

1 A bill to be entitled
2 An act relating to taxation; amending s. 195.096,
3 F.S.; authorizing the Department of Revenue to change
4 the methodology for statistical and analytical reviews
5 for certain assessment purposes if it first makes
6 specific determinations concerning natural disasters
7 in counties; amending s. 196.197, F.S.; providing
8 criteria to be used in determining the value of tax
9 exemptions for charitable use of certain hospitals;
10 defining the term "unadjusted exempt value"; providing
11 application requirements for tax exemptions on certain
12 properties; amending s. 212.031, F.S.; reducing the
13 tax levied on rental or license fees charged for the
14 use of real property; making technical changes;
15 amending s. 218.131, F.S.; revising the timing of
16 distribution of moneys to certain counties impacted by
17 a reduction in ad valorem tax revenue resulting from
18 certain tax abatements related to specified
19 hurricanes; amending s. 624.51055, F.S.; specifying
20 contribution deadlines for an insurance premium tax
21 credit; amending s. 1002.33, F.S.; conforming
22 provisions to changes made by the act; requiring a
23 reduction in the school district administrative charge
24 if certain school district voted operating millage
25 levies are not shared as required; amending s.

26 | 1002.395, F.S.; specifying dates by which certain
27 | taxpayers may apply for insurance premium tax credit;
28 | allowing insurance premium tax credit amounts to be
29 | applied retroactively to installment payments for
30 | purposes of determining penalty amounts; amending s.
31 | 1011.71, F.S.; providing that certain school district
32 | voted operating millage levies be shared with charter
33 | schools in the school district; providing a sales and
34 | use tax exemption for certain tangible personal
35 | property related to disaster preparedness during a
36 | specified period; providing exceptions to the
37 | exemption; providing an exemption from the sales and
38 | use tax for the retail sale of certain clothing,
39 | school supplies, and personal computers and personal
40 | computer-related accessories during a specified
41 | period; providing exceptions to the exemption;
42 | providing appropriations to the Department of Revenue
43 | for implementation purposes; providing applicability;
44 | authorizing the department to adopt emergency rules;
45 | providing effective dates.

46 |
47 | Be It Enacted by the Legislature of the State of Florida:

48 |
49 | Section 1. Paragraph (g) is added to subsection (2) of
50 | section 195.096, Florida Statutes, to read:

51 195.096 Review of assessment rolls.—

52 (2) The department shall conduct, no less frequently than
53 once every 2 years, an in-depth review of the assessment rolls
54 of each county. The department need not individually study every
55 use-class of property set forth in s. 195.073, but shall at a
56 minimum study the level of assessment in relation to just value
57 of each classification specified in subsection (3). Such in-
58 depth review may include proceedings of the value adjustment
59 board and the audit or review of procedures used by the counties
60 to appraise property.

61 (g) Notwithstanding any other provision of this chapter,
62 in one or more assessment years following a natural disaster in
63 counties for which a state of emergency was declared by
64 executive order or proclamation of the Governor pursuant to
65 chapter 252, if the department determines that the natural
66 disaster creates difficulties in its statistical and analytical
67 reviews of the assessment rolls in affected counties, the
68 department shall take all practicable steps to maximize the
69 representativeness and reliability of its statistical and
70 analytical reviews and may use the best information available to
71 estimate the levels of assessment. This paragraph first applies
72 to the 2019 assessment rolls and is retroactive to January 1,
73 2019.

74 Section 2. Subsection (3) is added to Section 196.197,
75 Florida Statutes, to read:

76 196.197 Additional provisions for exempting property used
77 by hospitals, nursing homes, and homes for special services.—In
78 addition to criteria for granting exemptions for charitable use
79 of property set forth in other sections of this chapter,
80 hospitals, nursing homes, and homes for special services shall
81 be exempt if ~~to the extent that~~ they meet the following
82 criteria:

83 (3) (a) In determining the extent of the exemption to be
84 granted to institutions licensed as hospitals, the unadjusted
85 exempt value shall be multiplied by a fraction, not to exceed 1,
86 the numerator of which is the value of the net community benefit
87 expense attributable to the hospital property as determined
88 under paragraph (b), and the denominator of which is the product
89 of the unadjusted exempt value for the immediately prior year
90 and the most recent final adopted millage rates applicable to
91 the property. For purposes of this section the term "unadjusted
92 exempt value" means the value exempted in a tax year for the
93 charitable use of property as provided in other sections of this
94 chapter and as limited by subsections (1) and (2).

