

1                                   A bill to be entitled  
2           An act relating to tax administration; amending  
3           s. 199.052, F.S.; eliminating the requirement  
4           that a corporation file an intangibles tax  
5           return when no tax is due; repealing s.  
6           199.062(1) and (2), F.S.; eliminating the  
7           requirement that a corporation file an annual  
8           information return regarding stock value;  
9           amending s. 199.218, F.S.; eliminating the  
10          requirement that a corporation maintain records  
11          relating to information reported under s.  
12          199.062(2), F.S.; amending s. 199.282, F.S.;  
13          eliminating the penalty imposed upon a  
14          corporation for failure to file the notice  
15          required under s. 199.062(2), F.S.; repealing  
16          s. 201.05, F.S., relating to tax on stock  
17          certificates; amending s. 201.08, F.S.;  
18          providing for the maximum tax that must be paid  
19          on unsecured obligations; conforming  
20          cross-references; amending s. 212.11, F.S.;  
21          authorizing the Department of Revenue to  
22          require a report to be submitted when filing a  
23          sales and use tax return that claims certain  
24          credits; authorizing the department to adopt  
25          rules regarding the forms and documentation  
26          required to verify these credits; authorizing  
27          the department to disallow any credit not  
28          supported by the required report and to impose  
29          penalties and interest; amending s. 212.18,  
30          F.S.; authorizing the Department of Revenue to  
31          waive registration fees for online

1 registrations and registrations made using the  
2 Multistate Tax Commission procedures; amending  
3 s. 220.22, F.S.; eliminating initial  
4 information returns for certain corporations;  
5 amending s. 220.23, F.S.; providing that  
6 interest on any deficiency accrues from the  
7 date fixed for filing the original return;  
8 amending s. 220.809, F.S.; conforming  
9 provisions; amending s. 376.70, F.S.;  
10 authorizing the Department of Revenue to waive  
11 registration fees for online registrations;  
12 amending s. 443.131, F.S.; allowing certain  
13 employers of domestic employees to file  
14 annually for unemployment tax; providing an  
15 appropriation to the Department of Revenue;  
16 amending s. 220.15, F.S., which provides for  
17 apportionment of adjusted federal income to  
18 this state; revising the conditions for  
19 determining when sales of tangible personal  
20 property occur in this state for certain  
21 industries; providing for retroactive effect;  
22 amending s. 72.011, F.S.; providing for the  
23 venue and jurisdiction of taxpayer actions in  
24 circuit court; amending s. 212.12, F.S.;  
25 providing for methods of determining  
26 overpayments by persons paying the tax on  
27 sales, use, and other transactions; amending s.  
28 213.21, F.S.; revising the process for review  
29 of a taxpayer's liability for tax and interest;  
30 amending ss. 213.285, F.S., 213.053, F.S.;  
31 postponing the repeal of the certified audits

1 project; amending s. 608.471, F.S.; providing  
2 for the tax treatment of certain types of  
3 limited liability companies; amending s.  
4 220.187, F.S.; providing for an additional  
5 class of "qualified student," repealing section  
6 9 of ch. 2001-225, Laws of Florida; repealing  
7 an incorrect statutory reference; repealing s.  
8 220.331, F.S.; allowing credits to be applied  
9 to the first two estimated payments; providing  
10 effective dates.

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

13  
14 Section 1. Subsection (2) of section 199.052, Florida  
15 Statutes, is amended to read:

16 199.052 Annual tax returns; payment of annual tax.--

17 (2) No person, corporation, agent, or fiduciary shall  
18 be required to pay the annual tax in any year when the  
19 aggregate annual tax upon the ~~person's~~ intangible personal  
20 property, after exemptions but before application of any  
21 discount for early filing, would be less than \$60. In such  
22 case, an annual return is not required ~~unless the taxpayer is~~  
23 ~~a corporation or an agent or fiduciary of whom the department~~  
24 ~~requires an informational return~~. Agents and fiduciaries shall  
25 report for each person for whom they hold intangible personal  
26 property if the aggregate annual tax on such person is \$60 or  
27 more.

