

By Senator Hukill

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1                                   A bill to be entitled  
 2           An act relating to the tax on sales, use, and other  
 3           transactions; amending s. 212.031, F.S.; providing for  
 4           the incremental reduction of the tax imposed on the  
 5           rental or license fees charged for the use of  
 6           commercial real property; providing for the future  
 7           repeal of s. 212.031, F.S., relating to the imposition  
 8           of a tax on the rental or license fees charged for the  
 9           use of commercial real property; amending ss.  
 10          212.0598, 212.0602, 288.1258, 338.234, and 341.840,  
 11          F.S.; conforming provisions to changes made by the  
 12          act; conforming cross-references; providing effective  
 13          dates.

14  
 15 Be It Enacted by the Legislature of the State of Florida:

16  
 17           Section 1. Section 212.031, Florida Statutes, is amended to  
 18           read:

19           212.031 Tax on rental or license fee for use of real  
 20           property.—

21           (1) (a) It is declared to be the legislative intent that  
 22           every person is exercising a taxable privilege who engages in  
 23           the business of renting, leasing, letting, or granting a license  
 24           for the use of any real property unless such property is:

- 25           1. Assessed as agricultural property under s. 193.461.
- 26           2. Used exclusively as dwelling units.
- 27           3. Property subject to tax on parking, docking, or storage
- 28           spaces under s. 212.03(6).
- 29           4. Recreational property or the common elements of a

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30 condominium when subject to a lease between the developer or  
31 owner thereof and the condominium association in its own right  
32 or as agent for the owners of individual condominium units or  
33 the owners of individual condominium units. However, only the  
34 lease payments on such property shall be exempt from the tax  
35 imposed by this chapter, and any other use made by the owner or  
36 the condominium association shall be fully taxable under this  
37 chapter.

38 5. A public or private street or right-of-way and poles,  
39 conduits, fixtures, and similar improvements located on such  
40 streets or rights-of-way, occupied or used by a utility or  
41 provider of communications services, as defined by s. 202.11,  
42 for utility or communications or television purposes. For  
43 purposes of this subparagraph, the term "utility" means any  
44 person providing utility services as defined in s. 203.012. This  
45 exception also applies to property, wherever located, on which  
46 the following are placed: towers, antennas, cables, accessory  
47 structures, or equipment, not including switching equipment,  
48 used in the provision of mobile communications services as  
49 defined in s. 202.11. For purposes of this chapter, towers used  
50 in the provision of mobile communications services, as defined  
51 in s. 202.11, are considered to be fixtures.

52 6. A public street or road which is used for transportation  
53 purposes.

54 7. Property used at an airport exclusively for the purpose  
55 of aircraft landing or aircraft taxiing or property used by an  
56 airline for the purpose of loading or unloading passengers or  
57 property onto or from aircraft or for fueling aircraft.

58 8.a. Property used at a port authority, as defined in s.

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59 315.02(2), exclusively for the purpose of oceangoing vessels or  
60 tugs docking, or such vessels mooring on property used by a port  
61 authority for the purpose of loading or unloading passengers or  
62 cargo onto or from such a vessel, or property used at a port  
63 authority for fueling such vessels, or to the extent that the  
64 amount paid for the use of any property at the port is based on  
65 the charge for the amount of tonnage actually imported or  
66 exported through the port by a tenant.

67 b. The amount charged for the use of any property at the  
68 port in excess of the amount charged for tonnage actually  
69 imported or exported shall remain subject to tax except as  
70 provided in sub-subparagraph a.

