

CHAMBER ACTION

1 The Economic Development, Trade & Banking Committee recommends
2 the following:

3
4 **Council/Committee Substitute**

5 Remove the entire bill and insert:

6 A bill to be entitled

7 An act relating to enterprise zone incentives to serve the
8 uninsured; amending s. 212.08, F.S.; providing for an
9 exemption by refund from the tax on sales, use, and other
10 transactions of certain medical equipment or supplies
11 purchased and used by certain health care facilities
12 located in enterprise zones; providing a limitation;
13 providing application requirements; providing procedures
14 and limitations for the refund; providing duties of a
15 local governing body or enterprise zone development
16 agency; providing duties of the Department of Revenue;
17 requiring the department to adopt rules; providing for
18 return of the refund under certain circumstances;
19 requiring the department to deduct a portion of refunds
20 from amounts to be transferred into a certain trust fund
21 and deposit such amount into the General Revenue Fund;
22 providing definitions; providing for expiration under
23 certain circumstances; amending s. 290.0056, F.S.;

Page 1 of 7

HB 865

2006
CS

24 | expanding the list of entities from which appointments may
 25 | be made to an enterprise zone development agency's board
 26 | of commissioners; providing an additional requirement for
 27 | the membership of an enterprise zone development agency
 28 | board of commissioners under certain circumstances;
 29 | providing a limitation; providing an effective date.

30 |

31 | Be It Enacted by the Legislature of the State of Florida:

32 |

33 | Section 1. Paragraph (r) is added to subsection (5) of
 34 | section 212.08, Florida Statutes, 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 | (5) EXEMPTIONS; ACCOUNT OF USE.--

42 | (r) Medical equipment and supplies used in an enterprise
 43 | zone.--

44 | 1. Medical equipment and supplies purchased for use by
 45 | health care facilities that serve uninsured patients located in
 46 | an enterprise zone which are subsequently used in an enterprise
 47 | zone are exempt. This exemption inures to the health care
 48 | facility only through a refund of previously paid taxes. A
 49 | refund shall be authorized upon an affirmative showing by the
 50 | taxpayer to the satisfaction of the department that the
 51 | requirements of this paragraph have been met.

HB 865

2006
CS

52 2. To receive a refund, the health care facility must file
53 under oath with the governing body or enterprise zone
54 development agency having jurisdiction over the enterprise zone
55 in which the health care facility is located, as applicable, an
56 application which includes:

57 a. The name and address of the health care facility
58 claiming the refund.

59 b. The identifying number assigned pursuant to s. 290.0065
60 to the enterprise zone in which the health care facility is
61 located.

62 c. A specific description of the medical equipment for
63 which a refund is sought, including the serial numbers or other
64 permanent identification numbers of the equipment.

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

68 e. The sales invoice or other proof of purchase of the
69 medical equipment or supplies, showing the amount of sales tax
70 paid, the date of purchase, and the name and address of the
71 sales tax dealer from whom the medical equipment or supplies
72 were purchased.

73 f. A statement that the health care facility serves
74 uninsured patients.

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

76 3. Within 10 working days after receipt of an application,
77 the governing body or enterprise zone development agency shall
78 review the application to determine if the application contains
79 all the information required pursuant to subparagraph 2. and

HB 865

2006
CS

80 meets the criteria set out in this paragraph. The governing body
81 or agency shall certify all applications that contain the
82 information required pursuant to subparagraph 2. and that meet
83 the criteria set out in this paragraph as eligible to receive a
84 refund. The certification shall be in writing and a copy of the
85 certification shall be transmitted to the executive director of
86 the Department of Revenue. The health care facility shall be
87 responsible for forwarding a certified application to the
88 department within the time specified in subparagraph 4.

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

93 5. The provisions of s. 212.095 do not apply to any refund
94 application made pursuant to this paragraph. This exemption
95 shall apply to the first \$500,000 of taxable medical equipment
96 or supplies purchased by a health care facility and used in the
97 facility in any taxable year. A refund may not be granted under
98 this paragraph unless the amount to be refunded exceeds \$100 in
99 sales tax paid on purchases made within a 60-day time period. A
100 refund may not be granted under this paragraph for medical
101 equipment or supplies eligible for exemption pursuant to
102 subsection (2) or eligible for a refund pursuant to paragraph
103 (h).

104 6. The department shall adopt rules governing the manner
105 and form of refund applications and may establish guidelines as
106 to the requisites for an affirmative showing of qualification
107 for exemption under this paragraph.

Page 4 of 7

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

hb0865-01-c1

HB 865

2006
CS

108 7. If the department determines that the medical equipment
109 or supplies are used outside an enterprise zone within 3 years
110 from the date of purchase, the amount of taxes refunded to the
111 health care facility purchasing such medical equipment or
112 supplies shall immediately be due and payable to the department
113 by the health care facility, together with the appropriate
114 interest and penalty, computed from the date of purchase, in the
115 manner provided by this chapter. Notwithstanding this
116 subparagraph, a health care facility may dispose of disposable
117 supplies according to law.

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

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

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

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

132 c. "Health care facility" means a facility licensed
133 pursuant to chapter 395 or a county health department, a
134 children's medical services program, a federally qualified
135 health center, a federally funded migrant health center, a rural

HB 865

2006
CS

136 clinic, or any other publicly funded community health program
137 and any other programs designated by the Department of Health as
138 a community health center that provide primary care services to
139 the uninsured.

140 10. This paragraph expires on the date specified in s.
141 290.016 for the expiration of the Florida Enterprise Zone Act.

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

144 290.0056 Enterprise zone development agency.--

145 (2) When the governing body creates an enterprise zone
146 development agency, that body shall appoint a board of
147 commissioners of the agency, which shall consist of not fewer
148 than 8 or more than 13 commissioners. The governing body may
149 appoint at least one representative from each of the following:
150 the local chamber of commerce; local financial or insurance
151 entities; local businesses and, where possible, businesses
152 operating within the nominated area; the residents residing
153 within the nominated area; nonprofit community-based
154 organizations operating within the nominated area; health care
155 facilities operating within the nominated area; the regional
156 workforce board; the local code enforcement agency; and the
157 local law enforcement agency. One of the commissioners on the
158 board may be employed in the health care field, provided such
159 requirement applies only when a position on the board becomes
160 vacant after July 1, 2007, and appointment of a new commissioner
161 is required to fill the vacancy or an additional member is to be
162 appointed after July 1, 2007. The terms of office of the
163 commissioners shall be for 4 years, except that, in making the

Page 6 of 7

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

hb0865-01-c1

HB 865

2006
CS

164 initial appointments, the governing body shall appoint two
165 members for terms of 3 years, two members for terms of 2 years,
166 and one member for a term of 1 year; the remaining initial
167 members shall serve for terms of 4 years. A vacancy occurring
168 during a term shall be filled for the unexpired term. The
169 importance of including individuals from the nominated area
170 shall be considered in making appointments. Further, the
171 importance of minority representation on the agency shall be
172 considered in making appointments so that the agency generally
173 reflects the gender and ethnic composition of the community as a
174 whole.

175 (9) The following powers and responsibilities shall be
176 performed by the governing body creating the enterprise zone
177 development agency acting as the managing agent of the
178 enterprise zone development agency, or, contingent upon approval
179 by such governing body, such powers and responsibilities shall
180 be performed by the enterprise zone development agency:

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

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