

HB 1827

2004

1 A bill to be entitled

2 An act relating to the tax on sales, use, and other
3 transactions; amending s. 212.052, F.S.; exempting from
4 the tax machinery and equipment used predominantly for
5 research or development; providing definitions;
6 authorizing businesses to designate the amount of the
7 exemption to state universities or community colleges
8 under certain circumstances; providing requirements and
9 limitations; providing an effective date.

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

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13 Section 1. Subsection (2) of section 212.052, Florida
14 Statutes, is amended, subsections (3), (4), and (5) of said
15 section are renumbered as subsections (4), (5), and (6),
16 respectively, and a new subsection (3) is added to said section,
17 to read:

18 212.052 Research or development costs; exemption.--

19 (2) Notwithstanding any provision of this chapter to the
20 contrary, any person, including an affiliated group as defined
21 in s. 1504 of the Internal Revenue Code of 1954, as amended, who
22 manufactures, produces, compounds, processes, or fabricates in
23 any manner tangible personal property for such taxpayer's own
24 use directly and solely in research or development shall not be
25 subject to the tax imposed by this chapter upon the cost of the
26 product so manufactured, produced, compounded, processed, or
27 fabricated. ~~However, the tax imposed by this chapter shall be~~
28 ~~due on the purchase, rental, or repair of real property or~~
29 ~~tangible personal property employed in research or development~~

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30 ~~which is subject to the tax imposed by this chapter at the time~~
31 ~~of purchase or rental.~~

32 (3)(a) Machinery and equipment are exempt from the tax
33 imposed by this chapter if used predominantly for research or
34 development activities. For purposes of this subsection, the
35 term "predominantly" means at least 50 percent of the time and
36 the term "machinery and equipment" includes molds, dies, machine
37 tooling, other appurtenances or accessories to machinery and
38 equipment, testing equipment, test beds, computers, and
39 software, whether purchased or self-fabricated, and, if self-
40 fabricated, includes materials and labor for design,
41 fabrication, and assembly.

42 (b) A business may elect to designate one or more state
43 universities or community colleges as recipients of up to 100
44 percent of the amount of the exemption for which the business
45 may qualify. To receive these funds, the institution must agree
46 to match the funds so earned with equivalent cash, programs,
47 services, or other in-kind support on a one-to-one basis in the
48 pursuit of research and development projects as requested by the
49 certified business. The rights to any patents, royalties, or
50 real or intellectual property must be vested in the business
51 unless otherwise agreed to by the business and the university or
52 community college.

53 Section 2. This act shall take effect upon becoming a law.