28 Section 2. Subsections (1) and (2) of section 199.062,  
29 Florida Statutes, are repealed.

30 Section 3. Subsection (2) of section 199.218, Florida  
31 Statutes, is amended to read:

1 199.218 Books and records.--

2 (2) Each ~~corporation and~~ broker subject to the  
3 provisions of s. 199.062 shall preserve all books and other  
4 records relating to the information reported under s. 199.062  
5 or otherwise required by rule of the department for a period  
6 of 3 years from the due date of the report.

7 Section 4. Paragraph (a) of subsection (6) of section  
8 199.282, Florida Statutes, is amended to read:

9 199.282 Penalties for violation of this chapter.--

10 (6) Late reporting penalties shall be imposed as  
11 follows:

12 (a) A penalty of \$100 upon any corporation that ~~which~~  
13 does not timely file a written notice required under s.  
14 199.057(2)(c) ~~or s. 199.062(2)~~.

15 Section 5. Section 201.05, Florida Statutes, is  
16 repealed.

17 Section 6. Subsections (1), (2), (4), and (5) of  
18 section 201.08, Florida Statutes, are amended to read:

19 201.08 Tax on promissory or nonnegotiable notes,  
20 written obligations to pay money, or assignments of wages or  
21 other compensation; exception.--

22 (1)(a) On promissory notes, nonnegotiable notes,  
23 written obligations to pay money, or assignments of salaries,  
24 wages, or other compensation made, executed, delivered, sold,  
25 transferred, or assigned in the state, and for each renewal of  
26 the same, the tax shall be 35 cents on each \$100 or fraction  
27 thereof of the indebtedness or obligation evidenced thereby.  
28 The tax on any document described in this paragraph may not  
29 exceed \$2,450.

30 (b) On mortgages, trust deeds, security agreements, or  
31 other evidences of indebtedness filed or recorded in this

1 state, and for each renewal of the same, the tax shall be 35  
2 cents on each \$100 or fraction thereof of the indebtedness or  
3 obligation evidenced thereby. Mortgages, including, but not  
4 limited to, mortgages executed without the state and recorded  
5 in the state, which incorporate the certificate of  
6 indebtedness, not otherwise shown in separate instruments, are  
7 subject to the same tax at the same rate. When there is both  
8 a mortgage, trust deed, or security agreement and a note,  
9 certificate of indebtedness, or obligation, the tax shall be  
10 paid on the mortgage, trust deed, or security agreement at the  
11 time of recordation. A notation shall be made on the note,  
12 certificate of indebtedness, or obligation that the tax has  
13 been paid on the mortgage, trust deed, or security agreement.  
14 If a mortgage, trust deed, security agreement, or other  
15 evidence of indebtedness is subsequently filed or recorded in  
16 this state to evidence an indebtedness or obligation upon  
17 which tax was paid under paragraph (a) or subsection (2), tax  
18 shall be paid on the mortgage, trust deed, security agreement,  
19 or other evidence of indebtedness on the amount of the  
20 indebtedness or obligation evidenced which exceeds the  
21 aggregate amount upon which tax was previously paid under this  
22 paragraph and under paragraph (a) or subsection (2). If the  
23 mortgage, trust deed, security agreement, or other evidence of  
24 indebtedness subject to the tax levied by this section secures  
25 future advances, as provided in s. 697.04, the tax shall be  
26 paid at the time of recordation on the initial debt or  
27 obligation secured, excluding future advances; at the time and  
28 so often as any future advance is made, the tax shall be paid  
29 on all sums then advanced regardless of where such advance is  
30 made. Notwithstanding the aforesated general rule, any  
31 increase in the amount of original indebtedness caused by

1 interest accruing under an adjustable rate note or mortgage  
2 having an initial interest rate adjustment interval of not  
3 less than 6 months shall be taxable as a future advance only  
4 to the extent such increase is a computable sum certain when  
5 the document is executed. Failure to pay the tax shall not  
6 affect the lien for any such future advance given by s.  
7 697.04, but any person who fails or refuses to pay such tax  
8 due by him or her is guilty of a misdemeanor of the first  
9 degree. The mortgage, trust deed, or other instrument shall  
10 not be enforceable in any court of this state as to any such  
11 advance unless and until the tax due thereon upon each advance  
12 that may have been made thereunder has been paid.