71 9. Property used as an integral part of the performance of  
72 qualified production services. As used in this subparagraph, the  
73 term "qualified production services" means any activity or  
74 service performed directly in connection with the production of  
75 a qualified motion picture, as defined in s. 212.06(1)(b), and  
76 includes:

77 a. Photography, sound and recording, casting, location  
78 managing and scouting, shooting, creation of special and optical  
79 effects, animation, adaptation (language, media, electronic, or  
80 otherwise), technological modifications, computer graphics, set  
81 and stage support (such as electricians, lighting designers and  
82 operators, greensmen, prop managers and assistants, and grips),  
83 wardrobe (design, preparation, and management), hair and makeup  
84 (design, production, and application), performing (such as  
85 acting, dancing, and playing), designing and executing stunts,  
86 coaching, consulting, writing, scoring, composing,  
87 choreographing, script supervising, directing, producing,

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88 transmitting dailies, dubbing, mixing, editing, cutting,  
89 looping, printing, processing, duplicating, storing, and  
90 distributing;

91 b. The design, planning, engineering, construction,  
92 alteration, repair, and maintenance of real or personal property  
93 including stages, sets, props, models, paintings, and facilities  
94 principally required for the performance of those services  
95 listed in sub-subparagraph a.; and

96 c. Property management services directly related to  
97 property used in connection with the services described in sub-  
98 subparagraphs a. and b.

99

100 This exemption will inure to the taxpayer upon presentation of  
101 the certificate of exemption issued to the taxpayer under the  
102 provisions of s. 288.1258.

103 10. Leased, subleased, licensed, or rented to a person  
104 providing food and drink concessionaire services within the  
105 premises of a convention hall, exhibition hall, auditorium,  
106 stadium, theater, arena, civic center, performing arts center,  
107 publicly owned recreational facility, or any business operated  
108 under a permit issued pursuant to chapter 550. A person  
109 providing retail concessionaire services involving the sale of  
110 food and drink or other tangible personal property within the  
111 premises of an airport shall be subject to tax on the rental of  
112 real property used for that purpose, but shall not be subject to  
113 the tax on any license to use the property. For purposes of this  
114 subparagraph, the term "sale" shall not include the leasing of  
115 tangible personal property.

116 11. Property occupied pursuant to an instrument calling for

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117 payments which the department has declared, in a Technical  
118 Assistance Advisement issued on or before March 15, 1993, to be  
119 nontaxable pursuant to rule 12A-1.070(19)(c), Florida  
120 Administrative Code; provided that this subparagraph shall only  
121 apply to property occupied by the same person before and after  
122 the execution of the subject instrument and only to those  
123 payments made pursuant to such instrument, exclusive of renewals  
124 and extensions thereof occurring after March 15, 1993.

125 12. Property used or occupied predominantly for space  
126 flight business purposes. As used in this subparagraph, "space  
127 flight business" means the manufacturing, processing, or  
128 assembly of a space facility, space propulsion system, space  
129 vehicle, satellite, or station of any kind possessing the  
130 capacity for space flight, as defined by s. 212.02(23), or  
131 components thereof, and also means the following activities  
132 supporting space flight: vehicle launch activities, flight  
133 operations, ground control or ground support, and all  
134 administrative activities directly related thereto. Property  
135 shall be deemed to be used or occupied predominantly for space  
136 flight business purposes if more than 50 percent of the  
137 property, or improvements thereon, is used for one or more space  
138 flight business purposes. Possession by a landlord, lessor, or  
139 licensor of a signed written statement from the tenant, lessee,  
140 or licensee claiming the exemption shall relieve the landlord,  
141 lessor, or licensor from the responsibility of collecting the  
142 tax, and the department shall look solely to the tenant, lessee,  
143 or licensee for recovery of such tax if it determines that the  
144 exemption was not applicable.

145 13. Rented, leased, subleased, or licensed to a person

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146 providing telecommunications, data systems management, or  
147 Internet services at a publicly or privately owned convention  
148 hall, civic center, or meeting space at a public lodging  
149 establishment as defined in s. 509.013. This subparagraph  
150 applies only to that portion of the rental, lease, or license  
151 payment that is based upon a percentage of sales, revenue  
152 sharing, or royalty payments and not based upon a fixed price.  
153 This subparagraph is intended to be clarifying and remedial in  
154 nature and shall apply retroactively. This subparagraph does not  
155 provide a basis for an assessment of any tax not paid, or create  
156 a right to a refund of any tax paid, pursuant to this section  
157 before July 1, 2010.

