By Senator Ring

29-01263-15 20151086__

A bill to be entitled

An act relating to property tax exemptions; amending s. 193.1555, F.S.; prohibiting consideration during a specified period of the increased value from additions or improvements made to certain business property when assessing property taxes; amending s. 196.183, F.S.; providing an exemption from property taxation for machinery and equipment purchased by certain businesses for a specified period following purchase; providing for assessment of such machinery and equipment upon expiration of the exemption; conforming cross-references; providing an effective date.

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

Section 1. Paragraph (a) of subsection (6) of section 193.1555, Florida Statutes, is amended, and paragraph (c) is added to that subsection, to read:

193.1555 Assessment of certain residential and nonresidential real property.—

(6)(a) Except as provided in <u>paragraphs</u> ~~paragraph~~ (b) <u>and (c)</u>, changes, additions, or improvements to nonresidential real property shall be assessed at just value as of the first January 1 after the changes, additions, or improvements are substantially completed.

<u>(c) Additions or improvements to a business property that are made as a result of technological or production advances within that business or are made to meet new regulatory requirements shall not increase the property's assessed value</u>

CODING: Words ~~stricken~~ are deletions; words <u>underlined</u> are additions.

for a period of 10 years if the additions or improvements are made to a business located at the same location for at least the previous 20 years.

Section 2. Present subsections (2) through (6) of section 196.183, Florida Statutes, are renumbered as subsections (3) through (7), respectively, subsection (1) of that section is republished, a new subsection (2) is added to that section, and present subsection (5) of that section is amended, to read:

196.183 Exemption for tangible personal property.—

(1) Each tangible personal property tax return is eligible for an exemption from ad valorem taxation of up to $25,000 of assessed value. A single return must be filed for each site in the county where the owner of tangible personal property transacts business. Owners of freestanding property placed at multiple sites, other than sites where the owner transacts business, must file a single return, including all such property located in the county. Freestanding property placed at multiple sites includes vending and amusement machines, LP/propane tanks, utility and cable company property, billboards, leased equipment, and similar property that is not customarily located in the offices, stores, or plants of the owner, but is placed throughout the county. Railroads, private carriers, and other companies assessed pursuant to s. 193.085 shall be allowed one $25,000 exemption for each county to which the value of their property is allocated. The $25,000 exemption for freestanding property placed at multiple locations and for centrally assessed property shall be allocated to each taxing authority based on the proportion of just value of such property located in the taxing authority; however, the amount of the exemption allocated

to each taxing authority may not change following the extension of the tax roll pursuant to s. 193.122.

(2) In addition to the exemption provided in subsection (1), an owner who has conducted a business at the same site for at least the previous 20 years is exempt from the payment of tangible personal property taxes for new equipment or machinery purchased as a result of technological or production advances in that line of business or purchased to meet new regulatory requirements. This exemption applies for 10 years beginning with the tax year following the purchase. After this exemption expires, the equipment and machinery shall be assessed based on their depreciated fair market value.

(6) ~~(5)~~ The exemption provided in this section does not apply in any year a taxpayer fails to timely file a return that is not waived pursuant to subsection (4) ~~(3)~~ or subsection (5) ~~(4)~~. Any taxpayer who received a waiver pursuant to subsection (4) ~~(3)~~ or subsection (5) ~~(4)~~ and who owns taxable property the value of which, as listed on the return, exceeds the exemption in a subsequent year and who fails to file a return with the property appraiser is subject to the penalty contained in s. 193.072(1)(a) calculated without the benefit of the exemption pursuant to this section. Any taxpayer claiming more exemptions than allowed pursuant to subsection (1) is subject to the taxes exempted as a result of wrongfully claiming the additional exemptions plus 15 percent interest per annum and a penalty of 50 percent of the taxes exempted. By February 1 of each year, the property appraiser shall notify by mail all taxpayers whose requirement for filing an annual tangible personal property tax return was waived in the previous year. The notification shall

state that a return must be filed if the value of the taxpayer’s tangible personal property exceeds the exemption and include the penalties for failure to file such a return.

Section 3. This act shall take effect July 1, 2015.