13 (2)(a) On promissory notes, nonnegotiable notes,  
14 written obligations to pay money, or other compensation, made,  
15 executed, delivered, sold, transferred, or assigned in the  
16 state, in connection with sales made under retail charge  
17 account services, incident to sales which are not conditional  
18 in character and which are not secured by mortgage or other  
19 pledge of purchaser, the tax shall be 35 cents on each \$100 or  
20 fraction thereof of the gross amount of the indebtedness  
21 evidenced by such instruments, payable quarterly on such forms  
22 and under such rules and regulations as may be promulgated by  
23 the Department of Revenue. The tax on any document described  
24 in this paragraph may not exceed \$2,450.

25 (b) Any receipt, charge slip, or other record of a  
26 transaction effected with the use of a credit card, charge  
27 card, or debit card shall be exempt from the tax imposed by  
28 this section.

29 (4) Notwithstanding paragraph (1)(b)~~subsection (1)~~, a  
30 supplement or an amendment to a mortgage, deed of trust,  
31 indenture, or security agreement, which supplement or

1 amendment is filed or recorded in this state in connection  
2 with a new issue of bonds, shall be subject to the tax imposed  
3 by paragraph (1)(b)~~subsection (1)~~ only to the extent of the  
4 aggregate amount of the new issue of bonds or other evidence  
5 of indebtedness and not to the extent of the aggregate amount  
6 of bonds or other evidence of indebtedness previously issued  
7 under the instrument being supplemented or amended. In order  
8 to qualify for the tax treatment provided for in this  
9 subsection, the document which evidences the increase in  
10 indebtedness must show the official records book and page  
11 number in which, and the county in which, the original  
12 obligation and any prior increase in that obligation were  
13 recorded.

14 (5) For purposes of this section, a renewal shall only  
15 include modifications of an original document which change the  
16 terms of the indebtedness evidenced by the original document  
17 by adding one or more obligors, increasing the principal  
18 balance, or changing the interest rate, maturity date, or  
19 payment terms. Modifications to documents which do not modify  
20 the terms of the indebtedness evidenced such as those given or  
21 recorded to correct error; modify covenants, conditions, or  
22 terms unrelated to the debt; sever a lien into separate liens;  
23 provide for additional, substitute, or further security for  
24 the indebtedness; consolidate indebtedness or collateral; add,  
25 change, or delete guarantors; or which substitute a new  
26 mortgagee or payee are not renewals and are not subject to tax  
27 pursuant to this section. If the taxable amount of a mortgage  
28 is limited by language contained in the mortgage or by the  
29 application of rules limiting the tax base when there is  
30 collateral in more than one state, then a modification which  
31 changes such limitation or tax base shall be taxable only to

1 the extent of any increase in the limitation or tax base  
2 attributable to such modification. This subsection shall not  
3 be interpreted to exempt from taxation an original mortgage  
4 ~~that which~~ would otherwise be subject to tax pursuant to  
5 paragraph (1)(b) subsection (1).

6 Section 7. Subsection (5) is added to section 212.11,  
7 Florida Statutes, to read:

8 212.11 Tax returns and regulations.--

9 (5)(a) Each dealer that claims any credits granted in  
10 this chapter against that dealer's sales and use tax  
11 liabilities shall submit to the department, upon request,  
12 documentation that provides all of the information required to  
13 verify the dealer's entitlement to such credits, excluding  
14 credits authorized pursuant to the provisions of s. 212.17.  
15 All information must be broken down as prescribed by the  
16 department and shall be submitted in a manner that enables the  
17 department to verify that the credits are allowable by law.  
18 With respect to any credit that is granted in the form of a  
19 refund of previously paid taxes, supporting documentation must  
20 be provided with the application for refund, and the penalty  
21 provisions of paragraph (c) do not apply.

22 (b) The department shall adopt rules regarding the  
23 forms and documentation required to verify credits against  
24 sales and use tax liabilities and the format in which  
25 documentation is to be submitted, which format may include  
26 magnetic tape or other means of electronic transmission.

27 (c) The department shall disallow any credit that is  
28 not supported by the information required under this  
29 subsection. In addition, the disallowed credit or any part of  
30 the credit disallowed is subject to a mandatory penalty of 25  
31 percent and interest as provided for in s. 212.12. A specific



1 penalty of 25 percent of the otherwise available credit shall  
2 be applied to any credit for which the required information  
3 report is not received within 30 days after a written request  
4 from the department.

