

1
2 An act relating to taxation; amending s.
3 45.031, F.S.; requiring the clerk of court to
4 give notice to the Department of Revenue if
5 there is a surplus resulting from the
6 foreclosure of an unemployment compensation tax
7 lien; amending s. 55.202, F.S.; enabling a
8 designee of the Department of Revenue to enter
9 lien information into the Secretary of State's
10 database without incurring a fee; amending s.
11 69.041, F.S.; permitting the department to
12 participate in the disbursement of unemployment
13 compensation tax lien foreclosure funds;
14 amending s. 72.011, F.S.; providing for the
15 venue and jurisdiction of taxpayer actions in
16 circuit court; amending s. 199.052, F.S.;
17 eliminating the requirement that a corporation
18 file an intangibles tax return when no tax is
19 due; amending s. 199.218, F.S.; eliminating the
20 requirement that a corporation maintain records
21 relating to certain information; amending s.
22 199.282, F.S.; eliminating the penalty imposed
23 upon a corporation for failure to file a
24 certain required notice; amending s. 201.02,
25 F.S.; specifying nonapplication of the tax on
26 deeds and other instruments relating to real
27 property to contracts to sell certain
28 residences under certain circumstances;
29 amending s. 201.08, F.S.; specifying a maximum
30 tax on unsecured obligations; specifying
31 payment of tax on certain excess aggregate

1 amounts; conforming cross references;
2 reenacting and amending s. 206.9825(1)(b),
3 F.S.; authorizing the continuation of an
4 aviation fuel tax credit for certain
5 wholesalers or terminal suppliers; amending s.
6 211.3103, F.S.; specifying the basis for annual
7 calculations of county distributions of the
8 severance tax on phosphate rock; amending s.
9 212.02, F.S.; revising definitions; amending s.
10 212.06, F.S.; revising a definition; providing
11 legislative intent; prohibiting certain
12 assessments or refunds under certain
13 circumstances; amending s. 212.07, F.S.;
14 providing for dealer reliance on resale
15 certificates without seeking certain
16 verification; specifying vendor nonliability
17 for certain taxes, interest, or penalties under
18 certain circumstances; requiring the Department
19 of Revenue to impose certain mandatory,
20 nonwaivable penalties in lieu of certain taxes,
21 interest, and penalties under certain
22 circumstances; authorizing the department to
23 adopt certain rules and forms; providing
24 legislative intent as to application; amending
25 s. 212.08, F.S.; requiring a purchaser to file
26 an affidavit stating the exempt nature of a
27 purchase with the selling vendor instead of the
28 department; providing for retroactive
29 application; revising definitions of industrial
30 machinery and equipment, motion picture or
31 video equipment, and sound recording equipment;

1 providing legislative intent; providing
2 purposes; clarifying application of exemptions
3 to taxable transactions; specifying
4 requirements for eligibility for exemptions;
5 specifying tax liability for noncompliance;
6 authorizing the department to adopt rules;
7 reinstating the sales tax exemption for
8 parent-teacher organizations and parent-teacher
9 associations; eliminating obsolete provisions;
10 eliminating the specific sales tax exemption
11 for organizations providing crime prevention,
12 drunk-driving prevention, and
13 juvenile-delinquency-prevention services;
14 imposing certain requirements, for purposes of
15 taxation, on the removal of a motor vehicle
16 from this state; providing residency
17 requirements of corporate officers, corporate
18 stockholders, and partners in a partnership
19 relating to the taxable status of sales of
20 motor vehicles; providing for retroactive
21 operation of certain provisions; providing for
22 nonliability of tax on certain transactions;
23 providing an exception; providing requirements
24 for a specified exemption; replacing the
25 Interstate Commerce Commission with the Surface
26 Transportation Board as the entity that
27 licenses certain railroads as common carriers;
28 providing that, for a vessel, railroad, or
29 motor carrier engaged in interstate or foreign
30 commerce, sales tax applies to taxable
31 purchases in this state and applies even if the

1 vessel, railroad, or motor carrier has operated
2 for less than a fiscal year; amending s.
3 212.096, F.S.; clarifying definitions;
4 specifying a time requirement for applications
5 for an enterprise zone jobs credit for leased
6 employees; amending s. 212.098, F.S.;
7 clarifying Rural Job Tax Credit Program
8 provisions; amending s. 212.11, F.S.;
9 authorizing the Department of Revenue to
10 require a report to be submitted when filing a
11 sales and use tax return that claims certain
12 credits; requiring the department to adopt
13 rules regarding the forms and documentation
14 required to verify these credits; requiring the
15 department to disallow any credit not supported
16 by the required report and to impose penalties
17 and interest; amending s. 212.12, F.S.;
18 limiting liability of dealers for certain
19 additional tax, penalty, and interest under
20 certain circumstances; providing legislative
21 intent relating to application; providing for
22 methods of determining overpayments by persons
23 paying the tax on sales, use, and other
24 transactions; amending ss. 212.18 and 376.70,
25 F.S.; authorizing the Department of Revenue to
26 waive registration fees for applications made
27 using the department's Internet registration
28 process; amending s. 213.015, F.S.; specifying
29 additional taxpayer rights; amending s.
30 213.053, F.S.; authorizing the Department of
31 Revenue and the Department of Management

1 Services to release certain unemployment tax
2 rate information under certain circumstances;
3 amending s. 213.0535, F.S.; providing for
4 additional disclosures of certain tax
5 information under the Registration Information
6 Sharing and Exchange Program; requiring
7 maintenance of confidentiality of certain
8 information under certain circumstances;
9 amending s. 213.21, F.S.; requiring settlement
10 or compromise of a taxpayer's liability for
11 certain interest under certain circumstances;
12 providing for de novo review of certain facts
13 and circumstances in certain proceedings;
14 extending a future repeal of department
15 authority to settle or compromise certain
16 penalty liabilities; specifying additional
17 circumstances for settling or compromising
18 certain penalties; providing prospective
19 operation; providing requirements, criteria,
20 and procedures; requiring the Department of
21 Revenue to adopt rules; amending s. 213.24,
22 F.S.; including automated refunds in provisions
23 for certain billing cost limitations; amending
24 s. 213.255, F.S.; clarifying application of
25 certain interest determination limitations;
26 amending s. 213.285, F.S.; extending a future
27 repeal of a certified audits project; amending
28 s. 213.30, F.S.; specifying preemption for
29 seeking or obtaining compensation for certain
30 tax law violation information; amending s.
31 213.755, F.S.; requiring certain taxpayers to

1 file returns and pay taxes electronically;
2 amending s. 220.03, F.S.; revising definitions;
3 amending s. 220.15, F.S., which provides for
4 apportionment of adjusted federal income to
5 this state; revising the conditions for
6 determining when sales of tangible personal
7 property occur in this state for certain
8 industries; providing for retroactive effect;
9 amending s. 220.181, F.S.; clarifying
10 eligibility for claiming an enterprise zone
11 jobs credit; amending s. 220.187, F.S.;
12 providing for an additional class of "qualified
13 student"; providing application; amending s.
14 220.22, F.S.; requiring the Department of
15 Revenue to designate certain entities not
16 required to file certain returns; amending s.
17 220.23, F.S.; specifying determination of
18 interest on deficiencies; amending s. 220.809,
19 F.S.; providing an exception to certain
20 determinations of interest on deficiencies;
21 amending s. 290.00677, F.S.; correcting a cross
22 reference; amending ss. 336.021 and 336.025,
23 F.S.; revising time limitations on imposition
24 and rate changes of certain local option fuel
25 taxes; amending s. 443.131, F.S.; providing for
26 payment of employer contributions to the Agency
27 for Workforce Innovation instead of the
28 Division of Unemployment Compensation of the
29 Department of Labor and Employment Security;
30 revising procedures and requirements for such
31 payments by employers of employees providing

1 domestic services; reducing trust fund balance
2 thresholds used in computing contribution rate
3 adjustment factors; creating s. 443.1315, F.S.;
4 providing definitions; providing for treatment
5 of Indian tribes under the Unemployment
6 Compensation Law; providing that Indian tribes
7 or tribal units thereof may elect to make
8 payments in lieu of contributions and providing
9 requirements with respect thereto; providing
10 that such Indian tribe or tribal unit may be
11 required to file a bond or deposit security at
12 the discretion of the director of the Agency
13 for Workforce Innovation; providing effect of
14 failure of such tribe or unit to make required
15 payments; providing requirements for notices;
16 providing responsibility for certain extended
17 benefits; requiring the agency to adopt rules;
18 providing for retroactive application; amending
19 s. 443.163, F.S.; requiring certain employers
20 to file unemployment compensation reports and
21 taxes electronically; amending s. 608.471,
22 F.S.; providing for the tax treatment of
23 certain types of limited liability companies;
24 amending s. 681.117, F.S.; requiring motor
25 vehicle dealers to remit directly to the
26 Department of Revenue the Lemon Law Fee for
27 vehicles registered and titled outside of
28 Florida; amending ss. 3 and 4 of ch. 2000-345,
29 Laws of Florida; extending the effective date
30 of such sections; amending s. 11(4)(f) of ch.
31 2000-165, Laws of Florida; revising application

1 of certain sections to collections of
2 unemployment compensation contributions by the
3 Department of Revenue; providing a revised
4 calculation for revenue sharing distributions
5 to municipalities; repealing s. 9 of ch.
6 2001-225, Laws of Florida, relating to an
7 incorrect statutory reference; providing
8 application; repealing s. 220.331, F.S.,
9 relating to application of certain credits to
10 certain estimated payments; providing
11 application; repealing s. 199.062(1) and (2),
12 F.S., relating to a requirement that a
13 corporation file an annual information return
14 regarding stock value; repealing s. 201.05,
15 F.S., relating to tax on stock certificates;
16 repealing s. 212.084(6), F.S., relating to
17 temporary exemption certificates; repealing s.
18 624.509(10), F.S., relating to an exemption
19 from the insurance premium tax for insurers who
20 write monoline flood insurance policies;
21 providing effective dates.

22
23 Be It Enacted by the Legislature of the State of Florida:

24
25 Section 1. Subsection (7) of section 45.031, Florida
26 Statutes, is amended to read:

27 45.031 Judicial sales procedure.--In any sale of real
28 or personal property under an order or judgment, the following
29 procedure may be followed as an alternative to any other sale
30 procedure if so ordered by the court:

31

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

13
14 (Caption of Action)

15
16 CERTIFICATE OF DISBURSEMENTS

17
18 The undersigned clerk of the court certifies that he or
19 she disbursed the proceeds received from the sale of the
20 property as provided in the order or final judgment to the
21 persons and in the amounts as follows:

22 Name	Amount
23	
24 Total	

25
26 WITNESS my hand and the seal of the court on ,
27 . . . (year)

28 . . . (Clerk) . . .
29 By . . . (Deputy Clerk) . . .
30
31

1 If no objections to the report are served within 10 days after
2 it is filed, the disbursements by the clerk shall stand
3 approved as reported. If timely objections to the report are
4 served, they shall be heard by the court. Service of
5 objections to the report does not affect or cloud the title of
6 the purchaser of the property in any manner.

7 Section 2. Subsection (5) of section 55.202, Florida
8 Statutes, is amended to read:

9 55.202 Judgments, orders, and decrees; lien on
10 personal property.--

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

18 Section 3. Paragraph (a) of subsection (4) of section
19 69.041, Florida Statutes, is amended to read:

20 69.041 State named party; lien foreclosure, suit to
21 quiet title.--

22 (4)(a) The Department of Revenue has the right to
23 participate in the disbursement of funds remaining in the
24 registry of the court after distribution pursuant to s.
25 45.031(7). The department shall participate in accordance with
26 applicable procedures in any mortgage foreclosure action in
27 which the department has a duly filed tax warrant, or
28 interests under a lien arising from a judgment, order, or
29 decree for support, as defined in s. 409.2554, or interest in
30 an unemployment compensation tax lien pursuant to a contract
31 with the Agency for Workforce Innovation, against the subject

1 property and with the same priority, regardless of whether a
2 default against the department, the Agency for Workforce
3 Innovation, or the Department of Labor and Employment Security
4 has been entered for failure to file an answer or other
5 responsive pleading.

6 Section 4. Effective January 1, 2003, paragraph (a) of
7 subsection (4) and subsection (5) of section 72.011, Florida
8 Statutes, are amended to read:

9 72.011 Jurisdiction of circuit courts in specific tax
10 matters; administrative hearings and appeals; time for
11 commencing action; parties; deposits.--

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

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

22 Section 5. Subsection (2) of section 199.052, Florida
23 Statutes, is amended to read:

24 199.052 Annual tax returns; payment of annual tax.--

25 (2) No person, corporation, agent, or fiduciary shall
26 be required to pay the annual tax in any year when the
27 aggregate annual tax upon the ~~person's~~ intangible personal
28 property, after exemptions but before application of any
29 discount for early filing, would be less than \$60. In such
30 case, an annual return is not required ~~unless the taxpayer is~~
31 ~~a corporation or an agent or fiduciary of whom the department~~

1 ~~requires an informational return.~~ Agents and fiduciaries shall
2 report for each person for whom they hold intangible personal
3 property if the aggregate annual tax on such person is \$60 or
4 more.

5 Section 6. Subsection (2) of section 199.218, Florida
6 Statutes, is amended to read:

7 199.218 Books and records.--

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

13 Section 7. Paragraph (a) of subsection (6) of section
14 199.282, Florida Statutes, is amended to read:

15 199.282 Penalties for violation of this chapter.--

16 (6) Late reporting penalties shall be imposed as
17 follows:

18 (a) A penalty of \$100 upon any corporation that ~~which~~
19 does not timely file a written notice required under s.
20 199.057(2)(c) ~~or s. 199.062(2)~~.

21 Section 8. Subsection (8) is added to section 201.02,
22 Florida Statutes, to read:

23 201.02 Tax on deeds and other instruments relating to
24 real property or interests in real property.--

25 (8) Taxes imposed by this section do not apply to a
26 contract to sell the residence of an employee relocating at
27 his or her employer's direction or to documents related to the
28 contract, which contract is between the employee and the
29 employer or between the employee and a person in the business
30 of providing employee relocation services. In the case of
31 such transactions, taxes apply only to the transfer of the

1 real property comprising the residence by deed that vests
2 legal title in a named grantee.

3 Section 9. Subsections (1), (2), (4), and (5) of
4 section 201.08, Florida Statutes, are amended to read:

5 201.08 Tax on promissory or nonnegotiable notes,
6 written obligations to pay money, or assignments of wages or
7 other compensation; exception.--

8 (1)(a) On promissory notes, nonnegotiable notes,
9 written obligations to pay money, or assignments of salaries,
10 wages, or other compensation made, executed, delivered, sold,
11 transferred, or assigned in the state, and for each renewal of
12 the same, the tax shall be 35 cents on each \$100 or fraction
13 thereof of the indebtedness or obligation evidenced thereby.
14 The tax on any document described in this paragraph shall not
15 exceed \$2,450.

