By the Committee on Agriculture; and Senator Atwater

575-1810-06

1	A bill to be entitled
2	An act relating to agricultural usage sales and
3	use tax exemptions; amending s. 212.0501, F.S.;
4	excluding from application of the sales and use
5	tax diesel fuel used in certain farming
6	vehicles or for certain farming purposes;
7	amending s. 212.08, F.S.; exempting from the
8	sales and use tax electricity used for
9	specified agricultural purposes; providing
10	application; providing a conclusive presumption
11	of taxable use under certain circumstances;
12	providing an effective date.
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14	Be It Enacted by the Legislature of the State of Florida:
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16	Section 1. Subsection (3) of section 212.0501, Florida
17	Statutes, is amended to read:
18	212.0501 Tax on diesel fuel for business purposes;
19	purchase, storage, and use
20	(3) For purposes of this section, "consumption, use,
21	or storage by a trade or business" does not include those uses
22	of diesel fuel specifically exempt on account of residential
23	purposes, or in any tractor, vehicle, or other equipment used
24	exclusively on a farm or for processing farm products on the
25	farm, no part of which diesel fuel is used in any licensed
26	motor vehicle on the public highways of this state on account
27	of agricultural purposes as defined in s. 212.08(5), or the
28	purchase or storage of diesel fuel held for resale.
29	Section 2. Paragraph (e) of subsection (5) of section
30	212.08, Florida Statutes, is amended to read:
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212.08 Sales, rental, use, consumption, distribution, and storage tax; specified exemptions.—The sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this chapter.

- (5) EXEMPTIONS; ACCOUNT OF USE. --
- (e)1. Gas used for certain agricultural purposes.—Butane gas, propane gas, natural gas, and all other forms of liquefied petroleum gases are exempt from the tax imposed by this chapter if used in any tractor, vehicle, or other farm equipment which is used exclusively on a farm or for processing farm products on the farm and no part of which gas is used in any vehicle or equipment driven or operated on the public highways of this state. This restriction does not apply to the movement of farm vehicles or farm equipment between farms. The transporting of bees by water and the operating of equipment used in the apiary of a beekeeper is also deemed an exempt use.
- 2. Electricity used for certain agricultural purposes.—Electricity used directly and exclusively for production or processing of agricultural products on the farm is exempt from the tax imposed by this chapter. This exemption applies only if the electricity used for the exempt purposes is separately metered. If the electricity is not separately metered, it is conclusively presumed that some portion of the electricity is used for a nonexempt purpose, and all of the electricity used for such purposes is taxable.

Section 3. This act shall take effect July 1, 2006.

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1	STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN COMMITTEE SUBSTITUTE FOR
2	Senate Bill 1646
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4	Clarifies that the electricity must be used directly and exclusively in agricultural production or processing in order to be exempt for sales tax.
5	to be exempt for sales tax.
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