5 Section 8. Effective upon this act becoming a law,  
6 paragraph (a) of subsection (3) of section 212.18, Florida  
7 Statutes, is amended to read:

8 212.18 Administration of law; registration of dealers;  
9 rules.--

10 (3)(a) Every person desiring to engage in or conduct  
11 business in this state as a dealer, as defined in this  
12 chapter, or to lease, rent, or let or grant licenses in living  
13 quarters or sleeping or housekeeping accommodations in hotels,  
14 apartment houses, roominghouses, or tourist or trailer camps  
15 that are subject to tax under s. 212.03, or to lease, rent, or  
16 let or grant licenses in real property, as defined in this  
17 chapter, and every person who sells or receives anything of  
18 value by way of admissions, must file with the department an  
19 application for a certificate of registration for each place  
20 of business, showing the names of the persons who have  
21 interests in such business and their residences, the address  
22 of the business, and such other data as the department may  
23 reasonably require. However, owners and operators of vending  
24 machines or newspaper rack machines are required to obtain  
25 only one certificate of registration for each county in which  
26 such machines are located. The department, by rule, may  
27 authorize a dealer that uses independent sellers to sell its  
28 merchandise to remit tax on the retail sales price charged to  
29 the ultimate consumer in lieu of having the independent seller  
30 register as a dealer and remit the tax. The department may  
31 appoint the county tax collector as the department's agent to

1 accept applications for registrations. The application must be  
2 made to the department before the person, firm, copartnership,  
3 or corporation may engage in such business, and it must be  
4 accompanied by a registration fee of \$5. However, a  
5 registration fee is not required to accompany an application  
6 to engage in or conduct business to make mail order sales. The  
7 department may waive the registration fee for applications  
8 submitted through the department's Internet registration  
9 process.

10 Section 9. Subsection (4) of section 220.22, Florida  
11 Statutes, is amended to read:

12 220.22 Returns; filing requirement.--

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

26 Section 10. Present paragraph (d) of subsection (2) of  
27 section 220.23, Florida Statutes, is redesignated as paragraph  
28 (e), and a new paragraph (d) is added to that subsection, to  
29 read:

30 220.23 Federal returns.--

31

1           (2) In the event the taxable income, any item of  
2 income or deduction, or the income tax liability reported in a  
3 federal income tax return of any taxpayer for any taxable year  
4 is adjusted by amendment of such return or as a result of any  
5 other recomputation or redetermination of federal taxable  
6 income or loss, if such adjustment would affect any item or  
7 items entering into the computation of such taxpayer's net  
8 income subject to tax for any taxable year under this code,  
9 the following special rules shall apply:

10           (d) Interest in accordance with s. 220.807 is due on  
11 the amount of any deficiency from the date fixed for filing  
12 the original return for the taxable year, determined without  
13 regard to any extension of time for filing the original  
14 return, until the date of payment of the deficiency.

15           Section 11. Subsection (1) of section 220.809, Florida  
16 Statutes, is amended to read:

17           220.809 Interest on deficiencies.--

18           (1) Except as provided in s. 220.23(2)(d),if any  
19 amount of tax imposed by this chapter is not paid on or before  
20 the date, determined without regard to any extensions,  
21 prescribed for payment of such tax, interest shall be paid in  
22 accordance with the provisions of s. 220.807 on the unpaid  
23 amount from such date to the date of payment.

24           Section 12. Subsection (2) of section 376.70, Florida  
25 Statutes, is amended to read:

26           376.70 Tax on gross receipts of drycleaning  
27 facilities.--

28           (2) Each drycleaning facility or dry drop-off facility  
29 imposing a charge for the drycleaning or laundering of  
30 clothing or other fabrics is required to register with the  
31 Department of Revenue and become licensed for the purposes of

1 this section. The owner or operator of the facility shall  
2 register the facility with the Department of Revenue.  
3 Drycleaning facilities or dry drop-off facilities operating at  
4 more than one location are only required to have a single  
5 registration. The fee for registration is \$30. The owner or  
6 operator of the facility shall pay the registration fee to the  
7 Department of Revenue. The department may waive the  
8 registration fee for applications submitted through the  
9 department's Internet registration process.