16 (b) On mortgages, trust deeds, security agreements, or
17 other evidences of indebtedness filed or recorded in this
18 state, and for each renewal of the same, the tax shall be 35
19 cents on each \$100 or fraction thereof of the indebtedness or
20 obligation evidenced thereby. Mortgages, including, but not
21 limited to, mortgages executed without the state and recorded
22 in the state, which incorporate the certificate of
23 indebtedness, not otherwise shown in separate instruments, are
24 subject to the same tax at the same rate. When there is both
25 a mortgage, trust deed, or security agreement and a note,
26 certificate of indebtedness, or obligation, the tax shall be
27 paid on the mortgage, trust deed, or security agreement at the
28 time of recordation. A notation shall be made on the note,
29 certificate of indebtedness, or obligation that the tax has
30 been paid on the mortgage, trust deed, or security agreement.
31 Where a mortgage, trust deed, security agreement, or other

1 evidence of indebtedness is subsequently filed or recorded in
2 this state to evidence an indebtedness or obligation upon
3 which tax was paid pursuant to paragraph (a) or paragraph
4 (2)(a), tax shall be paid on the mortgage, trust deed,
5 security agreement, or other evidence of indebtedness on the
6 amount of the indebtedness or obligation evidenced which
7 exceeds the aggregate amount upon which tax was previously
8 paid pursuant to this paragraph and paragraph (a) or paragraph
9 (2)(a).If the mortgage, trust deed, security agreement, or
10 other evidence of indebtedness subject to the tax levied by
11 this section secures future advances, as provided in s.
12 697.04, the tax shall be paid at the time of recordation on
13 the initial debt or obligation secured, excluding future
14 advances; at the time and so often as any future advance is
15 made, the tax shall be paid on all sums then advanced
16 regardless of where such advance is made. Notwithstanding the
17 aforestated general rule, any increase in the amount of
18 original indebtedness caused by interest accruing under an
19 adjustable rate note or mortgage having an initial interest
20 rate adjustment interval of not less than 6 months shall be
21 taxable as a future advance only to the extent such increase
22 is a computable sum certain when the document is executed.
23 Failure to pay the tax shall not affect the lien for any such
24 future advance given by s. 697.04, but any person who fails or
25 refuses to pay such tax due by him or her is guilty of a
26 misdemeanor of the first degree. The mortgage, trust deed, or
27 other instrument shall not be enforceable in any court of this
28 state as to any such advance unless and until the tax due
29 thereon upon each advance that may have been made thereunder
30 has been paid.
31

1 (2)(a) On promissory notes, nonnegotiable notes,
2 written obligations to pay money, or other compensation, made,
3 executed, delivered, sold, transferred, or assigned in the
4 state, in connection with sales made under retail charge
5 account services, incident to sales which are not conditional
6 in character and which are not secured by mortgage or other
7 pledge of purchaser, the tax shall be 35 cents on each \$100 or
8 fraction thereof of the gross amount of the indebtedness
9 evidenced by such instruments, payable quarterly on such forms
10 and under such rules and regulations as may be promulgated by
11 the Department of Revenue. The tax on any document described
12 in this paragraph shall not exceed \$2,450.

13 (b) Any receipt, charge slip, or other record of a
14 transaction effected with the use of a credit card, charge
15 card, or debit card shall be exempt from the tax imposed by
16 this section.

17 (4) Notwithstanding paragraph (1)(b)~~subsection (1)~~, a
18 supplement or an amendment to a mortgage, deed of trust,
19 indenture, or security agreement, which supplement or
20 amendment is filed or recorded in this state in connection
21 with a new issue of bonds, shall be subject to the tax imposed
22 by paragraph (1)(b)~~subsection (1)~~ only to the extent of the
23 aggregate amount of the new issue of bonds or other evidence
24 of indebtedness and not to the extent of the aggregate amount
25 of bonds or other evidence of indebtedness previously issued
26 under the instrument being supplemented or amended. In order
27 to qualify for the tax treatment provided for in this
28 subsection, the document which evidences the increase in
29 indebtedness must show the official records book and page
30 number in which, and the county in which, the original
31

1 obligation and any prior increase in that obligation were
2 recorded.

3 (5) For purposes of this section, a renewal shall only
4 include modifications of an original document which change the
5 terms of the indebtedness evidenced by the original document
6 by adding one or more obligors, increasing the principal
7 balance, or changing the interest rate, maturity date, or
8 payment terms. Modifications to documents which do not modify
9 the terms of the indebtedness evidenced such as those given or
10 recorded to correct error; modify covenants, conditions, or
11 terms unrelated to the debt; sever a lien into separate liens;
12 provide for additional, substitute, or further security for
13 the indebtedness; consolidate indebtedness or collateral; add,
14 change, or delete guarantors; or which substitute a new
15 mortgagee or payee are not renewals and are not subject to tax
16 pursuant to this section. If the taxable amount of a mortgage
17 is limited by language contained in the mortgage or by the
18 application of rules limiting the tax base when there is
19 collateral in more than one state, then a modification which
20 changes such limitation or tax base shall be taxable only to
21 the extent of any increase in the limitation or tax base
22 attributable to such modification. This subsection shall not
23 be interpreted to exempt from taxation an original mortgage
24 that ~~which~~ would otherwise be subject to tax pursuant to
25 paragraph (1)(b)~~subsection (1)~~.

26 Section 10. Paragraph (b) of subsection (1) of section
27 206.9825, Florida Statutes, is reenacted and amended to read:

28 206.9825 Aviation fuel tax.--

29 (1)

30 (b) Any licensed wholesaler or terminal supplier that
31 delivers aviation fuel to an air carrier offering

1 transcontinental jet service and that, after January 1, 1996,
2 increases the air carrier's Florida workforce by more than
3 1000 percent and by 250 or more full-time equivalent employee
4 positions, may receive a credit or refund as the ultimate
5 vendor of the aviation fuel for the 6.9 cents excise tax
6 previously paid, provided that the air carrier has no facility
7 for fueling highway vehicles from the tank in which the
8 aviation fuel is stored. In calculating the new or additional
9 Florida full-time equivalent employee positions, any full-time
10 equivalent employee positions of parent or subsidiary
11 corporations which existed before January 1, 1996, shall not
12 be counted toward reaching the Florida employment increase
13 thresholds. The refund allowed under this paragraph is in
14 furtherance of the goals and policies of the State
15 Comprehensive Plan set forth in s. 187.201(17)(a), (b)1., 2.,
16 (18)(a), (b)1., 4., (20)(a), (b)5., (22)(a), (b)1., 2., 4.,
17 7., 9., and 12. ~~This paragraph will expire on July 1, 2001.~~

18 Section 11. Paragraph (b) of subsection (2), paragraph
19 (b) of subsection (3), and paragraph (b) of subsection (4) of
20 section 211.3103, Florida Statutes, are amended to read:

21 211.3103 Levy of tax on severance of phosphate rock;
22 rate, basis, and distribution of tax.--

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

26 (b) The remaining revenues collected from the tax
27 during that fiscal year, after the required payment under
28 paragraph (a), shall be paid into the State Treasury as
29 follows:

30 1. To the credit of the General Revenue Fund of the
31 state, 60 percent. However, from this amount the amounts of

1 \$7.4 million, \$8.2 million, and \$8.1 million, respectively,
2 shall be transferred to the Nonmandatory Land Reclamation
3 Trust Fund on January 1, 1993, January 1, 1994, and January 1,
4 1995.

5 2. To the credit of the Nonmandatory Land Reclamation
6 Trust Fund which is established for reclamation and
7 acquisition of unreclaimed lands disturbed by phosphate mining
8 and not subject to mandatory reclamation, 20 percent.

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

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

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

24 (b) The remaining revenues collected from the tax
25 during that fiscal year, after the required payment under
26 paragraph (a), shall be paid into the State Treasury as
27 follows:

28 1. To the credit of the General Revenue Fund of the
29 state, 58 percent.

30 2. To the credit of the Nonmandatory Land Reclamation
31 Trust Fund for reclamation and acquisition of unreclaimed

1 lands disturbed by phosphate mining and not subject to
2 mandatory reclamation, 14.5 percent.

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

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

15 5. To the credit of the Minerals Trust Fund, 7.5
16 percent.

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

20 (b) The remaining revenues collected from the tax
21 during that fiscal year, after the required payment under
22 paragraph (a), shall be paid into the State Treasury as
23 follows:

24 1. To the credit of the General Revenue Fund of the
25 state, 55.15 percent.

26 2. To the credit of the Phosphate Research Trust Fund
27 in the Department of Education, Division of Universities, 12.5
28 percent.

29 3. For payment to counties in proportion to the number
30 of tons of phosphate rock produced from a phosphate rock
31 matrix located within such political boundary, 18 percent. The

1 department shall distribute this portion of the proceeds
2 annually based on production information reported by producers
3 on the ~~most recent~~ annual returns for the taxable filed prior
4 ~~to the beginning of the fiscal year~~. Any such proceeds
5 received by a county shall be used only for phosphate-related
6 expenses.

7 4. To the credit of the Minerals Trust Fund, 14.35
8 percent.

9 Section 12. Paragraph (g) of subsection (10) of
10 section 212.02, Florida Statutes, is amended to read:

11 212.02 Definitions.--The following terms and phrases
12 when used in this chapter have the meanings ascribed to them
13 in this section, except where the context clearly indicates a
14 different meaning:

15 (10) "Lease," "let," or "rental" means leasing or
16 renting of living quarters or sleeping or housekeeping
17 accommodations in hotels, apartment houses, roominghouses,
18 tourist or trailer camps and real property, the same being
19 defined as follows:

20 (g) "Lease," "let," or "rental" also means the leasing
21 or rental of tangible personal property and the possession or
22 use thereof by the lessee or rentee for a consideration,
23 without transfer of the title of such property, except as
24 expressly provided to the contrary herein. The term "lease,"
25 "let," or "rental" does not mean hourly, daily, or mileage
26 charges, to the extent that such charges are subject to the
27 jurisdiction of the United States Interstate Commerce
28 Commission, when such charges are paid by reason of the
29 presence of railroad cars owned by another on the tracks of
30 the taxpayer, or charges made pursuant to car service
31 agreements. The term "lease," "let," "rental," or "license"

1 does not include payments made to an owner of high-voltage
2 bulk transmission facilities in connection with the possession
3 or control of such facilities by a regional transmission
4 organization, independent system operator, or similar entity
5 under the jurisdiction of the Federal Energy Regulatory
6 Commission. However, where two taxpayers, in connection with
7 the interchange of facilities, rent or lease property, each to
8 the other, for use in providing or furnishing any of the
9 services mentioned in s. 166.231, the term "lease or rental"
10 means only the net amount of rental involved.

11 Section 13. Effective July 1, 2002, paragraph (b) of
12 subsection (14) of section 212.06, Florida Statutes, is
13 amended to read:

14 212.06 Sales, storage, use tax; collectible from
15 dealers; "dealer" defined; dealers to collect from purchasers;
16 legislative intent as to scope of tax.--

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

19 (b) "Fixtures" means items that are an accessory to a
20 building, other structure, or land and that do not lose their
21 identity as accessories when installed but that do become
22 permanently attached to realty. However, the term does not
23 include the following items, whether or not such items are
24 attached to real property in a permanent manner: ~~trade~~
25 ~~fixtures~~, property of a type that is required to be
26 registered, licensed, titled, or documented by this state or
27 by the United States Government, including, but not limited
28 to, mobile homes, except mobile homes assessed as real
29 property, ~~or~~ industrial machinery or equipment. For purposes
30 of this paragraph, industrial machinery or equipment is not
31 limited to machinery and equipment used to manufacture,

1 process, compound, or produce tangible personal property. For
2 an item to be considered a fixture, it is not necessary that
3 the owner of the item also own the real property to which it
4 is attached.

5 Section 14. It is the intent of the Legislature that
6 the amendment made by this act to section 212.06(14)(b),
7 Florida Statutes, relating to industrial machinery or
8 equipment, is remedial in nature and merely clarifies existing
9 law. However, nothing contained in this act shall authorize an
10 assessment of additional tax, penalty, or interest against any
11 taxpayer that complied with section 212.06(14)(b), Florida
12 Statutes, as amended by chapter 98-141, Laws of Florida,
13 effective July 1, 1998, nor shall any taxpayer be entitled to
14 a refund of taxes previously paid due to the retroactive
15 effect of this act.

16 Section 15. Effective July 1, 2002, paragraph (b) of
17 subsection (1) of section 212.07, Florida Statutes, is
18 amended, and subsection (9) is added to said section, to read:
19 212.07 Sales, storage, use tax; tax added to purchase
20 price; dealer not to absorb; liability of purchasers who
21 cannot prove payment of the tax; penalties; general
22 exemptions.--

23 (1)

24 (b) A resale must be in strict compliance with s.
25 212.18 and the rules and regulations, and any dealer who makes
26 a sale for resale which is not in strict compliance with s.
27 212.18 and the rules and regulations shall himself or herself
28 be liable for and pay the tax. Any dealer who makes a sale for
29 resale shall document the exempt nature of the transaction, as
30 established by rules promulgated by the department, by
31 retaining a copy of the purchaser's resale certificate. In

1 lieu of maintaining a copy of the certificate, a dealer may
2 document, prior to the time of sale, an authorization number
3 provided telephonically or electronically by the department,
4 or by such other means established by rule of the department.
5 ~~The department shall adopt rules that provide that, for~~
6 ~~purchasers who purchase on account from a dealer on a~~
7 ~~continual basis,~~The dealer may rely on a resale certificate
8 issued pursuant to s. 212.18(3)(c), valid at the time of
9 receipt from the purchaser, without seeking annual
10 verification of the resale certificate if the dealer makes
11 recurring sales to a purchaser in the normal course of
12 business on a continual basis. For purposes of this paragraph,
13 "recurring sales to a purchaser in the normal course of
14 business" refers to a sale in which the dealer extends credit
15 to the purchaser and records the debt as an account
16 receivable, or in which the dealer sells to a purchaser who
17 has an established cash or C.O.D. account, similar to an open
18 credit account. For purposes of this paragraph, purchases are
19 made from a selling dealer on a continual basis if the selling
20 dealer makes, in the normal course of business, sales to the
21 purchaser no less frequently than once in every 12-month
22 period. A dealer may, through the informal protest provided
23 for in s. 213.21 and the rules of the Department of Revenue,
24 provide the department with evidence of the exempt status of a
25 sale. Consumer certificates of exemption executed by those
26 exempt entities that were registered with the department at
27 the time of sale, resale certificates provided by purchasers
28 who were active dealers at the time of sale, and verification
29 by the department of a purchaser's active dealer status at the
30 time of sale in lieu of a resale certificate shall be accepted
31 by the department when submitted during the protest period,

1 but may not be accepted in any proceeding under chapter 120 or
2 any circuit court action instituted under chapter 72.

3 (9)(a) If a purchaser engaging in transactions taxable
4 under this chapter did not pay tax to a vendor based on a good
5 faith belief that the transaction was a nontaxable purchase
6 for resale or the transaction was exempt as a purchase by an
7 organization exempt from tax under this chapter, except as
8 provided in paragraph (b), neither the purchaser nor the
9 vendor is directly liable for any tax, interest, or penalty
10 that would otherwise be due if the following conditions are
11 met:

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

15 2. At the time of the purchase, the purchaser was
16 qualified to register with the department as a dealer or to
17 receive a consumer's certificate of exemption from the
18 department.

19 3. Before applying for treatment under this
20 subsection, the purchaser has registered with the department
21 as a dealer or has applied for and received a consumer's
22 certificate of exemption from the department.