158 (b) When a lease involves multiple use of real property  
159 wherein a part of the real property is subject to the tax  
160 herein, and a part of the property would be excluded from the  
161 tax under subparagraph (a)1., subparagraph (a)2., subparagraph  
162 (a)3., or subparagraph (a)5., the department shall determine,  
163 from the lease or license and such other information as may be  
164 available, that portion of the total rental charge which is  
165 exempt from the tax imposed by this section. The portion of the  
166 premises leased or rented by a for-profit entity providing a  
167 residential facility for the aged will be exempt on the basis of  
168 a pro rata portion calculated by combining the square footage of  
169 the areas used for residential units by the aged and for the  
170 care of such residents and dividing the resultant sum by the  
171 total square footage of the rented premises. For purposes of  
172 this section, the term "residential facility for the aged" means  
173 a facility that is licensed or certified in whole or in part  
174 under chapter 400, chapter 429, or chapter 651; or that provides

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175 residences to the elderly and is financed by a mortgage or loan  
176 made or insured by the United States Department of Housing and  
177 Urban Development under s. 202, s. 202 with a s. 8 subsidy, s.  
178 221(d)(3) or (4), s. 232, or s. 236 of the National Housing Act;  
179 or other such similar facility that provides residences  
180 primarily for the elderly.

181 (c) For the exercise of such privilege, a tax is levied in  
182 an amount equal to 6 percent of and on the total rent or license  
183 fee charged for such real property by the person charging or  
184 collecting the rental or license fee. The total rent or license  
185 fee charged for such real property shall include payments for  
186 the granting of a privilege to use or occupy real property for  
187 any purpose and shall include base rent, percentage rents, or  
188 similar charges. Such charges shall be included in the total  
189 rent or license fee subject to tax under this section whether or  
190 not they can be attributed to the ability of the lessor's or  
191 licensor's property as used or operated to attract customers.  
192 Payments for intrinsically valuable personal property such as  
193 franchises, trademarks, service marks, logos, or patents are not  
194 subject to tax under this section. In the case of a contractual  
195 arrangement that provides for both payments taxable as total  
196 rent or license fee and payments not subject to tax, the tax  
197 shall be based on a reasonable allocation of such payments and  
198 shall not apply to that portion which is for the nontaxable  
199 payments.

200 1. Effective January 1, 2014, the tax imposed under this  
201 paragraph is levied in an amount equal to 5 percent.

202 2. Effective January 1, 2015, the tax imposed under this  
203 paragraph is levied in an amount equal to 4 percent.

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204       3. Effective January 1, 2016, the tax imposed under this  
205 paragraph is levied in an amount equal to 3 percent.

206       4. Effective January 1, 2017, the tax imposed under this  
207 paragraph is levied in an amount equal to 2 percent.

208       5. Effective January 1, 2018, the tax imposed under this  
209 paragraph is levied in an amount equal to 1 percent.

210       (d) When the rental or license fee of any such real  
211 property is paid by way of property, goods, wares, merchandise,  
212 services, or other thing of value, the tax shall be at the rate  
213 of 6 percent of the value of the property, goods, wares,  
214 merchandise, services, or other thing of value.

215       1. Effective January 1, 2014, the tax imposed under this  
216 paragraph shall be at the rate of 5 percent.

217       2. Effective January 1, 2015, the tax imposed under this  
218 paragraph shall be at the rate of 4 percent.

219       3. Effective January 1, 2016, the tax imposed under this  
220 paragraph shall be at the rate of 3 percent.

221       4. Effective January 1, 2017, the tax imposed under this  
222 paragraph shall be at the rate of 2 percent.

223       5. Effective January 1, 2018, the tax imposed under this  
224 paragraph shall be at the rate of 1 percent.