95 (b) The net community benefit expense attributable to a
96 hospital property is that portion of the net community benefit
97 expense reported by the applicant on its most recently filed
98 Internal Revenue Service Form 990, schedule H, attributable only
99 to those services and activities provided or performed by the
100 hospital using the property for which an exemption is being

HB 7123

2019

101 sought. If the owner of the hospital property owns more than one
102 hospital, the exemption for property used by a hospital shall be
103 calculated using only the community benefit expense attributable
104 to that hospital.

105 (c) The application for an exemption under this section
106 must include, but is not limited to:

107 1. A copy of the hospital owner's most recently filed
108 Internal Revenue Service Form 990, schedule H.

109 2. A statement of the net community benefit expense
110 attributable to the hospital property for which the exemption is
111 being sought.

112 3. A statement signed by the hospital's chief executive
113 officer and a certified public accountant that, upon his or her
114 reasonable knowledge and belief, the statement of the net
115 community benefit expense attributable to the hospital property
116 is true and correct.

117 Section 3. Effective January 1, 2020, paragraphs (c) and
118 (d) of subsection (1) of section 212.031, Florida Statutes, are
119 amended to read:

120 212.031 Tax on rental or license fee for use of real
121 property.—

122 (1)

123 (c) For the exercise of such privilege, a tax is levied at
124 the rate of 5.35 ~~5.7~~ percent of and on the total rent or license
125 fee charged for such real property by the person charging or

126 collecting the rental or license fee. The total rent or license
 127 fee charged for such real property must ~~shall~~ include payments
 128 for the granting of a privilege to use or occupy real property
 129 for any purpose and must ~~shall~~ include base rent, percentage
 130 rents, or similar charges. Such charges must ~~shall~~ be included
 131 in the total rent or license fee subject to tax under this
 132 section whether or not they can be attributed to the ability of
 133 the lessor's or licensor's property as used or operated to
 134 attract customers. Payments for intrinsically valuable personal
 135 property such as franchises, trademarks, service marks, logos,
 136 or patents are not subject to tax under this section. If ~~In the~~
 137 ~~ease of~~ a contractual arrangement ~~that~~ provides for ~~both~~
 138 payments that are taxable as total rent or license fee and
 139 payments that are not subject to tax, the tax shall be based on
 140 a reasonable allocation of such payments and does ~~shall~~ not
 141 apply to the ~~that~~ portion ~~which is~~ for ~~the~~ nontaxable payments.

142 (d) If ~~When~~ the rental or license fee of any such real
 143 property is paid by way of property, goods, wares, merchandise,
 144 services, or other thing of value, the tax shall be at the rate
 145 of 5.35 ~~5.7~~ percent of the value of the property, goods, wares,
 146 merchandise, services, or other thing of value.

147 Section 4. Subsection (1) of section 218.131, Florida
 148 Statutes, is amended to read:

149 218.131 Offset for tax loss associated with reductions in
 150 value of certain residences due to specified hurricanes.—

151 (1) In the 2019-2020 fiscal year, the Legislature shall
152 appropriate moneys to offset the reductions in ad valorem tax
153 revenue experienced by Monroe County and by fiscally constrained
154 counties, as defined in s. 218.67(1), and all taxing
155 jurisdictions within such counties, which occur as a direct
156 result of the implementation of s. 197.318. The moneys
157 appropriated for this purpose shall be distributed in June
158 ~~January~~ 2020 among the affected taxing jurisdictions based on
159 each jurisdiction's reduction in ad valorem tax revenue
160 resulting from the implementation of s. 197.318.