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

31

1 obligations, whether any such advice was followed, and any
2 remedial action taken by the purchaser.

3 5. The transaction would otherwise qualify as exempt
4 under this chapter except for the fact that at the time of the
5 purchase the purchaser was not registered as a dealer with the
6 department or did not hold a consumer's certificate of
7 exemption from the department.

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

9 a. Before the department has initiated any audit or
10 other action or inquiry in regard to the purchaser or the
11 vendor; or

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

18 (b) In lieu of the tax, penalties, and interest that
19 would otherwise have been due, the department shall impose and
20 collect the following mandatory penalties, which the
21 department may not waive:

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

27 2. If a purchaser or vendor applies for relief after
28 an audit or other action or inquiry has already been initiated
29 by the department, the mandatory penalty is the lesser of
30 \$5,000 or 20 percent of the total tax due on transactions that
31 qualify for treatment under this subsection.

1
2 The department may impose and collect the mandatory penalties
3 from either the purchaser or the vendor that failed to obtain
4 proper documentation at the time of the transaction.

5 (c) The department may adopt forms and rules to
6 administer this subsection.

7 Section 16. It is the intent of the Legislature that
8 section 212.07(9), Florida Statutes, created by this act,
9 applies to all pending sales and use tax audits or other
10 actions or inquiries, including those currently under protest
11 or in litigation. Taxpayers in such pending audits or other
12 actions or inquiries have until the later of the date provided
13 by section 212.07(9)(b), Florida Statutes, or 90 days after
14 the effective date of this act to apply for the treatment
15 provided in such paragraph. This section does not create any
16 right to refund for taxes previously assessed and paid in
17 regard to audits or other actions or inquiries that are no
18 longer pending.

19 Section 17. Effective upon this act becoming a law and
20 operating 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 18. 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 are
26 replaced. Heating and air conditioning systems are not
27 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"~~section 38~~

1 ~~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. The 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 are replaced.
29 Heating and air conditioning systems are not industrial
30 machinery and equipment unless the sole justification for
31 their installation is to meet the requirements of the

1 production process, even though the system may provide
2 incidental comfort to employees or serve, to an insubstantial
3 degree, nonproduction activities~~"section 38 property" as~~
4 ~~defined in s. 48(a)(1)(A) and (B)(i) of the Internal Revenue~~
5 ~~Code, provided such industrial machinery and equipment~~
6 ~~qualified as an eligible cost under federal procurement~~
7 ~~regulations and are used as an integral part of the tangible~~
8 ~~personal property production process. The~~ Such term includes
9 parts and accessories only to the extent that the exemption of
10 such parts and accessories is consistent with the provisions
11 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 are replaced. Heating and air conditioning systems
2 are not motion picture or video equipment and sound recording
3 equipment unless the sole justification for their installation
4 is to meet the requirements of the production activities, even
5 though the system may provide incidental comfort to employees
6 or serve, to an insubstantial degree, nonproduction
7 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 19. (1) It is the intent of the Legislature
19 to provide guidance in tax matters which is current and
20 useful. Accordingly, the Legislature finds that continued
21 reference to a federal regulation that no longer exists causes
22 confusion and an undue burden on persons affected by section
23 212.08, Florida Statutes.

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

1 Section 20. Effective July 1, 2002, subsections (7)
2 and (10) of section 212.08, Florida Statutes, are amended to
3 read:

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

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

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

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

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

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

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

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

29 (g) Florida Retired Educators Association and its
30 local chapters.--Also exempt from payment of the tax imposed
31 by this chapter are purchases of office supplies, equipment,

1 and publications made by the Florida Retired Educators
2 Association and its local chapters.

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

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

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

20 (i) Hospital meals and rooms.--Also exempt from
21 payment of the tax imposed by this chapter on rentals and
22 meals are patients and inmates of any hospital or other
23 physical plant or facility designed and operated primarily for
24 the care of persons who are ill, aged, infirm, mentally or
25 physically incapacitated, or otherwise dependent on special
26 care or attention. Residents of a home for the aged are exempt
27 from payment of taxes on meals provided through the facility.
28 A home for the aged is defined as a facility that is licensed
29 or certified in part or in whole under chapter 400 or chapter
30 651, or that is financed by a mortgage loan made or insured by
31 the United States Department of Housing and Urban Development

1 under s. 202, s. 202 with a s. 8 subsidy, s. 221(d)(3) or (4),
2 s. 232, or s. 236 of the National Housing Act, or other such
3 similar facility designed and operated primarily for the care
4 of the aged.

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

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

28 (l) Organizations providing special educational,
29 cultural, recreational, and social benefits to minors.--Also
30 exempt from the tax imposed by this chapter are sales or
31 leases to and sales of donated property by nonprofit

1 organizations which are incorporated pursuant to chapter 617
2 the primary purpose of which is providing activities that
3 contribute to the development of good character or good
4 sportsmanship, or to the educational or cultural development,
5 of minors. This exemption is extended only to that level of
6 the organization that has a salaried executive officer or an
7 elected nonsalaried executive officer. For the purpose of this
8 paragraph, the term "donated property" means any property
9 transferred to such nonprofit organization for less than 50
10 percent of its fair market value.

11 (m) Religious institutions.--

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

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

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

24 (n) Veterans' organizations.--

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

29 2. As used in this paragraph, the term "veterans'
30 organizations" means nationally chartered or recognized
31 veterans' organizations, including, but not limited to,

1 Florida chapters of the Paralyzed Veterans of America,
2 Catholic War Veterans of the U.S.A., Jewish War Veterans of
3 the U.S.A., and the Disabled American Veterans, Department of
4 Florida, Inc., which hold current exemptions from federal
5 income tax under s. 501(c)(4) or (19) of the Internal Revenue
6 Code of 1986, as amended.

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

10 (p) Section 501(c)(3) organizations.--Also exempt from
11 the tax imposed by this chapter are sales or leases to
12 organizations determined by the Internal Revenue Service to be
13 currently exempt from federal income tax pursuant to s.
14 501(c)(3) of the Internal Revenue Code of 1986, as amended,
15 when such leases or purchases are used in carrying on their
16 customary nonprofit activities.

17 (q) Resource recovery equipment.--Also exempt is
18 resource recovery equipment which is owned and operated by or
19 on behalf of any county or municipality, certified by the
20 Department of Environmental Protection under the provisions of
21 s. 403.715.

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

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

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

7 1. Notwithstanding the provisions of chapter 328,
8 pertaining to the registration of vessels, a boat upon which
9 the state sales or use tax has not been paid is exempt from
10 the use tax under this chapter if it enters and remains in
11 this state for a period not to exceed a total of 20 days in
12 any calendar year calculated from the date of first dockage or
13 slippage at a facility, registered with the department, that
14 rents dockage or slippage space in this state. If a boat
15 brought into this state for use under this paragraph is placed
16 in a facility, registered with the department, for repairs,
17 alterations, refitting, or modifications and such repairs,
18 alterations, refitting, or modifications are supported by
19 written documentation, the 20-day period shall be tolled
20 during the time the boat is physically in the care, custody,
21 and control of the repair facility, including the time spent
22 on sea trials conducted by the facility. The 20-day time
23 period may be tolled only once within a calendar year when a
24 boat is placed for the first time that year in the physical
25 care, custody, and control of a registered repair facility;
26 however, the owner may request and the department may grant an
27 additional tolling of the 20-day period for purposes of
28 repairs that arise from a written guarantee given by the
29 registered repair facility, which guarantee covers only those
30 repairs or modifications made during the first tolled period.
31 Within 72 hours after the date upon which the registered

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

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

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

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

30 a. A full-service facility that:

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

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

4 (III) Has adequate piers and storage facilities to
5 provide safe berthing of vessels in its care, custody, and
6 control; and

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

10 b. A marina that:

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

12 (II) Has adequate piers and storage facilities to
13 provide safe berthing of vessels in its care, custody, and
14 control; and

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

17 c. A shoreside facility that:

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

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

22 (III) Has necessary shops and equipment to provide
23 repairs or warranty work.

24 (u) Volunteer fire departments.--Also exempt are
25 firefighting and rescue service equipment and supplies
26 purchased by volunteer fire departments, duly chartered under
27 the Florida Statutes as corporations not for profit.

28 (v) Professional services.--

29 1. Also exempted are professional, insurance, or
30 personal service transactions that involve sales as

31

1 inconsequential elements for which no separate charges are
2 made.

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

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

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

19 (w) Certain newspaper, magazine, and newsletter
20 subscriptions, shoppers, and community newspapers.--Likewise
21 exempt are newspaper, magazine, and newsletter subscriptions
22 in which the product is delivered to the customer by mail.
23 Also exempt are free, circulated publications that are
24 published on a regular basis, the content of which is
25 primarily advertising, and that are distributed through the
26 mail, home delivery, or newsstands. The exemption for
27 newspaper, magazine, and newsletter subscriptions which is
28 provided in this paragraph applies only to subscriptions
29 entered into after March 1, 1997.

30 (x) Sporting equipment brought into the
31 state.--Sporting equipment brought into Florida, for a period

1 of not more than 4 months in any calendar year, used by an
2 athletic team or an individual athlete in a sporting event is
3 exempt from the use tax if such equipment is removed from the
4 state within 7 days after the completion of the event.

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

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

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

- 24 1. The sale, lease, or rental occurs between two
25 commonly owned and controlled corporations;
- 26 2. Such vehicle was titled and registered in this
27 state at the time of the sale, lease, or rental; and
- 28 3. Florida sales tax was paid on the acquisition of
29 such vehicle by the seller, lessor, or renter.

30 (bb) Community cemeteries.--Also exempt are purchases
31 by any nonprofit corporation that has qualified under s.

1 501(c)(13) of the Internal Revenue Code of 1986, as amended,
2 and is operated for the purpose of maintaining a cemetery that
3 was donated to the community by deed.

4 (cc) Works of art.--

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

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

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

23 4. A work of art is presumed to have been purchased in
24 or imported into this state exclusively for loan as provided
25 in subparagraph 2., if it is so loaned or placed in storage in
26 preparation for such a loan within 90 days after purchase or
27 importation, whichever is later; but a work of art is not
28 deemed to be placed in storage in preparation for loan for
29 purposes of this exemption if it is displayed at any place
30 other than an educational institution.

31

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

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

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

27 8. For purposes of the exemptions provided by this
28 paragraph, the term:

29 a. "Educational institutions" includes state
30 tax-supported, parochial, church, and nonprofit private
31 schools, colleges, or universities that conduct regular

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

14 b. "Work of art" includes pictorial representations,
15 sculpture, jewelry, antiques, stamp collections and coin
16 collections, and other tangible personal property, the value
17 of which is attributable predominantly to its artistic,
18 historical, political, cultural, or social importance.

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

25 (ee) Aircraft repair and maintenance labor
26 charges.--There shall be exempt from the tax imposed by this
27 chapter all labor charges for the repair and maintenance of
28 aircraft of more than 15,000 pounds maximum certified takeoff
29 weight and rotary wing aircraft of more than 10,000 pounds
30 maximum certified takeoff weight. Except as otherwise provided
31

1 in this chapter, charges for parts and equipment furnished in
2 connection with such labor charges are taxable.

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

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

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

1 published by the Office of Management and Budget, Executive
2 Office of the President.

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

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

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

21 (gg) Fair associations.--Also exempt from the tax
22 imposed by this chapter is the sale, use, lease, rental, or
23 grant of a license to use, made directly to or by a fair
24 association, of real or tangible personal property; any charge
25 made by a fair association, or its agents, for parking,
26 admissions, or for temporary parking of vehicles used for
27 sleeping quarters; rentals, subleases, and sublicenses of real
28 or tangible personal property between the owner of the central
29 amusement attraction and any owner of an amusement ride, as
30 those terms are used in ss. 616.15(1)(b) and 616.242(3)(a),
31 for the furnishing of amusement rides at a public fair or

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

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

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

29 (jj) Solar energy systems.--Also exempt are solar
30 energy systems or any component thereof. The Florida Solar
31 Energy Center shall from time to time certify to the

1 department a list of equipment and requisite hardware
2 considered to be a solar energy system or a component thereof.
3 This exemption is repealed July 1, 2005.

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

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

26 (mm) Nonprofit corporation conducting the correctional
27 work programs.--Products sold pursuant to s. 946.515 by the
28 corporation organized pursuant to part II of chapter 946 are
29 exempt from the tax imposed by this chapter. This exemption
30 applies retroactively to July 1, 1983.

31

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

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

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

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

30 (pp) Veterans Administration.--When a veteran of the
31 armed forces purchases an aircraft, boat, mobile home, motor

1 vehicle, or other vehicle from a dealer pursuant to the
2 provisions of 38 U.S.C. s. 3902(a), or any successor provision
3 of the United States Code, the amount that is paid directly to
4 the dealer by the Veterans Administration is not taxable.
5 However, any portion of the purchase price which is paid
6 directly to the dealer by the veteran is taxable.

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

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

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

16
17 The exemptions in this paragraph do not apply to businesses
18 with the primary activity of serving prepared meals or
19 alcoholic beverages for immediate consumption.

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

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

29 (tt) Equipment used in aircraft repair and
30 maintenance.--There shall be exempt from the tax imposed by
31 this chapter replacement engines, parts, and equipment used in

1 the repair or maintenance of aircraft of more than 15,000
2 pounds maximum certified takeoff weight and rotary wing
3 aircraft of more than 10,300 pounds maximum certified takeoff
4 weight, when such parts or equipment are installed on such
5 aircraft that is being repaired or maintained in this state.

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

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

21 (ww) Library cooperatives.--Sales or leases to library
22 cooperatives certified under s. 257.41(2) are exempt from the
23 tax imposed by this chapter.

24 (xx) Advertising agencies.--

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

29 2. The sale of advertising services by an advertising
30 agency to a client is exempt from the tax imposed by this
31 chapter. Also exempt from the tax imposed by this chapter are

1 items of tangible personal property such as photographic
2 negatives and positives, videos, films, galleys, mechanicals,
3 veloxes, illustrations, digital audiotapes, analog tapes,
4 printed advertisement copies, compact discs for the purpose of
5 recording, digital equipment, and artwork and the services
6 used to produce those items if the items are:

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

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

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

17

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

25 3. The items ~~exempted~~ from tax under subparagraph 2.
26 and the creative services used by an advertising agency to
27 design the advertising for promotional goods such as displays,
28 display containers, exhibits, newspaper inserts, brochures,
29 catalogues, direct mail letters or flats, shirts, hats, pens,
30 pencils, key chains, or other printed goods or materials are
31 not subject to tax. However, when such promotional goods are

1 produced or reproduced for distribution, tax applies to the
2 sales price charged to the client for such promotional goods.

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

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

17 6. The department may adopt rules that interpret or
18 define the provisions of these exemptions and provide examples
19 regarding the application of these exemptions.

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

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

28 1. Subject to the provisions of subparagraphs 2. and
29 3., there is exempt from the tax imposed by this chapter all
30 labor charges for the repair of, and parts and materials used
31 in the repair of and incorporated into, industrial machinery

1 and equipment which is used for the manufacture, processing,
2 compounding, production, or preparation for shipping of items
3 of tangible personal property at a fixed location within this
4 state.

