

By Senator Pruitt

27-955B-02

1 A bill to be entitled
2 An act relating to tax administration;
3 repealing s. 212.084(6), F.S.; eliminating
4 provisions for temporary exemption
5 certificates; repealing s. 212.08(7)(ccc),
6 F.S.; eliminating the specific sales tax
7 exemption for organizations providing crime
8 prevention, drunk-driving prevention, and
9 juvenile-delinquency-prevention services;
10 amending s. 212.08, F.S.; reinstating
11 retroactively the sales tax exemption for
12 parent-teacher organizations and parent-teacher
13 associations; eliminating obsolete provisions;
14 requiring a purchaser to file an affidavit
15 stating the exempt nature of a purchase with
16 the selling vendor instead of the Department of
17 Revenue; providing for retroactive application;
18 replacing the definition of the term "section
19 38 property" with an express definition of the
20 terms "industrial machinery and equipment" and
21 "motion picture and video equipment"; providing
22 intent and purpose; imposing certain
23 requirements, for purposes of taxation, on the
24 removal of a motor vehicle from this state;
25 providing residency requirements of corporate
26 officers, corporate stockholders, and partners
27 in a partnership relating to the taxable status
28 of sales of motor vehicles; amending s. 212.06,
29 F.S.; clarifying the definition of the term
30 "fixtures"; eliminating reference to the term
31 "trade fixture"; amending s. 212.08, F.S.;

1 replacing the Interstate Commerce Commission
2 with the Surface Transportation Board as the
3 entity that licenses certain railroads as
4 common carriers; providing that, for a vessel,
5 railroad, or motor carrier engaged in
6 interstate or foreign commerce, sales tax
7 applies to taxable purchases in this state and
8 applies even if the vessel, railroad, or motor
9 carrier has operated for less than a fiscal
10 year; repealing s. 624.509(10), F.S., which
11 provides for an exemption from the insurance
12 premium tax for insurers who write monoline
13 flood insurance policies; amending s. 213.285,
14 F.S.; delaying the future repeal of the
15 certified audit project; amending ss. 213.053,
16 213.21, F.S.; conforming repeal dates; amending
17 s. 11, ch. 2000-165, Laws of Florida;
18 clarifying which provisions of ch. 213, F.S.,
19 apply to the collection of unemployment
20 contributions; amending s. 45.031, F.S.;
21 requiring the clerk of court to give notice to
22 the Department of Revenue if there is a surplus
23 resulting from the foreclosure of an
24 unemployment compensation tax lien; amending s.
25 69.041, F.S.; permitting the department to
26 participate in the disbursement of unemployment
27 compensation tax lien foreclosure funds;
28 amending s. 213.053, F.S.; providing for
29 confidentiality and information sharing;
30 creating s. 443.1315, F.S.; providing
31 definitions; providing for treatment of Indian

1 tribes under the Unemployment Compensation Law;
2 providing that Indian tribes or tribal units
3 may elect to make payments in lieu of
4 contributions and providing requirements with
5 respect thereto; providing that such Indian
6 tribe or tribal unit may be required to file a
7 bond or deposit security at the discretion of
8 the director of the Agency for Workforce
9 Innovation; providing effect of failure of such
10 tribe or unit to make required payments;
11 providing requirements for notices; providing
12 responsibility for certain extended benefits;
13 providing for rules; providing for retroactive
14 application; amending ss. 443.163, 213.755,
15 F.S.; requiring certain employers to file
16 unemployment compensation reports
17 electronically; amending s. 213.21, F.S.;
18 allowing for the de novo review by a court of
19 penalty compromise determinations made by the
20 Department of Revenue; providing for an
21 automatic compromise of penalties under certain
22 circumstances; providing an exception to
23 confidentiality requirements; amending s.
24 212.07, F.S.; providing for a penalty structure
25 that limits liability for inadvertent
26 registration errors; encouraging voluntary
27 self-disclosure; amending s. 213.24, F.S.;
28 limiting the amount of automated refunds to the
29 cost of processing the refund; amending s.
30 55.202, F.S.; enabling a designee of the
31 Department of Revenue to enter lien information

1 into the Secretary of State's database without
2 incurring a fee; amending ss. 213.235, 220.807,
3 F.S.; providing that the interest rate on tax
4 deficiencies shall be an adjusted prime rate
5 plus two percentage points; amending s.
6 213.255, F.S.; allowing interest to accrue on
7 certain refund claims on August 1 of the year
8 the tax was due; amending s. 681.117, F.S.;
9 allowing motor vehicle dealers to remit the
10 Lemon Law Fee for vehicles registered and
11 titled outside of Florida directly to the
12 Department of Revenue; amending s. 211.3103,
13 F.S.; clarifying that the county distributions
14 of the severance tax on phosphate rock are
15 calculated annually based on the production
16 information filed on the annual returns;
17 amending ss. 336.021, 336.025, F.S.; allowing
18 the imposition of local gas taxes to take
19 effect on January 1 and to be repealed on
20 December 31 of any year; amending s. 213.0535,
21 F.S.; allowing certain counties participating
22 in the RISE Program to share confidential
23 taxpayer information with other participating
24 counties; amending ss. 212.096, 212.098,
25 220.03, 220.181, 290.00677, F.S.; conforming
26 cross-references; clarifying definitions;
27 providing effective dates.

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29 Be It Enacted by the Legislature of the State of Florida:
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1 Section 1. Subsection (6) of section 212.084, Florida
2 Statutes, is repealed.

3 Section 2. Effective July 1, 2002, subsection (7) of
4 section 212.08, Florida Statutes, is amended to read:

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

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

29 (a) Artificial commemorative flowers.--Exempt from the
30 tax imposed by this chapter is the sale of artificial
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1 commemorative flowers by bona fide nationally chartered
2 veterans' organizations.

3 (b) Boiler fuels.--When purchased for use as a
4 combustible fuel, purchases of natural gas, residual oil,
5 recycled oil, waste oil, solid waste material, coal, sulfur,
6 wood, wood residues or wood bark used in an industrial
7 manufacturing, processing, compounding, or production process
8 at a fixed location in this state are exempt from the taxes
9 imposed by this chapter; however, such exemption shall not be
10 allowed unless the purchaser signs a certificate stating that
11 the fuel to be exempted is for the exclusive use designated
12 herein. This exemption does not apply to the use of boiler
13 fuels that are not used in manufacturing, processing,
14 compounding, or producing items of tangible personal property
15 for sale, or to the use of boiler fuels used by any firm
16 subject to regulation by the Division of Hotels and
17 Restaurants of the Department of Business and Professional
18 Regulation.

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

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

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

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

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1 (g) Florida Retired Educators Association and its
2 local chapters.--Also exempt from payment of the tax imposed
3 by this chapter are purchases of office supplies, equipment,
4 and publications made by the Florida Retired Educators
5 Association and its local chapters.

6 (h) Guide dogs for the blind.--Also exempt are the
7 sale or rental of guide dogs for the blind, commonly referred
8 to as "seeing-eye dogs," and the sale of food or other items
9 for such guide dogs.

10 1. The department shall issue a consumer's certificate
11 of exemption to any blind person who holds an identification
12 card as provided for in s. 413.091 and who either owns or
13 rents, or contemplates the ownership or rental of, a guide dog
14 for the blind. The consumer's certificate of exemption shall
15 be issued without charge and shall be of such size as to be
16 capable of being carried in a wallet or billfold.

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

23 (i) Hospital meals and rooms.--Also exempt from
24 payment of the tax imposed by this chapter on rentals and
25 meals are patients and inmates of any hospital or other
26 physical plant or facility designed and operated primarily for
27 the care of persons who are ill, aged, infirm, mentally or
28 physically incapacitated, or otherwise dependent on special
29 care or attention. Residents of a home for the aged are exempt
30 from payment of taxes on meals provided through the facility.
31 A home for the aged is defined as a facility that is licensed

1 or certified in part or in whole under chapter 400 or chapter
2 651, or that is financed by a mortgage loan made or insured by
3 the United States Department of Housing and Urban Development
4 under s. 202, s. 202 with a s. 8 subsidy, s. 221(d)(3) or (4),
5 s. 232, or s. 236 of the National Housing Act, or other such
6 similar facility designed and operated primarily for the care
7 of the aged.

8 (j) Household fuels.--Also exempt from payment of the
9 tax imposed by this chapter are sales of utilities to
10 residential households or owners of residential models in this
11 state by utility companies who pay the gross receipts tax
12 imposed under s. 203.01, and sales of fuel to residential
13 households or owners of residential models, including oil,
14 kerosene, liquefied petroleum gas, coal, wood, and other fuel
15 products used in the household or residential model for the
16 purposes of heating, cooking, lighting, and refrigeration,
17 regardless of whether such sales of utilities and fuels are
18 separately metered and billed direct to the residents or are
19 metered and billed to the landlord. If any part of the utility
20 or fuel is used for a nonexempt purpose, the entire sale is
21 taxable. The landlord shall provide a separate meter for
22 nonexempt utility or fuel consumption. For the purposes of
23 this paragraph, licensed family day care homes shall also be
24 exempt.

25 (k) Meals provided by certain nonprofit
26 organizations.--There is exempt from the tax imposed by this
27 chapter the sale of prepared meals by a nonprofit volunteer
28 organization to handicapped, elderly, or indigent persons when
29 such meals are delivered as a charitable function by the
30 organization to such persons at their places of residence.

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1 (1) Organizations providing special educational,
2 cultural, recreational, and social benefits to minors.--Also
3 exempt from the tax imposed by this chapter are sales or
4 leases to and sales of donated property by nonprofit
5 organizations which are incorporated pursuant to chapter 617
6 the primary purpose of which is providing activities that
7 contribute to the development of good character or good
8 sportsmanship, or to the educational or cultural development,
9 of minors. This exemption is extended only to that level of
10 the organization that has a salaried executive officer or an
11 elected nonsalaried executive officer. For the purpose of this
12 paragraph, the term "donated property" means any property
13 transferred to such nonprofit organization for less than 50
14 percent of its fair market value.

15 (m) Religious institutions.--

16 1. There are exempt from the tax imposed by this
17 chapter transactions involving sales or leases directly to
18 religious institutions when used in carrying on their
19 customary nonprofit religious activities or sales or leases of
20 tangible personal property by religious institutions having an
21 established physical place for worship at which nonprofit
22 religious services and activities are regularly conducted and
23 carried on.

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

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

28 (n) Veterans' organizations.--

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

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

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

15 (p) Section 501(c)(3) organizations.--Also exempt from
16 the tax imposed by this chapter are sales or leases to
17 organizations determined by the Internal Revenue Service to be
18 currently exempt from federal income tax pursuant to s.
19 501(c)(3) of the Internal Revenue Code of 1986, as amended,
20 when such leases or purchases are used in carrying on their
21 customary nonprofit activities.

22 (q) Resource recovery equipment.--Also exempt is
23 resource recovery equipment which is owned and operated by or
24 on behalf of any county or municipality, certified by the
25 Department of Environmental Protection under the provisions of
26 s. 403.715.

27 (r) School books and school lunches.--This exemption
28 applies to school books used in regularly prescribed courses
29 of study, and to school lunches served in public, parochial,
30 or nonprofit schools operated for and attended by pupils of
31 grades K through 12. Yearbooks, magazines, newspapers,

1 directories, bulletins, and similar publications distributed
2 by such educational institutions to their students are also
3 exempt. School books and food sold or served at community
4 colleges and other institutions of higher learning are
5 taxable.

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

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

12 1. Notwithstanding the provisions of chapter 328,
13 pertaining to the registration of vessels, a boat upon which
14 the state sales or use tax has not been paid is exempt from
15 the use tax under this chapter if it enters and remains in
16 this state for a period not to exceed a total of 20 days in
17 any calendar year calculated from the date of first dockage or
18 slippage at a facility, registered with the department, that
19 rents dockage or slippage space in this state. If a boat
20 brought into this state for use under this paragraph is placed
21 in a facility, registered with the department, for repairs,
22 alterations, refitting, or modifications and such repairs,
23 alterations, refitting, or modifications are supported by
24 written documentation, the 20-day period shall be tolled
25 during the time the boat is physically in the care, custody,
26 and control of the repair facility, including the time spent
27 on sea trials conducted by the facility. The 20-day time
28 period may be tolled only once within a calendar year when a
29 boat is placed for the first time that year in the physical
30 care, custody, and control of a registered repair facility;
31 however, the owner may request and the department may grant an

1 additional tolling of the 20-day period for purposes of
2 repairs that arise from a written guarantee given by the
3 registered repair facility, which guarantee covers only those
4 repairs or modifications made during the first tolled period.
5 Within 72 hours after the date upon which the registered
6 repair facility took possession of the boat, the facility must
7 have in its possession, on forms prescribed by the department,
8 an affidavit which states that the boat is under its care,
9 custody, and control and that the owner does not use the boat
10 while in the facility. Upon completion of the repairs,
11 alterations, refitting, or modifications, the registered
12 repair facility must, within 72 hours after the date of
13 release, have in its possession a copy of the release form
14 which shows the date of release and any other information the
15 department requires. The repair facility shall maintain a log
16 that documents all alterations, additions, repairs, and sea
17 trials during the time the boat is under the care, custody,
18 and control of the facility. The affidavit shall be
19 maintained by the registered repair facility as part of its
20 records for as long as required by s. 213.35. When, within 6
21 months after the date of its purchase, a boat is brought into
22 this state under this paragraph, the 6-month period provided
23 in s. 212.05(1)(a)2. or s. 212.06(8) shall be tolled.

