

1
2 An act relating to taxation; amending s.
3 199.185, F.S.; increasing exemptions for
4 taxpayers who are natural persons; creating
5 exemptions for taxpayers who are not natural
6 persons; repealing s. 213.27(9), F.S., which
7 authorizes the Department of Revenue to
8 contract with certain vendors to develop and
9 implement a voluntary system for sales and use
10 tax collection and administration; creating s.
11 213.256, F.S., the Simplified Sales and Use Tax
12 Administration Act; defining terms; authorizing
13 the department's participation in the
14 Streamlined Sales and Use Tax Agreement;
15 providing that each state that is a party to
16 the agreement must abide by certain
17 requirements in order for the department to
18 enter into the agreement; ensuring that when
19 this state complies with the agreement, the
20 agreement cannot be used to challenge existing
21 state laws and statutes; providing for the
22 collection and remittance of the sales and use
23 tax under the agreement; providing for
24 maintenance of confidentiality of certain
25 information; providing a penalty; requiring the
26 department to make annual recommendations to
27 the Legislature concerning provisions that need
28 to be adopted in order to bring this state's
29 system into compliance with the Streamlined
30 Sales and Use Tax Agreement; abrogating the
31 expiration of s. 215.20(3), F.S.; relating to

1 service charges against certain trust funds;
2 creating s. 220.187, F.S.; providing purpose;
3 defining terms; providing a credit against the
4 tax for contributions to a nonprofit
5 scholarship-funding organization; providing
6 limitations; providing for use of such
7 contributions by such organizations for
8 scholarships for certain students and providing
9 requirements and limitations with respect
10 thereto; providing for payment; providing
11 requirements for deposit of eligible
12 contributions; providing duties of the
13 Department of Revenue and Department of
14 Education; establishing criteria for nonpublic
15 school eligibility; providing for duties of the
16 Department of Revenue and the Department of
17 Education; providing for rules; amending s.
18 220.02, F.S.; providing order of credits
19 against the tax; amending s. 220.13, F.S.;
20 providing for the inclusion of amounts taken as
21 credit under s. 220.187, F.S., in determining a
22 taxpayer's adjusted federal income; amending s.
23 213.053, F.S.; authorizing information-sharing
24 with the Department of Education; amending s.
25 212.08, F.S.; revising the application of the
26 sales tax exemption for the sale of drinking
27 water in bottles or other containers; providing
28 effective dates.

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30 Be It Enacted by the Legislature of the State of Florida:
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1 Section 1. Effective January 1, 2002, subsection (2)
2 of section 199.185, Florida Statutes, is amended to read:

3 199.185 Property exempted from annual and nonrecurring
4 taxes.--

5 (2) Every natural person is entitled each year to an
6 exemption of the first ~~\$250,000~~~~\$20,000~~ of the value of
7 property otherwise subject to the annual tax. A husband and
8 wife filing jointly shall have an exemption of \$500,000
9 ~~\$40,000~~. Every taxpayer that is not a natural person is
10 entitled each year to an exemption of the first \$250,000 of
11 the value of property otherwise subject to the tax. Agents
12 and fiduciaries, other than guardians and custodians under a
13 gifts-to-minors act, filing as such may not claim this
14 exemption on behalf of their principals or beneficiaries;
15 however, if the principal or beneficiary returns the property
16 held by the agent or fiduciary and is a natural person, the
17 principal or beneficiary may claim the exemption. No taxpayer
18 shall be entitled to more than one exemption under this
19 subsection. This exemption shall not apply to that intangible
20 personal property described in s. 199.023(1)(d).

21 Section 2. Subsection (9) of section 213.27, Florida
22 Statutes, is repealed.

23 Section 3. Section 213.256, Florida Statutes, is
24 created to read:

25 213.256 Simplified Sales and Use Tax Administration
26 Act.--

27 (1) As used in this section, the term:

28 (a) "Department" means the Department of Revenue.