161 Section 5. Subsection (1) of section 624.51055, Florida
162 Statutes, is amended to read:

163 624.51055 Credit for contributions to eligible nonprofit
164 scholarship-funding organizations.—

165 (1) There is allowed a credit of 100 percent of an
166 eligible contribution made to an eligible nonprofit scholarship-
167 funding organization under s. 1002.395 against any tax due for a
168 taxable year under s. 624.509(1) after deducting from such tax
169 deductions for assessments made pursuant to s. 440.51; credits
170 for taxes paid under ss. 175.101 and 185.08; credits for income
171 taxes paid under chapter 220; and the credit allowed under s.
172 624.509(5), as such credit is limited by s. 624.509(6). An
173 eligible contribution must be made to an eligible nonprofit
174 scholarship-funding organization on or before the date the
175 taxpayer is required to file a return pursuant to ss. 624.509

176 and 624.5092. An insurer claiming a credit against premium tax
177 liability under this section shall not be required to pay any
178 additional retaliatory tax levied pursuant to s. 624.5091 as a
179 result of claiming such credit. Section 624.5091 does not limit
180 such credit in any manner.

181 Section 6. Paragraph (b) of subsection (17) and paragraph
182 (a) of subsection (20) of section 1002.33, Florida Statutes, are
183 amended to read:

184 1002.33 Charter schools.—

185 (17) FUNDING.—Students enrolled in a charter school,
186 regardless of the sponsorship, shall be funded as if they are in
187 a basic program or a special program, the same as students
188 enrolled in other public schools in the school district. Funding
189 for a charter lab school shall be as provided in s. 1002.32.

190 (b) The basis for the agreement for funding students
191 enrolled in a charter school shall be the sum of the school
192 district's operating funds from the Florida Education Finance
193 Program as provided in s. 1011.62 and the General Appropriations
194 Act, including gross state and local funds, discretionary
195 lottery funds, and funds from the school district's current
196 operating discretionary millage levies authorized pursuant to s.
197 1011.71 ~~levy~~; divided by total funded weighted full-time
198 equivalent students in the school district; multiplied by the
199 weighted full-time equivalent students for the charter school.
200 Charter schools whose students or programs meet the eligibility

201 criteria in law are entitled to their proportionate share of
202 categorical program funds included in the total funds available
203 in the Florida Education Finance Program by the Legislature,
204 including transportation, the research-based reading allocation,
205 and the Florida digital classrooms allocation. Total funding for
206 each charter school shall be recalculated during the year to
207 reflect the revised calculations under the Florida Education
208 Finance Program by the state and the actual weighted full-time
209 equivalent students reported by the charter school during the
210 full-time equivalent student survey periods designated by the
211 Commissioner of Education. For charter schools operated by a
212 not-for-profit or municipal entity, any unrestricted current and
213 capital assets identified in the charter school's annual
214 financial audit may be used for other charter schools operated
215 by the not-for-profit or municipal entity within the school
216 district. Unrestricted current assets shall be used in
217 accordance with s. 1011.62, and any unrestricted capital assets
218 shall be used in accordance with s. 1013.62(2).

219 (20) SERVICES.—

220 (a)1. A sponsor shall provide certain administrative and
221 educational services to charter schools. These services shall
222 include contract management services; full-time equivalent and
223 data reporting services; exceptional student education
224 administration services; services related to eligibility and
225 reporting duties required to ensure that school lunch services

226 | under the National School Lunch Program, consistent with the
227 | needs of the charter school, are provided by the school district
228 | at the request of the charter school, that any funds due to the
229 | charter school under the National School Lunch Program be paid
230 | to the charter school as soon as the charter school begins
231 | serving food under the National School Lunch Program, and that
232 | the charter school is paid at the same time and in the same
233 | manner under the National School Lunch Program as other public
234 | schools serviced by the sponsor or the school district; test
235 | administration services, including payment of the costs of
236 | state-required or district-required student assessments;
237 | processing of teacher certificate data services; and information
238 | services, including equal access to student information systems
239 | that are used by public schools in the district in which the
240 | charter school is located. Student performance data for each
241 | student in a charter school, including, but not limited to, FCAT
242 | scores, standardized test scores, previous public school student
243 | report cards, and student performance measures, shall be
244 | provided by the sponsor to a charter school in the same manner
245 | provided to other public schools in the district.