24 2. During the period of repairs, alterations,
25 refitting, or modifications and during the 20-day period
26 referred to in subparagraph 1., the boat may be listed for
27 sale, contracted for sale, or sold exclusively by a broker or
28 dealer registered with the department without incurring a use
29 tax under this chapter; however, the sales tax levied under
30 this chapter applies to such sale.

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

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

5 a. A full-service facility that:

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

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

10 (III) Has adequate piers and storage facilities to
11 provide safe berthing of vessels in its care, custody, and
12 control; and

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

16 b. A marina that:

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

18 (II) Has adequate piers and storage facilities to
19 provide safe berthing of vessels in its care, custody, and
20 control; and

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

23 c. A shoreside facility that:

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

25 (II) Has adequate piers and storage facilities to
26 provide safe berthing of vessels in its care, custody, and
27 control; and

28 (III) Has necessary shops and equipment to provide
29 repairs or warranty work.

30 (u) Volunteer fire departments.--Also exempt are
31 firefighting and rescue service equipment and supplies

1 purchased by volunteer fire departments, duly chartered under
2 the Florida Statutes as corporations not for profit.

3 (v) Professional services.--

4 1. Also exempted are professional, insurance, or
5 personal service transactions that involve sales as
6 inconsequential elements for which no separate charges are
7 made.

8 2. The personal service transactions exempted pursuant
9 to subparagraph 1. do not exempt the sale of information
10 services involving the furnishing of printed, mimeographed, or
11 multigraphed matter, or matter duplicating written or printed
12 matter in any other manner, other than professional services
13 and services of employees, agents, or other persons acting in
14 a representative or fiduciary capacity or information services
15 furnished to newspapers and radio and television stations. As
16 used in this subparagraph, the term "information services"
17 includes the services of collecting, compiling, or analyzing
18 information of any kind or nature and furnishing reports
19 thereof to other persons.

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

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

24 (w) Certain newspaper, magazine, and newsletter
25 subscriptions, shoppers, and community newspapers.--Likewise
26 exempt are newspaper, magazine, and newsletter subscriptions
27 in which the product is delivered to the customer by mail.
28 Also exempt are free, circulated publications that are
29 published on a regular basis, the content of which is
30 primarily advertising, and that are distributed through the
31 mail, home delivery, or newsstands. The exemption for

1 newspaper, magazine, and newsletter subscriptions which is
2 provided in this paragraph applies only to subscriptions
3 entered into after March 1, 1997.

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

10 (y) Charter fishing vessels.--The charge for
11 chartering any boat or vessel, with the crew furnished, solely
12 for the purpose of fishing is exempt from the tax imposed
13 under s. 212.04 or s. 212.05. This exemption does not apply
14 to any charge to enter or stay upon any "head-boat," party
15 boat, or other boat or vessel. Nothing in this paragraph
16 shall be construed to exempt any boat from sales or use tax
17 upon the purchase thereof except as provided in paragraph (t)
18 and s. 212.05.

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

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

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

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

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

5 (bb) Community cemeteries.--Also exempt are purchases
6 by any nonprofit corporation that has qualified under s.
7 501(c)(13) of the Internal Revenue Code of 1986, as amended,
8 and is operated for the purpose of maintaining a cemetery that
9 was donated to the community by deed.

10 (cc) Works of art.--

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

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

19 3. The exemption provided by this paragraph for
20 donations is allowed only if the person who purchased the work
21 of art transfers title to the donated work of art to an
22 educational institution. Such transfer of title shall be
23 evidenced by an affidavit meeting requirements established by
24 rule to document entitlement to the exemption. Nothing in this
25 paragraph shall preclude a work of art donated to an
26 educational institution from remaining in the possession of
27 the donor or purchaser, as long as title to the work of art
28 lies with the educational institution.

29 4. A work of art is presumed to have been purchased in
30 or imported into this state exclusively for loan as provided
31 in subparagraph 2., if it is so loaned or placed in storage in

1 preparation for such a loan within 90 days after purchase or
2 importation, whichever is later; but a work of art is not
3 deemed to be placed in storage in preparation for loan for
4 purposes of this exemption if it is displayed at any place
5 other than an educational institution.

6 5. The exemptions provided by this paragraph are
7 allowed only if the person who purchased the work of art gives
8 to the vendor an affidavit meeting the requirements,
9 established by rule, to document entitlement to the exemption.
10 The person who purchased the work of art shall forward a copy
11 of such affidavit to the Department of Revenue at the time it
12 is issued to the vendor.

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

22 7. Any educational institution to which a work of art
23 has been donated pursuant to this paragraph shall make
24 available to the department the title to the work of art and
25 any other relevant information. Any educational institution
26 which has received a work of art on loan pursuant to this
27 paragraph shall make available to the department information
28 relating to the work of art. Any educational institution that
29 transfers from its possession a work of art as defined by this
30 paragraph which has been loaned to it must notify the
31 Department of Revenue within 60 days after the transfer.

1 8. For purposes of the exemptions provided by this
2 paragraph, the term:

3 a. "Educational institutions" includes state
4 tax-supported, parochial, church, and nonprofit private
5 schools, colleges, or universities that conduct regular
6 classes and courses of study required for accreditation by or
7 membership in the Southern Association of Colleges and
8 Schools, the Florida Council of Independent Schools, or the
9 Florida Association of Christian Colleges and Schools, Inc.;
10 nonprofit private schools that conduct regular classes and
11 courses of study accepted for continuing education credit by a
12 board of the Division of Medical Quality Assurance of the
13 Department of Health; or nonprofit libraries, art galleries,
14 performing arts centers that provide educational programs to
15 school children, which programs involve performances or other
16 educational activities at the performing arts center and serve
17 a minimum of 50,000 school children a year, and museums open
18 to the public.

19 b. "Work of art" includes pictorial representations,
20 sculpture, jewelry, antiques, stamp collections and coin
21 collections, and other tangible personal property, the value
22 of which is attributable predominantly to its artistic,
23 historical, political, cultural, or social importance.

24 (dd) Taxicab leases.--The lease of or license to use a
25 taxicab or taxicab-related equipment and services provided by
26 a taxicab company to an independent taxicab operator are
27 exempt, provided, however, the exemptions provided under this
28 paragraph only apply if sales or use tax has been paid on the
29 acquisition of the taxicab and its related equipment.

30 (ee) Aircraft repair and maintenance labor
31 charges.--There shall be exempt from the tax imposed by this

1 chapter all labor charges for the repair and maintenance of
2 aircraft of more than 15,000 pounds maximum certified takeoff
3 weight and rotary wing aircraft of more than 10,000 pounds
4 maximum certified takeoff weight. Except as otherwise provided
5 in this chapter, charges for parts and equipment furnished in
6 connection with such labor charges are taxable.

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

8 1. Subject to the provisions of subparagraph 4.,
9 charges for electricity or steam used to operate machinery and
10 equipment at a fixed location in this state when such
11 machinery and equipment is used to manufacture, process,
12 compound, produce, or prepare for shipment items of tangible
13 personal property for sale, or to operate pollution control
14 equipment, recycling equipment, maintenance equipment, or
15 monitoring or control equipment used in such operations are
16 exempt to the extent provided in this paragraph. If 75 percent
17 or more of the electricity or steam used at the fixed location
18 is used to operate qualifying machinery or equipment, 100
19 percent of the charges for electricity or steam used at the
20 fixed location are exempt. If less than 75 percent but 50
21 percent or more of the electricity or steam used at the fixed
22 location is used to operate qualifying machinery or equipment,
23 50 percent of the charges for electricity or steam used at the
24 fixed location are exempt. If less than 50 percent of the
25 electricity or steam used at the fixed location is used to
26 operate qualifying machinery or equipment, none of the charges
27 for electricity or steam used at the fixed location are
28 exempt.

29 2. This exemption applies only to industries
30 classified under SIC Industry Major Group Numbers 10, 12, 13,
31 14, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34,

1 35, 36, 37, 38, and 39 and Industry Group Number 212. As used
2 in this paragraph, "SIC" means those classifications contained
3 in the Standard Industrial Classification Manual, 1987, as
4 published by the Office of Management and Budget, Executive
5 Office of the President.

6 3. Possession by a seller of a written certification
7 by the purchaser, certifying the purchaser's entitlement to an
8 exemption permitted by this subsection, relieves the seller
9 from the responsibility of collecting the tax on the
10 nontaxable amounts, and the department shall look solely to
11 the purchaser for recovery of such tax if it determines that
12 the purchaser was not entitled to the exemption.

13 4. Such exemption shall be applied as follows:
14 beginning July 1, 2000, 100 percent of the charges for such
15 electricity or steam shall be exempt.

16 ~~5. Notwithstanding any other provision in this~~
17 ~~paragraph to the contrary, in order to receive the exemption~~
18 ~~provided in this paragraph a taxpayer must first register with~~
19 ~~the WAGES Program Business Registry established by the local~~
20 ~~WAGES coalition for the area in which the taxpayer is located.~~
21 ~~Such registration establishes a commitment on the part of the~~
22 ~~taxpayer to hire WAGES program participants to the maximum~~
23 ~~extent possible consistent with the nature of their business.~~

24 (gg) Fair associations.--Also exempt from the tax
25 imposed by this chapter is the sale, use, lease, rental, or
26 grant of a license to use, made directly to or by a fair
27 association, of real or tangible personal property; any charge
28 made by a fair association, or its agents, for parking,
29 admissions, or for temporary parking of vehicles used for
30 sleeping quarters; rentals, subleases, and sublicenses of real
31 or tangible personal property between the owner of the central

1 amusement attraction and any owner of an amusement ride, as
2 those terms are used in ss. 616.15(1)(b) and 616.242(3)(a),
3 for the furnishing of amusement rides at a public fair or
4 exposition; and other transactions of a fair association which
5 are incurred directly by the fair association in the
6 financing, construction, and operation of a fair, exposition,
7 or other event or facility that is authorized by s. 616.08. As
8 used in this paragraph, the terms "fair association" and
9 "public fair or exposition" have the same meaning as those
10 terms are defined in s. 616.001. This exemption does not apply
11 to the sale of tangible personal property made by a fair
12 association through an agent or independent contractor; sales
13 of admissions and tangible personal property by a
14 concessionaire, vendor, exhibitor, or licensee; or rentals and
15 subleases of tangible personal property or real property
16 between the owner of the central amusement attraction and a
17 concessionaire, vendor, exhibitor, or licensee, except for the
18 furnishing of amusement rides, which transactions are exempt.

19 (hh) Citizen support organizations.--Also exempt from
20 the tax imposed by this chapter are sales or leases to
21 nonprofit organizations that are incorporated under chapter
22 617 and that have been designated citizen support
23 organizations in support of state-funded environmental
24 programs or the management of state-owned lands in accordance
25 with s. 20.2551, or to support one or more state parks in
26 accordance with s. 258.015.

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

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

7 (kk) Nonprofit cooperative hospital laundries.--Also
8 exempt from the tax imposed by this chapter are sales or
9 leases to nonprofit organizations that are incorporated under
10 chapter 617 and which are treated, for federal income tax
11 purposes, as cooperatives under subchapter T of the Internal
12 Revenue Code, whose sole purpose is to offer laundry supplies
13 and services to their members, which members must all be
14 exempt from federal income tax pursuant to s. 501(c)(3) of the
15 Internal Revenue Code.

16 (ll) Complimentary meals.--Also exempt from the tax
17 imposed by this chapter are food or drinks that are furnished
18 as part of a packaged room rate by any person offering for
19 rent or lease any transient living accommodations as described
20 in s. 509.013(4)(a) which are licensed under part I of chapter
21 509 and which are subject to the tax under s. 212.03, if a
22 separate charge or specific amount for the food or drinks is
23 not shown. Such food or drinks are considered to be sold at
24 retail as part of the total charge for the transient living
25 accommodations. Moreover, the person offering the
26 accommodations is not considered to be the consumer of items
27 purchased in furnishing such food or drinks and may purchase
28 those items under conditions of a sale for resale.

29 (mm) Nonprofit corporation conducting the correctional
30 work programs.--Products sold pursuant to s. 946.515 by the
31 corporation organized pursuant to part II of chapter 946 are

1 exempt from the tax imposed by this chapter. This exemption
2 applies retroactively to July 1, 1983.

3 (nn) Parent-teacher organizations, parent-teacher
4 associations, and schools having grades K through 12.--

5 1. Sales or leases to parent-teacher organizations and
6 associations the purpose of which is to raise funds for
7 schools that teach grades K through 12 and that are associated
8 with schools having grades K through 12 are exempt from the
9 tax imposed by this chapter.