29 (b) "Agreement" means the Streamlined Sales and Use
30 Tax Agreement as amended and adopted on January 27, 2001, by
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1 the Executive Committee of the National Conference of State
2 Legislatures.

3 (c) "Certified automated system" means software
4 certified jointly by the states that are signatories to the
5 agreement to calculate the tax imposed by each jurisdiction on
6 a transaction, determine the amount of tax to remit to the
7 appropriate state, and maintain a record of the transaction.

8 (d) "Certified service provider" means an agent
9 certified jointly by the states that are signatories to the
10 agreement to perform all of the seller's sales tax functions.

11 (e) "Person" means an individual, trust, estate,
12 fiduciary, partnership, limited liability company, limited
13 liability partnership, corporation, or any other legal entity.

14 (f) "Sales tax" means the tax levied under chapter
15 212.

16 (g) "Seller" means any person making sales, leases, or
17 rentals of personal property or services.

18 (h) "State" means any state of the United States and
19 the District of Columbia.

20 (i) "Use tax" means the tax levied under chapter 212.

21 (2)(a) The executive director of the department shall
22 enter into the Streamlined Sales and Use Tax Agreement with
23 one or more states to simplify and modernize sales and use tax
24 administration in order to substantially reduce the burden of
25 tax compliance for all sellers and for all types of commerce.
26 In furtherance of the agreement, the executive director of the
27 department or his or her designee shall act jointly with other
28 states that are members of the agreement to establish
29 standards for certification of a certified service provider
30 and certified automated system and establish performance
31 standards for multistate sellers.

1 (b) The executive director of the department or his or
2 her designee shall take other actions reasonably required to
3 administer this section. Other actions authorized by this
4 section include, but are not limited to, the adoption of rules
5 and the joint procurement, with other member states, of goods
6 and services in furtherance of the cooperative agreement.

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

10 (3) The executive director of the department may not
11 enter into the Streamlined Sales and Use Tax Agreement unless
12 the agreement requires each state to abide by the following
13 requirements:

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

16 (b) The agreement must establish uniform standards
17 for:

18 1. The sourcing of transactions to taxing
19 jurisdictions.

20 2. The administration of exempt sales.

21 3. Sales and use tax returns and remittances.

22 (c) The agreement must provide a central electronic
23 registration system that allows a seller to register to
24 collect and remit sales and use taxes for all signatory
25 states.

26 (d) The agreement must provide that registration with
27 the central registration system and the collection of sales
28 and use taxes in the signatory state will not be used as a
29 factor in determining whether the seller has nexus with a
30 state for any tax.

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1 (e) The agreement must provide for reduction of the
2 burdens of complying with local sales and use taxes through:

3 1. Restricting variances between the state and local
4 tax bases.

5 2. Requiring states to administer any sales and use
6 taxes levied by local jurisdictions within the state so that
7 sellers who collect and remit these taxes will not have to
8 register or file returns with, remit funds to, or be subject
9 to independent audits from local taxing jurisdictions.

10 3. Restricting the frequency of changes in the local
11 sales and use tax rates and setting effective dates for the
12 application of local jurisdictional boundary changes to local
13 sales and use taxes.

14 4. Providing notice of changes in local sales and use
15 tax rates and of local changes in the boundaries of local
16 taxing jurisdictions.

17 (f) The agreement must outline any monetary allowances
18 that are to be provided by the states to sellers or certified
19 service providers. The agreement must allow for a joint study
20 by the public and private sectors, which must be completed by
21 July 1, 2002, of the compliance cost to sellers and certified
22 service providers of collecting sales and use taxes for state
23 and local governments under various levels of complexity.

24 (g) The agreement must require each state to certify
25 compliance with the terms of the agreement before joining and
26 to maintain compliance, under the laws of the member state,
27 with all provisions of the agreement while a member.

28 (h) The agreement must require each state to adopt a
29 uniform policy for certified service providers which protects
30 the privacy of consumers and maintains the confidentiality of
31 tax information.

1 (i) The agreement must provide for the appointment of
2 an advisory council of private-sector representatives and an
3 advisory council of nonmember state representatives to consult
4 within the administration of the agreement.