225       (2) (a) The tenant or person actually occupying, using, or  
226 entitled to the use of any property from which the rental or  
227 license fee is subject to taxation under this section shall pay  
228 the tax to his or her immediate landlord or other person  
229 granting the right to such tenant or person to occupy or use  
230 such real property.

231       (b) It is the further intent of this Legislature that only  
232 one tax be collected on the rental or license fee payable for

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233 the occupancy or use of any such property, that the tax so  
234 collected shall not be pyramided by a progression of  
235 transactions, and that the amount of the tax due the state shall  
236 not be decreased by any such progression of transactions.

237 (3) The tax imposed by this section shall be in addition to  
238 the total amount of the rental or license fee, shall be charged  
239 by the lessor or person receiving the rent or payment in and by  
240 a rental or license fee arrangement with the lessee or person  
241 paying the rental or license fee, and shall be due and payable  
242 at the time of the receipt of such rental or license fee payment  
243 by the lessor or other person who receives the rental or  
244 payment. Notwithstanding any other provision of this chapter,  
245 the tax imposed by this section on the rental, lease, or license  
246 for the use of a convention hall, exhibition hall, auditorium,  
247 stadium, theater, arena, civic center, performing arts center,  
248 or publicly owned recreational facility to hold an event of not  
249 more than 7 consecutive days' duration shall be collected at the  
250 time of the payment for that rental, lease, or license but is  
251 not due and payable to the department until the first day of the  
252 month following the last day that the event for which the  
253 payment is made is actually held, and becomes delinquent on the  
254 21st day of that month. The owner, lessor, or person receiving  
255 the rent or license fee shall remit the tax to the department at  
256 the times and in the manner hereinafter provided for dealers to  
257 remit taxes under this chapter. The same duties imposed by this  
258 chapter upon dealers in tangible personal property respecting  
259 the collection and remission of the tax; the making of returns;  
260 the keeping of books, records, and accounts; and the compliance  
261 with the rules and regulations of the department in the

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262 administration of this chapter shall apply to and be binding  
263 upon all persons who manage any leases or operate real property,  
264 hotels, apartment houses, roominghouses, or tourist and trailer  
265 camps and all persons who collect or receive rents or license  
266 fees taxable under this chapter on behalf of owners or lessors.

267 (4) The tax imposed by this section shall constitute a lien  
268 on the property of the lessee or licensee of any real estate in  
269 the same manner as, and shall be collectible as are, liens  
270 authorized and imposed by ss. 713.68 and 713.69.

271 (5) When space is subleased to a convention or industry  
272 trade show in a convention hall, exhibition hall, or auditorium,  
273 whether publicly or privately owned, the sponsor who holds the  
274 prime lease is subject to tax on the prime lease and the  
275 sublease is exempt.

276 (6) The lease or rental of land or a hall or other  
277 facilities by a fair association subject to the provisions of  
278 chapter 616 to a show promoter or prime operator of a carnival  
279 or midway attraction is exempt from the tax imposed by this  
280 section; however, the sublease of land or a hall or other  
281 facilities by the show promoter or prime operator is not exempt  
282 from the provisions of this section.

283 (7) Utility charges subject to sales tax which are paid by  
284 a tenant to the lessor and which are part of a payment for the  
285 privilege or right to use or occupy real property are exempt  
286 from tax if the lessor has paid sales tax on the purchase of  
287 such utilities and the charges billed by the lessor to the  
288 tenant are separately stated and at the same or a lower price  
289 than those paid by the lessor.

290 (8) Charges by lessors to a lessee to cancel or terminate a

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291 lease agreement are presumed taxable if the lessor records such  
292 charges as rental income in its books and records. This  
293 presumption can be overcome by the provision of sufficient  
294 documentation by either the lessor or the lessee that such  
295 charges were other than for the rental of real property.

296 (9) The rental, lease, sublease, or license for the use of  
297 a skybox, luxury box, or other box seats for use during a high  
298 school or college football game is exempt from the tax imposed  
299 by this section when the charge for such rental, lease,  
300 sublease, or license is imposed by a nonprofit sponsoring  
301 organization which is qualified as nonprofit pursuant to s.  
302 501(c)(3) of the Internal Revenue Code.