10 2. Parent-teacher organizations and associations
11 described in subparagraph 1. ~~qualified as educational~~
12 ~~institutions as defined by sub-subparagraph (cc)8.a.~~
13 ~~associated with schools having grades K through 12, and~~
14 schools having grades K through 12, may pay tax to their
15 suppliers on the cost price of school materials and supplies
16 purchased, rented, or leased for resale or rental to students
17 in grades K through 12, of items sold for fundraising
18 purposes, and of items sold through vending machines located
19 on the school premises, in lieu of collecting the tax imposed
20 by this chapter from the purchaser. This paragraph also
21 applies to food or beverages sold through vending machines
22 located in the student lunchroom or dining room of a school
23 having kindergarten through grade 12.

24 (oo) Mobile home lot improvements.--Items purchased by
25 developers for use in making improvements to a mobile home lot
26 owned by the developer may be purchased tax-exempt as a sale
27 for resale if made pursuant to a contract that requires the
28 developer to sell a mobile home to a purchaser, place the
29 mobile home on the lot, and make the improvements to the lot
30 for a single lump-sum price. The developer must collect and
31 remit sales tax on the entire lump-sum price.

1 (pp) Veterans Administration.--When a veteran of the
2 armed forces purchases an aircraft, boat, mobile home, motor
3 vehicle, or other vehicle from a dealer pursuant to the
4 provisions of 38 U.S.C. s. 3902(a), or any successor provision
5 of the United States Code, the amount that is paid directly to
6 the dealer by the Veterans Administration is not taxable.
7 However, any portion of the purchase price which is paid
8 directly to the dealer by the veteran is taxable.

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

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

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

18
19 The exemptions in this paragraph do not apply to businesses
20 with the primary activity of serving prepared meals or
21 alcoholic beverages for immediate consumption.

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

28 (ss) Racing dogs.--The sale of a racing dog by its
29 owner is exempt if the owner is also the breeder of the
30 animal.

31

1 (tt) Equipment used in aircraft repair and
2 maintenance.--There shall be exempt from the tax imposed by
3 this chapter replacement engines, parts, and equipment used in
4 the repair or maintenance of aircraft of more than 15,000
5 pounds maximum certified takeoff weight and rotary wing
6 aircraft of more than 10,300 pounds maximum certified takeoff
7 weight, when such parts or equipment are installed on such
8 aircraft that is being repaired or maintained in this state.

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

17 (vv) Nonprofit water systems.--Sales or leases to a
18 not-for-profit corporation which holds a current exemption
19 from federal income tax under s. 501(c)(4) or (12) of the
20 Internal Revenue Code, as amended, are exempt from the tax
21 imposed by this chapter if the sole or primary function of the
22 corporation is to construct, maintain, or operate a water
23 system in this state.

24 (wv) Library cooperatives.--Sales or leases to library
25 cooperatives certified under s. 257.41(2) are exempt from the
26 tax imposed by this chapter.

27 (xx) Advertising agencies.--

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

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

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

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

16 c. Sold by an advertising agency to its clients in the
17 performance of advertising services for the clients, whether
18 or not the charges for these items are marked up or separately
19 stated.

20
21 The exemption provided by this subparagraph does not apply
22 when tangible personal property such as film, paper, and
23 videotapes is purchased to create items such as photographic
24 negatives and positives, videos, films, galleys, mechanicals,
25 veloxes, illustrations, and artwork that are sold to an
26 advertising agency or produced in-house by an advertising
27 agency on behalf of its clients.

28 3. The items exempted from tax under subparagraph 2.
29 and the creative services used by an advertising agency to
30 design the advertising for promotional goods such as displays,
31 display containers, exhibits, newspaper inserts, brochures,

1 catalogues, direct mail letters or flats, shirts, hats, pens,
2 pencils, key chains, or other printed goods or materials are
3 not subject to tax. However, when such promotional goods are
4 produced or reproduced for distribution, tax applies to the
5 sales price charged to the client for such promotional goods.

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

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

20 6. The department may adopt rules that interpret or
21 define the provisions of these exemptions and provide examples
22 regarding the application of these exemptions.

23 (yy) Bullion.--The sale of gold, silver, or platinum
24 bullion, or any combination thereof, in a single transaction
25 is exempt if the sales price exceeds \$500. The dealer must
26 maintain proper documentation, as prescribed by rule of the
27 department, to identify that portion of a transaction which
28 involves the sale of gold, silver, or platinum bullion and is
29 exempt under this paragraph.

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

31

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

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

17 3. This exemption shall be applied as follows:

18 a. Beginning July 1, 2000, 50 percent of such charges
19 for repair parts and labor shall be exempt.

20 b. Beginning July 1, 2001, 75 percent of such charges
21 for repair parts and labor shall be exempt.

22 c. Beginning July 1, 2002, 100 percent of such charges
23 for repair parts and labor shall be exempt.

24 (aaa) Film and other printing supplies.--Also exempt
25 are the following materials purchased, produced, or created by
26 businesses classified under SIC Industry Numbers 275, 276,
27 277, 278, or 279 for use in producing graphic matter for sale:
28 film, photographic paper, dyes used for embossing and
29 engraving, artwork, typography, lithographic plates, and
30 negatives. As used in this paragraph, "SIC" means those
31 classifications contained in the Standard Industrial

1 Classification Manual, 1987, as published by the Office of
2 Management and Budget, Executive Office of the President.
3 (bbb) People-mover systems.--People-mover systems, and
4 parts thereof, which are purchased or manufactured by
5 contractors employed either directly by or as agents for the
6 United States Government, the state, a county, a municipality,
7 a political subdivision of the state, or the public operator
8 of a public-use airport as defined by s. 332.004(14) are
9 exempt from the tax imposed by this chapter when the systems
10 or parts go into or become part of publicly owned facilities.
11 In the case of contractors who manufacture and install such
12 systems and parts, this exemption extends to the purchase of
13 component parts and all other manufacturing and fabrication
14 costs. The department may provide a form to be used by
15 contractors to provide to suppliers of people-mover systems or
16 parts to certify the contractors' eligibility for the
17 exemption provided under this paragraph. As used in this
18 paragraph, "people-mover systems" includes wheeled passenger
19 vehicles and related control and power distribution systems
20 that are part of a transportation system for use by the
21 general public, regardless of whether such vehicles are
22 operator-controlled or driverless, self-propelled or propelled
23 by external power and control systems, or conducted on roads,
24 rails, guidebeams, or other permanent structures that are an
25 integral part of such transportation system. "Related control
26 and power distribution systems" includes any electrical or
27 electronic control or signaling equipment, but does not
28 include the embedded wiring, conduits, or cabling used to
29 transmit electrical or electronic signals among such control
30 equipment, power distribution equipment, signaling equipment,
31 and wheeled vehicles.

1 ~~(ccc) Organizations providing crime prevention, drunk~~
2 ~~driving prevention, or juvenile delinquency prevention~~
3 ~~services.--Sales or leases to any nonprofit organization that~~
4 ~~provides crime prevention services, drunk driving prevention~~
5 ~~services, or juvenile delinquency prevention services that~~
6 ~~benefit society as a whole are exempt from the tax imposed by~~
7 ~~this chapter, if the organization holds a current exemption~~
8 ~~from federal income tax under s. 501(c)(3) of the Internal~~
9 ~~Revenue Code and the organization has as its sole or primary~~
10 ~~purpose the provision of services that contribute to the~~
11 ~~prevention of hardships caused by crime, drunk driving, or~~
12 ~~juvenile delinquency.~~

13 (ccc)~~(ddd)~~ Florida Fire and Emergency Services
14 Foundation.--Sales or leases to the Florida Fire and Emergency
15 Services Foundation are exempt from the tax imposed by this
16 chapter.

17 (ddd)~~(eee)~~ Railroad roadway materials.--Also exempt
18 from the tax imposed by this chapter are railroad roadway
19 materials used in the construction, repair, or maintenance of
20 railways. Railroad roadway materials shall include rails,
21 ties, ballasts, communication equipment, signal equipment,
22 power transmission equipment, and any other track materials.

23
24 ~~Exemptions provided to any entity by this subsection shall not~~
25 ~~inure to any transaction otherwise taxable under this chapter~~
26 ~~when payment is made by a representative or employee of such~~
27 ~~entity by any means, including, but not limited to, cash,~~
28 ~~check, or credit card even when that representative or~~
29 ~~employee is subsequently reimbursed by such entity.~~

30 Section 3. (1) The amendments to paragraphs (ff) and
31 (nn) of subsection (7) of section 212.08, Florida Statutes,

1 which are made by section 2 of this act apply retroactively to
2 July 1, 2000.

3 (2) No tax imposed by chapter 212, Florida Statutes,
4 on the transactions exempted by paragraph (nn) of subsection
5 (7) of section 212.08, Florida Statutes, by section 2 of this
6 act, and not actually paid or collected by a taxpayer before
7 the effective date of this act, shall be due from such
8 taxpayer. However, any tax actually paid or collected shall be
9 remitted to the Department of Revenue, and no refund shall be
10 due. Taxpayers must obtain a sales tax exemption certificate
11 from the department to secure the exemption granted by section
12 212.08(7)(nn)1., Florida Statutes.

13 (3) The amendments to the introductory paragraph and
14 and to the final, flush-left passage of subsection (7) of
15 section 212.08, Florida Statutes, which are made by section 2
16 of this act are made to clarify rather than change existing
17 law, and these amendments apply retroactively to January 1,
18 2001.

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

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

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

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

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

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

23 3. The department may adopt rules that provide for
24 implementation of this exemption. Purchasers of machinery and
25 equipment qualifying for the exemption provided in this
26 paragraph shall furnish the vendor ~~department~~ with an
27 affidavit stating that the item or items to be exempted are
28 for the use designated herein. Any person furnishing a false
29 affidavit to the vendor for the purpose of evading payment of
30 any tax imposed under this chapter shall be subject to the
31 penalty set forth in s. 212.085 and as otherwise provided by

1 law. Purchasers with self-accrual authority shall maintain all
2 documentation necessary to prove the exempt status of
3 purchases.

4 Section 5. Effective July 1, 2002, paragraphs (b),
5 (d), and (f) of subsection (5) of section 212.08, Florida
6 Statutes, are amended to read:

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

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

14 (b) Machinery and equipment used to increase
15 productive output.--

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

27 2.a. Industrial machinery and equipment purchased for
28 exclusive use by an expanding facility which is engaged in
29 spaceport activities as defined by s. 212.02 or for use in
30 expanding manufacturing facilities or plant units which
31 manufacture, process, compound, or produce for sale items of

1 tangible personal property at fixed locations in this state
2 are exempt from any amount of tax imposed by this chapter in
3 excess of \$50,000 per calendar year upon an affirmative
4 showing by the taxpayer to the satisfaction of the department
5 that such items are used to increase the productive output of
6 such expanded facility or business by not less than 10
7 percent.

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

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

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

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

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

19 4. The department shall adopt ~~promulgate~~ rules
20 governing applications for, issuance of, and the form of
21 temporary tax exemption permits; provisions for recapture of
22 taxes; and the manner and form of refund applications and may
23 establish guidelines as to the requisites for an affirmative
24 showing of increased productive output, commencement of
25 production, and qualification for exemption.

26 5. The exemptions provided in subparagraphs 1. and 2.
27 do not apply to machinery or equipment purchased or used by
28 electric utility companies, communications companies, oil or
29 gas exploration or production operations, publishing firms
30 that do not export at least 50 percent of their finished
31 product out of the state, any firm subject to regulation by

1 the Division of Hotels and Restaurants of the Department of
2 Business and Professional Regulation, or any firm which does
3 not manufacture, process, compound, or produce for sale items
4 of tangible personal property or which does not use such
5 machinery and equipment in spaceport activities as required by
6 this paragraph. The exemptions provided in subparagraphs 1.
7 and 2. shall apply to machinery and equipment purchased for
8 use in phosphate or other solid minerals severance, mining, or
9 processing operations only by way of a prospective credit
10 against taxes due under chapter 211 for taxes paid under this
11 chapter on such machinery and equipment.

12 6. For the purposes of the exemptions provided in
13 subparagraphs 1. and 2., these terms have the following
14 meanings:

15 a. "Industrial machinery and equipment" means tangible
16 personal property or other property that has a depreciable
17 life of 3 years or more and that is used as an integral part
18 in the manufacturing, processing, compounding, or production
19 of tangible personal property for sale or is exclusively used
20 in spaceport activities. A building and its structural
21 components are not industrial machinery and equipment unless
22 the building or structural component is so closely related to
23 the industrial machinery and equipment that it houses or
24 supports that the building or structural component can be
25 expected to be replaced when the machinery and equipment
26 itself is replaced. Heating and air conditioning systems are
27 not industrial machinery and equipment, unless the sole
28 justification for their installation is to meet the
29 requirements of the production process, even though the system
30 may provide incidental comfort to employees or serve, to an
31 insubstantial degree, nonproduction activities. The~~section~~

1 ~~38 property" as defined in s. 48(a)(1)(A) and (B)(i) of the~~
2 ~~Internal Revenue Code, provided "industrial machinery and~~
3 ~~equipment" shall be construed by regulations adopted by the~~
4 ~~Department of Revenue to mean tangible property used as an~~
5 ~~integral part of spaceport activities or of the manufacturing,~~
6 ~~processing, compounding, or producing for sale of items of~~
7 ~~tangible personal property. Such term includes parts and~~
8 accessories only to the extent that the exemption thereof is
9 consistent with the provisions of this paragraph.