5 (4) For the purposes of reviewing or amending the
6 agreement to embody the simplification requirements as set
7 forth in subsection (3), this state shall enter into
8 multistate discussions. For purposes of such discussions, this
9 state shall be represented by three delegates, one appointed
10 by the President of the Senate, one appointed by the Speaker
11 of the House of Representatives, and the executive director of
12 the department or his or her designee.

13 (5) No provision of the agreement authorized by this
14 section in whole or in part invalidates or amends any
15 provision of the laws of this state. Adoption of the agreement
16 by this state does not amend or modify any law of the state.
17 Implementation of any condition of the agreement in this
18 state, whether adopted before, at, or after membership of this
19 state in the agreement, must be by the action of the state.

20 (6) The agreement authorized by this section is an
21 accord among individual cooperating sovereigns in furtherance
22 of their governmental functions. The agreement provides a
23 mechanism among the member states to establish and maintain a
24 cooperative, simplified system for the application and
25 administration of sales and use taxes under the duly adopted
26 law of each member state.

27 (7)(a) The agreement authorized by this act binds and
28 inures only to the benefit of this state and the other member
29 states. No person, other than a member state, is an intended
30 beneficiary of the agreement. Any benefit to a person other
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1 than a state is established by the laws of this state and of
2 other member states and not by the terms of the agreement.

3 (b) Consistent with paragraph (a), no person has any
4 cause of action or defense under the agreement or by virtue of
5 this state's approval of the agreement. No person may
6 challenge, in any action brought under any provision of law,
7 any action or inaction by any department, agency, or other
8 instrumentality of this state, or of any political subdivision
9 of this state, on the ground that the action or inaction is
10 inconsistent with the agreement.

11 (c) No law of this state, or the application thereof,
12 may be declared invalid as to any person or circumstance on
13 the ground that the provision or application is inconsistent
14 with the agreement.

15 (8)(a) A certified service provider is the agent of a
16 seller with whom the certified service provider has contracted
17 for the collection and remittance of sales and use taxes. As
18 the seller's agent, the certified service provider is liable
19 for sales and use tax due each member state on all sales
20 transactions it processes for the seller except as set out in
21 this subsection.

22 (b) A seller that contracts with a certified service
23 provider is not liable to the state for sales or use tax due
24 on transactions processed by the certified service provider
25 unless the seller has misrepresented the type of items it
26 sells or has committed fraud. In the absence of probable cause
27 to believe that the seller has committed fraud or made a
28 material misrepresentation, the seller is not subject to audit
29 on the transactions processed by the certified service
30 provider. A seller is subject to audit for transactions that
31 have not been processed by the certified service provider. The

1 member states acting jointly may perform a system check of the
2 seller and review the seller's procedures to determine if the
3 certified service provider's system is functioning properly
4 and to determine the extent to which the seller's transactions
5 are being processed by the certified service provider.

6 (c) A person that provides a certified automated
7 system is responsible for the proper functioning of that
8 system and is liable to the state for underpayments of tax
9 attributable to errors in the functioning of the certified
10 automated system. A seller that uses a certified automated
11 system remains responsible and is liable to the state for
12 reporting and remitting tax.

13 (d) A seller that has a proprietary system for
14 determining the amount of tax due on transactions and has
15 signed an agreement establishing a performance standards for
16 that system is liable for the failure of the system to meet
17 the performance standard.

18 (9) Disclosure of information necessary under this
19 section must be pursuant to a written agreement between the
20 executive director of the department or his or her designee
21 and the certified service provider. The certified service
22 provider is bound by the same requirements of confidentiality
23 as the department. Breach of confidentiality is a misdemeanor
24 of the first degree, punishable as provided in s. 775.082 or
25 s. 775.083.