303 Section 2. Effective January 1, 2019, section 212.031,  
304 Florida Statutes, is repealed.

305 Section 3. Effective January 1, 2019, subsection (2) of  
306 section 212.0598, Florida Statutes, is amended to read:

307 212.0598 Special provisions; air carriers.—

308 (2) The basis of the tax shall be the ratio of Florida  
309 mileage to total mileage as determined pursuant to chapter 220  
310 and this section. The ratio shall be determined at the close of  
311 the carrier's preceding fiscal year. However, during the fiscal  
312 year in which the air carrier begins initial operations in this  
313 state, the carrier may determine its mileage apportionment  
314 factor based on an estimated ratio of anticipated revenue miles  
315 in this state to anticipated total revenue miles. In such cases,  
316 the air carrier shall pay additional tax or apply for a refund  
317 based on the actual ratio for that year. The applicable ratio  
318 shall be applied each month to the carrier's total systemwide  
319 gross purchases of tangible personal property and services

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320 otherwise taxable in Florida. Additionally, the ratio shall be  
321 applied each month to the carrier's total systemwide payments  
322 for the lease or rental of, or license in, real property used by  
323 the carrier substantially for aircraft maintenance if that  
324 carrier employed, on average, during the previous calendar  
325 quarter in excess of 3,000 full-time equivalent maintenance or  
326 repair employees at one maintenance base that it leases, rents,  
327 or has a license in, in this state. ~~In all other instances, the~~  
328 ~~tax on real property leased, rented, or licensed by the carrier~~  
329 ~~shall be as provided in s. 212.031.~~

330 Section 4. Effective January 1, 2019, section 212.0602,  
331 Florida Statutes, is amended to read:

332 212.0602 Education; limited exemption.—To facilitate  
333 investment in education and job training, there is also exempt  
334 from the taxes levied under this chapter, subject to the  
335 provisions of this section, the purchase or lease of materials,  
336 equipment, and other items or the license in or lease of real  
337 property by any entity, institution, or organization that is  
338 primarily engaged in teaching students to perform any of the  
339 activities or services described in former s. 212.031(1)(a)9.,  
340 that conducts classes at a fixed location located in this state,  
341 that is licensed under chapter 1005, and that has at least 500  
342 enrolled students. Any entity, institution, or organization  
343 meeting the requirements of this section shall be deemed to  
344 qualify for the exemptions in former s. ~~ss.~~ 212.031(1)(a)9. and  
345 s. 212.08(5)(f) and (12), ~~and~~ and to qualify for an exemption for  
346 its purchase or lease of materials, equipment, and other items  
347 used for education or demonstration of the school's curriculum,  
348 including supporting operations. Nothing in this section shall

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349 preclude an entity described in this section from qualifying for  
350 any other exemption provided for in this chapter.

351 Section 5. Effective January 1, 2019, subsections (2) and  
352 (3) of section 288.1258, Florida Statutes, are amended to read:

353 288.1258 Entertainment industry qualified production  
354 companies; application procedure; categories; duties of the  
355 Department of Revenue; records and reports.—

356 (2) APPLICATION PROCEDURE.—

357 (a) The Department of Revenue will review all submitted  
358 applications for the required information. Within 10 working  
359 days after the receipt of a properly completed application, the  
360 Department of Revenue will forward the completed application to  
361 the Office of Film and Entertainment for approval.

362 (b)1. The Office of Film and Entertainment shall establish  
363 a process by which an entertainment industry production company  
364 may be approved by the office as a qualified production company  
365 and may receive a certificate of exemption from the Department  
366 of Revenue for the sales and use tax exemptions under ss.  
367 ~~212.031~~, 212.06, and 212.08.

368 2. Upon determination by the Office of Film and  
369 Entertainment that a production company meets the established  
370 approval criteria and qualifies for exemption, the Office of  
371 Film and Entertainment shall return the approved application or  
372 application renewal or extension to the Department of Revenue,  
373 which shall issue a certificate of exemption.

