

By the Committee on Health Care; and Senator Bennett

587-2316-06

1 A bill to be entitled
2 An act relating to enterprise zone incentives
3 to serve the uninsured; amending s. 212.08,
4 F.S.; providing for an exemption by refund from
5 the tax on sales, use, and other transactions
6 of certain medical equipment or supplies
7 purchased and used by certain health care
8 facilities located in enterprise zones;
9 providing a limitation; providing application
10 requirements; providing procedures and
11 limitations for the refund; providing duties of
12 a local governing body or enterprise zone
13 development agency; providing duties of the
14 Department of Revenue; requiring the department
15 to adopt rules; providing for return of the
16 refund under certain circumstances; requiring
17 the department to deduct a portion of refunds
18 from amounts to be transferred into a certain
19 trust fund and deposit such amount into the
20 General Revenue Fund; providing definitions;
21 providing for expiration under certain
22 circumstances; amending s. 290.0056, F.S.;
23 expanding the list of entities from which
24 appointments may be made to an enterprise zone
25 development agency's board of commissioners;
26 providing an additional requirement for the
27 membership of an enterprise zone development
28 agency board of commissioners under certain
29 circumstances; providing a limitation;
30 providing an effective date.
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1 WHEREAS, the Legislature finds that making high quality
2 health care available to the citizens of this state is an
3 overwhelming public necessity, NOW, THEREFORE,

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

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7 Section 1. Paragraph (r) is added to subsection (5) of
8 section 212.08, Florida Statutes, to read:

9 212.08 Sales, rental, use, consumption, distribution,
10 and storage tax; specified exemptions.--The sale at retail,
11 the rental, the use, the consumption, the distribution, and
12 the storage to be used or consumed in this state of the
13 following are hereby specifically exempt from the tax imposed
14 by this chapter.

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

16 (r) Medical equipment and supplies used in an
17 enterprise zone.--

18 1. Medical equipment and supplies purchased for use by
19 health care facilities that serve uninsured patients located
20 in an enterprise zone which are subsequently used in an
21 enterprise zone are exempt. This exemption inures to the
22 health care facility only through a refund of previously paid
23 taxes. A refund shall be authorized upon an affirmative
24 showing by the taxpayer to the satisfaction of the department
25 that the requirements of this paragraph have been met.

26 2. To receive a refund, the health care facility must
27 file under oath with the governing body or enterprise zone
28 development agency having jurisdiction over the enterprise
29 zone in which the health care facility is located, as
30 applicable, an application that includes:

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1 a. The name and address of the health care facility
2 claiming the refund.

3 b. The identifying number assigned pursuant to s.
4 290.0065 to the enterprise zone in which the health care
5 facility is located.

6 c. A specific description of the medical equipment for
7 which a refund is sought, including the serial numbers or
8 other permanent identification numbers of the equipment.

9 d. A specific description of the medical supplies for
10 which a refund is sought, including the serial or lot numbers
11 or other numbers identifying the purchased supplies.

12 e. The sales invoice or other proof of purchase of the
13 medical equipment or supplies, showing the amount of sales tax
14 paid, the date of purchase, and the name and address of the
15 sales tax dealer from whom the medical equipment or supplies
16 were purchased.

17 f. An affidavit declaring that at least 10 percent of
18 the cost incurred for care by the health care facility in the
19 previous taxable year was for uncompensated care and that the
20 health care facility did not receive supplemental Medicaid,
21 disproportionate share hospital, or low-income pool funding
22 pursuant to chapter 409.

23 g. A statement defining the taxpayer's taxable year.

24 3. Within 10 working days after receipt of an
25 application, the governing body or enterprise zone development
26 agency shall review the application to determine if the
27 application contains all the information required pursuant to
28 subparagraph 2. and meets the criteria set out in this
29 paragraph. The governing body or agency shall certify all
30 applications that contain the information required pursuant to
31 subparagraph 2. and that meet the criteria set out in this

1 paragraph as eligible to receive a refund. The certification
2 shall be in writing and a copy of the certification shall be
3 transmitted to the executive director of the Department of
4 Revenue. The health care facility shall be responsible for
5 forwarding a certified application to the department within
6 the time specified in subparagraph 4.

7 4. An application for a refund pursuant to this
8 paragraph must be submitted to the department within 6 months
9 after the close of the taxable year during which the eligible
10 medical equipment or supplies were purchased.

11 5. The provisions of s. 212.095 do not apply to any
12 refund application made pursuant to this paragraph. This
13 exemption shall apply to the first \$500,000 of taxable medical
14 equipment or supplies purchased by a health care facility and
15 used in the facility in any taxable year. A refund may not be
16 granted under this paragraph unless the amount to be refunded
17 exceeds \$100 in sales tax paid on purchases made within a
18 60-day time period. A refund may not be granted under this
19 paragraph for medical equipment or supplies eligible for
20 exemption pursuant to subsection (2) or eligible for a refund
21 pursuant to paragraph (h).

22 6. The department shall adopt rules governing the
23 manner and form of refund applications and may establish
24 guidelines as to the requisites for an affirmative showing of
25 qualification for exemption under this paragraph.