10 Section 13. Subsection (1) of section 443.131, Florida  
11 Statutes, is amended to read:

12 443.131 Contributions.--

13 (1) WHEN PAYABLE.--Contributions shall accrue and  
14 become payable by each employer for each calendar quarter in  
15 which he or she is subject to this chapter, with respect to  
16 wages paid during such calendar quarter for employment. Such  
17 contributions shall become due and be paid by each employer to  
18 the Agency for Workforce Innovation or its designee division  
19 for the fund, in accordance with such rules as the Agency for  
20 Workforce Innovation or its designee division may prescribe.  
21 However, nothing in this subsection shall be construed to  
22 prohibit the Agency for Workforce Innovation or its designee  
23 division from allowing, ~~on a limited basis~~, at the request of  
24 the employer, ~~certain~~ employers of employees performing  
25 domestic services, as defined in s. 443.036(21)(g) ~~and by rule~~  
26 ~~of the division~~, to pay contributions or report wages at  
27 intervals other than quarterly when such payment or reporting  
28 is to the advantage of the Agency for Workforce Innovation or  
29 its designee division ~~and the employers~~, and when such  
30 nonquarterly payment and reporting is authorized under federal  
31 law. This provision gives employers of employees performing

1 domestic services the option to elect to report wages and pay  
2 taxes annually, with a due date of January ~~April~~ 1 and a  
3 delinquency date of February 1 ~~April 30~~. In order to qualify  
4 for this election, the employer must employ ~~have~~ only  
5 employees who perform domestic services ~~employees~~, be eligible  
6 for a variation from the standard rate as computed pursuant to  
7 s. 443.131(3) ~~in good standing~~, apply to this program no later  
8 than December 1 ~~30~~ of the preceding calendar year, and agree  
9 to provide the Agency for Workforce Innovation or its designee  
10 division with any special reports which might be requested, as  
11 required by rule 60BB-2.025(5) ~~38B-2.025(5)~~, including copies  
12 of all federal employment tax forms. Failure to timely furnish  
13 any wage information when required by the Agency for Workforce  
14 Innovation or its designee shall ~~may~~ result in the employer's  
15 loss of the privilege to elect participation in this program,  
16 effective the calendar quarter immediately following the  
17 calendar quarter in which such failure occurred. The employer  
18 is eligible to reapply for annual reporting after one complete  
19 calendar year has elapsed since the employer's  
20 disqualification if the employer timely furnished any  
21 requested wage information during the period in which annual  
22 reporting was denied. Contributions shall not be deducted, in  
23 whole or in part, from the wages of individuals in such  
24 employer's employ. In the payment of any contributions, a  
25 fractional part of a cent shall be disregarded unless it  
26 amounts to one-half cent or more, in which case it shall be  
27 increased to 1 cent.

28 Section 14. Effective upon this act becoming a law,  
29 and applying to tax years beginning on or after January 1,  
30 2002, paragraph (b) of subsection (5) of section 220.15,  
31 Florida Statutes, is amended to read:

1           220.15 Apportionment of adjusted federal income.--

2           (5) The sales factor is a fraction the numerator of  
3 which is the total sales of the taxpayer in this state during  
4 the taxable year or period and the denominator of which is the  
5 total sales of the taxpayer everywhere during the taxable year  
6 or period.

7           (b)1. Sales of tangible personal property occur in  
8 this state if the property is delivered or shipped to a  
9 purchaser within this state, regardless of the f.o.b. point,  
10 other conditions of the sale, or ultimate destination of the  
11 property, unless shipment is made via a common or contract  
12 carrier. However, for industries in SIC Industry Number 2037,  
13 if the ultimate destination of the product is to a location  
14 outside this state, regardless of the method of shipment or  
15 f.o.b. point, the sale shall not be deemed to occur in this  
16 state.

17           2. When citrus fruit is delivered by a cooperative for  
18 a grower-member, by a grower-member to a cooperative, or by a  
19 grower-participant to a Florida processor, the sales factor  
20 for the growers for such citrus fruit delivered to such  
21 processor shall be the same as the sales factor for the most  
22 recent taxable year of that processor. That sales factor,  
23 expressed only as a percentage and not in terms of the dollar  
24 volume of sales, so as to protect the confidentiality of the  
25 sales of the processor, shall be furnished on the request of  
26 such a grower promptly after it has been determined for that  
27 taxable year.