374 3. The Office of Film and Entertainment shall deny an  
375 application or application for renewal or extension from a  
376 production company if it determines that the production company  
377 does not meet the established approval criteria.

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378 (c) The Office of Film and Entertainment shall develop,  
379 with the cooperation of the Department of Revenue and local  
380 government entertainment industry promotion agencies, a  
381 standardized application form for use in approving qualified  
382 production companies.

383 1. The application form shall include, but not be limited  
384 to, production-related information on employment, proposed  
385 budgets, planned purchases of items exempted from sales and use  
386 taxes under ss. ~~212.031~~, 212.06~~7~~ and 212.08, a signed  
387 affirmation from the applicant that any items purchased for  
388 which the applicant is seeking a tax exemption are intended for  
389 use exclusively as an integral part of entertainment industry  
390 preproduction, production, or postproduction activities engaged  
391 in primarily in this state, and a signed affirmation from the  
392 Office of Film and Entertainment that the information on the  
393 application form has been verified and is correct. In lieu of  
394 information on projected employment, proposed budgets, or  
395 planned purchases of exempted items, a production company  
396 seeking a 1-year certificate of exemption may submit summary  
397 historical data on employment, production budgets, and purchases  
398 of exempted items related to production activities in this  
399 state. Any information gathered from production companies for  
400 the purposes of this section shall be considered confidential  
401 taxpayer information and shall be disclosed only as provided in  
402 s. 213.053.

403 2. The application form may be distributed to applicants by  
404 the Office of Film and Entertainment or local film commissions.

405 (d) All applications, renewals, and extensions for  
406 designation as a qualified production company shall be processed

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407 by the Office of Film and Entertainment.

408 (e) In the event that the Department of Revenue determines  
409 that a production company no longer qualifies for a certificate  
410 of exemption, or has used a certificate of exemption for  
411 purposes other than those authorized by this section and chapter  
412 212, the Department of Revenue shall revoke the certificate of  
413 exemption of that production company, and any sales or use taxes  
414 exempted on items purchased or leased by the production company  
415 during the time such company did not qualify for a certificate  
416 of exemption or improperly used a certificate of exemption shall  
417 become immediately due to the Department of Revenue, along with  
418 interest and penalty as provided by s. 212.12. In addition to  
419 the other penalties imposed by law, any person who knowingly and  
420 willfully falsifies an application, or uses a certificate of  
421 exemption for purposes other than those authorized by this  
422 section and chapter 212, commits a felony of the third degree,  
423 punishable as provided in ss. 775.082, 775.083, and 775.084.

424 (3) CATEGORIES.—

425 (a)1. A production company may be qualified for designation  
426 as a qualified production company for a period of 1 year if the  
427 company has operated a business in Florida at a permanent  
428 address for a period of 12 consecutive months. Such a qualified  
429 production company shall receive a single 1-year certificate of  
430 exemption from the Department of Revenue for the sales and use  
431 tax exemptions under ss. ~~212.031~~, 212.06, and 212.08, which  
432 certificate shall expire 1 year after issuance or upon the  
433 cessation of business operations in the state, at which time the  
434 certificate shall be surrendered to the Department of Revenue.

435 2. The Office of Film and Entertainment shall develop a

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436 method by which a qualified production company may annually  
437 renew a 1-year certificate of exemption for a period of up to 5  
438 years without requiring the production company to resubmit a new  
439 application during that 5-year period.

440 3. Any qualified production company may submit a new  
441 application for a 1-year certificate of exemption upon the  
442 expiration of that company's certificate of exemption.

443 (b)1. A production company may be qualified for designation  
444 as a qualified production company for a period of 90 days. Such  
445 production company shall receive a single 90-day certificate of  
446 exemption from the Department of Revenue for the sales and use  
447 tax exemptions under ss. ~~212.031~~, 212.06, and 212.08, which  
448 certificate shall expire 90 days after issuance, with extensions  
449 contingent upon approval of the Office of Film and  
450 Entertainment. The certificate shall be surrendered to the  
451 Department of Revenue upon its expiration.

