

Bill No. HB 743, 2nd Eng.

Amendment No.      Barcode 910128

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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11 Senator Clary moved the following **amendment to amendment**  
 12 (960560):

14 **Senate Amendment (with title amendment)**

15 On page 55, between lines 24 and 25,  
 16  
 17 and insert:

18 Section 18. Paragraph (j) of subsection (5) of section  
 19 212.08, Florida Statutes, is amended to read:

20 212.08 Sales, rental, use, consumption, distribution,  
 21 and storage tax; specified exemptions.--The sale at retail,  
 22 the rental, the use, the consumption, the distribution, and  
 23 the storage to be used or consumed in this state of the  
 24 following are hereby specifically exempt from the tax imposed  
 25 by this chapter.

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

27 (j) Machinery and equipment used in semiconductor,  
 28 defense, or space technology production and research and  
 29 development.--

30 1.a. Industrial machinery and equipment used in  
 31 semiconductor technology facilities certified under

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1 subparagraph 6. to manufacture, process, compound, or produce  
2 semiconductor technology products for sale or for use by these  
3 facilities are exempt from the tax imposed by this chapter.  
4 For purposes of this paragraph, industrial machinery and  
5 equipment includes molds, dies, machine tooling, other  
6 appurtenances or accessories to machinery and equipment,  
7 testing equipment, test beds, computers, and software, whether  
8 purchased or self-fabricated, and, if self-fabricated,  
9 includes materials and labor for design, fabrication, and  
10 assembly.

11         b. Industrial machinery and equipment used in defense  
12 or space technology facilities certified under subparagraph 6.  
13 to manufacture, process, compound, or produce defense  
14 technology products or space technology products for sale or  
15 for use by these facilities are exempt from 25 percent of the  
16 tax imposed by this chapter.

17         2.a. Machinery and equipment are exempt from the tax  
18 imposed by this chapter if used predominately in semiconductor  
19 wafer research and development activities in a semiconductor  
20 technology research and development facility certified under  
21 subparagraph 6. For purposes of this paragraph, machinery and  
22 equipment includes molds, dies, machine tooling, other  
23 appurtenances or accessories to machinery and equipment,  
24 testing equipment, test beds, computers, and software, whether  
25 purchased or self-fabricated, and, if self-fabricated,  
26 includes materials and labor for design, fabrication, and  
27 assembly.

28         b. Machinery and equipment are exempt from 25 percent  
29 of the tax imposed by this chapter if used predominately in  
30 defense or space research and development activities in a  
31 defense or space technology research and development facility

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1 certified under subparagraph 6.

2           3. Building materials purchased for use in  
3 manufacturing or expanding clean rooms in  
4 semiconductor-manufacturing facilities are exempt from the tax  
5 imposed by this chapter.

6           4. In addition to meeting the criteria mandated by  
7 subparagraph 1., subparagraph 2., or subparagraph 3., a  
8 business must be certified by the Office of Tourism, Trade,  
9 and Economic Development as authorized in this paragraph in  
10 order to qualify for exemption under this paragraph.

11           5. For items purchased tax exempt pursuant to this  
12 paragraph, possession of a written certification from the  
13 purchaser, certifying the purchaser's entitlement to exemption  
14 pursuant to this paragraph, relieves the seller of the  
15 responsibility of collecting the tax on the sale of such  
16 items, and the department shall look solely to the purchaser  
17 for recovery of tax if it determines that the purchaser was  
18 not entitled to the exemption.

19           6.a. To be eligible to receive the exemption provided  
20 by subparagraph 1., subparagraph 2., or subparagraph 3., a  
21 qualifying business entity shall apply to Enterprise Florida,  
22 Inc. The application shall be developed by the Office of  
23 Tourism, Trade, and Economic Development in consultation with  
24 Enterprise Florida, Inc.

25           b. Enterprise Florida, Inc., shall review each  
26 submitted application and information and determine whether or  
27 not the application is complete within 5 working days. Once an  
28 application is complete, Enterprise Florida, Inc., shall,  
29 within 10 working days, evaluate the application and recommend  
30 approval or disapproval of the application to the Office of  
31 Tourism, Trade, and Economic Development.

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1           c. Upon receipt of the application and recommendation  
2 from Enterprise Florida, Inc., the Office of Tourism, Trade,  
3 and Economic Development shall certify within 5 working days  
4 those applicants who are found to meet the requirements of  
5 this section and notify the applicant, Enterprise Florida,  
6 Inc., and the department of the certification. If the Office  
7 of Tourism, Trade, and Economic Development finds that the  
8 applicant does not meet the requirements of this section, it  
9 shall notify the applicant and Enterprise Florida, Inc.,  
10 within 10 working days that the application for certification  
11 has been denied and the reasons for denial. The Office of  
12 Tourism, Trade, and Economic Development has final approval  
13 authority for certification under this section.

