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LEGISLATIVE ACTION

Senate

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House

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Floor: 1a/RE/3R

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Senator Hukill moved the following:

1 **Senate Amendment to Amendment (969426) (with title**
2 **amendment)**

3
4 Between lines 291 and 292
5 insert:

6 Section 6. Effective April 30, 2014, paragraph (kkk) is
7 added to subsection (7) of section 212.08, Florida Statutes, to
8 read:

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



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14 chapter.

15 (7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any
16 entity by this chapter do not inure to any transaction that is
17 otherwise taxable under this chapter when payment is made by a
18 representative or employee of the entity by any means,
19 including, but not limited to, cash, check, or credit card, even
20 when that representative or employee is subsequently reimbursed
21 by the entity. In addition, exemptions provided to any entity by
22 this subsection do not inure to any transaction that is
23 otherwise taxable under this chapter unless the entity has
24 obtained a sales tax exemption certificate from the department
25 or the entity obtains or provides other documentation as
26 required by the department. Eligible purchases or leases made
27 with such a certificate must be in strict compliance with this
28 subsection and departmental rules, and any person who makes an
29 exempt purchase with a certificate that is not in strict
30 compliance with this subsection and the rules is liable for and
31 shall pay the tax. The department may adopt rules to administer
32 this subsection.

33 (kkk) Certain machinery and equipment.—

34 1. Industrial machinery and equipment purchased by eligible
35 manufacturing businesses which is used at a fixed location
36 within this state for the manufacture, processing, compounding,
37 or production of items of tangible personal property for sale
38 shall be exempt from the tax imposed by this chapter. If at the
39 time of purchase the purchaser furnishes the seller with a
40 signed certificate certifying the purchaser's entitlement to
41 exemption pursuant to this paragraph, the seller is relieved of
42 the responsibility for collecting the tax on the sale of such



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43 items, and the department shall look solely to the purchaser for
44 recovery of the tax if it determines that the purchaser was not
45 entitled to the exemption.

46 2. For purposes of this paragraph, the term:

47 a. "Eligible manufacturing business" means any business
48 whose primary business activity at the location where the
49 industrial machinery and equipment is located is within the
50 industries classified under NAICS codes 31, 32, and 33. As used
51 in this subparagraph, "NAICS" means those classifications
52 contained in the North American Industry Classification System,
53 as published in 2007 by the Office of Management and Budget,
54 Executive Office of the President.

55 b. "Primary business activity" means an activity
56 representing more than fifty percent of the activities conducted
57 at the location where the industrial machinery and equipment is
58 located.

59 c. "Industrial machinery and equipment" means tangible
60 personal property or other property that has a depreciable life
61 of 3 years or more and that is used as an integral part in the
62 manufacturing, processing, compounding, or production of
63 tangible personal property for sale. A building and its
64 structural components are not industrial machinery and equipment
65 unless the building or structural component is so closely
66 related to the industrial machinery and equipment that it houses
67 or supports that the building or structural component can be
68 expected to be replaced when the machinery and equipment are
69 replaced. Heating and air conditioning systems are not
70 industrial machinery and equipment unless the sole justification
71 for their installation is to meet the requirements of the



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72 production process, even though the system may provide
73 incidental comfort to employees or serve, to an insubstantial
74 degree, nonproduction activities. The term includes parts and
75 accessories for industrial machinery and equipment only to the
76 extent that the parts and accessories are purchased prior to the
77 date the machinery and equipment are placed in service.

78 3. This paragraph is repealed effective April 30, 2017.

79
80 ===== T I T L E A M E N D M E N T =====

81 And the title is amended as follows:

82 Delete line 2459

83 and insert:

84 amendments; providing for an exemption from the tax
85 imposed under ch. 212, F.S., for certain machinery and
86 equipment; providing for repeal; amending s. 213.053,
87 F.S.; authorizing the