26 (10) On or before January 1 annually, the department
27 shall provide recommendations to the President of the Senate,
28 the Senate Minority Leader, the Speaker of the House of
29 Representatives, and the Minority Leader of the House of
30 Representatives for provisions to be adopted for inclusion
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1 within the system which are necessary to bring it into
2 compliance with the Streamlined Sales and Use Tax Agreement.

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

8 Section 5. Effective January 1, 2002, and applying to
9 tax years beginning on or after that date, section 220.187,
10 Florida Statutes, is created to read:

11 220.187 Credits for contributions to nonprofit
12 scholarship-funding organizations.--

13 (1) PURPOSE.--The purpose of this section is to:

14 (a) Encourage private, voluntary contributions to
15 nonprofit scholarship-funding organizations.

16 (b) Expand educational opportunities for children of
17 families that have limited financial resources.

18 (c) Enable children in this state to achieve a greater
19 level of excellence in their education.

20 (2) DEFINITIONS.--As used in this section, the term:

21 (a) "Department" means the Department of Revenue.

22 (b) "Eligible contribution" means a monetary
23 contribution from a taxpayer, subject to the restrictions
24 provided in this section, to an eligible nonprofit
25 scholarship-funding organization. The taxpayer making the
26 contribution may not designate a specific child as the
27 beneficiary of the contribution. The taxpayer may not
28 contribute more than \$5 million to any single eligible
29 nonprofit scholarship-funding organization.

30 (c) "Eligible nonpublic school" means a nonpublic
31 school located in Florida that offers an education to students

1 in any grades K-12 and that meets the requirements in
2 subsection (5).

3 (d) "Eligible nonprofit scholarship-funding
4 organization" means a charitable organization that is exempt
5 from federal income tax pursuant to s. 501(c)(3) of the
6 Internal Revenue Code and that complies with the provisions of
7 subsection (4).

8 (e) "Qualified student" means a student who qualifies
9 for free or reduced-price school lunches under the National
10 School Lunch Act and who:

11 1. Was counted as a full-time-equivalent student
12 during the previous state fiscal year for purposes of state
13 per-student funding; or

14 2. Received a scholarship from an eligible nonprofit
15 scholarship-funding organization during the previous school
16 year.

17 (3) AUTHORIZATION TO GRANT SCHOLARSHIP FUNDING TAX
18 CREDITS; LIMITATIONS ON INDIVIDUAL AND TOTAL CREDITS.--

19 (a) There is allowed a credit of 100 percent of an
20 eligible contribution against any tax due for a taxable year
21 under this chapter. However, such a credit may not exceed 75
22 percent of the tax due under this chapter for the taxable
23 year, after the application of any other allowable credits by
24 the taxpayer. However, at least 5 percent of the total
25 statewide amount authorized for the tax credit shall be
26 reserved for taxpayers who meet the definition of a small
27 business provided in s. 288.703(1) at the time of application.
28 The credit granted by this section shall be reduced by the
29 difference between the amount of federal corporate income tax
30 taking into account the credit granted by this section and the

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1 amount of federal corporate income tax without application of
2 the credit granted by this section.

3 (b) The total amount of tax credit which may be
4 granted each state fiscal year under this section is \$50
5 million.

6 (c) A taxpayer who files a Florida consolidated return
7 as a member of an affiliated group pursuant to s. 220.131(1)
8 may be allowed the credit on a consolidated return basis;
9 however, the total credit taken by the affiliated group is
10 subject to the limitation established under paragraph (a).

11 (4) OBLIGATIONS OF ELIGIBLE NONPROFIT
12 SCHOLARSHIP-FUNDING ORGANIZATIONS.--

13 (a) An eligible nonprofit scholarship-funding
14 organization shall provide scholarships, from eligible
15 contributions, to qualified students for:

16 1. Tuition or textbook expenses for, or transportation
17 to, an eligible nonpublic school. At least 75 percent of the
18 scholarship funding must be used to pay tuition expenses; or

19 2. Transportation expenses to a Florida public school
20 that is located outside the district in which the student
21 resides.

22 (b) An eligible nonprofit scholarship-funding
23 organization shall give priority to qualified students who
24 received a scholarship from an eligible nonprofit
25 scholarship-funding organization during the previous school
26 year.