28           3. Reimbursement of expenses under an agency contract  
29 between a cooperative, a grower-member of a cooperative, or a  
30 grower and a processor is not a sale within this state.

31

1           Section 15. Paragraph (a) of subsection (4) and  
2 subsection (5) of section 72.011, Florida Statutes, are  
3 amended to read:

4           72.011 Jurisdiction of circuit courts in specific tax  
5 matters; administrative hearings and appeals; time for  
6 commencing action; parties; deposits.--

7           (4)(a) Except as provided in paragraph (b), an action  
8 initiated in circuit court pursuant to subsection (1) shall be  
9 filed in the Second Judicial Circuit Court in and for Leon  
10 County or in the circuit court in the county where the  
11 taxpayer resides, or maintains its principal commercial  
12 domicile in this state, or, in the ordinary course of  
13 business, regularly maintains its books and records in this  
14 state.

15           (5) The requirements of subsections (1), (2), and (3)  
16 ~~this section~~ are jurisdictional.

17           Section 16. Paragraph (c) of subsection (6) of section  
18 212.12, Florida Statutes, is amended to read:

19           212.12 Dealer's credit for collecting tax; penalties  
20 for noncompliance; powers of Department of Revenue in dealing  
21 with delinquents; brackets applicable to taxable transactions;  
22 records required.--

23           (6)

24           (c)1. If the records of a dealer are adequate but  
25 voluminous in nature and substance, the department may sample  
26 such records, except for fixed assets, and project the audit  
27 findings derived therefrom over the entire audit period to  
28 determine the proportion that taxable retail sales bear to  
29 total retail sales or the proportion that taxable purchases  
30 bear to total purchases. In order to conduct such a sample,  
31 the department must first make a good faith effort to reach an

1 agreement with the dealer, which agreement provides for the  
2 means and methods to be used in the sampling process. In the  
3 event that no agreement is reached, the dealer is entitled to  
4 a review by the executive director.

5           2. For the purposes of sampling pursuant to  
6 subparagraph 1., the department shall project any deficiencies  
7 and overpayments derived therefrom over the entire audit  
8 period. In determining the dealer's compliance, the department  
9 shall reduce any tax deficiency as derived from the sample by  
10 the amount of any overpayment derived from the sample. In the  
11 event the department determines from the sample results that  
12 the dealer has a net tax overpayment, the department shall  
13 provide the findings of this overpayment to the Comptroller  
14 for repayment of funds paid into the State Treasury through  
15 error pursuant to s. 215.26.

16           3.a. A taxpayer is entitled, both in connection with  
17 an audit and in connection with an application for refund  
18 filed independently of any audit, to establish the amount of  
19 any refund or deficiency through statistical sampling when the  
20 taxpayer's records, other than those regarding fixed assets,  
21 are adequate but voluminous. Alternatively, a taxpayer is  
22 entitled to establish any refund or deficiency through any  
23 other sampling method agreed upon by the taxpayer and the  
24 department when the taxpayer's records, other than those  
25 regarding fixed assets, are adequate but voluminous. Whether  
26 done through statistical sampling or any other sampling method  
27 agreed upon by the taxpayer and the department, the completed  
28 sample must reflect both overpayments and underpayments of  
29 taxes due. The sample shall be conducted through:

30           (I) A taxpayer request to perform the sampling through  
31 the Certified Audit Program pursuant to s. 213.285;



1           (II) Attestation by a Certified Public Accountant as  
2 to the adequacy of the sampling method utilized and the  
3 results reached using such sampling method; or

4           (III) A sampling method that has been submitted by the  
5 taxpayer and approved by the department before a refund claim  
6 is submitted. This sub-sub-subparagraph does not prohibit a  
7 taxpayer from filing a refund claim prior to approval by the  
8 department of the sampling method; however, a refund claim  
9 submitted before the sampling method has been approved by the  
10 department cannot be a complete refund application pursuant to  
11 s. 213.255 until the sampling method has been approved by the  
12 department.

13           b. The department shall prescribe by rule the  
14 procedures to be followed under each method of sampling. Such  
15 procedures shall follow generally accepted auditing procedures  
16 for sampling. The rule shall also set forth other criteria  
17 regarding the use of sampling, including but not limited to  
18 training requirements that must be met before a sampling  
19 method may be utilized and the steps necessary for the  
20 department and the taxpayer to reach agreement on a sampling  
21 method submitted by the taxpayer for approval by the  
22 department.

