

By Senator Campbell

33-1669-02

1 A bill to be entitled
2 An act relating to the tax on sales, use, and
3 other transactions; amending s. 212.05, F.S.;
4 revising conditions on the postponement of the
5 tax upon tangible personal property that has
6 originally been purchased exempt from the tax
7 for use exclusively for lease and that is
8 subsequently converted to the owner's own use;
9 providing an effective date.

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

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13 Section 1. Paragraph (b) of subsection (1) of section
14 212.05, Florida Statutes, is amended to read:15 212.05 Sales, storage, use tax.--It is hereby declared
16 to be the legislative intent that every person is exercising a
17 taxable privilege who engages in the business of selling
18 tangible personal property at retail in this state, including
19 the business of making mail order sales, or who rents or
20 furnishes any of the things or services taxable under this
21 chapter, or who stores for use or consumption in this state
22 any item or article of tangible personal property as defined
23 herein and who leases or rents such property within the state.24 (b) At the rate of 6 percent of the cost price of each
25 item or article of tangible personal property when the same is
26 not sold but is used, consumed, distributed, or stored for use
27 or consumption in this state; however, for tangible property
28 originally purchased exempt from tax for use exclusively for
29 lease while in this state and which is converted to the
30 owner's own use while in this state, tax may be paid on the
31 fair market value of the property at the time of conversion.

1 If the fair market value of the property cannot be determined,
2 use tax at the time of conversion shall be based on the
3 owner's acquisition cost. Under no circumstances may the
4 aggregate amount of sales tax from leasing the property and
5 use tax due at the time of conversion be less than the total
6 sales tax that would have been due on the original acquisition
7 cost paid by the owner.

8 Section 2. This act shall take effect July 1, 2002.

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11 SENATE SUMMARY

12 Revises conditions on postponing the payment of the tax
13 on sales, use, and other transactions which applies to
14 tangible personal property that is originally purchased
exempt from tax for use exclusively for lease and that is
subsequently converted to the owner's own use.

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