27 (c) The amount of a scholarship provided to any child
28 for any single school year by all eligible nonprofit
29 scholarship-funding organizations from eligible contributions
30 shall not exceed the following annual limits:

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1 1. \$3,500 for a scholarship awarded to a student
2 enrolled in an eligible nonpublic school.

3 2. \$500 for a scholarship awarded to a student
4 enrolled in a Florida public school that is located outside
5 the district in which the student resides.

6 (d) The amount of an eligible contribution which may
7 be accepted by an eligible nonprofit scholarship-funding
8 organization is limited to the amount needed to provide
9 scholarships for qualified students which the organization has
10 identified and for which vacancies in eligible nonpublic
11 schools have been identified.

12 (e) An eligible nonprofit scholarship-funding
13 organization that receives an eligible contribution must spend
14 100 percent of the eligible contribution to provide
15 scholarships in the same state fiscal year in which the
16 contribution was received. No portion of eligible
17 contributions may be used for administrative expenses. All
18 interest accrued from contributions must be used for
19 scholarships.

20 (f) An eligible nonprofit scholarship-funding
21 organization that receives eligible contributions must provide
22 to the Auditor General an annual financial and compliance
23 audit of its accounts and records conducted by an independent
24 certified public accountant and in accordance with rules
25 adopted by the Auditor General.

26 (g) Payment of the scholarship by the eligible
27 nonprofit scholarship-funding organization shall be by
28 individual warrant or check made payable to the student's
29 parent. If the parent chooses for his or her child to attend
30 an eligible nonpublic school, the warrant or check must be
31 mailed by the eligible nonprofit scholarship-funding

1 organization to the nonpublic school of the parent's choice,
2 and the parent shall restrictively endorse the warrant or
3 check to the nonpublic school. An eligible nonprofit
4 scholarship-funding organization shall ensure that, upon
5 receipt of a scholarship warrant or check, the parent to whom
6 the warrant or check is made restrictively endorses the
7 warrant or check to the nonpublic school of the parent's
8 choice for deposit into the account of the nonpublic school.

9 (5) ELIGIBLE NONPUBLIC SCHOOL OBLIGATIONS.--An
10 eligible nonpublic school must:

11 (a) Demonstrate fiscal soundness by being in operation
12 for one school year or provide the Department of Education
13 with a statement by a certified public accountant confirming
14 that the nonpublic school desiring to participate is insured
15 and the owner or owners have sufficient capital or credit to
16 operate the school for the upcoming year serving the number of
17 students anticipated with expected revenues from tuition and
18 other sources that may be reasonably expected. In lieu of such
19 a statement, a surety bond or letter of credit for the amount
20 equal to the scholarship funds for any quarter may be filed
21 with the department.

22 (b) Comply with the antidiscrimination provisions of
23 42 U.S.C. s. 2000d.

24 (c) Meet state and local health and safety laws and
25 codes.

26 (d) Comply with all state laws relating to general
27 regulation of nonpublic schools.

28 (6) ADMINISTRATION; RULES.--

29 (a) If the credit granted pursuant to this section is
30 not fully used in any one year, the unused amount may not be
31 carried forward. A taxpayer may not convey, assign, or

1 transfer the credit authorized by this section to another
2 entity unless all of the assets of the taxpayer are conveyed,
3 assigned, or transferred in the same transaction.

4 (b) An application for a tax credit pursuant to this
5 section shall be submitted to the department on forms
6 established by rule of the department.

7 (c) The department and the Department of Education
8 shall develop a cooperative agreement to assist in the
9 administration of this section. The Department of Education
10 shall be responsible for annually submitting, by March 15, to
11 the department a list of eligible nonprofit
12 scholarship-funding organizations that meet the requirements
13 of paragraph (2)(d) and for monitoring eligibility of
14 nonprofit scholarship-funding organizations that meet the
15 requirements of paragraph (2)(d), eligibility of nonpublic
16 schools that meet the requirements of paragraph (2)(c), and
17 eligibility of expenditures under this section as provided in
18 subsection (4).

