

CHAMBER ACTION

1 The Commerce Council recommends the following:

2
3 **Council/Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to an exemption from the tax on sales,
7 use, and other transactions; amending s. 212.02, F.S.;
8 defining the term "qualified aircraft"; amending s.
9 212.08, F.S.; including qualified aircraft under certain
10 miscellaneous exemption provisions relating to aircraft;
11 exempting certain advertising materials distributed free
12 of charge by mail in an envelope; creating s. 212.0801,
13 F.S.; providing criteria, requirements, and limitations
14 on exemptions for purchases or leases of qualified
15 aircraft; providing an effective date.

16
17 Be It Enacted by the Legislature of the State of Florida:

18
19 Section 1. Subsection (33) is added to section 212.02,
20 Florida Statutes, to read:

21 212.02 Definitions.--The following terms and phrases when
22 used in this chapter have the meanings ascribed to them in this

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23 | section, except where the context clearly indicates a different
24 | meaning:

25 | (33) "Qualified aircraft" means any aircraft having a maximum
26 | certified takeoff weight of less than 10,000 pounds and equipped
27 | with twin turbofan engines that meet Stage IV noise requirements
28 | that is used by a business operating as an on-demand air carrier
29 | under Federal Aviation Administration Regulation Title 14, chapter
30 | I, part 135, Code of Federal Regulations, that owns and operates a
31 | fleet of at least 25 of such aircraft in this state.

32 | Section 2. Paragraphs (ee), (rr), and (ss) of subsection
33 | (7) of section 212.08, Florida Statutes, are amended, and
34 | paragraph (ccc) is added to that subsection, to read:

35 | 212.08 Sales, rental, use, consumption, distribution, and
36 | storage tax; specified exemptions.--The sale at retail, the
37 | rental, the use, the consumption, the distribution, and the
38 | storage to be used or consumed in this state of the following
39 | are hereby specifically exempt from the tax imposed by this
40 | chapter.

41 | (7) MISCELLANEOUS EXEMPTIONS.--Exemptions provided to any
42 | entity by this chapter do not inure to any transaction that is
43 | otherwise taxable under this chapter when payment is made by a
44 | representative or employee of the entity by any means,
45 | including, but not limited to, cash, check, or credit card, even
46 | when that representative or employee is subsequently reimbursed
47 | by the entity. In addition, exemptions provided to any entity by
48 | this subsection do not inure to any transaction that is
49 | otherwise taxable under this chapter unless the entity has
50 | obtained a sales tax exemption certificate from the department

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51 | or the entity obtains or provides other documentation as
52 | required by the department. Eligible purchases or leases made
53 | with such a certificate must be in strict compliance with this
54 | subsection and departmental rules, and any person who makes an
55 | exempt purchase with a certificate that is not in strict
56 | compliance with this subsection and the rules is liable for and
57 | shall pay the tax. The department may adopt rules to administer
58 | this subsection.

59 | (ee) Aircraft repair and maintenance labor charges.--There
60 | shall be exempt from the tax imposed by this chapter all labor
61 | charges for the repair and maintenance of qualified aircraft,
62 | aircraft of more than 15,000 pounds maximum certified takeoff
63 | weight, and rotary wing aircraft of more than 10,000 pounds
64 | maximum certified takeoff weight. Except as otherwise provided
65 | in this chapter, charges for parts and equipment furnished in
66 | connection with such labor charges are taxable.

67 | (rr) Equipment used in aircraft repair and
68 | maintenance.--There shall be exempt from the tax imposed by this
69 | chapter replacement engines, parts, and equipment used in the
70 | repair or maintenance of qualified aircraft, aircraft of more
71 | than 15,000 pounds maximum certified takeoff weight, and rotary
72 | wing aircraft of more than 10,300 pounds maximum certified
73 | takeoff weight, when such parts or equipment are installed on
74 | such aircraft that is being repaired or maintained in this
75 | state.

76 | (ss) Aircraft sales or leases.--The sale or lease of a
77 | qualified aircraft or an aircraft of more than 15,000 pounds
78 | maximum certified takeoff weight for use by a common carrier is

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79 | exempt from the tax imposed by this chapter. As used in this
80 | paragraph, "common carrier" means an airline operating under
81 | Federal Aviation Administration regulations contained in Title
82 | 14, chapter I, part 121 or part 129 of the Code of Federal
83 | Regulations.

84 | (ccc) Advertising materials distributed free of charge by
85 | mail in an envelope.--Likewise exempt are materials consisting
86 | exclusively of advertisements, such as individual coupons or
87 | other individual cards, sheets, or pages of printed advertising,
88 | that are distributed free of charge by mail in an envelope for
89 | 10 or more persons on a monthly, bimonthly, or other regular
90 | basis.

91 | Section 3. Section 212.0801, Florida Statutes, is created
92 | to read:

93 | 212.0801 Qualified aircraft exemption.--To be eligible to
94 | receive an exemption under s. 212.08(7) for a qualified aircraft, a
95 | purchaser or lessee must enter into a flight training and research
96 | partnership with a technological university based in this state
97 | that offers a doctoral program in aeronautical engineering and that
98 | offers flight training through a school of aeronautics. No
99 | exemption provided in this chapter for the lease, purchase, repair,
100 | or maintenance of a qualified aircraft shall be allowed unless the
101 | purchaser or lessee furnishes the dealer with a certificate stating
102 | that the lease, purchase, repair, or maintenance to be exempted is
103 | for the exclusive use of the purchaser or lessee of a qualified
104 | aircraft. If a purchaser or lessee makes tax-exempt purchases of
105 | qualified aircraft or leases a qualified aircraft on a continual
106 | basis, the purchaser or lessee may tender the certificate once

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107 | and allow the dealer to keep a certificate on file. The purchaser
108 | or lessee shall inform the dealer that has a certificate on file
109 | when the purchaser or lessee no longer qualifies for the
110 | exemption. The department shall determine the format of the
111 | certificate.

112 | Section 4. This act shall take effect July 1, 2006.