5 2. This exemption applies only to industries
6 classified under SIC Industry Major Group Numbers 10, 12, 13,
7 14, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34,
8 35, 36, 37, 38, and 39 and Industry Group Number 212. As used
9 in this subparagraph, "SIC" means those classifications
10 contained in the Standard Industrial Classification Manual,
11 1987, as published by the Office of Management and Budget,
12 Executive Office of the President.

13 3. This exemption shall be applied as follows:

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

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

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

20 (aaa) Film and other printing supplies.--Also exempt
21 are the following materials purchased, produced, or created by
22 businesses classified under SIC Industry Numbers 275, 276,
23 277, 278, or 279 for use in producing graphic matter for sale:
24 film, photographic paper, dyes used for embossing and
25 engraving, artwork, typography, lithographic plates, and
26 negatives. As used in this paragraph, "SIC" means those
27 classifications contained in the Standard Industrial
28 Classification Manual, 1987, as published by the Office of
29 Management and Budget, Executive Office of the President.

30 (bbb) People-mover systems.--People-mover systems, and
31 parts thereof, which are purchased or manufactured by

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

28 ~~(ccc) Organizations providing crime prevention, drunk~~
29 ~~driving prevention, or juvenile delinquency prevention~~
30 ~~services. Sales or leases to any nonprofit organization that~~
31 ~~provides crime prevention services, drunk driving prevention~~

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

9 (ccc)~~(ddd)~~ Florida Fire and Emergency Services
10 Foundation.--Sales or leases to the Florida Fire and Emergency
11 Services Foundation are exempt from the tax imposed by this
12 chapter.

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

19
20 ~~Exemptions provided to any entity by this subsection shall not~~
21 ~~inure to any transaction otherwise taxable under this chapter~~
22 ~~when payment is made by a representative or employee of such~~
23 ~~entity by any means, including, but not limited to, cash,~~
24 ~~check, or credit card even when that representative or~~
25 ~~employee is subsequently reimbursed by such entity.~~

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

28 (a) The tax collected on the sale of a new or used
29 motor vehicle in this state to a resident of another state
30 shall be an amount equal to the sales tax which would be
31 imposed on such sale under the laws of the state of which the

1 purchaser is a resident, except that such tax shall not exceed
2 the tax that would otherwise be imposed under this chapter.
3 At the time of the sale, the purchaser shall execute a
4 notarized statement of his or her intent to license the
5 vehicle in the state of which the purchaser is a resident
6 within 45 days of the sale and of the fact of the payment to
7 the State of Florida of a sales tax in an amount equivalent to
8 the sales tax of his or her state of residence and shall
9 submit the statement to the appropriate sales tax collection
10 agency in his or her state of residence. Nothing in this
11 subsection shall be construed to require the removal of the
12 vehicle from this state following the filing of an intent to
13 license the vehicle in the purchaser's home state if the
14 purchaser licenses the vehicle in his or her home state within
15 45 days after the date of sale.

16 (b) Notwithstanding the partial exemption allowed in
17 paragraph (a), a vehicle is subject to this state's sales tax
18 at the applicable state sales tax rate plus authorized
19 surtaxes when the vehicle is purchased by a nonresident
20 corporation or partnership and:

21 1. An officer of the corporation is a resident of this
22 state;

23 2. A stockholder of the corporation who owns at least
24 10 percent of the corporation is a resident of this state; or

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

27
28 However, if the vehicle is removed from this state within 45
29 days after purchase and remains outside the state for a
30 minimum of 180 days, the vehicle may qualify for the partial
31

1 exemption allowed in paragraph (a) despite the residency of
2 owners or stockholders of the purchasing entity.

3 (c) Nothing herein shall require the payment of tax to
4 the State of Florida for assessments made prior to July 1,
5 2001, if the tax imposed by this section has been paid to the
6 state in which the vehicle was licensed and the department has
7 assessed a like amount of tax on the same transactions. This
8 provision shall apply retroactively to assessments that have
9 been protested prior to August 1, 1999, and have not been paid
10 on the date this act takes effect.

11 Section 21. (1) The amendments made by this act to
12 section 212.08(7)(ff) and (nn), Florida Statutes, shall
13 operate retroactively to July 1, 2000.

14 (2) No tax imposed by chapter 212, Florida Statutes,
15 on the transactions exempted by section 212.08(7)(nn), Florida
16 Statutes, by this act, and not actually paid or collected by a
17 taxpayer before the effective date of this act, shall be due
18 from such taxpayer. However, any tax actually paid or
19 collected shall be remitted to the Department of Revenue and
20 no refund shall be due. Taxpayers must obtain a sales tax
21 exemption certificate from the department to secure the
22 exemption granted by section 212.08(7)(nn)1., Florida
23 Statutes.

24 (3) The amendments made by this act to the
25 introductory paragraph and to the final, flush-left passage of
26 section 212.08(7), Florida Statutes, are made to clarify
27 rather than change existing law and shall operate
28 retroactively to January 1, 2001.

29 Section 22. Paragraph (a) of subsection (8) and
30 subsection (9) of section 212.08, Florida Statutes, are
31 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 (8) PARTIAL EXEMPTIONS; VESSELS ENGAGED IN INTERSTATE
8 OR FOREIGN COMMERCE.--

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

1 Items, appropriate to carry out the purposes for which a
2 vessel is designed or equipped and used, purchased by the
3 owner, operator, or agent of a vessel for use on board such
4 vessel shall be deemed to be parts of the vessel upon which
5 the same are used or consumed. Vessels and parts thereof used
6 to transport persons or property in interstate and foreign
7 commerce are hereby determined to be susceptible to a distinct
8 and separate classification for taxation under the provisions
9 of this chapter. Vessels and parts thereof used exclusively in
10 intrastate commerce do not qualify for the proration of tax.

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

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

1 state to establish that portion of the total used and consumed
2 in intrastate movement and subject to tax under this chapter.
3 The basis for imposition of any discretionary surtax is set
4 forth in s. 212.054. Railroads that ~~which~~ are licensed as
5 common carriers by the Surface Transportation Board ~~Interstate~~
6 ~~Commerce Commission~~ and parts thereof used to transport
7 persons or property in interstate and foreign commerce are
8 hereby determined to be susceptible to a distinct and separate
9 classification for taxation under the provisions of this
10 chapter.

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

1 of the total used and consumed in intrastate movement and
2 subject to tax under this chapter. The basis for imposition of
3 any discretionary surtax is set forth in s. 212.054. Motor
4 vehicles that ~~which~~ are engaged in interstate commerce, and
5 parts thereof, used to transport persons or property in
6 interstate and foreign commerce are hereby determined to be
7 susceptible to a distinct and separate classification for
8 taxation under the provisions of this chapter. Motor vehicles
9 and parts thereof used exclusively in intrastate commerce do
10 not qualify for the proration of tax. For purposes of this
11 paragraph, parts of a motor vehicle engaged in interstate
12 commerce include a separate tank not connected to the fuel
13 supply system of the motor vehicle into which diesel fuel is
14 placed to operate a refrigeration unit or other equipment.

15 Section 23. Paragraphs (a) and (d) of subsection (1)
16 and paragraph (i) of subsection (3) of section 212.096,
17 Florida Statutes, are amended to read:

18 212.096 Sales, rental, storage, use tax; enterprise
19 zone jobs credit against sales tax.--

20 (1) For the purposes of the credit provided in this
21 section:

22 (a) "Eligible business" means any sole proprietorship,
23 firm, partnership, corporation, bank, savings association,
24 estate, trust, business trust, receiver, syndicate, or other
25 group or combination, or successor business, located in an
26 enterprise zone. The business must demonstrate to the
27 department that the total number of full-time jobs defined
28 under paragraph (d) has increased from the average of the
29 previous 12 months. ~~The term "eligible business" includes~~ A
30 business that created ~~added~~ a minimum of five new full-time
31 jobs in an enterprise zone between July 1, 2000, and December

1 31, 2001, is also an eligible business for purposes of the
2 credit provided beginning January 1, 2002. An eligible
3 business does not include any business which has claimed the
4 credit permitted under s. 220.181 for any new business
5 employee first beginning employment with the business after
6 July 1, 1995.

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

20
21 A person shall be deemed to be employed if the person performs
22 duties in connection with the operations of the business on a
23 regular, full-time basis, provided the person is performing
24 such duties for an average of at least 36 hours per week each
25 month. The person must be performing such duties at a business
26 site located in the enterprise zone.

27 (3) In order to claim this credit, an eligible
28 business must file under oath with the governing body or
29 enterprise zone development agency having jurisdiction over
30 the enterprise zone where the business is located, as
31 applicable, a statement which includes:

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

7 Section 24. Subsections (2) and (3) and paragraph (d)
8 of subsection (6) of section 212.098, Florida Statutes, are
9 amended to read:

10 212.098 Rural Job Tax Credit Program.--

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

17 (3) An existing eligible business may apply for a tax
18 credit under this subsection at any time it is entitled to
19 such credit, except as restricted by this subsection. An
20 existing eligible business with fewer than 50 employees in a
21 qualified area that on the date of application has at least 20
22 percent more qualified employees than it had 1 year prior to
23 its date of application shall receive a \$1,000 tax credit for
24 each such additional employee. An existing eligible business
25 that has 50 employees or more in a qualified area that, on the
26 date of application, has at least 10 more qualified employees
27 than it had 1 year prior to its date of application shall
28 receive a \$1,000 tax credit for each additional employee. Any
29 existing eligible business that received a credit under
30 subsection (2) may not apply for the credit under this
31

1 subsection sooner than 12 months after the application date
2 for the credit under subsection (2).

3 (6)

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

7 Section 25. Subsection (5) is added to section 212.11,
8 Florida Statutes, to read:

9 212.11 Tax returns and regulations.--

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

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

28 (c) The department shall disallow any credit that is
29 not supported by the information required under this
30 subsection. In addition, the disallowed credit or any part of
31 the credit disallowed is subject to a mandatory penalty of 25

1 percent and interest as provided for in s. 212.12. A specific
2 penalty of 25 percent of the otherwise available credit shall
3 be applied to any credit for which the required information
4 report is not received within 30 days after a written request
5 from the department.

6 Section 26. Subsection (14) is added to section
7 212.12, Florida Statutes, to read:

8 212.12 Dealer's credit for collecting tax; penalties
9 for noncompliance; powers of Department of Revenue in dealing
10 with delinquents; brackets applicable to taxable transactions;
11 records required.--

12 (14) If it is determined upon audit that a dealer has
13 collected and remitted taxes by applying the applicable tax
14 rate to each transaction as described in subsection (9) and
15 rounding the tax due to the nearest whole cent rather than
16 applying the appropriate bracket system provided by law or
17 department rule, the dealer shall not be held liable for
18 additional tax, penalty, and interest resulting from such
19 failure if:

20 (a) The dealer acted in a good faith belief that
21 rounding to the nearest whole cent was the proper method of
22 determining the amount of tax due on each taxable transaction.

23 (b) The dealer timely reported and remitted all taxes
24 collected on each taxable transaction.

25 (c) The dealer agrees in writing to future compliance
26 with the laws and rules concerning brackets applicable to the
27 dealer's transactions.

28 Section 27. It is the intent of the Legislature that
29 the amendment made by this act to add subsection (14) to
30 section 212.12, Florida Statutes, applies to all pending sales
31 and use tax audits or other actions or inquiries, including

1 those currently under protest or in litigation. The amendment
2 made by this act to add subsection (14) to section 212.12,
3 Florida Statutes, does not create any right to refund for
4 taxes previously assessed and paid in regard to audits or
5 other actions or inquiries that are no longer pending.

6 Section 28. Effective January 1, 2003, paragraph (c)
7 of subsection (6) of section 212.12, Florida Statutes, is
8 amended to read:

9 212.12 Dealer's credit for collecting tax; penalties
10 for noncompliance; powers of Department of Revenue in dealing
11 with delinquents; brackets applicable to taxable transactions;
12 records required.--

13 (6)

14 (c)1. If the records of a dealer are adequate but
15 voluminous in nature and substance, the department may sample
16 such records, except for fixed assets, and project the audit
17 findings derived therefrom over the entire audit period to
18 determine the proportion that taxable retail sales bear to
19 total retail sales or the proportion that taxable purchases
20 bear to total purchases. In order to conduct such a sample,
21 the department must first make a good faith effort to reach an
22 agreement with the dealer, which agreement provides for the
23 means and methods to be used in the sampling process. In the
24 event that no agreement is reached, the dealer is entitled to
25 a review by the executive director.

26 2. For the purposes of sampling pursuant to
27 subparagraph 1., the department shall project any deficiencies
28 and overpayments derived therefrom over the entire audit
29 period. In determining the dealer's compliance, the department
30 shall reduce any tax deficiency as derived from the sample by
31 the amount of any overpayment derived from the sample. In the

1 event the department determines from the sample results that
2 the dealer has a net tax overpayment, the department shall
3 provide the findings of this overpayment to the Comptroller
4 for repayment of funds paid into the State Treasury through
5 error pursuant to s. 215.26.

6 3.a. A taxpayer is entitled, both in connection with
7 an audit and in connection with an application for refund
8 filed independently of any audit, to establish the amount of
9 any refund or deficiency through statistical sampling when the
10 taxpayer's records, other than those regarding fixed assets,
11 are adequate but voluminous. Alternatively, a taxpayer is
12 entitled to establish any refund or deficiency through any
13 other sampling method agreed upon by the taxpayer and the
14 department when the taxpayer's records, other than those
15 regarding fixed assets, are adequate but voluminous. Whether
16 done through statistical sampling or any other sampling method
17 agreed upon by the taxpayer and the department, the completed
18 sample must reflect both overpayments and underpayments of
19 taxes due. The sample shall be conducted through:

20 (I) A taxpayer request to perform the sampling through
21 the certified audit program pursuant to s. 213.285;

22 (II) Attestation by a certified public accountant as
23 to the adequacy of the sampling method utilized and the
24 results reached using such sampling method; or

25 (III) A sampling method that has been submitted by the
26 taxpayer and approved by the department before a refund claim
27 is submitted. This sub-sub-subparagraph does not prohibit a
28 taxpayer from filing a refund claim prior to approval by the
29 department of the sampling method; however, a refund claim
30 submitted before the sampling method has been approved by the
31 department cannot be a complete refund application pursuant to

1 s. 213.255 until the sampling method has been approved by the
2 department.

3 b. The department shall prescribe by rule the
4 procedures to be followed under each method of sampling. Such
5 procedures shall follow generally accepted auditing procedures
6 for sampling. The rule shall also set forth other criteria
7 regarding the use of sampling, including, but not limited to,
8 training requirements that must be met before a sampling
9 method may be utilized and the steps necessary for the
10 department and the taxpayer to reach agreement on a sampling
11 method submitted by the taxpayer for approval by the
12 department.