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

29 (d) Machinery and equipment used under federal
30 procurement contract.--

31

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

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

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

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

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

3 b. "Deflated implicit productive output" means the
4 product of implicit productive output times the quotient of
5 the national defense implicit price deflator for the preceding
6 calendar year divided by the deflator for the year of
7 completion or commencement.

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

14 d. "Implicit productive output" means the annual
15 eligible costs attributable to all contracts or subcontracts
16 subject to federal procurement regulations of the single plant
17 or operation at which the machinery or equipment is used.

18 e. "Industrial machinery and equipment" means tangible
19 personal property, or other property, that has a depreciable
20 life of 3 years or more, that qualifies as an eligible cost
21 under federal procurement regulations, and that is used as an
22 integral part of the process of production of tangible
23 personal property. A building and its structural components
24 are not industrial machinery and equipment unless the building
25 or structural component is so closely related to the
26 industrial machinery and equipment that it houses or supports
27 that the building or structural component can be expected to
28 be replaced when the machinery and equipment itself is
29 replaced. Heating and air conditioning systems are not
30 industrial machinery and equipment, unless the sole
31 justification for their installation is to meet the

1 requirements of the production process, even though the system
2 may provide incidental comfort to employees or serve, to an
3 insubstantial degree, nonproduction activities.~~section 38~~
4 ~~property" as defined in s. 48(a)(1)(A) and (B)(i) of the~~
5 ~~Internal Revenue Code, provided such industrial machinery and~~
6 ~~equipment qualified as an eligible cost under federal~~
7 ~~procurement regulations and are used as an integral part of~~
8 ~~the tangible personal property production process.~~The Such
9 term includes parts and accessories only to the extent that
10 the exemption of such parts and accessories is consistent with
11 the provisions of this paragraph.

12 f. "National defense implicit price deflator" means
13 the national defense implicit price deflator for the gross
14 national product as determined by the Bureau of Economic
15 Analysis of the United States Department of Commerce.

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

27 (f) Motion picture or video equipment used in motion
28 picture or television production activities and sound
29 recording equipment used in the production of master tapes and
30 master records.--

31

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

8 2. For the purpose of the exemption provided in
9 subparagraph 1.:

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

1 equipment itself is replaced. Heating and air conditioning
2 systems are not motion picture or video equipment and sound
3 recording equipment, unless the sole justification for their
4 installation is to meet the requirements of the production
5 activities, even though the system may provide incidental
6 comfort to employees or serve, to an insubstantial degree,
7 nonproduction activities.

8 b. "Production activities" means activities directed
9 toward the preparation of a:

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

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

18 Section 6. (1) It is the intent of the Legislature to
19 provide guidance in tax matters which is current and useful.
20 Accordingly, the continued reference to a federal regulation
21 that no longer exists causes confusion and an undue burden on
22 persons affected by section 212.08, Florida Statutes.

23 (2) It is the purpose of the amendment to section
24 212.08(5)(b), (d), and (f), Florida Statutes, by this act to
25 replace specific references therein to "section 38 property"
26 as defined in s. 48(a)(1)(A) and (B)(i) of the Internal
27 Revenue Code with a general description of such property, and
28 such new description shall have the same meaning as the former
29 federal Internal Revenue Code regulation without limitation.

30 Section 7. Effective July 1, 2002, subsection (10) of
31 section 212.08, Florida Statutes, is amended to read:

1 212.08 Sales, rental, use, consumption, distribution,
2 and storage tax; specified exemptions.--The sale at retail,
3 the rental, the use, the consumption, the distribution, and
4 the storage to be used or consumed in this state of the
5 following are hereby specifically exempt from the tax imposed
6 by this chapter.

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

9 (a) The tax collected on the sale of a new or used
10 motor vehicle in this state to a resident of another state
11 shall be an amount equal to the sales tax which would be
12 imposed on such sale under the laws of the state of which the
13 purchaser is a resident, except that such tax shall not exceed
14 the tax that would otherwise be imposed under this chapter.

15 At the time of the sale, the purchaser shall execute a
16 notarized statement of his or her intent to license the
17 vehicle in the state of which the purchaser is a resident
18 within 45 days of the sale and of the fact of the payment to
19 the State of Florida of a sales tax in an amount equivalent to
20 the sales tax of his or her state of residence and shall
21 submit the statement to the appropriate sales tax collection
22 agency in his or her state of residence. Nothing in this
23 subsection shall be construed to require the removal of the
24 vehicle from this state following the filing of an intent to
25 license the vehicle in the purchaser's home state if the
26 purchaser licenses the vehicle in his or her home state within
27 45 days after the date of sale.

28 (b) Notwithstanding the partial exemption allowed in
29 paragraph (a), a vehicle is subject to this state's sales tax
30 at the applicable state sales tax rate plus authorized

31

1 surtaxes when the vehicle is purchased by a nonresident
2 corporation or partnership and:

3 1. An officer of the corporation is a resident of this
4 state;

5 2. A stockholder of the corporation who owns at least
6 10 percent of the corporation is a resident of this state; or

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

9
10 However, if the vehicle is removed from this state within 45
11 days after purchase and remains outside the state for a
12 minimum of 180 days, the vehicle may qualify for the partial
13 exemption allowed in paragraph (a) despite the residency of
14 owners or stockholders of the purchasing entity.

15 (c) Nothing herein shall require the payment of tax to
16 the State of Florida for assessments made prior to July 1,
17 2001, if the tax imposed by this section has been paid to the
18 state in which the vehicle was licensed and the department has
19 assessed a like amount of tax on the same transactions. This
20 provision shall apply retroactively to assessments that have
21 been protested prior to August 1, 1999, and have not been paid
22 on the date this act takes effect.

23 Section 8. Effective July 1, 2002, paragraph (b) of
24 subsection (14) of section 212.06, Florida Statutes, is
25 amended to read:

26 212.06 Sales, storage, use tax; collectible from
27 dealers; "dealer" defined; dealers to collect from purchasers;
28 legislative intent as to scope of tax.--

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

31

1 (b) "Fixtures" means items that are an accessory to a
2 building, other structure, or land and that do not lose their
3 identity as accessories when installed but that do become
4 permanently attached to realty. However, the term does not
5 include the following items, whether or not such items are
6 attached to real property in a permanent manner: ~~trade~~
7 ~~fixtures~~ property of a type that is required to be
8 registered, licensed, titled, or documented by this state or
9 by the United States Government, including, but not limited
10 to, mobile homes, except mobile homes assessed as real
11 property; or industrial machinery or equipment. For purposes
12 of this paragraph, industrial machinery or equipment is not
13 limited to machinery and equipment used to manufacture,
14 process, compound, or produce tangible personal property. For
15 an item to be considered a fixture, it is not necessary that
16 the owner of the item also own the real property to which it
17 is attached.

18 Section 9. It is the intent of the Legislature that
19 the amendment to section 212.06(14)(b), Florida Statutes,
20 relating to trade fixtures and industrial machinery or
21 equipment, which is made by section 8 of this act is remedial
22 in nature and merely clarifies existing law.

23 Section 10. Paragraph (a) of subsection (8) and
24 subsection (9) of section 212.08, Florida Statutes, are
25 amended to read:

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

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

3 (a) The sale or use of vessels and parts thereof used
4 to transport persons or property in interstate or foreign
5 commerce, including commercial fishing vessels, is subject to
6 the taxes imposed in this chapter only to the extent provided
7 herein. The basis of the tax shall be the ratio of intrastate
8 mileage to interstate or foreign mileage traveled by the
9 carrier's vessels which were used in interstate or foreign
10 commerce and which had at least some Florida mileage during
11 the previous fiscal year. The ratio would be determined at
12 the close of the carrier's fiscal year. However, during the
13 fiscal year in which the vessel begins its initial operations
14 in this state, the vessel's mileage apportionment factor may
15 be determined on the basis of an estimated ratio of
16 anticipated miles in this state to anticipated total miles for
17 that year, and, subsequently, additional tax must be paid on
18 the vessel, or a refund may be applied for, on the basis of
19 the actual ratio of the vessel's miles in this state to its
20 total miles for that year.This ratio shall be applied each
21 month to the total Florida purchases of such vessels and parts
22 thereof which are used in Florida to establish that portion of
23 the total used and consumed in intrastate movement and subject
24 to the tax at the applicable rate. The basis for imposition
25 of any discretionary surtax shall be as set forth in s.
26 212.054. Items, appropriate to carry out the purposes for
27 which a vessel is designed or equipped and used, purchased by
28 the owner, operator, or agent of a vessel for use on board
29 such vessel shall be deemed to be parts of the vessel upon
30 which the same are used or consumed. Vessels and parts thereof
31 used to transport persons or property in interstate and

1 foreign commerce are hereby determined to be susceptible to a
2 distinct and separate classification for taxation under the
3 provisions of this chapter. Vessels and parts thereof used
4 exclusively in intrastate commerce do not qualify for the
5 proration of tax.

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

8 (a) Railroads that ~~which~~ are licensed as common
9 carriers by the Surface Transportation Board Interstate
10 ~~Commerce Commission~~ and parts thereof used to transport
11 persons or property in interstate or foreign commerce are
12 subject to tax imposed in this chapter only to the extent
13 provided herein. The basis of the tax shall be the ratio of
14 intrastate mileage to interstate or foreign mileage traveled
15 by the carrier during the previous fiscal year of the carrier.
16 Such ratio is to be determined at the close of the carrier's
17 fiscal year. However, during the fiscal year in which the
18 railroad begins its initial operations in this state, the
19 railroad's mileage apportionment factor may be determined on
20 the basis of an estimated ratio of anticipated miles in this
21 state to anticipated total miles for that year, and,
22 subsequently, additional tax must be paid on the railroad, or
23 a refund may be applied for, on the basis of the actual ratio
24 of the railroad's miles in this state to its total miles for
25 that year.This ratio shall be applied each month to the
26 Florida total purchases of the railroad which are used in this
27 state to establish that portion of the total used and consumed
28 in intrastate movement and subject to tax under this chapter.
29 The basis for imposition of any discretionary surtax is set
30 forth in s. 212.054. Railroads that ~~which~~ are licensed as
31 common carriers by the Surface Transportation Board Interstate

1 ~~Commerce Commission~~ and parts thereof used to transport
2 persons or property in interstate and foreign commerce are
3 hereby determined to be susceptible to a distinct and separate
4 classification for taxation under the provisions of this
5 chapter.

6 (b) Motor vehicles that ~~which~~ are engaged in
7 interstate commerce as common carriers, and parts thereof,
8 used to transport persons or property in interstate or foreign
9 commerce are subject to tax imposed in this chapter only to
10 the extent provided herein. The basis of the tax shall be the
11 ratio of intrastate mileage to interstate or foreign mileage
12 traveled by the carrier's motor vehicles which were used in
13 interstate or foreign commerce and which had at least some
14 Florida mileage during the previous fiscal year of the
15 carrier. Such ratio is to be determined at the close of the
16 carrier's fiscal year. However, during the fiscal year in
17 which the carrier begins its initial operations in this state,
18 the carrier's mileage apportionment factor may be determined
19 on the basis of an estimated ratio of anticipated miles in
20 this state to anticipated total miles for that year, and,
21 subsequently, additional tax must be paid on the carrier, or a
22 refund may be applied for, on the basis of the actual ratio of
23 the carrier's miles in this state to its total miles for that
24 year. This ratio shall be applied each month to the Florida
25 ~~total~~ purchases of such motor vehicles and parts thereof which
26 are used in this state to establish that portion of the total
27 used and consumed in intrastate movement and subject to tax
28 under this chapter. The basis for imposition of any
29 discretionary surtax is set forth in s. 212.054. Motor
30 vehicles that ~~which~~ are engaged in interstate commerce, and
31 parts thereof, used to transport persons or property in

1 interstate and foreign commerce are hereby determined to be
2 susceptible to a distinct and separate classification for
3 taxation under the provisions of this chapter. Motor vehicles
4 and parts thereof used exclusively in intrastate commerce do
5 not qualify for the proration of tax. For purposes of this
6 paragraph, parts of a motor vehicle engaged in interstate
7 commerce include a separate tank not connected to the fuel
8 supply system of the motor vehicle into which diesel fuel is
9 placed to operate a refrigeration unit or other equipment.

10 Section 11. Effective July 1, 2002, subsection (10) of
11 section 624.509, Florida Statutes, is repealed.

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

14 213.285 Certified audits.--

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

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

31

1 (c) The certified audits project is repealed on July
2 1, 2006 ~~2002~~, or upon completion of the project as determined
3 by the department, whichever occurs first.

4 Section 13. Subsections (1) and (3) and paragraph (n)
5 of subsection (7) of section 213.053, Florida Statutes, are
6 amended, and paragraph (w) is added to subsection (7) of that
7 section, to read:

8 213.053 Confidentiality and information sharing.--

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

28 (b) The provisions of this section also apply to
29 chapter 202, the Communications Services Tax Simplification
30 Law. This paragraph is subject to the Open Government Sunset
31 Review Act of 1995 in accordance with s. 119.15, and shall

1 stand repealed on October 2, 2006, unless reviewed and saved
2 from repeal through reenactment by the Legislature.