23           Section 17. Effective July 1, 2002, paragraph (a) of  
24 subsection (3) and subsection (8) of section 213.21, Florida  
25 Statutes, are 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 (8) In order to determine whether certified audits are  
23 an effective tool in the overall state tax collection effort,  
24 the executive director of the department or the executive  
25 director's designee shall settle or compromise penalty  
26 liabilities of taxpayers who participate in the certified  
27 audits project. As further incentive for participating in the  
28 program, the department shall abate the first \$25,000 of any  
29 interest liability and 25 percent of any interest due in  
30 excess of the first \$25,000. A settlement or compromise of  
31 penalties or interest pursuant to this subsection shall not be

1 subject to the provisions of paragraph (3)(a), except for the  
2 requirement relating to confidentiality of records. The  
3 department may consider an additional compromise of tax or  
4 interest pursuant to the provisions of paragraph (3)(a). This  
5 subsection does not apply to any liability related to taxes  
6 collected but not remitted to the department. This subsection  
7 is repealed on July 1, 2006 ~~2002~~.

8 Section 18. Effective July 1, 2002, paragraph (c) of  
9 subsection (2) of section 213.285, Florida Statutes, is  
10 amended to read:

11 213.285 Certified audits.--

12 (2)

13 (c) The certified audits project is repealed on July  
14 1, 2006 ~~2002~~, or upon completion of the project as determined  
15 by the department, whichever occurs first.

16 Section 19. Effective July 1, 2002, paragraph (n) of  
17 subsection (7) of section 213.053, Florida Statutes, is  
18 amended to read:

19 213.053 Confidentiality and information sharing.--

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

22 (n) Information contained in returns, reports,  
23 accounts, or declarations to the Board of Accountancy in  
24 connection with a disciplinary proceeding conducted pursuant  
25 to chapter 473 when related to a certified public accountant  
26 participating in the certified audits project, or to the court  
27 in connection with a civil proceeding brought by the  
28 department relating to a claim for recovery of taxes due to  
29 negligence on the part of a certified public accountant  
30 participating in the certified audits project. In any  
31 judicial proceeding brought by the department, upon motion for

1 protective order, the court shall limit disclosure of tax  
2 information when necessary to effectuate the purposes of this  
3 section. This paragraph is repealed on July 1, 2006 ~~2002~~.

4 Section 20. Subsection (3) is added to section  
5 608.471, Florida Statutes, to read:

6 608.471 Tax exemption on income of certain limited  
7 liability companies.--

8 (3) Single-member limited liability companies and  
9 other entities that are disregarded for federal income tax  
10 purposes must be treated as separate legal entities for all  
11 non-income-tax purposes. The Department of Revenue shall adopt  
12 rules to take into account that single-member disregarded  
13 entities such as limited liability companies and qualified  
14 subchapter S corporations may be disregarded as separate  
15 entities for federal tax purposes and therefore may report and  
16 account for income, employment, and other taxes under the  
17 taxpayer identification number of the owner of the  
18 single-member entity.

19 Section 21. Effective upon this act becoming a law,  
20 paragraph (e) of subsection (2) of section 220.187, Florida  
21 Statutes, is amended to read:

22 220.187 Credits for contributions to nonprofit  
23 scholarship-funding organizations.--

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

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

28 1. Was counted as a full-time-equivalent student  
29 during the previous state fiscal year for purposes of state  
30 per-student funding; ~~or~~

31

1           2. Received a scholarship from an eligible nonprofit  
2 scholarship-funding organization during the previous school  
3 year; or—  
4           3. Is eligible to enter kindergarten or first grade.  
5           Section 22. Effective upon this act becoming a law,  
6 section 9 of chapter 2001-225, Laws of Florida, is repealed.  
7           Section 23. Effective upon this act becoming a law,  
8 section 220.331, Florida Statutes, is repealed.  
9           Section 24. Except for this section and sections 10,  
10 16, 23, 24, and 25 of this act, which shall take effect upon  
11 becoming a law, and sections 19, 20, and 21 of this act, which  
12 shall take effect July 1, 2002, this act shall take effect  
13 January 1, 2003.  
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