246 | 2. A sponsor may withhold an administrative fee for the
247 | provision of such services which shall be a percentage of the
248 | available funds defined in paragraph (17)(b) calculated based on
249 | weighted full-time equivalent students. If the charter school
250 | serves 75 percent or more exceptional education students as

251 defined in s. 1003.01(3), the percentage shall be calculated
 252 based on unweighted full-time equivalent students. The
 253 administrative fee shall be calculated as follows:

254 a. Up to 5 percent for:

255 (I) Enrollment of up to and including 250 students in a
 256 charter school as defined in this section.

257 (II) Enrollment of up to and including 500 students within
 258 a charter school system which meets all of the following:

259 (A) Includes conversion charter schools and nonconversion
 260 charter schools.

261 (B) Has all of its schools located in the same county.

262 (C) Has a total enrollment exceeding the total enrollment
 263 of at least one school district in the state.

264 (D) Has the same governing board for all of its schools.

265 (E) Does not contract with a for-profit service provider
 266 for management of school operations.

267 (III) Enrollment of up to and including 250 students in a
 268 virtual charter school.

269 b. Up to 2 percent for enrollment of up to and including
 270 250 students in a high-performing charter school as defined in
 271 s. 1002.331.

272 3. A sponsor may not charge charter schools any additional
 273 fees or surcharges for administrative and educational services
 274 in addition to the maximum percentage of administrative fees
 275 withheld pursuant to this paragraph.

276 4. A sponsor shall provide to the department by September
 277 15 of each year the total amount of funding withheld from
 278 charter schools pursuant to this subsection for the prior fiscal
 279 year. The department must include the information in the report
 280 required under sub-sub-subparagraph (5)(b)1.k.(III).

281 5. If, under s. 1011.71(9), a voted operating levy is not
 282 shared proportionately with charter schools in the district,
 283 then the amount withheld by a sponsor shall be reduced by the
 284 amount that should otherwise have been shared under s.
 285 1011.71(9).

286 Section 7. Paragraphs (b) and (g) of subsection (5) of
 287 section 1002.395, Florida Statutes, are amended to read:

288 1002.395 Florida Tax Credit Scholarship Program.—

289 (5) SCHOLARSHIP FUNDING TAX CREDITS; LIMITATIONS.—

290 (b) A taxpayer may submit an application to the department
 291 for a tax credit or credits under one or more of s. 211.0251, s.
 292 212.1831, s. 220.1875, s. 561.1211, or s. 624.51055.

293 1. The taxpayer shall specify in the application each tax
 294 for which the taxpayer requests a credit and the applicable
 295 taxable year for a credit under s. 220.1875 or s. 624.51055 or
 296 the applicable state fiscal year for a credit under s. 211.0251,
 297 s. 212.1831, or s. 561.1211. For purposes of s. 220.1875, a
 298 taxpayer may apply for a credit to be used for a prior taxable
 299 year before the date the taxpayer is required to file a return
 300 for that year pursuant to s. 220.222. For purposes of s.

301 624.51055, a taxpayer may apply for a credit to be used for a
302 prior taxable year before the date the taxpayer is required to
303 file a return for that prior taxable year pursuant to ss.
304 624.509 and 624.5092. The department shall approve tax credits
305 on a first-come, first-served basis and must obtain the
306 division's approval before approving a tax credit under s.
307 561.1211.

308 2. Within 10 days after approving or denying an
309 application, the department shall provide a copy of its approval
310 or denial letter to the eligible nonprofit scholarship-funding
311 organization specified by the taxpayer in the application.

312 (g) For purposes of calculating the underpayment of
313 estimated corporate income taxes pursuant to s. 220.34 and tax
314 installment payments for taxes on insurance premiums or
315 assessments under s. 624.5092, the final amount due is the
316 amount after credits earned under s. 220.1875 or s. 624.51055
317 for contributions to eligible nonprofit scholarship-funding
318 organizations are deducted.

319 1. For purposes of determining if a penalty or interest
320 shall be imposed for underpayment of estimated corporate income
321 tax pursuant to s. 220.34(2)(d)1., a taxpayer may, after earning
322 a credit under s. 220.1875, reduce any estimated payment in that
323 taxable year by the amount of the credit. This subparagraph
324 applies to contributions made on or after July 1, 2014.

325 2. For purposes of determining if a penalty under s.

