

1. Provides for application of various administrative provisions when the Department of Revenue is performing unemployment compensation tax collection services pursuant to a contract with the Agency for Workforce Innovation.

2. Provides that the documentary stamp tax does not apply to a contract to sell the residence of an employee who is relocating at his or her employer's direction under specified circumstances.

3. Provides exemptions from the documentary stamp tax and the tax on the lease or rental of or license in real property for certain regional transmission organizations.

4. Provides conditions for receipt of sales tax exemptions under ch. 212 and s. 212.08(7), F.S. Reinstates the sales tax exemption for parent-teacher organizations and removes the repeal of the exemptions for certain citizen support organizations and the Florida Folk Festival. Provides for determination of a mileage apportionment factor for the first year of operation in this state of vessels, railroads, and vehicles engaged in interstate commerce. Revises application of the sales tax exemption for bottled drinking water. Replaces references to "section 38 property" with specific definitions. Provides that the partial sales tax exemption for a vehicle sold to a resident of another state does not require payment of tax to this state for prior assessments under certain conditions. Provides conditions under which a vehicle purchased by a nonresident corporation or partnership is not eligible for the partial sales tax exemption. Corrects language and deletes obsolete provisions.

5. Delays until 2006 the repeal of the certified audits project.

6. Specifies that s. 213.30, F.S., is the only means of obtaining compensation for information regarding a violation of tax laws.

7. Authorizes the state's participation in the Streamlined Sales and Use Tax Agreement.

8. Provides that s. 215.20(3), F.S., which provides for deduction of a service charge from certain trust funds, shall not be repealed October 1, 2001.

9. Directs the department to designate by rule entities that are not required to file a corporate tax return or initial information return.

10. Reduces the Unemployment Compensation Trust Fund balance thresholds used in computing contribution rate adjustment factors. Provides for treatment of Indian tribes under the Unemployment Compensation Law.

11. Repeals an exemption from the insurance premium tax for insurers who write monoline flood insurance policies.