19 (d) The department shall adopt rules necessary to
20 administer this section, including rules establishing
21 application forms and procedures and governing the allocation
22 of tax credits under this section on a first-come,
23 first-served basis.

24 (e) The Department of Education shall adopt rules
25 necessary to determine eligibility of nonprofit
26 scholarship-funding organizations as defined in paragraph
27 (2)(d) and according to the provisions of subsection (4) and
28 identify qualified students as defined in paragraph (2)(e).

29 (7) DEPOSITS OF ELIGIBLE CONTRIBUTIONS.--All eligible
30 contributions received by an eligible nonprofit
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1 scholarship-funding organization shall be deposited in a
2 manner consistent with s. 18.10(2).

3 Section 6. Effective January 1, 2002, and applying to
4 tax years beginning on or after that date, subsection (8) of
5 section 220.02, Florida Statutes, is amended to read:

6 220.02 Legislative intent.--

7 (8) It is the intent of the Legislature that credits
8 against either the corporate income tax or the franchise tax
9 be applied in the following order: those enumerated in s.
10 631.828, those enumerated in s. 220.191, those enumerated in
11 s. 220.181, those enumerated in s. 220.183, those enumerated
12 in s. 220.182, those enumerated in s. 220.1895, those
13 enumerated in s. 221.02, those enumerated in s. 220.184, those
14 enumerated in s. 220.186, those enumerated in s. 220.1845,
15 those enumerated in s. 220.19, ~~and~~ those enumerated in s.
16 220.185, and those enumerated in s. 220.187.

17 Section 7. Effective January 1, 2002, and applying to
18 tax years beginning on or after that date, paragraph (a) of
19 subsection (1) of section 220.13, Florida Statutes, is amended
20 to read:

21 220.13 "Adjusted federal income" defined.--

22 (1) The term "adjusted federal income" means an amount
23 equal to the taxpayer's taxable income as defined in
24 subsection (2), or such taxable income of more than one
25 taxpayer as provided in s. 220.131, for the taxable year,
26 adjusted as follows:

27 (a) Additions.--There shall be added to such taxable
28 income:

29 1. The amount of any tax upon or measured by income,
30 excluding taxes based on gross receipts or revenues, paid or
31 accrued as a liability to the District of Columbia or any

1 state of the United States which is deductible from gross
2 income in the computation of taxable income for the taxable
3 year.

4 2. The amount of interest which is excluded from
5 taxable income under s. 103(a) of the Internal Revenue Code or
6 any other federal law, less the associated expenses disallowed
7 in the computation of taxable income under s. 265 of the
8 Internal Revenue Code or any other law, excluding 60 percent
9 of any amounts included in alternative minimum taxable income,
10 as defined in s. 55(b)(2) of the Internal Revenue Code, if the
11 taxpayer pays tax under s. 220.11(3).

12 3. In the case of a regulated investment company or
13 real estate investment trust, an amount equal to the excess of
14 the net long-term capital gain for the taxable year over the
15 amount of the capital gain dividends attributable to the
16 taxable year.

17 4. That portion of the wages or salaries paid or
18 incurred for the taxable year which is equal to the amount of
19 the credit allowable for the taxable year under s. 220.181.
20 The provisions of this subparagraph shall expire and be void
21 on June 30, 2005.

22 5. That portion of the ad valorem school taxes paid or
23 incurred for the taxable year which is equal to the amount of
24 the credit allowable for the taxable year under s. 220.182.
25 The provisions of this subparagraph shall expire and be void
26 on June 30, 2005.

27 6. The amount of emergency excise tax paid or accrued
28 as a liability to this state under chapter 221 which tax is
29 deductible from gross income in the computation of taxable
30 income for the taxable year.

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1 7. That portion of assessments to fund a guaranty
2 association incurred for the taxable year which is equal to
3 the amount of the credit allowable for the taxable year.