HB 7123

2019

326 624.5092 shall be imposed, an insurer ~~may~~, after earning a
327 credit under s. 624.51055, for a taxable year, may reduce any
328 ~~the following~~ installment payment for such taxable year of 27
329 percent of the amount of the net tax due as reported on the
330 return for the preceding year under s. 624.5092(2)(b) by the
331 amount of the credit. This subparagraph applies to contributions
332 made on or after July 1, 2014.

333 Section 8. Subsection (9) of section 1011.71, Florida
334 Statutes, is amended to read:

335 1011.71 District school tax.—

336 (9) In addition to the maximum millage levied under this
337 section and the General Appropriations Act, a school district
338 may levy, by local referendum or in a general election,
339 additional millage for school operational purposes up to an
340 amount that, when combined with nonvoted millage levied under
341 this section, does not exceed the 10-mill limit established in
342 s. 9(b), Art. VII of the State Constitution. Any such levy shall
343 be for a maximum of 4 years and shall be counted as part of the
344 10-mill limit established in s. 9(b), Art. VII of the State
345 Constitution. For the purpose of distributing taxes collected
346 pursuant to this subsection, the term "school operational
347 purposes" includes charter schools sponsored by a school
348 district. Millage elections conducted under the authority
349 granted pursuant to this section are subject to s. 1011.73.
350 Funds generated by such additional millage do not become a part

351 of the calculation of the Florida Education Finance Program
352 total potential funds in 2001-2002 or any subsequent year and
353 must not be incorporated in the calculation of any hold-harmless
354 or other component of the Florida Education Finance Program
355 formula in any year. If an increase in required local effort,
356 when added to existing millage levied under the 10-mill limit,
357 would result in a combined millage in excess of the 10-mill
358 limit, any millage levied pursuant to this subsection shall be
359 considered to be required local effort to the extent that the
360 district millage would otherwise exceed the 10-mill limit. Funds
361 levied under this subsection shall be shared with charter
362 schools as provided in s. 1002.33(17).

363 Section 9. Disaster preparedness supplies; sales tax
364 holiday.-

365 (1) The tax levied under chapter 212, Florida Statutes,
366 may not be collected during the period from 12:01 a.m. on May
367 31, 2019, through 11:59 p.m. on June 6, 2019, on the sale of:

368 (a) A portable self-powered light source selling for \$20
369 or less.

370 (b) A portable self-powered radio, two-way radio, or
371 weather-band radio selling for \$50 or less.

372 (c) A tarpaulin or other flexible waterproof sheeting
373 selling for \$50 or less.

374 (d) An item normally sold as, or generally advertised as,
375 a ground anchor system or tie-down kit selling for \$50 or less.

376 (e) A gas or diesel fuel tank selling for \$25 or less.

377 (f) A package of AA-cell, AAA-cell, C-cell, D-cell, 6-
 378 volt, or 9- volt batteries, excluding automobile and boat
 379 batteries, selling for \$30 or less.

380 (g) A nonelectric food storage cooler selling for \$30 or
 381 less.

382 (h) A portable generator used to provide light or
 383 communications or preserve food in the event of a power outage
 384 selling for \$750 or less.

385 (i) Reusable ice selling for \$10 or less.

386 (2) The tax exemptions provided in this section do not
 387 apply to sales within a theme park or entertainment complex as
 388 defined in s. 509.013(9), Florida Statutes, within a public
 389 lodging establishment as defined in s. 509.013(4), Florida
 390 Statutes, or within an airport as defined in s. 330.27(2),
 391 Florida Statutes.

392 (3) This section shall take effect upon becoming law.

393 Section 10. Clothing, school supplies, and personal
 394 computers and personal computer-related accessories sales tax
 395 holiday.-

396 (1) The tax levied under chapter 212, Florida Statutes,
 397 may not be collected during the period from 12:01 a.m. on August
 398 2, 2019, through 11:59 p.m. on August 4, 2019, on the retail
 399 sale of:

HB 7123

2019

400 (a) Clothing, wallets, or bags, including handbags,
401 backpacks, fanny packs, and diaper bags, but excluding
402 briefcases, suitcases, and other garment bags, having a sales
403 price of \$60 or less per item. As used in this paragraph, the
404 term "clothing" means:

405 1. Any article of wearing apparel intended to be worn on
406 or about the human body, excluding watches, watchbands, jewelry,
407 umbrellas, and handkerchiefs; and

408 2. All footwear, excluding skis, swim fins, roller blades,
409 and skates.