13 Section 29. Paragraph (a) of subsection (3) of section
14 212.18, Florida Statutes, is amended to read:

15 212.18 Administration of law; registration of dealers;
16 rules.--

17 (3)(a) Every person desiring to engage in or conduct
18 business in this state as a dealer, as defined in this
19 chapter, or to lease, rent, or let or grant licenses in living
20 quarters or sleeping or housekeeping accommodations in hotels,
21 apartment houses, roominghouses, or tourist or trailer camps
22 that are subject to tax under s. 212.03, or to lease, rent, or
23 let or grant licenses in real property, as defined in this
24 chapter, and every person who sells or receives anything of
25 value by way of admissions, must file with the department an
26 application for a certificate of registration for each place
27 of business, showing the names of the persons who have
28 interests in such business and their residences, the address
29 of the business, and such other data as the department may
30 reasonably require. However, owners and operators of vending
31 machines or newspaper rack machines are required to obtain

1 only one certificate of registration for each county in which
2 such machines are located. The department, by rule, may
3 authorize a dealer that uses independent sellers to sell its
4 merchandise to remit tax on the retail sales price charged to
5 the ultimate consumer in lieu of having the independent seller
6 register as a dealer and remit the tax. The department may
7 appoint the county tax collector as the department's agent to
8 accept applications for registrations. The application must be
9 made to the department before the person, firm, copartnership,
10 or corporation may engage in such business, and it must be
11 accompanied by a registration fee of \$5. However, a
12 registration fee is not required to accompany an application
13 to engage in or conduct business to make mail order sales. The
14 department may waive the registration fee for applications
15 submitted through the department's Internet registration
16 process.

17 Section 30. Section 213.015, Florida Statutes, is
18 amended to read:

19 213.015 Taxpayer rights.--There is created a Florida
20 Taxpayer's Bill of Rights to guarantee that the rights,
21 privacy, and property of Florida taxpayers are adequately
22 safeguarded and protected during tax assessment, collection,
23 and enforcement processes administered under the revenue laws
24 of this state. The Taxpayer's Bill of Rights compiles, in one
25 document, brief but comprehensive statements which explain, in
26 simple, nontechnical terms, the rights and obligations of the
27 Department of Revenue and taxpayers. Section 192.0105 provides
28 additional rights afforded to payors of property taxes and
29 assessments.The rights afforded taxpayers to ensure ~~assure~~
30 that their privacy and property are safeguarded and protected
31 during tax assessment and collection are available only

1 insofar as they are implemented in other parts of the Florida
2 Statutes or rules of the Department of Revenue. The rights so
3 guaranteed Florida taxpayers in the Florida Statutes and the
4 departmental rules are:

5 (1) The right to available information and prompt,
6 accurate responses to questions and requests for tax
7 assistance.

8 (2) The right to request assistance from a taxpayers'
9 rights advocate of the department, who shall be responsible
10 for facilitating the resolution of taxpayer complaints and
11 problems not resolved through the normal administrative
12 channels within the department, including any taxpayer
13 complaints regarding unsatisfactory treatment by department
14 employees. The taxpayers' rights advocate may issue a stay
15 order if a taxpayer has suffered or is about to suffer
16 irreparable loss as a result of an action by the department
17 (see ss. 20.21(3) and 213.018).

18 (3) The right to be represented or advised by counsel
19 or other qualified representatives at any time in
20 administrative interactions with the department, the right to
21 procedural safeguards with respect to recording of interviews
22 during tax determination or collection processes conducted by
23 the department, the right to be treated in a professional
24 manner by department personnel, and the right to have audits,
25 inspections of records, and interviews conducted at a
26 reasonable time and place except in criminal and internal
27 investigations (see ss. 198.06, 199.218, 201.11(1), 203.02,
28 206.14, 211.125(3), 211.33(3), 212.0305(3), 212.12(5)(a),
29 (6)(a), and (13), 212.13(5), 213.05, 213.21(1)(a) and (c), and
30 213.34).

31

1 (4) The right to freedom from penalty attributable to
2 any taxes administered by the Department of Revenue; freedom
3 from payment of uncollected sales, use, motor or diesel fuel,
4 or other transaction-based excise taxes administered by the
5 Department of Revenue; and to abatement of interest
6 attributable to any taxes administered by the Department of
7 Revenue, when the taxpayer reasonably relies upon binding
8 written advice furnished to the taxpayer by the department
9 through authorized representatives in response to the
10 taxpayer's specific written request which provided adequate
11 and accurate information (see ss. 120.565 and 213.22).

12 (5) The right to obtain simple, nontechnical
13 statements which explain the reason for audit selection and
14 the procedures, remedies, and rights available during audit,
15 appeals, and collection proceedings, including, but not
16 limited to, the rights pursuant to this Taxpayer's Bill of
17 Rights and the right to be provided with a narrative
18 description which explains the basis of audit changes,
19 proposed assessments, assessments, and denials of refunds;
20 identifies any amount of tax, interest, or penalty due; and
21 states the consequences of the taxpayer's failure to comply
22 with the notice.

23 (6) The right to be informed of impending collection
24 actions which require sale or seizure of property or freezing
25 of assets, except jeopardy assessments, and the right to at
26 least 30 days' notice in which to pay the liability or seek
27 further review (see ss. 198.20, 199.262, 201.16, 206.075,
28 206.24, 211.125(5), 212.03(5), 212.0305(3)(j), 212.04(7),
29 212.14(1), 213.73(3), 213.731, and 220.739).

30 (7) The right to have all other collection actions
31 attempted before a jeopardy assessment unless delay will

1 endanger collection and, after a jeopardy assessment, the
2 right to have an immediate review of the jeopardy assessment
3 (see ss. 212.15, 213.73(3), 213.732, and 220.719(2)).

4 (8) The right to seek review, through formal or
5 informal proceedings, of any adverse decisions relating to
6 determinations in the audit or collections processes and the
7 right to seek a reasonable administrative stay of enforcement
8 actions while the taxpayer pursues other administrative
9 remedies available under Florida law (see ss. 120.80(14)(b),
10 213.21(1), 220.717, and 220.719(2)).

11 (9) The right to have the taxpayer's tax information
12 kept confidential unless otherwise specified by law (see s.
13 213.053).

14 (10) The right to procedures for retirement of tax
15 obligations by installment payment agreements which recognize
16 both the taxpayer's financial condition and the best interests
17 of the state, provided that the taxpayer gives accurate,
18 current information and meets all other tax obligations on
19 schedule (see s. 213.21(4)).

20 (11) The right to procedures for requesting
21 cancellation, release, or modification of liens filed by the
22 department and for requesting that any lien which is filed in
23 error be so noted on the lien cancellation filed by the
24 department, in public notice, and in notice to any credit
25 agency at the taxpayer's request (see ss. 198.22, 199.262,
26 212.15(4), 213.733, and 220.819).

27 (12) The right to procedures which assure that the
28 individual employees of the department are not paid,
29 evaluated, or promoted on the basis of the amount of
30 assessments or collections from taxpayers (see s. 213.30(2)).
31

1 (13) The right to an action at law within the
2 limitations of s. 768.28, relating to sovereign immunity, to
3 recover damages against the state or the Department of Revenue
4 for injury caused by the wrongful or negligent act or omission
5 of a department officer or employee (see s. 768.28).

6 (14) The right of the taxpayer or the department, as
7 the prevailing party in a judicial or administrative action
8 brought or maintained without the support of justiciable
9 issues of fact or law, to recover all costs of the
10 administrative or judicial action, including reasonable
11 attorney's fees, and of the department and taxpayer to settle
12 such claims through negotiations (see ss. 57.105 and 57.111).

13 (15) The right to have the department begin and
14 complete its audits in a timely and expeditious manner after
15 notification of intent to audit (see s. 95.091).

16 (16) The right to have the department actively
17 identify and review multistate proposals that offer more
18 efficient and effective methods for administering the revenue
19 sources of this state (see s. 213.256).

20 (17) The right to have the department actively
21 investigate and, where appropriate, implement automated or
22 electronic business methods that enable the department to more
23 efficiently and effectively administer the revenue sources of
24 this state at less cost and effort for taxpayers.

25 (18) The right to waiver of interest that accrues as
26 the result of errors or delays caused by a department employee
27 (see s. 213.21(3)).

28 (19) The right to participate in free educational
29 activities that help the taxpayer successfully comply with the
30 revenue laws of this state.

31

1 (20) The right to pay a reasonable fine or percentage
2 of tax, whichever is less, to reinstate an exemption from any
3 tax which a taxpayer would have been entitled to receive but
4 which was lost because the taxpayer failed to properly
5 register as a tax dealer in this state or obtain the necessary
6 certificates entitling the taxpayer to the exemption (see s.
7 212.07(9)).

8 (21) The right to fair and consistent application of
9 the tax laws of this state by the Department of Revenue.

10 Section 31. Subsection (3) and paragraphs (n) and (r)
11 of subsection (7) of section 213.053, Florida Statutes, are
12 amended, and paragraph (w) is added to subsection (7) of said
13 section, to read:

14 213.053 Confidentiality and information sharing.--

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

1 unemployment tax rate information, and that the agent shall
2 provide the department with a copy of the employer's power of
3 attorney upon request.

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

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

19 (r) Information relative to the returns required by
20 ss. 175.111 and 185.09 to the Department of Management
21 Services in the conduct of its official duties. The Department
22 of Management Services is, in turn, authorized to disclose
23 payment information to a governmental agency or the agency's
24 agent for purposes related to budget preparation, auditing,
25 revenue or financial administration, or ~~as necessary in the~~
26 administration of chapters 175 and 185.

27 (w) Tax registration information to the Agency for
28 Workforce Innovation for use in the conduct of its official
29 duties, which information may not be redisclosed by the Agency
30 for Workforce Innovation.

31

1 Disclosure of information under this subsection shall be
2 pursuant to a written agreement between the executive director
3 and the agency. Such agencies, governmental or
4 nongovernmental, shall be bound by the same requirements of
5 confidentiality as the Department of Revenue. Breach of
6 confidentiality is a misdemeanor of the first degree,
7 punishable as provided by s. 775.082 or s. 775.083.

8 Section 32. Effective July 1, 2002, paragraph (c) is
9 added to subsection (4) of section 213.0535, Florida Statutes,
10 to read:

11 213.0535 Registration Information Sharing and Exchange
12 Program.--

13 (4) There are two levels of participation:

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

27 Section 33. Paragraph (a) of subsection (3) and
28 subsection (8) of section 213.21, Florida Statutes, are
29 amended, and subsections (9) and (10) are added to said
30 section, to read:

31 213.21 Informal conferences; compromises.--

1 (3)(a) A taxpayer's liability for any tax or interest
2 specified in s. 72.011(1) may be compromised by the department
3 upon the grounds of doubt as to liability for or
4 collectibility of such tax or interest. A taxpayer's liability
5 for interest under any of the chapters specified in s.
6 72.011(1) shall be settled or compromised in whole or in part
7 whenever or to the extent that the department determines that
8 the delay in the determination of the amount due is
9 attributable to the action or inaction of the department.A
10 taxpayer's liability for penalties under any of the chapters
11 specified in s. 72.011(1) may be settled or compromised if it
12 is determined by the department that the noncompliance is due
13 to reasonable cause and not to willful negligence, willful
14 neglect, or fraud. The facts and circumstances are subject to
15 de novo review to determine the existence of reasonable cause
16 in any administrative proceeding or judicial action
17 challenging an assessment of penalty under any of the chapters
18 specified in s. 72.011(1).A taxpayer who establishes
19 reasonable reliance on the written advice issued by the
20 department to the taxpayer will be deemed to have shown
21 reasonable cause for the noncompliance. In addition, a
22 taxpayer's liability for penalties under any of the chapters
23 specified in s. 72.011(1) in excess of 25 percent of the tax
24 shall be settled or compromised if the department determines
25 that the noncompliance is due to reasonable cause and not to
26 willful negligence, willful neglect, or fraud. The department
27 shall maintain records of all compromises, and the records
28 shall state the basis for the compromise. The records of
29 compromise under this paragraph shall not be subject to
30 disclosure pursuant to s. 119.07(1) and shall be considered
31

1 confidential information governed by the provisions of s.
2 213.053.

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

20 (9) A penalty for failing to collect a tax imposed by
21 chapter 212 shall be settled or compromised upon payment of
22 tax and interest if a taxpayer failed to collect the tax due
23 to a good faith belief that tax was not due on the transaction
24 and, because of that good faith belief, the taxpayer is now
25 unable to charge and collect the tax from the taxpayer's
26 purchaser. The Department of Revenue shall adopt rules
27 necessary to implement and administer this subsection,
28 including rules establishing procedures and forms.

29 (10)(a) Effective July 1, 2003, notwithstanding any
30 other provision of law and solely for the purpose of
31 administering the tax imposed by chapter 212, under the

1 circumstances set forth in this subsection, the department
2 shall settle or compromise a taxpayer's liability for penalty
3 without requiring the taxpayer to submit a written request for
4 compromise or settlement.

5 (b) For taxpayers who file returns and remit tax on a
6 monthly basis:

7 1. Any penalty related to a noncompliant filing event
8 shall be settled or compromised if the taxpayer has:

9 a. No noncompliant filing event in the immediately
10 preceding 12-month period and no unresolved chapter 212
11 liability resulting from a noncompliant filing event; or

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

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

25 (c) For taxpayers who file returns and remit tax on a
26 quarterly basis, any penalty related to a noncompliant filing
27 event shall be settled or compromised if the taxpayer has no
28 noncompliant filing event in the immediately preceding
29 12-month period and no unresolved chapter 212 liability
30 resulting from a noncompliant filing event.

31 (d) For purposes of this subsection:

1 1. "Noncompliant filing event" means a failure to
2 timely file a complete and accurate return required under
3 chapter 212 or a failure to timely pay the amount of tax
4 reported on a return required by chapter 212.

5 2. "Extraordinary circumstances" means the occurrence
6 of events beyond the control of the taxpayer, such as, but not
7 limited to, the death of the taxpayer, acts of war or
8 terrorism, natural disasters, fire, or other casualty, or the
9 nonfeasance or misfeasance of the taxpayer's employees or
10 representatives responsible for compliance with the provisions
11 of chapter 212. With respect to the acts of an employee or
12 representative, the taxpayer must show that the principals of
13 the business lacked actual knowledge of the noncompliance and
14 that the noncompliance was resolved within 30 days after
15 actual knowledge.

16 Section 34. 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 35. Subsection (4) of section 213.255, Florida
5 Statutes, is amended to read:

6 213.255 Interest.--Interest shall be paid on
7 overpayments of taxes, payment of taxes not due, or taxes paid
8 in error, subject to the following conditions:

9 (4) Interest shall not commence until 90 days after a
10 complete refund application has been filed and the amount of
11 overpayment has not been refunded to the taxpayer or applied
12 as a credit to the taxpayer's account. However, if there is a
13 prohibition against refunding a tax overpayment before the
14 first day of the state fiscal year, interest on the tax
15 overpayment shall not commence until August 1 of the year the
16 tax was due. If the department and the taxpayer mutually agree
17 that an audit or verification is necessary in order to
18 determine the taxpayer's entitlement to the refund, interest
19 shall not commence until the audit or verification of the
20 claim is final.

21 Section 36. Paragraph (c) of subsection (2) of section
22 213.285, Florida Statutes, is amended to read:

23 213.285 Certified audits.--

24 (2)

25 (c) The certified audits project is repealed on July
26 1, 2006 ~~2002~~, or upon completion of the project as determined
27 by the department, whichever occurs first.

28 Section 37. Subsection (3) is added to section 213.30,
29 Florida Statutes, to read:

30 213.30 Compensation for information relating to a
31 violation of the tax laws.--

1 (3) Notwithstanding any other provision of law, this
2 section is the sole means by which any person may seek or
3 obtain any moneys as the result of, in relation to, or founded
4 upon the failure by another person to comply with the tax laws
5 of this state. A person's use of any other law to seek or
6 obtain moneys for such failure is in derogation of this
7 section and conflicts with the state's duty to administer the
8 tax laws.