4 8. In the case of a nonprofit corporation which holds
5 a pari-mutuel permit and which is exempt from federal income
6 tax as a farmers' cooperative, an amount equal to the excess
7 of the gross income attributable to the pari-mutuel operations
8 over the attributable expenses for the taxable year.

9 9. The amount taken as a credit for the taxable year
10 under s. 220.1895.

11 10. Up to nine percent of the eligible basis of any
12 designated project which is equal to the credit allowable for
13 the taxable year under s. 220.185.

14 11. The amount taken as a credit for the taxable year
15 under s. 220.187.

16 Section 8. Effective January 1, 2002, and applying to
17 tax years beginning on or after that date, paragraph (u) is
18 added to subsection (7) of section 213.053, Florida Statutes,
19 to read:

20 213.053 Confidentiality and information sharing.--

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

23 (u) Information relative to s. 220.187 to the
24 Department of Education in the conduct of its official
25 business.

26
27 Disclosure of information under this subsection shall be
28 pursuant to a written agreement between the executive director
29 and the agency. Such agencies, governmental or
30 nongovernmental, shall be bound by the same requirements of
31 confidentiality as the Department of Revenue. Breach of

1 confidentiality is a misdemeanor of the first degree,
2 punishable as provided by s. 775.082 or s. 775.083.

3 Section 9. (1) The first two payments of estimated
4 tax pursuant to section 200.33, Florida Statutes, shall not be
5 affected by any contribution made pursuant to this act.

6 (2) This section shall take effect January 1, 2002,
7 and apply to tax years beginning on or after that date.

8 Section 10. Effective July 1, 2001, paragraph (a) of
9 subsection (4) of section 212.08, Florida Statutes, is amended
10 to read:

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

17 (4) EXEMPTIONS; ITEMS BEARING OTHER EXCISE TAXES,
18 ETC.--

19 (a) Also exempt are:

20 1. Water delivered to the purchaser through pipes or
21 conduits or delivered for irrigation purposes. The sale of
22 drinking water in bottles, cans, or other containers,
23 including water that contains minerals or carbonation in its
24 natural state or water to which minerals have been added at a
25 water treatment facility regulated by the Department of
26 Environmental Protection or the Department of Health, is
27 exempt. This exemption does not apply to the sale of drinking
28 water in bottles, cans, or other containers if carbonation,
29 ~~minerals~~, or flavorings, except those added at a water
30 treatment facility, have been added. Water that has been

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1 enhanced by the addition of minerals and that does not contain
2 any added carbonation or flavorings is also exempt.

3 2. All fuels used by a public or private utility,
4 including any municipal corporation or rural electric
5 cooperative association, in the generation of electric power
6 or energy for sale. Fuel other than motor fuel and diesel
7 fuel is taxable as provided in this chapter with the exception
8 of fuel expressly exempt herein. Motor fuels and diesel fuels
9 are taxable as provided in chapter 206, with the exception of
10 those motor fuels and diesel fuels used by railroad
11 locomotives or vessels to transport persons or property in
12 interstate or foreign commerce, which are taxable under this
13 chapter only to the extent provided herein. The basis of the
14 tax shall be the ratio of intrastate mileage to interstate or
15 foreign mileage traveled by the carrier's railroad locomotives
16 or vessels that were used in interstate or foreign commerce
17 and that had at least some Florida mileage during the previous
18 fiscal year of the carrier, such ratio to be determined at the
19 close of the fiscal year of the carrier. This ratio shall be
20 applied each month to the total Florida purchases made in this
21 state of motor and diesel fuels to establish that portion of
22 the total used and consumed in intrastate movement and subject
23 to tax under this chapter. The basis for imposition of any
24 discretionary surtax shall be set forth in s. 212.054. Fuels
25 used exclusively in intrastate commerce do not qualify for the
26 proration of tax.

27 3. The transmission or wheeling of electricity.

28 Section 11. Except as otherwise expressly provided in
29 this act, this act shall take effect July 1, 2001.

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