

Amendment No. 4

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u>    </u>	(Y/N)
ADOPTED AS AMENDED	<u>    </u>	(Y/N)
ADOPTED W/O OBJECTION	<u>    </u>	(Y/N)
FAILED TO ADOPT	<u>    </u>	(Y/N)
WITHDRAWN	<u>    </u>	(Y/N)
OTHER	<u>      </u>	

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1 Committee/Subcommittee hearing bill: Appropriations Committee  
2 Representative Avila offered the following:

**Amendment (with title amendment)**

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4  
5 Remove lines 389-417 and insert:  
6 paragraphs (c) and (d) of subsection (11) of section 192.001,  
7 Florida Statutes, are amended to read:

8 192.001 Definitions.—All definitions set out in chapters 1  
9 and 200 that are applicable to this chapter are included herein.  
10 In addition, the following definitions shall apply in the  
11 imposition of ad valorem taxes:

12 (11) "Personal property," for the purposes of ad valorem  
13 taxation, shall be divided into four categories as follows:

14 (c)1. "Inventory" means only those chattels consisting of  
15 items commonly referred to as goods, wares, and merchandise (as  
16 well as inventory) which are held for sale or lease to customers

Amendment No. 4

17 in the ordinary course of business. Supplies and raw materials  
18 shall be considered to be inventory only to the extent that they  
19 are acquired for sale or lease to customers in the ordinary  
20 course of business or will physically become a part of  
21 merchandise intended for sale or lease to customers in the  
22 ordinary course of business. Partially finished products which  
23 when completed will be held for sale or lease to customers in  
24 the ordinary course of business shall be deemed items of  
25 inventory. All livestock shall be considered inventory. Items of  
26 inventory held for lease to customers in the ordinary course of  
27 business, rather than for sale, shall be deemed inventory only  
28 prior to the initial lease of such items. For the purposes of  
29 this section, fuels used in the production of electricity shall  
30 be considered inventory.

31 2. "Inventory" also means construction and agricultural  
32 equipment weighing 1,000 pounds or more that is returned to a  
33 dealership under a rent-to-purchase option and held for sale to  
34 customers in the ordinary course of business. This subparagraph  
35 may not be considered in determining whether property that is  
36 not construction and agricultural equipment weighing 1,000  
37 pounds or more that is returned under a rent-to-purchase option  
38 is inventory under subparagraph 1.

39 3. Notwithstanding any provision in this section to the  
40 contrary, the term "inventory", for all levies other than school  
41 district levies, also means construction equipment owned by a

Amendment No. 4

42 heavy equipment rental dealer for sale or short-term rental in  
43 the normal course of business on the annual assessment date. For  
44 the purposes of this chapter and chapter 196, the term "heavy  
45 equipment rental dealer" means a person or entity principally  
46 engaged in the business of short term rental and sale of  
47 equipment described under 532412 of the North American Industry  
48 Classification System including attachments for the equipment or  
49 other ancillary equipment. As used in this subparagraph, the  
50 term "short-term rental" means the rental of a dealer's heavy  
51 equipment rental property for a period of less than 365 days,  
52 under an open ended contract, or under a contract with unlimited  
53 terms. The prior short-term rental of any construction or  
54 industrial equipment does not disqualify such property from  
55 qualifying as inventory under this subsection following the term  
56 of such rental. This section may not be construed to consider as  
57 inventory heavy equipment rented with an operator.

58 (d) "Tangible personal property" means all goods,  
59 chattels, and other articles of value (but does not include the  
60 vehicular items enumerated in s. 1(b), Art. VII of the State  
61 Constitution and elsewhere defined) capable of manual possession  
62 and whose chief value is intrinsic to the article itself.

63 "Construction work in progress" consists of those items of  
64 tangible personal property commonly known as fixtures,  
65 machinery, and equipment when in the process of being installed  
66 in new or expanded improvements to real property and whose value

Amendment No. 4

67 is materially enhanced upon connection or use with a  
68 preexisting, taxable, operational system or facility.  
69 Construction work in progress shall be deemed substantially  
70 completed when connected with the preexisting, taxable,  
71 operational system or facility. For the purposes of tangible  
72 personal property constructed or installed by an electric  
73 utility, construction work in progress is not deemed  
74 substantially completed unless all permits or approvals required  
75 for commercial operation have been received or approved.  
76 Inventory and household goods are expressly excluded from this  
77 definition.

78 Section 3. The amendment made by this act to s.  
79 192.001(11)(d),

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82 **T I T L E A M E N D M E N T**

83 Remove line 10 and insert:  
84 impaired; amending s. 192.001, F.S.; amending the definition of  
85 the term "inventory"; specifying the  
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