14           7.a. A business may apply once each year for the  
15 exemption.

16           b. The application must indicate, for program  
17 evaluation purposes only, the average number of full-time  
18 equivalent employees at the facility over the preceding  
19 calendar year, the average wage and benefits paid to those  
20 employees over the preceding calendar year, the total  
21 investment made in real and tangible personal property over  
22 the preceding calendar year, and the total value of tax-exempt  
23 purchases and taxes exempted during the previous year. The  
24 department shall assist the Office of Tourism, Trade, and  
25 Economic Development in evaluating and verifying information  
26 provided in the application for exemption.

27           c. The Office of Tourism, Trade, and Economic  
28 Development may use the information reported on the  
29 application for evaluation purposes only and shall prepare an  
30 annual report on the exemption program and its cost and  
31 impact. The annual report for the preceding fiscal year shall

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1 be submitted to the Governor, the President of the Senate, and  
2 the Speaker of the House of Representatives by September 30 of  
3 each fiscal year. ~~This report may be submitted in conjunction~~  
4 ~~with the annual report required in s. 288.095(3)(c).~~

5 8. A business certified to receive this exemption may  
6 elect to designate one or more state universities or community  
7 colleges as recipients of up to 100 percent of the amount of  
8 the exemption for which they may qualify. To receive these  
9 funds, the institution must agree to match the funds so earned  
10 with equivalent cash, programs, services, or other in-kind  
11 support on a one-to-one basis in the pursuit of research and  
12 development projects as requested by the certified business.  
13 The rights to any patents, royalties, or real or intellectual  
14 property must be vested in the business unless otherwise  
15 agreed to by the business and the university or community  
16 college.

17 9. As used in this paragraph, the term:

18 a. "Predominately" means at least 50 percent of the  
19 time in qualifying research and development.

20 b. "Research and development" means basic and applied  
21 research in the science or engineering, as well as the design,  
22 development, and testing of prototypes or processes of new or  
23 improved products. Research and development does not include  
24 market research, routine consumer product testing, sales  
25 research, research in the social sciences or psychology,  
26 nontechnological activities, or technical services.

27 c. "Semiconductor technology products" means raw  
28 semiconductor wafers or semiconductor thin films that are  
29 transformed into semiconductor memory or logic wafers,  
30 including wafers containing mixed memory and logic circuits;  
31 related assembly and test operations; active-matrix flat panel

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1 displays; semiconductor chips; semiconductor lasers;  
2 optoelectronic elements; and related semiconductor technology  
3 products as determined by the Office of Tourism, Trade, and  
4 Economic Development.

5 d. "Clean rooms" means manufacturing facilities  
6 enclosed in a manner that meets the clean manufacturing  
7 requirements necessary for high-technology  
8 semiconductor-manufacturing environments.

9 e. "Defense technology products" means products that  
10 have a military application, including, but not limited to,  
11 weapons, weapons systems, guidance systems, surveillance  
12 systems, communications or information systems, munitions,  
13 aircraft, vessels, or boats, or components thereof, which are  
14 intended for military use and manufactured in performance of a  
15 contract with the United States Department of Defense or the  
16 military branch of a recognized foreign government or a  
17 subcontract thereunder which relates to matters of national  
18 defense.

19 f. "Space technology products" means products that are  
20 specifically designed or manufactured for application in space  
21 activities, including, but not limited to, space launch  
22 vehicles, missiles, satellites or research payloads, avionics,  
23 and associated control systems and processing systems. The  
24 term does not include products that are designed or  
25 manufactured for general commercial aviation or other uses  
26 even though those products may also serve an incidental use in  
27 space applications.

28 Section 19. Subsection (7) of section 288.108, Florida  
29 Statutes, is amended to read:

30 288.108 High-impact business.--

31 (7) REPORTING.--The office shall by December 1 of each

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1 year issue a complete and detailed report of all designated  
 2 high-impact sectors, all applications received and their  
 3 disposition, all final orders issued, and all payments made,  
 4 including analyses of benefits and costs, types of projects  
 5 supported, and employment and investments created. The report  
 6 shall be submitted to the Governor, the President of the  
 7 Senate, and the Speaker of the House of Representatives. ~~The~~  
 8 ~~report may be combined with the incentives report required in~~  
 9 ~~s. 288.095.~~

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(Redesignate subsequent sections.)

===== T I T L E A M E N D M E N T =====

And the title is amended as follows:

On page 60, line 11, after the semicolon

insert:

amending ss. 212.08 and 288.108, F.S.; removing  
 references, to conform;