3 (c) The provisions of this section, except paragraph
4 (7)(f), also apply to chapter 443 while the department is
5 performing tax collection services for the Agency for
6 Workforce Innovation pursuant to chapter 2000-165, Laws of
7 Florida; however, the exceptions to confidentiality set forth
8 in ss. 443.171(7) and 443.1715 remain in full force and
9 effect.

10 (3) The department shall permit a taxpayer, his or her
11 authorized representative, or the personal representative of
12 an estate to inspect the taxpayer's return and may furnish him
13 or her an abstract of such return. A taxpayer may authorize
14 the department in writing to divulge specific information
15 concerning the taxpayer's account. The department, while
16 performing unemployment-compensation tax-collection services
17 under a contract with the Agency for Workforce Innovation, may
18 release unemployment-tax-rate information to the agent of an
19 employer, which agent provides payroll services for more than
20 500 employers, pursuant to the terms of a memorandum of
21 understanding. The memorandum of understanding must state that
22 the agent affirms, subject to the criminal penalties contained
23 in ss. 443.171 and 443.1715, that the agent will retain the
24 confidentiality of the information, that the agent has in
25 effect a power of attorney from the employer which permits the
26 agent to obtain unemployment-tax-rate information, and that
27 the agent will provide to the department on request a copy of
28 the employer's power of attorney.

29 (7) Notwithstanding any other provision of this
30 section, the department may provide:
31

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

14 (w) Tax registration information to the Agency for
15 Workforce Innovation for use in the conduct of its official
16 duties, which information may not be redisclosed by the Agency
17 for Workforce Innovation.

18
19 Disclosure of information under this subsection shall be
20 pursuant to a written agreement between the executive director
21 and the agency. Such agencies, governmental or
22 nongovernmental, shall be bound by the same requirements of
23 confidentiality as the Department of Revenue. Breach of
24 confidentiality is a misdemeanor of the first degree,
25 punishable as provided by s. 775.082 or s. 775.083.

26 Section 14. Subsection (8) of section 213.21, Florida
27 Statutes, is amended to read:

28 213.21 Informal conferences; compromises.--

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

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

15 Section 15. Paragraph (f) of subsection (4) of section
16 11 of chapter 2000-165, Laws of Florida, is amended to read:

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

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

1 | 2001, the Agency for Workforce Innovation shall enter into a
2 | contract with the Department of Revenue which shall provide
3 | for the Department of Revenue to provide unemployment tax
4 | collection services. The Department of Revenue, in
5 | consultation with the Department of Labor and Employment
6 | Security, shall determine the number of positions needed to
7 | provide unemployment tax collection services within the
8 | Department of Revenue. The number of unemployment tax
9 | collection service positions the Department of Revenue
10 | determines are needed shall not exceed the number of positions
11 | that, prior to the contract, were authorized to the Department
12 | of Labor and Employment Security for this purpose. Upon
13 | entering into the contract with the Agency for Workforce
14 | Innovation to provide unemployment tax collection services,
15 | the number of required positions, as determined by the
16 | Department of Revenue, shall be authorized within the
17 | Department of Revenue. Beginning January 1, 2002, the Office
18 | of Program Policy Analysis and Government Accountability shall
19 | conduct a feasibility study regarding privatization of
20 | unemployment tax collection services. A report on the
21 | conclusions of this study shall be submitted to the Governor,
22 | the President of the Senate, and the Speaker of the House of
23 | Representatives. The Department of Revenue is considered to be
24 | administering a revenue law of this state when it provides
25 | unemployment compensation tax collection services pursuant to
26 | its contract with the Agency for Workforce Innovation. The
27 | following provisions of chapter 213, Florida Statutes, apply
28 | to the collection of unemployment contributions by the
29 | Department of Revenue unless prohibited by federal law: ss.
30 | 213.018, 213.025, 213.051, 213.053, 213.055, 213.071, 213.10,
31 | 213.2201, 213.23, 213.24(2), 213.27, 213.28, 213.285, 213.37,

1 213.50, 213.67, 213.69, 213.73, 213.733, 213.74, 213.755, and
2 213.757.

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

5 45.031 Judicial sales procedure.--In any sale of real
6 or personal property under an order or judgment, the following
7 procedure may be followed as an alternative to any other sale
8 procedure if so ordered by the court:

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

21
22 (Caption of Action)

23
24 CERTIFICATE OF DISBURSEMENTS

25
26 The undersigned clerk of the court certifies that he or
27 she disbursed the proceeds received from the sale of the
28 property as provided in the order or final judgment to the
29 persons and in the amounts as follows:

30 Name Amount

31

1 Total
2
3 WITNESS my hand and the seal of the court on,
4 ...(year)....
5(Clerk)..
6 By ...(Deputy Clerk)..
7
8 If no objections to the report are served within 10 days after
9 it is filed, the disbursements by the clerk shall stand
10 approved as reported. If timely objections to the report are
11 served, they shall be heard by the court. Service of
12 objections to the report does not affect or cloud the title of
13 the purchaser of the property in any manner.
14 Section 17. Paragraph (a) of subsection (4) of section
15 69.041, Florida Statutes, is amended to read:
16 69.041 State named party; lien foreclosure, suit to
17 quiet title.--
18 (4)(a) The Department of Revenue has the right to
19 participate in the disbursement of funds remaining in the
20 registry of the court after distribution pursuant to s.
21 45.031(7). The department shall participate in accordance with
22 applicable procedures in any mortgage foreclosure action in
23 which the department has a duly filed tax warrant, or
24 interests under a lien arising from a judgment, order, or
25 decree for support, as defined in s. 409.2554, or interest in
26 an unemployment compensation tax lien pursuant to a contract
27 with the Agency for Workforce Innovation, against the subject
28 property and with the same priority, regardless of whether a
29 default against the department, the Agency for Workforce
30 Innovation, or the Department of Labor and Employment Security
31

1 has been entered for failure to file an answer or other
2 responsive pleading.

3 Section 18. Effective upon this act becoming a law and
4 applying retroactively to December 21, 2000, section 443.1315,
5 Florida Statutes, is created to read:

6 443.1315 Treatment of Indian tribes.--

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

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

10 (b) "Employment" includes service performed in the
11 employ of an Indian tribe, as defined by s. 3306(u) of the
12 Federal Unemployment Tax Act, provided such service is
13 excluded from "employment," as defined by that act, solely by
14 reason of s. 3306(c)(7) of said act and is not otherwise
15 excluded from "employment" under this chapter. For purposes of
16 this section, the exclusions from employment under s.
17 443.036(21)(d) shall be applicable to services performed in
18 the employ of an Indian tribe.

19 (2) Benefits based on service in employment, as
20 defined by this section, shall be payable in the same amount,
21 on the same terms, and subject to the same conditions as
22 benefits payable on the basis of other service subject to this
23 chapter.

24 (3)(a) Indian tribes or tribal units, including
25 subdivisions, subsidiaries, or business enterprises wholly
26 owned by such Indian tribes, subject to this chapter shall pay
27 contributions under the same terms and conditions as all other
28 subject employers, unless they elect to pay into the
29 Unemployment Compensation Trust Fund amounts equal to the
30 amount of benefits attributable to service in the employ of
31 the Indian tribe.

1 (b) Indian tribes electing to make payments in lieu of
2 contributions must make such election in the same manner and
3 under the same conditions as provided by s. 443.131 for state
4 and local governments and nonprofit organizations subject to
5 this chapter. Indian tribes shall determine if reimbursement
6 for benefits paid will be elected by the tribe as a whole, by
7 individual tribal units, or by combinations of individual
8 tribal units.

9 (c) Indian tribes or tribal units shall be billed for
10 the full amount of benefits attributable to service in the
11 employ of the Indian tribe or tribal unit on the same schedule
12 as other employing units that have elected to make payments in
13 lieu of contributions.

14 (d) At the discretion of the director of the Agency
15 for Workforce Innovation or his or her designee, any Indian
16 tribe or tribal unit that elects to become liable for payments
17 in lieu of contributions shall be required, within 90 days
18 after the effective date of its election, to:

19 1. Execute and file with the director or his or her
20 designee a surety bond approved by the director or his or her
21 designee; or

22 2. Deposit with the director or his or her designee
23 money or securities on the same basis as other employers with
24 the same election option.

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

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

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

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

21 (c) If an Indian tribe fails to make payments required
22 under this section, including assessments of interest and
23 penalty, within 90 days after a final notice of delinquency,
24 the director of the Agency for Workforce Innovation shall
25 immediately notify the United States Internal Revenue Service
26 and the United States Department of Labor.

27 (5) Notices of payment and reporting delinquency to
28 Indian tribes or their tribal units shall include information
29 that failure to make full payment within the prescribed
30 timeframe:

31

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

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

5 (c) Could cause the Indian tribe to be excepted from
6 the definition of "employer," as provided in paragraph (1)(a),
7 and services in the employ of the Indian tribe, as provided in
8 paragraph (1)(b), to be excepted from "employment."

9 (6) Extended benefits paid that are attributable to
10 service in the employ of an Indian tribe and not reimbursed by
11 the Federal Government shall be financed in their entirety by
12 such Indian tribe.

13 (7) The Agency for Workforce Innovation shall adopt
14 any rules necessary to administer this section.

15 Section 19. Section 443.163, Florida Statutes, is
16 amended to read:

17 443.163 Electronic reporting.--

18 (1) An employer may choose to file any report required
19 by this chapter by electronic means in a form initiated
20 through an electronic data interchange using an advanced
21 encrypted transmission by means of the Internet or other
22 suitable transmission. The Agency for Workforce Innovation or
23 its designee division shall prescribe by rule the format and
24 instructions necessary for such filing to ensure a full
25 collection of contributions due. The acceptable method of
26 transfer, the method, form, and content of the electronic
27 means data interchange, and the means, if any, by which the
28 employer will be provided with an acknowledgment, shall be
29 prescribed by the agency or its designee division. However,
30 any employer who employed 10 or more employees in any quarter
31 during the preceding calendar year, or person that prepared

1 and reported for 5 or more employers in the preceding calendar
2 year, must submit the Employers Quarterly Reports (UCT-6) for
3 the current calendar year by electronic means approved by the
4 agency or its designee.

5 (2) An employer or person who fails to file an
6 Employers Quarterly Report (UCT-6) by electronic means, when
7 required, is subject to a penalty of 10 percent of the tax due
8 or \$50 per report, whichever is greater, in addition to any
9 other penalty that is applicable.

10 Section 20. Section 213.755, Florida Statutes, is
11 amended to read:

12 213.755 Filing of returns and payment of taxes by
13 electronic means ~~funds transfer~~.--

14 (1) The executive director of the Department of
15 Revenue shall have authority to require a taxpayer to file
16 returns and remit taxes by electronic means ~~funds transfer~~
17 where the taxpayer, ~~including consolidated filers,~~ is subject
18 to tax and has paid that tax in the prior state fiscal year in
19 an amount of \$50,000 or more. Any taxpayer who operates two or
20 more places of business for which returns are required to be
21 filed with the department and maintains records for such
22 places of business in a central office or place shall combine
23 the tax payments for all such locations in order to determine
24 whether they are obligated under this section.

25 (a) Beginning January 1, 2003, the executive director
26 may require a taxpayer to file returns and remit taxes by
27 electronic means if the taxpayer is subject to tax and has
28 paid that tax in the previous state fiscal year in an amount
29 of \$40,000 or more.

30 (b) Beginning January 1, 2004, the executive director
31 may require a taxpayer to file returns and remit taxes by

1 electronic means if the taxpayer is subject to tax and has
2 paid that tax in the previous state fiscal year in an amount
3 of \$30,000 or more.

4 (c) Beginning January 1, 2005, the executive director
5 may require a taxpayer to file returns and remit taxes by
6 electronic means if the taxpayer is subject to tax and has
7 paid that tax in the previous state fiscal year in an amount
8 of \$20,000 or more.

9 (d) Beginning January 1, 2006, the executive director
10 may require a taxpayer to file returns and remit taxes by
11 electronic means if the taxpayer is subject to tax and has
12 paid that tax in the previous state fiscal year in an amount
13 of \$10,000 or more.

14
15 This subsection does not override additional requirements in
16 any provision of a revenue law which the department has the
17 responsibility for regulating, controlling, and administering.

18 (2) An employer or person required to report by
19 electronic means, pursuant to s. 443.163, shall remit the
20 payment due by electronic means. Such employers shall pay, for
21 each paper return or remittance sent to the department, a
22 penalty based on the cost of processing the return or
23 remittance. The amount of the penalty shall be fixed in a
24 study performed by the inspector general of the department.
25 The study shall be conducted every 3 years and at such other
26 times as the inspector general considers necessary. Minimum
27 penalties shall be established and adjusted in accordance with
28 the results of the study.