26 7. If the department determines that the medical
27 equipment or supplies are used outside an enterprise zone
28 within 3 years from the date of purchase, the amount of taxes
29 refunded to the health care facility purchasing such medical
30 equipment or supplies shall immediately be due and payable to
31 the department by the health care facility, together with the

1 appropriate interest and penalty, computed from the date of
2 purchase, in the manner provided by this chapter.

3 Notwithstanding this subparagraph, a health care facility may
4 dispose of disposable supplies according to law.

5 8. The department shall deduct an amount equal to 10
6 percent of each refund granted under this paragraph from the
7 amount to be transferred into the Local Government Half-cent
8 Sales Tax Clearing Trust Fund pursuant to s. 212.20 for the
9 county area in which the medical equipment or supplies are
10 located and shall deposit that amount into the General Revenue
11 Fund.

12 9. For purposes of this exemption, the term:

13 a. "Medical equipment" means durable medical equipment
14 that can be used repeatedly and that serves a medical purpose
15 in the diagnosis, treatment, or care of an individual.

16 b. "Medical supplies" means items that are consumable,
17 expendable, disposable or nondurable, and that serve a medical
18 purpose in the diagnosis, treatment, or care of an individual.

19 c. "Health care facility" means a facility licensed
20 pursuant to chapter 395 or a county health department, a
21 children's medical services program, a federally qualified
22 health center, a federally funded migrant health center, a
23 rural clinic, or any other publicly funded community health
24 program and any other program designated by the Department of
25 Health as a community health center that provides primary care
26 services to the uninsured.

27 10. This paragraph expires on the date specified in s.
28 290.016 for the expiration of the Florida Enterprise Zone Act.

29 Section 2. Subsection (2) and paragraph (a) of
30 subsection (9) of section 290.0056, Florida Statutes, are
31 amended to read:

1 290.0056 Enterprise zone development agency.--
2 (2) When the governing body creates an enterprise zone
3 development agency, that body shall appoint a board of
4 commissioners of the agency, which shall consist of not fewer
5 than 8 or more than 13 commissioners. The governing body may
6 appoint at least one representative from each of the
7 following: the local chamber of commerce; local financial or
8 insurance entities; local businesses and, where possible,
9 businesses operating within the nominated area; the residents
10 residing within the nominated area; nonprofit community-based
11 organizations operating within the nominated area; health care
12 facilities operating within the nominated area; the regional
13 workforce board; the local code enforcement agency; and the
14 local law enforcement agency. One of the commissioners on the
15 board may be employed in the health care field, provided such
16 requirement applies only when a position on the board becomes
17 vacant after July 1, 2007, and appointment of a new
18 commissioner is required to fill the vacancy or an additional
19 member is to be appointed after July 1, 2007. The terms of
20 office of the commissioners shall be for 4 years, except that,
21 in making the initial appointments, the governing body shall
22 appoint two members for terms of 3 years, two members for
23 terms of 2 years, and one member for a term of 1 year; the
24 remaining initial members shall serve for terms of 4 years. A
25 vacancy occurring during a term shall be filled for the
26 unexpired term. The importance of including individuals from
27 the nominated area shall be considered in making appointments.
28 Further, the importance of minority representation on the
29 agency shall be considered in making appointments so that the
30 agency generally reflects the gender and ethnic composition of
31 the community as a whole.

1 (9) The following powers and responsibilities shall be
2 performed by the governing body creating the enterprise zone
3 development agency acting as the managing agent of the
4 enterprise zone development agency, or, contingent upon
5 approval by such governing body, such powers and
6 responsibilities shall be performed by the enterprise zone
7 development agency:

8 (a) To review, process, and certify applications for
9 state enterprise zone tax incentives pursuant to ss.
10 212.08(5)(g), (h), (r), and (15); 212.096; 220.181; and
11 220.182.

12 Section 3. This act shall take effect January 1, 2007.

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14 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
15 COMMITTEE SUBSTITUTE FOR
16 Senate Bill 2588

17 The committee substitute: creates a tax exemption, through a
18 refund of previously paid taxes, on the purchase of certain
19 medical equipment and supplies by a health care facility
20 providing services to the uninsured and located in an
21 enterprise zone; specifies an application process for
22 refunding the sales tax; establishes procedures and
23 requirements for the Department of Revenue (DOR) to certify
24 applications for a refund; limits a refund to only the first
25 \$500,000 of taxable medical equipment or supplies purchased by
26 a health care facility and used in the facility in any taxable
27 year; requires a health care facility to repay any refund in
28 the event the medical equipment or supplies for which a refund
29 was granted has been used outside an enterprise zone within
30 three years of purchase; requires DOR to deduct an amount
31 equal to 10 percent of each refund granted under this
paragraph from the amount to be transferred into the Local
Government Half-cent Sales Tax Clearing Trust Fund pursuant to
s. 212.20, F.S., for the county area in which the medical
equipment or supplies are located and to deposit that amount
into the General Revenue Fund; includes definitions for the
terms "medical equipment," "medical supplies," and "health
care facility;" and specifies that the governing body of an
enterprise zone development agency may appoint to its board a
commissioner employed in the health care field.