452 2. Any production company may submit a new application for  
453 a 90-day certificate of exemption upon the expiration of that  
454 company's certificate of exemption.

455 Section 6. Effective January 1, 2019, section 338.234,  
456 Florida Statutes, is amended to read:

457 338.234 Granting concessions or selling along the turnpike  
458 system; ~~immunity from taxation.~~

459 ~~(1)~~ The department may enter into contracts or licenses  
460 with any person for the sale of services or products or business  
461 opportunities on the turnpike system, or the turnpike enterprise  
462 may sell services, products, or business opportunities on the  
463 turnpike system, which benefit the traveling public or provide  
464 additional revenue to the turnpike system. Services, business

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465 opportunities, and products authorized to be sold include, but  
466 are not limited to, motor fuel, vehicle towing, and vehicle  
467 maintenance services; food with attendant nonalcoholic  
468 beverages; lodging, meeting rooms, and other business services  
469 opportunities; advertising and other promotional opportunities,  
470 which advertising and promotions must be consistent with the  
471 dignity and integrity of the state; state lottery tickets sold  
472 by authorized retailers; games and amusements that operate by  
473 the application of skill, not including games of chance as  
474 defined in s. 849.16 or other illegal gambling games; Florida  
475 citrus, goods promoting the state, or handmade goods produced  
476 within the state; and travel information, tickets, reservations,  
477 or other related services. However, the department, pursuant to  
478 the grants of authority to the turnpike enterprise under this  
479 section, shall not exercise the power of eminent domain solely  
480 for the purpose of acquiring real property in order to provide  
481 business services or opportunities, such as lodging and meeting-  
482 room space on the turnpike system.

483 ~~(2) The effectuation of the authorized purposes of the~~  
484 ~~Strategic Intermodal System, created under ss. 339.61-339.65,~~  
485 ~~and Florida Turnpike Enterprise, created under this chapter, is~~  
486 ~~for the benefit of the people of the state, for the increase of~~  
487 ~~their commerce and prosperity, and for the improvement of their~~  
488 ~~health and living conditions; and, because the system and~~  
489 ~~enterprise perform essential government functions in~~  
490 ~~effectuating such purposes, neither the turnpike enterprise nor~~  
491 ~~any nongovernment lessee or licensee renting, leasing, or~~  
492 ~~licensing real property from the turnpike enterprise, pursuant~~  
493 ~~to an agreement authorized by this section, are required to pay~~

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494 ~~any commercial rental tax imposed under s. 212.031 on any~~  
495 ~~capital improvements constructed, improved, acquired, installed,~~  
496 ~~or used for such purposes.~~

497 Section 7. Effective January 1, 2019, paragraph (a) of  
498 subsection (3) of section 341.840, Florida Statutes, is amended  
499 to read:

500 341.840 Tax exemption.—

501 (3) (a) Purchases or leases of tangible personal property or  
502 real property by the enterprise, excluding agents of the  
503 enterprise, are exempt from taxes imposed by chapter 212 as  
504 provided in s. 212.08(6). Purchases or leases of tangible  
505 personal property that is incorporated into the high-speed rail  
506 system as a component part thereof, as determined by the  
507 enterprise, by agents of the enterprise or the owner of the  
508 high-speed rail system are exempt from sales or use taxes  
509 imposed by chapter 212. ~~Leases, rentals, or licenses to use real~~  
510 ~~property granted to agents of the enterprise or the owner of the~~  
511 ~~high-speed rail system are exempt from taxes imposed by s.~~  
512 ~~212.031 if the real property becomes part of such system.~~ The  
513 exemptions granted in this subsection do not apply to sales,  
514 leases, or licenses by the enterprise, agents of the authority,  
515 or the owner of the high-speed rail system.

516 Section 8. This act shall take effect July 1, 2013.