29 (3)~~(2)~~ As used in any revenue law administered by the
30 department, the term:

31

1 (a) "Payment" means any payment or remittance required
2 to be made or paid within a prescribed period or on or before
3 a prescribed date under the authority of any provision of a
4 revenue law which the department has the responsibility for
5 regulating, controlling, and administering. The term does not
6 include any remittance unless the amount of the remittance is
7 actually received by the department.

8 (b) "Return" means any report, claim, statement,
9 notice, application, affidavit, or other document required to
10 be filed within a prescribed period or on or before a
11 prescribed date under the authority of any provision of a
12 revenue law which the department has the responsibility of
13 regulating, controlling, and administering.

14 (c) "Electronic means" includes, but is not limited
15 to, use of the Internet and telephone.

16 (4)(3) Solely for the purposes of administering this
17 section:

18 (a) Taxes levied under parts I and II of chapter 206
19 shall be considered a single tax.

20 (b) A person required to remit a tax acting as a
21 collection agent or dealer for the state shall nonetheless be
22 considered the taxpayer.

23 (5) The executive director may require a taxpayer to
24 file by electronic means returns for which no tax is due for
25 the specific taxing period.

26 (6) Beginning January 1, 2003, consolidated filers
27 shall file returns and remit taxes by electronic means.

28 (7) Taxpayers obligated by statute to use electronic
29 means to file returns or remit taxes by electronic means as
30 required in any revenue law administered by the department
31 shall pay, for each paper return or remittance sent to the

1 department, a penalty based on the cost of processing the
2 return or remittance. The amount of the penalty shall be fixed
3 in a study performed by the inspector general of the
4 department. The study shall be conducted every 3 years and at
5 such other times as the inspector general considers necessary.
6 Minimum penalties shall be established and adjusted in
7 accordance with the results of the study.

8 (8) The department shall give due regard to developing
9 uniform standards for formats as adopted by the American
10 National Standards Institute for encryption and taxpayer
11 authentication to ensure that the return and payment
12 information is kept confidential. The department shall also
13 provide several options for filing and remitting by electronic
14 means in order to make compliance with the requirements of
15 this section as simple as possible for the taxpayer.

16 (9) The department shall prescribe by rule the format
17 and instructions necessary for filing and remittance in
18 accordance with this section to ensure a full collection of
19 taxes, interest, and penalties due; the acceptable method of
20 transfer; the method, form, and content of the electronic
21 filing of returns or remittance of tax, penalty, or interest;
22 and the means, if any, by which the taxpayer will be provided
23 with an acknowledgment of receipt.

24 Section 21. Paragraph (a) of subsection (3) of section
25 213.21, Florida Statutes, is amended to read:

26 213.21 Informal conferences; compromises.--

27 (3)(a) A taxpayer's liability for any tax or interest
28 specified in s. 72.011(1) may be compromised by the department
29 upon the grounds of doubt as to liability for or
30 collectibility of such tax or interest. A taxpayer's liability
31 for penalties under any of the chapters specified in s.

1 72.011(1) may be settled or compromised if it is determined by
2 the department that the noncompliance is due to reasonable
3 cause and not to willful negligence, willful neglect, or
4 fraud. The facts and circumstances are subject to de novo
5 review to determine the existence of reasonable cause in any
6 administrative proceeding or judicial action challenging an
7 assessment of penalty under any of the chapters specified in
8 s. 72.011(1).A taxpayer who establishes reasonable reliance
9 on the written advice issued by the department to the taxpayer
10 will be deemed to have shown reasonable cause for the
11 noncompliance. In addition, a taxpayer's liability for
12 penalties under any of the chapters specified in s. 72.011(1)
13 in excess of 25 percent of the tax shall be settled or
14 compromised if the department determines that the
15 noncompliance is due to reasonable cause and not to willful
16 negligence, willful neglect, or fraud. The department shall
17 maintain records of all compromises, and the records shall
18 state the basis for the compromise. The records of compromise
19 under this paragraph shall not be subject to disclosure
20 pursuant to s. 119.07(1) and shall be considered confidential
21 information governed by the provisions of s. 213.053.

22 Section 22. Effective July 1, 2003, subsections (9)
23 and (10) are added to section 213.21, Florida Statutes, to
24 read:

25 213.21 Informal conferences; compromises.--
26 (9)(a) Notwithstanding any other provision of law and
27 solely for the purpose of administering the tax imposed by
28 chapter 212, under the circumstances set forth in this
29 subsection, the department shall settle or compromise a
30 taxpayer's liability for penalty without requiring the
31

1 taxpayer to submit a written request for compromise or
2 settlement.

3 (b) For taxpayers that file returns and remit tax
4 monthly, the penalty related to a noncompliant filing event
5 shall be settled or compromised if the taxpayer has had:

6 1. No noncompliant filing event in the immediately
7 preceding 12-month period and no unresolved chapter 212
8 liability resulting from a noncompliant filing event; or

9 2. One noncompliant filing event in the immediately
10 preceding 12-month period, resolution of the current
11 noncompliant filing event through payment of tax and interest
12 and the filing of a return within 30 days after notification
13 by the department, and no unresolved liability under chapter
14 212 resulting from a noncompliant filing event.

15
16 If a taxpayer has two or more noncompliant filing events in
17 the immediately preceding 12-month period, the taxpayer is
18 liable, absent a showing by the taxpayer that the noncompliant
19 filing event was due to extraordinary circumstances, for the
20 penalties provided in s. 212.12, including loss of collection
21 allowance, and shall be reported to a credit bureau.

22 (c) For taxpayers that file returns and remit tax
23 quarterly, the penalty related to a noncompliant filing event
24 shall be settled or compromised if the taxpayer has no
25 noncompliant filing event in the immediately preceding
26 12-month period and no unresolved liability under chapter 212
27 resulting from a noncompliant filing event.

28 (d) As used in this subsection, the term
29 "noncompliant filing event" means either the failure to timely
30 file a complete and accurate return required under chapter 212

31

1 or the failure to timely pay the amount of tax reported on a
2 return required by chapter 212.

3 (e) As used in this subsection, the term
4 "extraordinary circumstances" means the occurrence of events
5 beyond the control of the taxpayer, such as, but not limited
6 to, the death of the taxpayer, acts of war or terrorism,
7 natural disasters, fire or other casualty, or the nonfeasance
8 or misfeasance of the taxpayer's employees or representatives
9 who are responsible for compliance with chapter 212. With
10 respect to the acts of an employee or representative, the
11 taxpayer must show that the principals of the business lacked
12 actual knowledge of the noncompliance and that the
13 noncompliance was resolved within 30 days after the principals
14 acquired actual knowledge.

15 (10) The penalty shall be settled or compromised upon
16 payment of tax and interest if a taxpayer has failed to
17 collect the tax imposed by chapter 212 on a transaction due to
18 a good-faith belief that tax was not due on the transaction
19 and, because of that good-faith belief, the taxpayer is now
20 unable to charge and collect the tax from the taxpayer's
21 purchaser. The Department of Revenue shall adopt rules
22 necessary to administer this subsection and subsection (9),
23 including rules establishing procedures and forms.

24 Section 23. Effective July 1, 2002, subsection (9) is
25 added to section 212.07, Florida Statutes, to read:

26 212.07 Sales, storage, use tax; tax added to purchase
27 price; dealer not to absorb; liability of purchasers who
28 cannot prove payment of the tax; penalties; general
29 exemptions.--

30 (9)(a) If a purchaser engaging in transactions taxable
31 under this chapter did not pay tax to a vendor based on a

1 good-faith belief that either the transaction was a nontaxable
2 purchase for resale or the transaction was exempt as a
3 purchase by an organization exempt from tax under this
4 chapter, except as set forth below, neither the purchaser nor
5 the vendor is directly liable for any tax, interest, or
6 penalty that would otherwise be due if all of the following
7 conditions are met:

8 1. At the time of the purchase, the purchaser was not
9 registered as a dealer with the department or did not hold a
10 consumer's certificate of exemption from the department.

11 2. At the time of the purchase, the purchaser was
12 qualified to register with the department as a dealer or to
13 receive a consumer's certificate of exemption from the
14 department.

15 3. Before applying for treatment under this
16 subsection, the purchaser has registered with the department
17 as a dealer or has applied for and received a consumer's
18 certificate of exemption from the department.

19 4. The purchaser establishes justifiable cause for
20 failure to register as a dealer or to obtain a consumer's
21 certificate of exemption before making the purchase. Whether a
22 purchaser has established justifiable cause for failure to
23 register depends on the facts and circumstances of each case,
24 including, but not limited to, such factors as the complexity
25 of the transaction, the purchaser's business experience and
26 history, whether the purchaser sought advice on its tax
27 obligations, whether any such advice was followed, and any
28 remedial action taken by the purchaser.

29 5. The transaction would otherwise qualify as exempt
30 under this chapter except for the fact that at the time of the
31 purchase the purchaser was not registered as a dealer with the

1 department or did not hold a consumer's certificate or
2 exemption from the department.

3 6. Relief pursuant to this subsection is applied for:

4 a. Before the department has initiated any audit or
5 other action or inquiry in regard to the purchaser or the
6 vendor; or

7 b. If any audit or other action or inquiry of the
8 purchaser or the vendor has already been initiated, within 7
9 days after being informed in writing by the department that
10 the purchaser was required to be registered or to hold a
11 consumer's certificate of exemption at the time the
12 transaction occurred.

13 (b) In lieu of the tax, penalties, and interest that
14 would otherwise have been due, the department shall impose and
15 collect the following mandatory penalties, which the
16 department may not waive:

17 1. If a purchaser or vendor applies for relief before
18 the department initiates any audit or other action or inquiry,
19 the mandatory penalty is the lesser of \$1,000 or 10 percent of
20 the total tax due on transactions that qualify for treatment
21 under this subsection.

22 2. If a purchaser or vendor applies for relief after
23 an audit or other action or inquiry has already been initiated
24 by the department, the mandatory penalty is the lesser of
25 \$5,000 or 20 percent of the total tax due on transactions that
26 qualify for treatment under this subsection.

27
28 The department may impose and collect the mandatory penalties
29 from either the purchaser or the vendor that failed to obtain
30 proper documentation at the time of the transaction.

31

1 (c) The department may adopt forms and rules to
2 administer this subsection.

3 Section 24. It is the intent of the Legislature that
4 the amendments to section 212.07, Florida Statutes, which are
5 made by section 22 of this act apply to all pending sales and
6 use tax audits or other actions or inquires, including those
7 currently under protest or in litigation. Taxpayers in such
8 pending audits or other actions or inquires have until the
9 later of the date provided by section 212.07(9)(b), Florida
10 Statutes, as created by section 22 of this act, or 90 days
11 after the effective date of this act, to apply for the
12 treatment provided in that paragraph. This section does not
13 create any right to refund for taxes previously assessed and
14 paid in regard to audits or other actions or inquires that are
15 no longer pending.

16 Section 25. Subsection (2) of section 213.24, Florida
17 Statutes, is amended to read:

18 213.24 Accrual of penalties and interest on
19 deficiencies; deficiency billing costs.--

20 (2)(a) Billings for deficiencies or automated refunds
21 of tax, penalty, or interest shall not be issued for any
22 amount less than the actual costs incurred by the department
23 to produce a billing or automated refund.

24 (b) The cost of issuing billings or automated refunds
25 for any tax enumerated in s. 213.05 shall be computed in a
26 study performed by the inspector general of the department.
27 The study shall be conducted every 3 years and at such other
28 times as deemed necessary by the inspector general. A minimum
29 billing and automated refund amount shall be established and
30 adjusted in accordance with the results of such study.

31

1 (c) Any change in minimum billing or automated refund
2 amounts ~~amount~~ shall be made effective on July 1 following the
3 completion of the study.

4 Section 26. Subsection (5) of section 55.202, Florida
5 Statutes, is amended to read:

6 55.202 Judgments, orders, and decrees; lien on
7 personal property.--

8 (5) Liens, assessments, warrants, or judgments filed
9 pursuant to paragraph (2)(b) may be filed directly into the
10 central database by the Department of Revenue, or its designee
11 as determined by its executive director, through electronic or
12 information data exchange programs approved by the Department
13 of State. Such filings must contain the information set forth
14 in s. 55.203(1).

15 Section 27. Effective July 1, 2002, subsections (2)
16 and (3) of section 213.235, Florida Statutes, are amended to
17 read:

18 213.235 Determination of interest on deficiencies.--

19 (2) If the adjusted prime rate charged by banks,
20 rounded to the nearest full percent, plus 2 percentage points,
21 during either:

22 (a) The 6-month period ending on September 30 of any
23 calendar year, or

24 (b) The 6-month period ending on March 31 of any
25 calendar year

26
27 differs from the interest rate in effect on either such date,
28 the executive director of the department shall, within 20
29 days, establish an adjusted rate of interest equal to such
30 adjusted prime rate plus 2 percentage points.

31

1 (3) An adjusted rate of interest established under
2 this section becomes effective:

3 (a) On January 1 of the succeeding year, if based upon
4 the adjusted prime rate plus 2 percentage points for the
5 6-month period ending on September 30; or

6 (b) On July 1 of the same calendar year, if based upon
7 the adjusted prime rate plus 2 percentage points for the
8 6-month period ending on March 31.

