

## CHAMBER ACTION

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1 The Health Care General Committee recommends the following:

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3 **Council/Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

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

23 expanding the list of entities from which appointments may

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

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

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

34 | 212.08 Sales, rental, use, consumption, distribution, and  
 35 | storage tax; specified exemptions.--The sale at retail, the  
 36 | rental, the use, the consumption, the distribution, and the  
 37 | storage to be used or consumed in this state of the following  
 38 | are hereby specifically exempt from the tax imposed by this  
 39 | chapter.

40 | (5) EXEMPTIONS; ACCOUNT OF USE.--

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

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

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

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

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

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

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

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

72        f. An affidavit declaring that at least 10 percent of the  
73 cost incurred for care by the health care facility in the  
74 previous taxable year was for uncompensated care and that the  
75 health care facility did not receive supplemental Medicaid,  
76 disproportionate share hospital, or low-income pool funding  
77 pursuant to chapter 409.

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

79 | 3. Within 10 working days after receipt of an application,  
80 | the governing body or enterprise zone development agency shall  
81 | review the application to determine if the application contains  
82 | all the information required pursuant to subparagraph 2. and  
83 | meets the criteria set out in this paragraph. The governing body  
84 | or agency shall certify all applications that contain the  
85 | information required pursuant to subparagraph 2. and that meet  
86 | the criteria set out in this paragraph as eligible to receive a  
87 | refund. The certification shall be in writing and a copy of the  
88 | certification shall be transmitted to the executive director of  
89 | the Department of Revenue. The health care facility shall be  
90 | responsible for forwarding a certified application to the  
91 | department within the time specified in subparagraph 4.

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

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

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

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

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

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

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

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

135 c. "Health care facility" means a facility licensed  
136 pursuant to chapter 395 or a county health department, a  
137 children's medical services program, a federally qualified  
138 health center, a federally funded migrant health center, a rural  
139 clinic, or any other publicly funded community health program  
140 and any other programs designated by the Department of Health as  
141 a community health center that provide primary care services to  
142 the uninsured.

143 10. This paragraph expires on the date specified in s.  
144 290.016 for the expiration of the Florida Enterprise Zone Act.

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

147 290.0056 Enterprise zone development agency.--

148 (2) When the governing body creates an enterprise zone  
149 development agency, that body shall appoint a board of  
150 commissioners of the agency, which shall consist of not fewer  
151 than 8 or more than 13 commissioners. The governing body may  
152 appoint at least one representative from each of the following:  
153 the local chamber of commerce; local financial or insurance  
154 entities; local businesses and, where possible, businesses  
155 operating within the nominated area; the residents residing  
156 within the nominated area; nonprofit community-based  
157 organizations operating within the nominated area; health care  
158 facilities operating within the nominated area; the regional  
159 workforce board; the local code enforcement agency; and the  
160 local law enforcement agency. One of the commissioners on the  
161 board may be employed in the health care field, provided such  
162 requirement applies only when a position on the board becomes

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163 vacant after July 1, 2007, and appointment of a new commissioner  
164 is required to fill the vacancy or an additional member is to be  
165 appointed after July 1, 2007. The terms of office of the  
166 commissioners shall be for 4 years, except that, in making the  
167 initial appointments, the governing body shall appoint two  
168 members for terms of 3 years, two members for terms of 2 years,  
169 and one member for a term of 1 year; the remaining initial  
170 members shall serve for terms of 4 years. A vacancy occurring  
171 during a term shall be filled for the unexpired term. The  
172 importance of including individuals from the nominated area  
173 shall be considered in making appointments. Further, the  
174 importance of minority representation on the agency shall be  
175 considered in making appointments so that the agency generally  
176 reflects the gender and ethnic composition of the community as a  
177 whole.

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

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

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