410 (b) School supplies having a sales price of \$15 or less
411 per item. As used in this paragraph, the term "school supplies"
412 means pens, pencils, erasers, crayons, notebooks, notebook
413 filler paper, legal pads, binders, lunch boxes, construction
414 paper, markers, folders, poster board, composition books, poster
415 paper, scissors, cellophane tape, glue or paste, rulers,
416 computer disks, flash drives, staplers and staples used to
417 secure paper products, protractors, compasses, and calculators.

418 (2) The tax levied under chapter 212, Florida Statutes,
419 may not be collected during the period from 12:01 a.m. on August
420 2, 2019, through 11:59 p.m. on August 4, 2019, on the first
421 \$1000 of the sales price of personal computers or personal
422 computer-related accessories purchased for noncommercial home or
423 personal use. For purposes of this subsection, the term:

424 (a) "Personal computers" includes electronic book readers,
425 laptops, desktops, handhelds, tablets, or tower computers. The
426 term does not include cellular telephones, video game consoles,
427 digital media receivers, or devices that are not primarily
428 designed to process data.

429 (b) "Personal computer-related accessories" includes
430 keyboards, mice, personal digital assistants, monitors, other
431 peripheral devices, modems, routers, and non-recreational
432 software, regardless of whether the accessories are used in
433 association with a personal computer base unit. The term does
434 not include furniture or systems, devices, software, or
435 peripherals that are designed or intended primarily for
436 recreational use. The term "monitor" does not include any device
437 that includes a television tuner.

438 (3) The tax exemptions provided in this section do not
439 apply to sales within a theme park or entertainment complex as
440 defined in s. 509.013(9), Florida Statutes, within a public
441 lodging establishment as defined in s. 509.013(4), Florida
442 Statutes, or within an airport as defined in s. 330.27(2),
443 Florida Statutes.

444 (4) The tax exemptions provided in this section may apply
445 at the option of a dealer if less than 5 percent of the dealer's
446 gross sales of tangible personal property in the prior calendar
447 year are comprised of items that would be exempt under this
448 section. If a qualifying dealer chooses not to participate in

449 the tax holiday, by August 1, 2019, the dealer must notify the
450 Department of Revenue in writing of its election to collect
451 sales tax during the holiday and must post a copy of that notice
452 in a conspicuous location at its place of business.

453 (5) Effective upon this act becoming a law, for the 2018-
454 2019 fiscal year, the sum of \$237,000 in nonrecurring funds is
455 appropriated from the General Revenue Fund to the Department of
456 Revenue for the purpose of implementing this section. Funds
457 remaining unexpended or unencumbered from this appropriation as
458 of June 30, 2019, shall revert and be reappropriated for the
459 same purpose in the 2019-2020 fiscal year.

460 Section 11. For the 2019-2020 fiscal year, the sum of
461 \$91,319 in nonrecurring funds is appropriated from the General
462 Revenue Fund to the Department of Revenue to implement the
463 provisions of this act.

464 Section 12. The amendments made by this act to ss.
465 624.51055 and 1002.395, Florida Statutes, first apply to
466 insurance premium taxable years beginning on or after January 1,
467 2019.

468 Section 13. The provisions of this act relating to ss.
469 1011.71 and 1002.33, Florida Statutes, amending and clarifying
470 the use of certain voted discretionary operating millages levied
471 by school districts, apply to revenues collected on or after
472 July 1, 2019.

473 Section 14. The Department of Revenue may, and all

HB 7123

2019

474 conditions are deemed met to, adopt emergency rules pursuant to
475 s. 120.54(4), Florida Statutes, to administer sections 9 and 10
476 of this act. This section shall take effect upon becoming law.

477 Section 15. Except as otherwise expressly provided in this
478 act and except for this section, which shall take effect upon
479 this act becoming law, this act shall take effect July 1, 2019.