9 Section 28. (1) It is the intent of the Legislature
10 that the amendments to subsections (2) and (3) of section
11 213.235, Florida Statutes, which are made by section 26 of
12 this act, apply to interest due on tax payment deficiencies
13 that arise on or after the effective date of that section and
14 also apply to interest due on tax payment deficiencies that
15 arose on or after January 1, 2000, but remain unpaid on the
16 effective date of that section.

17 Section 29. Effective July 1, 2002, subsections (2)
18 and (3) of section 220.807, Florida Statutes, are amended to
19 read:

20 220.807 Determination of rate of interest.--

21 (2) If the adjusted prime rate charged by banks,
22 rounded to the nearest full percent, plus 2 percentage points,
23 during either:

24 (a) The 6-month period ending on September 30 of any
25 calendar year; or

26 (b) The 6-month period ending on March 31 of any
27 calendar year,

28
29 differs from the interest rate in effect on either such date,
30 the executive director of the Department of Revenue shall,
31

1 within 20 days, establish an adjusted rate of interest equal
2 to such adjusted prime rate plus 2 percentage points.

3 (3) An adjusted rate of interest established under
4 this section shall become effective:

5 (a) On January 1 of the succeeding year, if based upon
6 the adjusted prime rate plus 2 percentage points for the
7 6-month period ending on September 30; or

8 (b) On July 1 of the same calendar year, if based upon
9 the adjusted prime rate plus 2 percentage points for the
10 6-month period ending on March 31.

11 Section 30. (1) It is the intent of the Legislature
12 that the amendments to subsections (2) and (3) of section
13 220.807, Florida Statutes, which are made by section 28 of
14 this act, apply to interest due on tax payment deficiencies
15 that arise on or after the effective date of that section and
16 also apply to interest due on tax payment deficiencies that
17 arose before the effective date of that section but remain
18 unpaid on the effective date of that section.

19 Section 31. Subsection (4) of section 213.255, Florida
20 Statutes, is amended to read:

21 213.255 Interest.--Interest shall be paid on
22 overpayments of taxes, payment of taxes not due, or taxes paid
23 in error, subject to the following conditions:

24 (4) Interest shall not commence until 90 days after a
25 complete refund application has been filed and the amount of
26 overpayment has not been refunded to the taxpayer or applied
27 as a credit to the taxpayer's account. However, if there is a
28 prohibition against refunding a tax overpayment before the
29 first day of the state fiscal year, interest on the tax
30 overpayment does not commence until August 1 of the year the
31 tax was due.If the department and the taxpayer mutually agree

1 that an audit or verification is necessary in order to
2 determine the taxpayer's entitlement to the refund, interest
3 shall not commence until the audit or verification of the
4 claim is final.

5 Section 32. Effective July 1, 2002, subsection (1) of
6 section 681.117, Florida Statutes, is amended to read:

7 681.117 Fee.--

8 (1) A \$2 fee shall be collected by a motor vehicle
9 dealer, or by a person engaged in the business of leasing
10 motor vehicles, from the consumer at the consummation of the
11 sale of a motor vehicle or at the time of entry into a lease
12 agreement for a motor vehicle. Such fees shall be remitted to
13 the county tax collector or private tag agency acting as agent
14 for the Department of Revenue. If the purchaser or lessee
15 removes the motor vehicle from the state for titling and
16 registration outside this state, the fee shall be remitted to
17 the Department of Revenue.All fees, less the cost of
18 administration, shall be transferred monthly to the Department
19 of Legal Affairs for deposit into the Motor Vehicle Warranty
20 Trust Fund. The Department of Legal Affairs shall distribute
21 monthly an amount not exceeding one-fourth of the fees
22 received to the Division of Consumer Services of the
23 Department of Agriculture and Consumer Services to carry out
24 the provisions of ss. 681.108 and 681.109. The Department of
25 Legal Affairs shall contract with the Division of Consumer
26 Services for payment of services performed by the division
27 pursuant to ss. 681.108 and 681.109.

28 Section 33. Paragraph (b) of subsection (2), paragraph
29 (b) of subsection (3), and paragraph (b) of subsection (4) of
30 section 211.3103, Florida Statutes, are amended to read:

31

1 211.3103 Levy of tax on severance of phosphate rock;
2 rate, basis, and distribution of tax.--

3 (2) The proceeds of all taxes, interest, and penalties
4 imposed under this section shall be paid into the State
5 Treasury through June 30, 1995, as follows:

6 (b) The remaining revenues collected from the tax
7 during that fiscal year, after the required payment under
8 paragraph (a), shall be paid into the State Treasury as
9 follows:

10 1. To the credit of the General Revenue Fund of the
11 state, 60 percent. However, from this amount the amounts of
12 \$7.4 million, \$8.2 million, and \$8.1 million, respectively,
13 shall be transferred to the Nonmandatory Land Reclamation
14 Trust Fund on January 1, 1993, January 1, 1994, and January 1,
15 1995.

16 2. To the credit of the Nonmandatory Land Reclamation
17 Trust Fund which is established for reclamation and
18 acquisition of unreclaimed lands disturbed by phosphate mining
19 and not subject to mandatory reclamation, 20 percent.

20 3. To the credit of the Phosphate Research Trust Fund
21 in the Department of Education, Division of Universities, to
22 carry out the purposes set forth in s. 378.101, 10 percent.

23 4. For payment to counties in proportion to the number
24 of tons of phosphate rock produced from a phosphate rock
25 matrix located within such political boundary, 10 percent. The
26 department shall distribute this portion of the proceeds
27 annually based on production information reported by producers
28 on the ~~most recent~~ annual returns for the taxable filed prior
29 ~~to the beginning of the fiscal year~~. Any such proceeds
30 received by a county shall be used only for phosphate-related
31 expenses.

1 (3) Beginning July 1, 1995, the proceeds of all taxes,
2 interest, and penalties imposed under this section shall be
3 paid into the State Treasury as follows:

4 (b) The remaining revenues collected from the tax
5 during that fiscal year, after the required payment under
6 paragraph (a), shall be paid into the State Treasury as
7 follows:

8 1. To the credit of the General Revenue Fund of the
9 state, 58 percent.

10 2. To the credit of the Nonmandatory Land Reclamation
11 Trust Fund for reclamation and acquisition of unreclaimed
12 lands disturbed by phosphate mining and not subject to
13 mandatory reclamation, 14.5 percent.

14 3. To the credit of the Phosphate Research Trust Fund
15 in the Department of Education, Division of Universities, to
16 carry out the purposes set forth in s. 378.101, 10 percent.

17 4. For payment to counties in proportion to the number
18 of tons of phosphate rock produced from a phosphate rock
19 matrix located within such political boundary, 10 percent. The
20 department shall distribute this portion of the proceeds
21 annually based on production information reported by producers
22 on the ~~most recent~~ annual returns for the taxable filed prior
23 ~~to the beginning of the fiscal~~ year. Any such proceeds
24 received by a county shall be used only for phosphate-related
25 expenses.

26 5. To the credit of the Minerals Trust Fund, 7.5
27 percent.

28 (4) If the base rate is reduced pursuant to paragraph
29 (5)(c), then the proceeds of the tax shall be paid into the
30 State Treasury as follows:

31

1 (b) The remaining revenues collected from the tax
2 during that fiscal year, after the required payment under
3 paragraph (a), shall be paid into the State Treasury as
4 follows:

5 1. To the credit of the General Revenue Fund of the
6 state, 55.15 percent.

7 2. To the credit of the Phosphate Research Trust Fund
8 in the Department of Education, Division of Universities, 12.5
9 percent.

10 3. For payment to counties in proportion to the number
11 of tons of phosphate rock produced from a phosphate rock
12 matrix located within such political boundary, 18 percent. The
13 department shall distribute this portion of the proceeds
14 annually based on production information reported by producers
15 on the ~~most recent~~ annual returns for the taxable filed prior
16 ~~to the beginning of the fiscal~~ year. Any such proceeds
17 received by a county shall be used only for phosphate-related
18 expenses.

19 4. To the credit of the Minerals Trust Fund, 14.35
20 percent.

21 Section 34. Subsection (5) of section 336.021, Florida
22 Statutes, is amended to read:

23 336.021 County transportation system; levy of
24 ninth-cent fuel tax on motor fuel and diesel fuel.--

25 (5) All impositions of the tax shall be levied imposed
26 ~~before November 1, 1993, to be effective January 1, 1994, and~~
27 ~~before July 1 of each year thereafter~~ to be effective January
28 1 of the following year. However, levies of the tax which were
29 in effect on July 1, 2002 ~~1996~~, and which expire on August 31
30 of any year may be reimposed at the current authorized rate to
31 be effective September 1 of the year of expiration. All

1 impositions shall be required to end on December 31 of a year.
2 No decision to rescind the tax shall take effect on any date
3 other than December 31 and requires a minimum of 60 days'
4 notice to ~~until at least 60 days after the county notifies the~~
5 department of such decision.

6 Section 35. Paragraphs (a) and (b) of subsection (1)
7 and paragraph (a) of subsection (5) of section 336.025,
8 Florida Statutes, are amended to read:

9 336.025 County transportation system; levy of local
10 option fuel tax on motor fuel and diesel fuel.--

11 (1)(a) In addition to other taxes allowed by law,
12 there may be levied as provided in ss. 206.41(1)(e) and
13 206.87(1)(c) a 1-cent, 2-cent, 3-cent, 4-cent, 5-cent, or
14 6-cent local option fuel tax upon every gallon of motor fuel
15 and diesel fuel sold in a county and taxed under the
16 provisions of part I or part II of chapter 206.

17 1. All impositions and rate changes of the tax shall
18 be levied before July 1 to be effective January 1 of the
19 following year for a period not to exceed 30 years, and the
20 applicable method of distribution shall be established
21 pursuant to subsection (3) or subsection (4). However, levies
22 of the tax which were in effect on July 1, 2002 ~~1996~~, and
23 which expire on August 31 of any year may be reimposed at the
24 current authorized rate effective September 1 of the year of
25 expiration. Upon expiration, the tax may be relieved provided
26 that a redetermination of the method of distribution is made
27 as provided in this section.

28 2. County and municipal governments shall utilize
29 moneys received pursuant to this paragraph only for
30 transportation expenditures.

31

1 3. Any tax levied pursuant to this paragraph may be
2 extended on a majority vote of the governing body of the
3 county. A redetermination of the method of distribution shall
4 be established pursuant to subsection (3) or subsection (4),
5 if, after July 1, 1986, the tax is extended or the tax rate
6 changed, for the period of extension or for the additional
7 tax.

8 (b) In addition to other taxes allowed by law, there
9 may be levied as provided in s. 206.41(1)(e) a 1-cent, 2-cent,
10 3-cent, 4-cent, or 5-cent local option fuel tax upon every
11 gallon of motor fuel sold in a county and taxed under the
12 provisions of part I of chapter 206. The tax shall be levied
13 by an ordinance adopted by a majority plus one vote of the
14 membership of the governing body of the county or by
15 referendum.

16 1. All impositions and rate changes of the tax shall
17 be levied before July 1, to be effective January 1 of the
18 following year. However, levies of the tax which were in
19 effect on July 1, 2002 ~~1996~~, and which expire on August 31 of
20 any year may be reimposed at the current authorized rate,
21 effective September 1 of the year of expiration.

22 2. The county may, prior to levy of the tax, establish
23 by interlocal agreement with one or more municipalities
24 located therein, representing a majority of the population of
25 the incorporated area within the county, a distribution
26 formula for dividing the entire proceeds of the tax among
27 county government and all eligible municipalities within the
28 county. If no interlocal agreement is adopted before the
29 effective date of the tax, tax revenues shall be distributed
30 pursuant to the provisions of subsection (4). If no
31 interlocal agreement exists, a new interlocal agreement may be

1 established prior to June 1 of any year pursuant to this
2 subparagraph. However, any interlocal agreement agreed to
3 under this subparagraph after the initial levy of the tax or
4 change in the tax rate authorized in this section shall under
5 no circumstances materially or adversely affect the rights of
6 holders of outstanding bonds which are backed by taxes
7 authorized by this paragraph, and the amounts distributed to
8 the county government and each municipality shall not be
9 reduced below the amount necessary for the payment of
10 principal and interest and reserves for principal and interest
11 as required under the covenants of any bond resolution
12 outstanding on the date of establishment of the new interlocal
13 agreement.

14 3. County and municipal governments shall utilize
15 moneys received pursuant to this paragraph only for
16 transportation expenditures needed to meet the requirements of
17 the capital improvements element of an adopted comprehensive
18 plan. For purposes of this paragraph, expenditures for the
19 construction of new roads, the reconstruction or resurfacing
20 of existing paved roads, or the paving of existing graded
21 roads shall be deemed to increase capacity and such projects
22 shall be included in the capital improvements element of an
23 adopted comprehensive plan. Expenditures for purposes of this
24 paragraph shall not include routine maintenance of roads.