9 Section 38. Effective January 1, 2003, section
10 213.755, Florida Statutes, is amended to read:

11 213.755 Filing of returns and payment of taxes by
12 electronic means ~~funds transfer~~.--

13 (1) The executive director of the Department of
14 Revenue shall have authority to require a taxpayer to file
15 returns and remit payments ~~taxes~~ by electronic means ~~funds~~
16 ~~transfer~~ where the taxpayer, ~~including consolidated filers,~~ is
17 subject to tax and has paid that tax in the prior state fiscal
18 year in an amount of ~~\$30,000~~ \$50,000 or more. Any taxpayer who
19 operates two or more places of business for which returns are
20 required to be filed with the department shall combine the tax
21 payments for all such locations in order to determine whether
22 they are obligated under this section. This subsection does
23 not override additional requirements in any provision of a
24 revenue law which the department has the responsibility for
25 regulating, controlling, and administering.

26 (2) As used in any revenue law administered by the
27 department, the term:

28 (a) "Payment" means any payment or remittance required
29 to be made or paid within a prescribed period or on or before
30 a prescribed date under the authority of any provision of a
31 revenue law which the department has the responsibility for

1 regulating, controlling, and administering. The term does not
2 include any remittance unless the amount of the remittance is
3 actually received by the department.

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

10 (c) "Electronic means" includes, but is not limited
11 to, electronic data interchange; electronic funds transfer; or
12 use of the Internet, telephone, or other technology specified
13 by the department.

14 (3) Solely for the purposes of administering this
15 section:

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

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

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

24 (5) Beginning January 1, 2003, consolidated filers
25 shall file returns and remit taxes by electronic means.

26 (6) A taxpayer required to file returns by electronic
27 means shall also remit payments by electronic means. A
28 taxpayer who fails to file returns pursuant to this section is
29 liable for a penalty of \$10 for each report submitted, which
30 is in addition to any other penalty that may be applicable,
31 unless the taxpayer has first obtained a waiver of such

1 requirement from the department. A taxpayer who fails to remit
2 payments pursuant to this section is liable for a penalty of
3 \$10 for each remittance submitted, which is in addition to any
4 other penalty that may be applicable.

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

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

23 (9) The department may waive the requirement to file a
24 return by electronic means for taxpayers that are unable to
25 comply despite good faith efforts or due to circumstances
26 beyond the taxpayer's reasonable control.

27 (a) As prescribed by the department, grounds for
28 approving the waiver include, but are not limited to,
29 circumstances in which the taxpayer, the owner, or an officer
30 of the business, or the taxpayer's accountant or bookkeeper,
31 does not:

1 1. Currently file information or data electronically
2 with any business or government agency; or

3 2. Have a compatible computer that meets or exceeds
4 the department's minimum standards.

5 (b) The department shall accept other reasons for
6 requesting a waiver from the requirement to submit a return by
7 electronic means, including, but not limited to:

8 1. That the taxpayer needs additional time to program
9 his or her computer;

10 2. That complying with this requirement causes the
11 taxpayer financial hardship; or

12 3. That complying with this requirement conflicts with
13 the taxpayer's business procedures.

14 (c) The department may establish by rule the length of
15 time a waiver is valid and may determine whether subsequent
16 waivers will be authorized, based on the provisions of this
17 subsection.

18 Section 39. Paragraphs (q) and (gg) of subsection (1)
19 of section 220.03, Florida Statutes, is amended to read:

20 220.03 Definitions.--

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

25 (q) "New employee," for the purposes of the enterprise
26 zone jobs credit, means a person residing in an enterprise
27 zone or a participant in the welfare transition program who is
28 employed at a business located in an enterprise zone who
29 begins employment in the operations of the business after July
30 1, 1995, and who has not been previously employed full-time
31 within the preceding 12 months by the business or a successor

1 business claiming the credit pursuant to s. 220.181. A person
2 shall be deemed to be employed by such a business if the
3 person performs duties in connection with the operations of
4 the business on a full-time basis, provided she or he is
5 performing such duties for an average of at least 36 hours per
6 week each month. ~~The term "jobs" also includes employment of~~
7 ~~an employee leased from an employee leasing company licensed~~
8 ~~under chapter 468, if such employee has been continuously~~
9 ~~leased to the employer for an average of at least 36 hours per~~
10 ~~week for more than 6 months.~~The person must be performing
11 such duties at a business site located in an enterprise zone.
12 The provisions of this paragraph shall expire and be void on
13 June 30, 2005.

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

27 Section 40. Effective upon this act becoming a law,
28 and applying to tax years beginning on or after January 1,
29 2002, paragraph (b) of subsection (5) of section 220.15,
30 Florida Statutes, is amended to read:

31 220.15 Apportionment of adjusted federal income.--

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

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

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

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

30 Section 41. Paragraph (a) of subsection (1) of section
31 220.181, Florida Statutes, is amended to read:

1 220.181 Enterprise zone jobs credit.--
2 (1)(a) Beginning January 1, 2002, there shall be
3 allowed a credit against the tax imposed by this chapter to
4 any business located in an enterprise zone which demonstrates
5 to the department that the total number of full-time jobs has
6 increased from the average of the previous 12 months. ~~This~~
7 ~~credit is also available for~~ A business that created ~~added~~ a
8 minimum of five new full-time jobs in an enterprise zone
9 between July 1, 2000, and December 31, 2001, may also be
10 eligible to claim the credit for eligible employees under the
11 provisions that took effect January 1, 2002. The credit shall
12 be computed as 20 percent of the actual monthly wages paid in
13 this state to each new employee hired when a new job has been
14 created, as defined under s. 220.03(1)(ff), unless the
15 business is located in a rural enterprise zone, pursuant to s.
16 290.004(8), in which case the credit shall be 30 percent of
17 the actual monthly wages paid. If no less than 20 percent of
18 the employees of the business are residents of an enterprise
19 zone, excluding temporary and part-time employees, the credit
20 shall be computed as 30 percent of the actual monthly wages
21 paid in this state to each new employee hired when a new job
22 has been created, unless the business is located in a rural
23 enterprise zone, in which case the credit shall be 45 percent
24 of the actual monthly wages paid, for a period of up to 24
25 consecutive months. If the new employee hired when a new job
26 is created is a participant in the welfare transition program,
27 the following credit shall be a percent of the actual monthly
28 wages paid: 40 percent for \$4 above the hourly federal minimum
29 wage rate; 41 percent for \$5 above the hourly federal minimum
30 wage rate; 42 percent for \$6 above the hourly federal minimum
31 wage rate; 43 percent for \$7 above the hourly federal minimum

1 wage rate; and 44 percent for \$8 above the hourly federal
2 minimum wage rate.

3 Section 42. Effective upon this act becoming a law and
4 applying to tax years beginning on or after January 1, 2002,
5 paragraph (e) of subsection (2) of section 220.187, Florida
6 Statutes, is amended to read:

7 220.187 Credits for contributions to nonprofit
8 scholarship-funding organizations.--

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

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

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

16 2. Received a scholarship from an eligible nonprofit
17 scholarship-funding organization during the previous school
18 year; ~~or-~~

19 3. Is eligible to enter kindergarten or first grade.

20 Section 43. Subsection (4) of section 220.22, Florida
21 Statutes, is amended to read:

22 220.22 Returns; filing requirement.--

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

1 ~~shall file an informational return with the department, which~~
2 ~~return shall be restricted to information identifying the~~
3 ~~subsidiary, the electing S corporation parent, and the~~
4 ~~effective date of the election.~~

5 Section 44. Effective January 1, 2003, paragraph (c)
6 of subsection (2) of section 220.23, Florida Statutes, is
7 amended to read:

8 220.23 Federal returns.--

9 (2) In the event the taxable income, any item of
10 income or deduction, or the income tax liability reported in a
11 federal income tax return of any taxpayer for any taxable year
12 is adjusted by amendment of such return or as a result of any
13 other recomputation or redetermination of federal taxable
14 income or loss, if such adjustment would affect any item or
15 items entering into the computation of such taxpayer's net
16 income subject to tax for any taxable year under this code,
17 the following special rules shall apply:

18 (c) In any case where notification of an adjustment is
19 required under paragraph (a), then notwithstanding any other
20 provision contained in s. 95.091(3):

21 1. A notice of deficiency may be issued at any time
22 within 5 years after the date such notification is given; or

23 2. If a taxpayer either fails to notify the department
24 or fails to report a change or correction which is treated in
25 the same manner as if it were a deficiency for federal income
26 tax purposes, a notice of deficiency may be issued at any
27 time;

28 3. In either case, the amount of any proposed
29 assessment set forth in such notice shall be limited to the
30 amount of any deficiency resulting under this code from
31 recomputation of the taxpayer's income for the taxable year

1 after giving effect only to the item or items reflected in the
2 adjustment.

3

4 Interest in accordance with s. 220.807 is due on the amount of
5 any deficiency from the date fixed for filing the original
6 return for the taxable year, determined without regard to any
7 extension of time for filing the original return, until the
8 date of payment of the deficiency.

9 Section 45. Subsection (1) of section 220.809, Florida
10 Statutes, is amended to read:

11 220.809 Interest on deficiencies.--

12 (1) Except as provided in s. 220.23(2)(c),if any
13 amount of tax imposed by this chapter is not paid on or before
14 the date, determined without regard to any extensions,
15 prescribed for payment of such tax, interest shall be paid in
16 accordance with the provisions of s. 220.807 on the unpaid
17 amount from such date to the date of payment.

18 Section 46. Subsection (2) of section 290.00677,
19 Florida Statutes, is amended to read:

20 290.00677 Rural enterprise zones; special
21 qualifications.--

22 (2) Notwithstanding the enterprise zone residency
23 requirements set out in s. 220.03(1)(q), ~~eligible~~ businesses
24 as defined by s. ~~220.03(1)(c)~~~~212.096(1)(a)~~, located in rural
25 enterprise zones as defined in s. 290.004, may receive the
26 basic minimum credit provided under s. 220.181 for creating a
27 new job and hiring a person residing within the jurisdiction
28 of a rural county, as defined by s. 288.106(1)(r). All other
29 provisions of s. 220.181, including, but not limited to, those
30 relating to the award of enhanced credits apply to such
31 businesses.

1 Section 47. Subsection (5) of section 336.021, Florida
2 Statutes, is amended to read:

3 336.021 County transportation system; levy of
4 ninth-cent fuel tax on motor fuel and diesel fuel.--

5 (5) All impositions of the tax shall be levied ~~imposed~~
6 ~~before November 1, 1993, to be effective January 1, 1994, and~~
7 ~~before July 1 of each year thereafter to be effective January~~
8 ~~1 of the following year. However, levies of the tax which were~~
9 ~~in effect on July 1, 2002 1996, and which expire on August 31~~
10 ~~of any year may be reimposed at the current authorized rate to~~
11 ~~be effective September 1 of the year of expiration. All~~
12 ~~impositions shall be required to end on December 31 of a year.~~
13 A No decision to rescind the tax shall not take effect on any
14 date other than December 31 and shall require a minimum of
15 ~~until at least 60 days' notice to days after the county~~
16 ~~notifies~~ the department of such decision.

17 Section 48. Paragraphs (a) and (b) of subsection (1)
18 and paragraph (a) of subsection (5) of section 336.025,
19 Florida Statutes, are amended to read:

20 336.025 County transportation system; levy of local
21 option fuel tax on motor fuel and diesel fuel.--

22 (1)(a) In addition to other taxes allowed by law,
23 there may be levied as provided in ss. 206.41(1)(e) and
24 206.87(1)(c) a 1-cent, 2-cent, 3-cent, 4-cent, 5-cent, or
25 6-cent local option fuel tax upon every gallon of motor fuel
26 and diesel fuel sold in a county and taxed under the
27 provisions of part I or part II of chapter 206.

28 1. All impositions and rate changes of the tax shall
29 be levied before July 1 to be effective January 1 of the
30 following year for a period not to exceed 30 years, and the
31 applicable method of distribution shall be established

1 pursuant to subsection (3) or subsection (4). However, levies
2 of the tax which were in effect on July 1, 2002 ~~1996~~, and
3 which expire on August 31 of any year may be reimposed at the
4 current authorized rate effective September 1 of the year of
5 expiration. Upon expiration, the tax may be relieved provided
6 that a redetermination of the method of distribution is made
7 as provided in this section.

8 2. County and municipal governments shall utilize
9 moneys received pursuant to this paragraph only for
10 transportation expenditures.

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

18 (b) In addition to other taxes allowed by law, there
19 may be levied as provided in s. 206.41(1)(e) a 1-cent, 2-cent,
20 3-cent, 4-cent, or 5-cent local option fuel tax upon every
21 gallon of motor fuel sold in a county and taxed under the
22 provisions of part I of chapter 206. The tax shall be levied
23 by an ordinance adopted by a majority plus one vote of the
24 membership of the governing body of the county or by
25 referendum.

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

1 2. The county may, prior to levy of the tax, establish
2 by interlocal agreement with one or more municipalities
3 located therein, representing a majority of the population of
4 the incorporated area within the county, a distribution
5 formula for dividing the entire proceeds of the tax among
6 county government and all eligible municipalities within the
7 county. If no interlocal agreement is adopted before the
8 effective date of the tax, tax revenues shall be distributed
9 pursuant to the provisions of subsection (4). If no
10 interlocal agreement exists, a new interlocal agreement may be
11 established prior to June 1 of any year pursuant to this
12 subparagraph. However, any interlocal agreement agreed to
13 under this subparagraph after the initial levy of the tax or
14 change in the tax rate authorized in this section shall under
15 no circumstances materially or adversely affect the rights of
16 holders of outstanding bonds which are backed by taxes
17 authorized by this paragraph, and the amounts distributed to
18 the county government and each municipality shall not be
19 reduced below the amount necessary for the payment of
20 principal and interest and reserves for principal and interest
21 as required under the covenants of any bond resolution
22 outstanding on the date of establishment of the new interlocal
23 agreement.

24 3. County and municipal governments shall utilize
25 moneys received pursuant to this paragraph only for
26 transportation expenditures needed to meet the requirements of
27 the capital improvements element of an adopted comprehensive
28 plan. For purposes of this paragraph, expenditures for the
29 construction of new roads, the reconstruction or resurfacing
30 of existing paved roads, or the paving of existing graded
31 roads shall be deemed to increase capacity and such projects

1 shall be included in the capital improvements element of an
2 adopted comprehensive plan. Expenditures for purposes of this
3 paragraph shall not include routine maintenance of roads.

4 (5)(a) By July 1 of each year, the county shall notify
5 the Department of Revenue of the rate of the taxes ~~tax~~ levied
6 pursuant to paragraphs (1)(a) and (b), and of its decision to
7 rescind or change the rate of a ~~the~~ tax, if applicable, and
8 shall provide the department with a certified copy of the
9 interlocal agreement established under subparagraph (1)(b)2.
10 or subparagraph (3)(a)1. with distribution proportions
11 established by such agreement or pursuant to subsection (4),
12 if applicable. A ~~No~~ decision to rescind a ~~the~~ tax shall not
13 take effect on any date other than December 31 and shall
14 require a minimum of ~~until at least~~ 60 days' ~~notice to~~ days
15 ~~after the county notifies~~ the Department of Revenue of such
16 decision.

17 Section 49. Subsection (2) of section 376.70, Florida
18 Statutes, is amended to read:

19 376.70 Tax on gross receipts of drycleaning
20 facilities.--

21 (2) Each drycleaning facility or dry drop-off facility
22 imposing a charge for the drycleaning or laundering of
23 clothing or other fabrics is required to register with the
24 Department of Revenue and become licensed for the purposes of
25 this section. The owner or operator of the facility shall
26 register the facility with the Department of Revenue.
27 Drycleaning facilities or dry drop-off facilities operating at
28 more than one location are only required to have a single
29 registration. The fee for registration is \$30. The owner or
30 operator of the facility shall pay the registration fee to the
31 Department of Revenue. The department may waive the

1 registration fee for applications submitted through the
2 department's Internet registration process.

3 Section 50. Subsection (1) and paragraph (e) of
4 subsection (3) of section 443.131, Florida Statutes, are
5 amended to read:

6 443.131 Contributions.--

7 (1) WHEN PAYABLE.--Contributions shall accrue and
8 become payable by each employer for each calendar quarter in
9 which he or she is subject to this chapter, with respect to
10 wages paid during such calendar quarter for employment. Such
11 contributions shall become due and be paid by each employer to
12 the Agency for Workforce Innovation or its designee division
13 for the fund, in accordance with such rules as the Agency for
14 Workforce Innovation or its designee division may prescribe.
15 However, nothing in this subsection shall be construed to
16 prohibit the Agency for Workforce Innovation or its designee
17 division from allowing, ~~on a limited basis,~~ at the request of
18 the employer, ~~certain~~ employers of employees performing
19 domestic services, as defined in s. 443.036(21)(g) ~~and by rule~~
20 ~~of the division,~~ to pay contributions or report wages at
21 intervals other than quarterly when such payment or reporting
22 is to the advantage of the Agency for Workforce Innovation or
23 its designee division and the employers, and when such
24 nonquarterly payment and reporting is authorized under federal
25 law. This provision gives employers of employees performing
26 domestic services the option to elect to report wages and pay
27 taxes annually, with a due date of January ~~April~~ 1 and a
28 delinquency date of February 1 ~~April 30~~. In order to qualify
29 for this election, the employer must employ have only
30 employees who perform domestic services ~~employees,~~ be eligible
31 for a variation from the standard rate as computed pursuant to

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

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

23 (e)1. Variations from the standard rate of
24 contributions shall be assigned with respect to each calendar
25 year to employers eligible therefor. In determining the
26 contribution rate, varying from the standard rate to be
27 assigned each employer, adjustment factors provided for in
28 sub-subparagraphs a.-c. will be added to the benefit ratio.
29 This addition will be accomplished in two steps by adding a
30 variable adjustment factor and a final adjustment factor as
31 defined below. The sum of these adjustment factors provided

1 for in sub-subparagraphs a.-c. will first be algebraically
2 summed. The sum of these adjustment factors will then be
3 divided by a gross benefit ratio to be determined as follows:
4 Total benefit payments for the previous 3 years, as defined in
5 subparagraph (b)1., charged to employers eligible to be
6 assigned a contribution rate different from the standard rate
7 minus excess payments for the same period divided by taxable
8 payroll entering into the computation of individual benefit
9 ratios for the calendar year for which the contribution rate
10 is being computed. The ratio of the sum of the adjustment
11 factors provided for in sub-subparagraphs a.-c. to the gross
12 benefit ratio will be multiplied by each individual benefit
13 ratio below the maximum tax rate to obtain variable adjustment
14 factors; except that in any instance in which the sum of an
15 employer's individual benefit ratio and variable adjustment
16 factor exceeds the maximum tax rate, the variable adjustment
17 factor will be reduced so that the sum equals the maximum tax
18 rate. The variable adjustment factor of each such employer
19 will be multiplied by his or her taxable payroll entering into
20 the computation of his or her benefit ratio. The sum of these
21 products will be divided by the taxable payroll of such
22 employers that entered into the computation of their benefit
23 ratios. The resulting ratio will be subtracted from the sum of
24 the adjustment factors provided for in sub-subparagraphs a.-c.
25 to obtain the final adjustment factor. The variable adjustment
26 factors and the final adjustment factor will be computed to
27 five decimal places and rounded to the fourth decimal place.
28 This final adjustment factor will be added to the variable
29 adjustment factor and benefit ratio of each employer to obtain
30 each employer's contribution rate; however, at no time shall
31

1 an employer's contribution rate be rounded to less than 0.1
2 percent.

3 a. An adjustment factor for noncharge benefits will be
4 computed to the fifth decimal place, and rounded to the fourth
5 decimal place, by dividing the amount of benefit payments
6 noncharged in the 3 preceding years as defined in subparagraph
7 (b)1. by the taxable payroll of employers eligible to be
8 considered for assignment of a contribution rate different
9 from the standard rate that have a benefit ratio for the
10 current year less than the maximum contribution rate. The
11 taxable payroll of such employers will be the taxable payrolls
12 for the 3 years ending June 30 of the current calendar year
13 that had been reported to the division by September 30 of the
14 same calendar year. Noncharge benefits for the purpose of this
15 section shall be defined as benefit payments to an individual
16 which were paid from the Unemployment Compensation Trust Fund
17 but which were not charged to the unemployment record of any
18 employer.

19 b. An excess payments adjustment factor will be
20 computed to the fifth decimal place, and rounded to the fourth
21 decimal place, by dividing the total excess payments during
22 the 3 preceding years as defined in subparagraph (b)1. by the
23 taxable payroll of employers eligible to be considered for
24 assignment of a contribution rate different from the standard
25 rate that have a benefit ratio for the current year less than
26 the maximum contribution rate. The taxable payroll of such
27 employers will be the same as used in computing the noncharge
28 adjustment factor as described in sub-subparagraph a. The term
29 "excess payments" for the purpose of this section is defined
30 as the amount of benefit payments charged to the employment
31 record of an employer during the 3 preceding years, as defined

1 in subparagraph (b)1., less the product of the maximum
2 contribution rate and his or her taxable payroll for the 3
3 years ending June 30 of the current calendar year that had
4 been reported to the division by September 30 of the same
5 calendar year. The term "total excess payments" is defined as
6 the sum of the individual employer excess payments for those
7 employers that were eligible to be considered for assignment
8 of a contribution rate different from the standard rate.

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

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

21 d. The maximum contribution rate that can be assigned
22 to any employer shall be 5.4 percent, except those employers
23 participating in an approved short-time compensation plan in
24 which case the maximum shall be 1 percent above the current
25 maximum contribution rate, with respect to any calendar year
26 in which short-time compensation benefits are in the
27 employer's employment record.

28 2. In the event of the transfer of employment records
29 to an employing unit pursuant to paragraph (g) which, prior to
30 such transfer, was an employer, the division shall recompute a
31 benefit ratio for the successor employer on the basis of the

1 combined employment records and reassign an appropriate
2 contribution rate to such successor employer as of the
3 beginning of the calendar quarter immediately following the
4 effective date of such transfer of employment records.

5 Section 51. Effective upon this act becoming a law and
6 operating retroactively to December 21, 2000, section
7 443.1315, Florida Statutes, is created to read:

8 443.1315 Treatment of Indian tribes.--

9 (1) As used in this section:

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

12 (b) "Employment" includes service performed in the
13 employ of an Indian tribe, as defined by s. 3306(u) of the
14 Federal Unemployment Tax Act, provided such service is
15 excluded from employment as defined by that act solely by
16 reason of s. 3306(c)(7) of such act and is not otherwise
17 excluded from employment under this chapter. For purposes of
18 this section, the exclusions from employment under s.
19 443.036(21)(d) apply to services performed in the employ of an
20 Indian tribe.

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

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

31

1 amount of benefits attributable to service in the employ of
2 the Indian tribe.

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

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

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

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

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

27 (4)(a)1. Failure of the Indian tribe or any tribal
28 unit thereof to make required payments, including assessments
29 of interest and penalty, within 90 days after receipt of the
30 bill will cause the Indian tribe to lose the option to make
31 payments in lieu of contributions as provided in subsection

1 (3) for the following tax year unless payment in full is
2 received before contribution rates for the next tax year are
3 computed.

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

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

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

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

30 (5) Notices of payment and reporting delinquency to
31 Indian tribes or tribal units thereof shall include

1 information that failure to make full payment within the
2 prescribed timeframe:

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

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

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

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

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

17 Section 52. Effective January 1, 2003, section
18 443.163, Florida Statutes, is amended to read:

19 443.163 Electronic reporting and remitting of taxes.--

20 (1) An employer may choose to file any report and
21 remit any taxes required by this chapter by electronic means
22 in a form initiated through an electronic data interchange
23 using an advanced encrypted transmission by means of the
24 Internet or other suitable transmission. The Agency for
25 Workforce Innovation or its designee ~~division~~ shall prescribe
26 by rule the format and instructions necessary for such filing
27 of reports and remitting of taxes to ensure a full collection
28 of contributions due. The acceptable method of transfer, the
29 method, form, and content of the electronic means ~~data~~
30 interchange, and the method ~~means~~, if any, by which the
31 employer will be provided with an acknowledgment, shall be

1 prescribed by the agency or its designee ~~division~~. However,
2 any employer who employed 10 or more employees in any quarter
3 during the preceding state fiscal year, or any person that
4 prepared and reported for 5 or more employers in the preceding
5 state fiscal year, must submit the Employers Quarterly Reports
6 (UCT-6) for the current calendar year and remit the taxes due
7 by electronic means approved by the agency or its designee.

8 (2) Any employer or person who fails to file an
9 Employers Quarterly Report (UCT-6) by electronic means
10 required by law is liable for a penalty of 10 percent of the
11 tax due, but not less than \$10 for each report, which is in
12 addition to any other penalty provided by this chapter which
13 may be applicable, unless the employer or person has first
14 obtained a waiver for such requirement from the agency or its
15 designee. Any employer or person who fails to remit tax by
16 electronic means as required by law is liable for a penalty of
17 \$10 for each remittance submitted, which is in addition to any
18 other penalty provided by this chapter which may be
19 applicable.

20 (3) The agency or its designee may waive the
21 requirement to file an Employers Quarterly Report (UCT-6) by
22 electronic means for employers or persons that are unable to
23 comply despite good faith efforts or due to circumstances
24 beyond the employer's or person's reasonable control.

25 (a) As prescribed by the agency or its designee,
26 grounds for approving the waiver include, but are not limited
27 to, circumstances in which the employer or person does not:

28 1. Currently file information or data electronically
29 with any business or government agency; or

30 2. Have a compatible computer that meets or exceeds
31 the standards prescribed by the agency or its designee.

1 (b) The agency or its designee shall accept other
2 reasons for requesting a waiver from the requirement to submit
3 the Employers Quarterly Report (UCT-6) by electronic means,
4 including, but not limited to:

5 1. That the employer or person needs additional time
6 to program his or her computer;

7 2. That complying with this requirement causes the
8 employer or person financial hardship; or

9 3. That complying with this requirement conflicts with
10 the employer's business procedures.

11 (c) The agency or its designee may establish by rule
12 the length of time a waiver is valid and may determine whether
13 subsequent waivers will be authorized, based on the provisions
14 of this subsection; however, the agency or its designee shall
15 only grant a waiver from electronic reporting if the employer
16 or person timely files the Employers Quarterly Report (UCT-6)
17 by telefile, unless the employer wage detail exceeds the
18 agency's or its designee's telefile system capabilities.

19 (4) For purposes of this section, the term "electronic
20 means" includes, but is not limited to, electronic data
21 interchange; electronic funds transfer; and use of the
22 Internet, telephone, or other technology specified by the
23 agency or its designee.

24 Section 53. Effective January 1, 2003, subsection (3)
25 is added to section 608.471, Florida Statutes, to read:

26 608.471 Tax exemption on income of certain limited
27 liability companies.--

28 (3) Single-member limited liability companies and
29 other entities that are disregarded for federal income tax
30 purposes must be treated as separate legal entities for all
31 non-income-tax purposes. The Department of Revenue shall adopt

1 rules to take into account that single-member disregarded
2 entities such as limited liability companies and qualified
3 subchapter S corporations may be disregarded as separate
4 entities for federal tax purposes and therefore may report and
5 account for income, employment, and other taxes under the
6 taxpayer identification number of the owner of the
7 single-member entity.

8 Section 54. Effective July 1, 2002, subsection (1) of
9 section 681.117, Florida Statutes, is amended to read:

10 681.117 Fee.--

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

31

1 Section 55. Sections 3 and 4 of chapter 2000-345, Laws
2 of Florida, are amended to read:

3 Section 3. Effective July 1, 2006 ~~2003~~, subsection
4 (10) of section 212.031, Florida Statutes, as created by this
5 act, is repealed, and paragraph (a) of subsection (1) and
6 subsection (3) of said section, as amended by this act, are
7 amended to read:

8 212.031 Lease or rental of or license in real
9 property.--

10 (1)(a) It is declared to be the legislative intent
11 that every person is exercising a taxable privilege who
12 engages in the business of renting, leasing, letting, or
13 granting a license for the use of any real property unless
14 such property is:

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

16 2. Used exclusively as dwelling units.

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

19 4. Recreational property or the common elements of a
20 condominium when subject to a lease between the developer or
21 owner thereof and the condominium association in its own right
22 or as agent for the owners of individual condominium units or
23 the owners of individual condominium units. However, only the
24 lease payments on such property shall be exempt from the tax
25 imposed by this chapter, and any other use made by the owner
26 or the condominium association shall be fully taxable under
27 this chapter.

28 5. A public or private street or right-of-way and
29 poles, conduits, fixtures, and similar improvements located on
30 such streets or rights-of-way, occupied or used by a utility
31 or franchised cable television company for utility or

1 communications or television purposes. For purposes of this
2 subparagraph, the term "utility" means any person providing
3 utility services as defined in s. 203.012. This exception also
4 applies to property, excluding buildings, wherever located, on
5 which antennas, cables, adjacent accessory structures, or
6 adjacent accessory equipment used in the provision of
7 cellular, enhanced specialized mobile radio, or personal
8 communications services are placed.

9 6. A public street or road which is used for
10 transportation purposes.

11 7. Property used at an airport exclusively for the
12 purpose of aircraft landing or aircraft taxiing or property
13 used by an airline for the purpose of loading or unloading
14 passengers or property onto or from aircraft or for fueling
15 aircraft.

16 8.a. Property used at a port authority, as defined in
17 s. 315.02(2), exclusively for the purpose of oceangoing
18 vessels or tugs docking, or such vessels mooring on property
19 used by a port authority for the purpose of loading or
20 unloading passengers or cargo onto or from such a vessel, or
21 property used at a port authority for fueling such vessels, or
22 to the extent that the amount paid for the use of any property
23 at the port is based on the charge for the amount of tonnage
24 actually imported or exported through the port by a tenant.