25 (5)(a) By July 1 of each year, the county shall notify
26 the Department of Revenue of the rate of the taxes ~~tax~~ levied
27 pursuant to paragraphs (1)(a) and (b), and of its decision to
28 rescind or change the rate of a ~~the~~ tax, if applicable, and
29 shall provide the department with a certified copy of the
30 interlocal agreement established under subparagraph (1)(b)2.
31 or subparagraph (3)(a)1. with distribution proportions

1 established by such agreement or pursuant to subsection (4),
2 if applicable. No decision to rescind ~~a the~~ tax shall take
3 effect on any date other than December 31 and requires a
4 minimum of 60 days' notice to ~~until at least 60 days after the~~
5 ~~county notifies~~ the Department of Revenue of such decision.

6 Section 36. Effective July 1, 2002, paragraph (c) is
7 added to subsection (4) of section 213.0535, Florida Statutes,
8 to read:

9 213.0535 Registration Information Sharing and Exchange
10 Program.--

11 (4) There are two levels of participation:

12 (c) A level-two participant may disclose information
13 as provided in paragraph (b) in response to a request for such
14 information from any other level-two participant. Information
15 relative to specific taxpayers shall be requested or disclosed
16 under this paragraph only to the extent necessary in the
17 administration of a tax or licensing provision as enumerated
18 in paragraph (a). When a disclosure made under this paragraph
19 involves confidential information provided to the participant
20 by the Department of Revenue, the participant who provides the
21 information must maintain records of the disclosures, and the
22 records are subject to review by the Department of Revenue for
23 a period of 5 years after the date of the disclosure.

24 Section 37. Paragraphs (a) and (d) of subsection (1)
25 and paragraph (i) of subsection (3) of section 212.096,
26 Florida Statutes, are amended to read:

27 212.096 Sales, rental, storage, use tax; enterprise
28 zone jobs credit against sales tax.--

29 (1) For the purposes of the credit provided in this
30 section:

31

1 (a) "Eligible business" means any sole proprietorship,
2 firm, partnership, corporation, bank, savings association,
3 estate, trust, business trust, receiver, syndicate, or other
4 group or combination, or successor business, located in an
5 enterprise zone. The business must demonstrate to the
6 department that the total number of full-time jobs defined
7 under paragraph (d) has increased from the average of the
8 previous 12 months. A business that created ~~The term "eligible~~
9 ~~business" includes a business that added~~ a minimum of five new
10 full-time jobs in an enterprise zone between July 1, 2000, and
11 December 31, 2001, is also an "eligible business" for purposes
12 of the credit provided beginning January 1, 2002. An eligible
13 business does not include any business which has claimed the
14 credit permitted under s. 220.181 for any new business
15 employee first beginning employment with the business after
16 July 1, 1995.

17 (d) "Jobs" means full-time positions, as consistent
18 with terms used by the Agency for Workforce Innovation and the
19 United States Department of Labor for purposes of unemployment
20 compensation tax administration and employment estimation
21 resulting directly from a business operation in this state.
22 These terms ~~This number~~ may not include temporary construction
23 jobs involved with the construction of facilities or any jobs
24 that have previously been included in any application for tax
25 credits under s. 220.181(1). The term "jobs" also includes
26 employment of an employee leased from an employee leasing
27 company licensed under chapter 468 if such employee has been
28 continuously leased to the employer for an average of at least
29 36 hours per week for more than 6 months.

30 (3) In order to claim this credit, an eligible
31 business must file under oath with the governing body or

1 enterprise zone development agency having jurisdiction over
2 the enterprise zone where the business is located, as
3 applicable, a statement which includes:

4 (i) All applications for a credit pursuant to this
5 section must be submitted to the department within 6 months
6 after the new employee is hired, except applications for
7 credit on leased employees. Applications for credit for leased
8 employees must be submitted to the department within 7 months
9 after the new employee is hired.

10 Section 38. Subsections (2) and (3) and paragraph (d)
11 of subsection (6) of section 212.098, Florida Statutes, are
12 amended to read:

13 212.098 Rural Job Tax Credit Program.--

14 (2) A new eligible business may apply for a tax credit
15 under this subsection once at any time during its first year
16 of operation. A new eligible business in a ~~tier-one~~ qualified
17 area that has at least 10 qualified employees on the date of
18 application shall receive a \$1,000 tax credit for each such
19 employee.

20 (3) An existing eligible business may apply for a tax
21 credit under this subsection at any time it is entitled to
22 such credit, except as restricted by this subsection. An
23 existing eligible business with fewer than 50 employees in a
24 qualified area that on the date of application has at least 20
25 percent more qualified employees than it had 1 year prior to
26 its date of application shall receive a \$1,000 tax credit for
27 each such additional employee. An existing eligible business
28 that has 50 employees or more in a qualified area that, on the
29 date of application, has at least 10 more qualified employees
30 than it had 1 year prior to its date of application shall
31 receive a \$1,000 tax credit for each additional employee. Any

1 existing eligible business that received a credit under
2 subsection (2) may not apply for the credit under this
3 subsection sooner than 12 months after the application date
4 for the credit under subsection (2).

5 (6)

6 (d) A business may not receive more than \$500,000 of
7 tax credits under this section during any one calendar year
8 ~~for its efforts in creating jobs.~~

9 Section 39. Paragraphs (q) and (gg) of subsection (1)
10 of section 220.03, Florida Statutes, are amended to read:

11 220.03 Definitions.--

12 (1) SPECIFIC TERMS.--When used in this code, and when
13 not otherwise distinctly expressed or manifestly incompatible
14 with the intent thereof, the following terms shall have the
15 following meanings:

16 (q) "New employee," for the purposes of the enterprise
17 zone jobs credit, means a person residing in an enterprise
18 zone or a participant in the welfare transition program who is
19 employed at a business located in an enterprise zone who
20 begins employment in the operations of the business after July
21 1, 1995, and who has not been previously employed full-time
22 within the preceding 12 months by the business or a successor
23 business claiming the credit pursuant to s. 220.181. A person
24 shall be deemed to be employed by such a business if the
25 person performs duties in connection with the operations of
26 the business on a full-time basis, provided she or he is
27 performing such duties for an average of at least 36 hours per
28 week each month. ~~The term "jobs" also includes employment of
29 an employee leased from an employee leasing company licensed
30 under chapter 468, if such employee has been continuously
31 leased to the employer for an average of at least 36 hours per~~

1 ~~week for more than 6 months.~~The person must be performing
2 such duties at a business site located in an enterprise zone.
3 The provisions of this paragraph shall expire and be void on
4 June 30, 2005.

5 (gg) "Jobs" means full-time positions, as consistent
6 with terms used by the Agency for Workforce Innovation and the
7 United States Department of Labor for purposes of unemployment
8 compensation tax administration and employment estimation
9 resulting directly from business operations in this state.
10 These terms ~~This number~~ may not include temporary construction
11 jobs involved with the construction of facilities or any jobs
12 that have previously been included in any application for tax
13 credits under s. 212.096 ~~s. 220.181(1)~~. The term "jobs" also
14 includes employment of an employee leased from an employee
15 leasing company licensed under chapter 468, if the employee
16 has been continuously leased to the employer for an average of
17 at least 36 hours per week for more than 6 months.

18 Section 40. Paragraph (a) of subsection (1) of section
19 220.181, Florida Statutes, is amended to read:

20 220.181 Enterprise zone jobs credit.--

21 (1)(a) Beginning January 1, 2002, there shall be
22 allowed a credit against the tax imposed by this chapter to
23 any business located in an enterprise zone which demonstrates
24 to the department that the total number of full-time jobs has
25 increased from the average of the previous 12 months. A
26 business that created ~~This credit is also available for a~~
27 ~~business that added~~ a minimum of five new full-time jobs in an
28 enterprise zone between July 1, 2000, and December 31, 2001,
29 may also be eligible to claim the credit for eligible
30 employees under the provisions that took effect January 1,
31 2002. The credit shall be computed as 20 percent of the actual

1 monthly wages paid in this state to each new employee hired
2 when a new job has been created, as defined under s.
3 220.03(1)(ff), unless the business is located in a rural
4 enterprise zone, pursuant to s. 290.004(8), in which case the
5 credit shall be 30 percent of the actual monthly wages paid.
6 If no less than 20 percent of the employees of the business
7 are residents of an enterprise zone, excluding temporary and
8 part-time employees, the credit shall be computed as 30
9 percent of the actual monthly wages paid in this state to each
10 new employee hired when a new job has been created, unless the
11 business is located in a rural enterprise zone, in which case
12 the credit shall be 45 percent of the actual monthly wages
13 paid, for a period of up to 24 consecutive months. If the new
14 employee hired when a new job is created is a participant in
15 the welfare transition program, the following credit shall be
16 a percent of the actual monthly wages paid: 40 percent for \$4
17 above the hourly federal minimum wage rate; 41 percent for \$5
18 above the hourly federal minimum wage rate; 42 percent for \$6
19 above the hourly federal minimum wage rate; 43 percent for \$7
20 above the hourly federal minimum wage rate; and 44 percent for
21 \$8 above the hourly federal minimum wage rate.

22 Section 41. Subsection (2) of section 290.00677,
23 Florida Statutes, is amended to read:

24 290.00677 Rural enterprise zones; special
25 qualifications.--

26 (2) Notwithstanding the enterprise zone residency
27 requirements set out in s. 220.03(1)(g), eligible businesses
28 as defined by s. 220.03(1)(c)~~s. 212.096(1)(a)~~, located in
29 rural enterprise zones as defined in s. 290.004, may receive
30 the basic minimum credit provided under s. 220.181 for
31 creating a new job and hiring a person residing within the

1 jurisdiction of a rural county, as defined by s.
2 288.106(1)(r). All other provisions of s. 220.181, including,
3 but not limited to, those relating to the award of enhanced
4 credits apply to such businesses.

5 Section 42. Except as otherwise expressly provided in
6 this act, this act shall take effect upon becoming a law.

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SENATE SUMMARY

Repeals s. 212.084(6), F.S., thereby eliminating provisions for temporary tax exemption certificates. Repeals s. 212.08(7)(ccc), F.S., thereby eliminating the specific tax exemptions for organizations providing crime prevention, drunk driving prevention, and juvenile delinquency prevention services. Reinstates the sales tax exemption for parent-teacher organizations and parent-teacher associations. Requires a purchaser to file an affidavit stating the exempt nature of a purchase with the selling vendor instead of the Department of Revenue. Provides for retroactivity. Replaces the definition of the term "section 38 property" with an express definition of the terms "industrial machinery and equipment" and "motion picture and video equipment." Imposes certain requirements, for purposes of taxation, on the removal of a motor vehicle from this state. Provides residency requirements of corporate officers and stockholders relating to the taxable status of sales of motor vehicles. Clarifies the definition of the term "fixtures." Eliminates a reference to the term "trade fixture." Replaces the Interstate Commerce Commission with the Surface Transportation Board as the entity that licenses certain railroads as common carriers. Provides that for a vessel, railroad, or motor carrier engaged in interstate or foreign commerce sales tax applies to taxable purchases in this state and applies even if the vessel, railroad, or motor carrier has operated for less than a fiscal year. Repeals s. 624.509(10), F.S., which provides for an exemption from the insurance premium tax for insurers that write monoline flood insurance policies. Delays the sunset of the certified audit project by 4 years. Clarifies which provisions of ch. 213, F.S., apply to the collection of unemployment contributions. Requires the clerk of court to give notice to the Department of Revenue if there is a surplus resulting from the foreclosure of an unemployment compensation tax lien. Permits the department to participate in the disbursement of unemployment compensation tax lien foreclosure funds. Provides for confidentiality and information sharing.

Provides for treatment of Indian tribes under the Unemployment Compensation Law. Provides that Indian tribes or tribal units may elect to make payments in lieu of contributions and provides requirements with respect thereto. Provides that such an Indian tribe or tribal unit may be required to file a bond or deposit security at the discretion of the director of the Agency for Workforce Innovation. Provides for the effect of a failure of such a tribe or unit to make required payments. Provides requirements for notices. Provides responsibility for certain extended benefits. Provides for rulemaking. Provides for retroactive application. Requires certain employers to file unemployment compensation reports electronically. Allows for a court to conduct a de novo review of penalty-compromise determinations made by the Department of Revenue. Provides for an automatic compromise of penalties under

1 certain circumstances. Provides for a penalty structure
2 that limits liability for inadvertent registration
3 errors. Encourages voluntary self-disclosure. Limits the
4 amount of automated funds to the cost of processing the
5 refund. Enables a designee of the Department of Revenue
6 to enter lien information into the Secretary of State's
7 database without incurring a fee. Provides for the
8 interest rate on tax deficiencies to be an adjusted prime
9 rate plus 2 percentage points. Allows interest to accrue
10 on certain refund claims beginning August 1 of the year
11 the tax was due. Allows motor vehicle dealers to remit
12 the Lemon Law Fee for vehicles registered and titled
13 outside of this state directly to the Department of
14 Revenue. Clarifies that the county distributions of the
15 severance tax on phosphate rock are calculated annually,
16 based on the production information filed on the annual
17 returns. Allows the imposition of local gas taxes to take
18 effect January 1 and to be repealed on December 31 of any
19 year. Allows certain counties participating in the RISE
20 Program to share confidential taxpayer information with
21 other participating counties.
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