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

29 9. Property used as an integral part of the
30 performance of qualified production services. As used in this
31 subparagraph, the term "qualified production services" means

1 any activity or service performed directly in connection with
2 the production of a qualified motion picture, as defined in s.
3 212.06(1)(b), and includes:

4 a. Photography, sound and recording, casting, location
5 managing and scouting, shooting, creation of special and
6 optical effects, animation, adaptation (language, media,
7 electronic, or otherwise), technological modifications,
8 computer graphics, set and stage support (such as
9 electricians, lighting designers and operators, greensmen,
10 prop managers and assistants, and grips), wardrobe (design,
11 preparation, and management), hair and makeup (design,
12 production, and application), performing (such as acting,
13 dancing, and playing), designing and executing stunts,
14 coaching, consulting, writing, scoring, composing,
15 choreographing, script supervising, directing, producing,
16 transmitting dailies, dubbing, mixing, editing, cutting,
17 looping, printing, processing, duplicating, storing, and
18 distributing;

19 b. The design, planning, engineering, construction,
20 alteration, repair, and maintenance of real or personal
21 property including stages, sets, props, models, paintings, and
22 facilities principally required for the performance of those
23 services listed in sub-subparagraph a.; and

24 c. Property management services directly related to
25 property used in connection with the services described in
26 sub-subparagraphs a. and b.

27 10. Leased, subleased, licensed, or rented to a person
28 providing food and drink concessionaire services within the
29 premises of a convention hall, exhibition hall, auditorium,
30 stadium, theater, arena, civic center, performing arts center,
31 publicly owned recreational facility, or any business operated

1 under a permit issued pursuant to chapter 550. A person
2 providing retail concessionaire services involving the sale of
3 food and drink or other tangible personal property within the
4 premises of an airport shall be subject to tax on the rental
5 of real property used for that purpose, but shall not be
6 subject to the tax on any license to use the property. For
7 purposes of this subparagraph, the term "sale" shall not
8 include the leasing of tangible personal property.

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

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

28 (3) The tax imposed by this section shall be in
29 addition to the total amount of the rental or license fee,
30 shall be charged by the lessor or person receiving the rent or
31 payment in and by a rental or license fee arrangement with the

1 lessee or person paying the rental or license fee, and shall
2 be due and payable at the time of the receipt of such rental
3 or license fee payment by the lessor or other person who
4 receives the rental or payment. ~~Notwithstanding any other~~
5 ~~provision of this chapter, the tax imposed by this section on~~
6 ~~the rental, lease, or license for the use of a convention~~
7 ~~hall, exhibition hall, auditorium, stadium, theater, arena,~~
8 ~~civic center, performing arts center, or publicly owned~~
9 ~~recreational facility to hold an event of not more than 7~~
10 ~~consecutive days' duration shall be collected at the time of~~
11 ~~the payment for that rental, lease, or license but is not due~~
12 ~~and payable to the department until the first day of the month~~
13 ~~following the last day that the event for which the payment is~~
14 ~~made is actually held, and becomes delinquent on the 21st day~~
15 ~~of that month.~~The owner, lessor, or person receiving the rent
16 or license fee shall remit the tax to the department at the
17 times and in the manner hereinafter provided for dealers to
18 remit taxes under this chapter. The same duties imposed by
19 this chapter upon dealers in tangible personal property
20 respecting the collection and remission of the tax; the making
21 of returns; the keeping of books, records, and accounts; and
22 the compliance with the rules and regulations of the
23 department in the administration of this chapter shall apply
24 to and be binding upon all persons who manage any leases or
25 operate real property, hotels, apartment houses,
26 roominghouses, or tourist and trailer camps and all persons
27 who collect or receive rents or license fees taxable under
28 this chapter on behalf of owners or lessors.

29 Section 4. Effective July 1, 2006 ~~2003~~, paragraph (b)
30 of subsection (1), paragraph (a) of subsection (2), and
31

1 subsection (3) of section 212.04, Florida Statutes, as amended
2 by this act, are amended to read:

3 212.04 Admissions tax; rate, procedure, enforcement.--

4 (1)

5 (b) For the exercise of such privilege, a tax is
6 levied at the rate of 6 percent of sales price, or the actual
7 value received from such admissions, which 6 percent shall be
8 added to and collected with all such admissions from the
9 purchaser thereof, and such tax shall be paid for the exercise
10 of the privilege as defined in the preceding paragraph. Each
11 ticket must show on its face the actual sales price of the
12 admission, or each dealer selling the admission must
13 prominently display at the box office or other place where the
14 admission charge is made a notice disclosing the price of the
15 admission, and the tax shall be computed and collected on the
16 basis of the actual price of the admission charged by the
17 dealer. The sale price or actual value of admission shall,
18 for the purpose of this chapter, be that price remaining after
19 deduction of federal taxes ~~and state or locally imposed or~~
20 ~~authorized seat surcharges, taxes, or fees, if any, imposed~~
21 upon such admission, and. ~~The sale price or actual value does~~
22 ~~not include separately stated ticket service charges that are~~
23 ~~imposed by a facility ticket office or a ticketing service and~~
24 ~~added to a separately stated, established ticket price.~~the
25 rate of tax on each admission shall be according to the
26 brackets established by s. 212.12(9).

27 (2)(a)1. No tax shall be levied on admissions to
28 athletic or other events sponsored by elementary schools,
29 junior high schools, middle schools, high schools, community
30 colleges, public or private colleges and universities, deaf
31 and blind schools, facilities of the youth services programs

1 of the Department of Children and Family Services, and state
2 correctional institutions when only student, faculty, or
3 inmate talent is used. However, this exemption shall not apply
4 to admission to athletic events sponsored by an institution
5 within the State University System, and the proceeds of the
6 tax collected on such admissions shall be retained and used by
7 each institution to support women's athletics as provided in
8 s. 240.533(3)(c).

9 2.a. No tax shall be levied on dues, membership fees,
10 and admission charges imposed by not-for-profit sponsoring
11 organizations. To receive this exemption, the sponsoring
12 organization must qualify as a not-for-profit entity under the
13 provisions of s. 501(c)(3) of the Internal Revenue Code of
14 1954, as amended.

15 b. No tax imposed by this section and not actually
16 collected before August 1, 1992, shall be due from any museum
17 or historic building owned by any political subdivision of the
18 state.

19 ~~c. No tax shall be levied on admission charges to an~~
20 ~~event sponsored by a governmental entity, sports authority, or~~
21 ~~sports commission when held in a convention hall, exhibition~~
22 ~~hall, auditorium, stadium, theater, arena, civic center,~~
23 ~~performing arts center, or publicly owned recreational~~
24 ~~facility and when 100 percent of the risk of success or~~
25 ~~failure lies with the sponsor of the event and 100 percent of~~
26 ~~the funds at risk for the event belong to the sponsor, and~~
27 ~~student or faculty talent is not exclusively used. As used in~~
28 ~~this sub-subparagraph, the terms "sports authority" and~~
29 ~~"sports commission" mean a nonprofit organization that is~~
30 ~~exempt from federal income tax under s. 501(c)(3) of the~~
31 ~~Internal Revenue Code and that contracts with a county or~~

1 ~~municipal government for the purpose of promoting and~~
2 ~~attracting sports-tourism events to the community with which~~
3 ~~it contracts.~~

4 3. No tax shall be levied on an admission paid by a
5 student, or on the student's behalf, to any required place of
6 sport or recreation if the student's participation in the
7 sport or recreational activity is required as a part of a
8 program or activity sponsored by, and under the jurisdiction
9 of, the student's educational institution, provided his or her
10 attendance is as a participant and not as a spectator.

11 4. No tax shall be levied on admissions to the
12 National Football League championship game, on admissions to
13 any semifinal game or championship game of a national
14 collegiate tournament, or on admissions to a Major League
15 Baseball all-star game.

16 5. A participation fee or sponsorship fee imposed by a
17 governmental entity as described in s. 212.08(6) for an
18 athletic or recreational program is exempt when the
19 governmental entity by itself, or in conjunction with an
20 organization exempt under s. 501(c)(3) of the Internal Revenue
21 Code of 1954, as amended, sponsors, administers, plans,
22 supervises, directs, and controls the athletic or recreational
23 program.

24 6. Also exempt from the tax imposed by this section to
25 the extent provided in this subparagraph are admissions to
26 live theater, live opera, or live ballet productions in this
27 state which are sponsored by an organization that has received
28 a determination from the Internal Revenue Service that the
29 organization is exempt from federal income tax under s.
30 501(c)(3) of the Internal Revenue Code of 1954, as amended, if
31 the organization actively participates in planning and

1 conducting the event, is responsible for the safety and
2 success of the event, is organized for the purpose of
3 sponsoring live theater, live opera, or live ballet
4 productions in this state, has more than 10,000 subscribing
5 members and has among the stated purposes in its charter the
6 promotion of arts education in the communities which it
7 serves, and will receive at least 20 percent of the net
8 profits, if any, of the events which the organization sponsors
9 and will bear the risk of at least 20 percent of the losses,
10 if any, from the events which it sponsors if the organization
11 employs other persons as agents to provide services in
12 connection with a sponsored event. Prior to March 1 of each
13 year, such organization may apply to the department for a
14 certificate of exemption for admissions to such events
15 sponsored in this state by the organization during the
16 immediately following state fiscal year. The application shall
17 state the total dollar amount of admissions receipts collected
18 by the organization or its agents from such events in this
19 state sponsored by the organization or its agents in the year
20 immediately preceding the year in which the organization
21 applies for the exemption. Such organization shall receive the
22 exemption only to the extent of \$1.5 million multiplied by the
23 ratio that such receipts bear to the total of such receipts of
24 all organizations applying for the exemption in such year;
25 however, in no event shall such exemption granted to any
26 organization exceed 6 percent of such admissions receipts
27 collected by the organization or its agents in the year
28 immediately preceding the year in which the organization
29 applies for the exemption. Each organization receiving the
30 exemption shall report each month to the department the total
31 admissions receipts collected from such events sponsored by

1 the organization during the preceding month and shall remit to
2 the department an amount equal to 6 percent of such receipts
3 reduced by any amount remaining under the exemption. Tickets
4 for such events sold by such organizations shall not reflect
5 the tax otherwise imposed under this section.

6 7. Also exempt from the tax imposed by this section
7 are entry fees for participation in freshwater fishing
8 tournaments.

9 8. Also exempt from the tax imposed by this section
10 are participation or entry fees charged to participants in a
11 game, race, or other sport or recreational event if spectators
12 are charged a taxable admission to such event.

13 9. No tax shall be levied on admissions to any
14 postseason collegiate football game sanctioned by the National
15 Collegiate Athletic Association.

16 (3) Such taxes shall be paid and remitted at the same
17 time and in the same manner as provided for remitting taxes on
18 sales of tangible personal property, as hereinafter provided.
19 ~~Notwithstanding any other provision of this chapter, the tax~~
20 ~~on admission to an event at a convention hall, exhibition~~
21 ~~hall, auditorium, stadium, theater, arena, civic center,~~
22 ~~performing arts center, or publicly owned recreational~~
23 ~~facility shall be collected at the time of payment for the~~
24 ~~admission but is not due to the department until the first day~~
25 ~~of the month following the actual date of the event for which~~
26 ~~the admission is sold and becomes delinquent on the 21st day~~
27 ~~of that month.~~

28 Section 56. Paragraph (f) of subsection (4) of section
29 11 of chapter 2000-165, Laws of Florida, is amended to read:

30 Section 11.
31

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

4 (f) The Division of Unemployment Compensation is
5 transferred by a type two transfer, as defined in section
6 20.06(2), Florida Statutes, from the Department of Labor and
7 Employment Security to the Agency for Workforce Innovation.
8 The resources, data, records, property, and unexpended
9 balances of appropriations, allocations, and other funds
10 within the Office of the Secretary or any other division,
11 office, bureau, or unit within the Department of Labor and
12 Employment Security that support the Division of Unemployment
13 Compensation are transferred by a type two transfer, as
14 defined in section 20.06(2), Florida Statutes, from the
15 Department of Labor and Employment Security. By January 1,
16 2001, the Agency for Workforce Innovation shall enter into a
17 contract with the Department of Revenue which shall provide
18 for the Department of Revenue to provide unemployment tax
19 collection services. The Department of Revenue, in
20 consultation with the Department of Labor and Employment
21 Security, shall determine the number of positions needed to
22 provide unemployment tax collection services within the
23 Department of Revenue. The number of unemployment tax
24 collection service positions the Department of Revenue
25 determines are needed shall not exceed the number of positions
26 that, prior to the contract, were authorized to the Department
27 of Labor and Employment Security for this purpose. Upon
28 entering into the contract with the Agency for Workforce
29 Innovation to provide unemployment tax collection services,
30 the number of required positions, as determined by the
31 Department of Revenue, shall be authorized within the

1 Department of Revenue. Beginning January 1, 2002, the Office
2 of Program Policy Analysis and Government Accountability shall
3 conduct a feasibility study regarding privatization of
4 unemployment tax collection services. A report on the
5 conclusions of this study shall be submitted to the Governor,
6 the President of the Senate, and the Speaker of the House of
7 Representatives. The Department of Revenue is considered to be
8 administering a revenue law of this state when the department
9 provides unemployment compensation tax collection services
10 pursuant to a contract of the department with the Agency for
11 Workforce Innovation. Sections 213.018, 213.025, 213.051,
12 213.053, 213.055, 213.071, 213.10, 213.2201, 213.23,
13 213.24(2), 213.27, 213.28, 213.285, 213.37, 213.50, 213.67,
14 213.69, 213.73, 213.733, 213.74, and 213.757, Florida
15 Statutes, apply to the collection of unemployment
16 contributions by the Department of Revenue unless prohibited
17 by federal law.

18 Section 57. Notwithstanding the percentage increase
19 provided in section 218.21(6), Florida Statutes, for the
20 purpose of calculating distributions made under section
21 212.20(6)(d)6., Florida Statutes, for the 2001-2002 fiscal
22 year, the percentage increase for any government exercising
23 municipal powers under section 6(f), Article VIII of the State
24 Constitution shall be calculated as the revenues from the
25 Revenue Sharing Trust Fund for Municipalities for the
26 2000-2001 fiscal year, divided by the sum of revenues from the
27 Revenue Sharing Trust Fund for Municipalities for the
28 1999-2000 fiscal year and revenues from the Municipal
29 Financial Assistance Trust Fund for the 1999-2000 fiscal year,
30 minus one. Notwithstanding this section, actual payments
31 during fiscal year 2001-2002 shall not be affected by this

1 provision and such recalculated amount shall be used to
2 determine the percentage increase for the 2002-2003 fiscal
3 year, as provided in section 218.21(6)(b), Florida Statutes.
4 Any adjustment because of an overpayment during the 2001-2002
5 fiscal year shall be treated as a credit to the payment in
6 fiscal year 2002-2003.

7 Section 58. Effective upon this act becoming a law and
8 applying to tax years beginning on or after January 1, 2002,
9 section 9 of chapter 2001-225, Laws of Florida, is repealed.

10 Section 59. Effective upon this act becoming a law and
11 applying to tax years beginning on or after January 1, 2002,
12 section 220.331, Florida Statutes, is repealed.

13 Section 60. (1) Subsections (1) and (2) of section
14 199.062, section 201.05, and subsection (6) of section
15 212.084, Florida Statutes, are repealed.

16 (2) Effective July 1, 2002, subsection (10) of section
17 624.509, Florida Statutes, is repealed.

18 Section 61. Except as otherwise provided herein, this
19 act shall take effect upon becoming a law.
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