

By Senator Gruters

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1 A bill to be entitled
2 An act relating to tax on the rental or lease of real
3 property; repealing s. 212.031, F.S., relating to the
4 tax on the rental or license fee for use of real
5 property; repealing s. 212.099, F.S., relating to tax
6 credits for contributions to eligible nonprofit
7 scholarship-funding organizations; amending ss.
8 212.0598, 212.0602, 212.08, 288.1258, 338.234,
9 341.840, and 1002.395, F.S.; conforming provisions to
10 changes made by the act; reenacting ss.
11 1002.394(11)(a) and 1002.40(11)(g), F.S., relating to
12 the Family Empowerment Scholarship Program and the
13 Hope Scholarship Program, respectively, to incorporate
14 the amendment made to s. 1002.395, F.S., in references
15 thereto; providing an effective date.

16
17 Be It Enacted by the Legislature of the State of Florida:

18
19 Section 1. Section 212.031, Florida Statutes, is repealed.

20 Section 2. Subsection (2) of section 212.0598, Florida
21 Statutes, is amended to read:

22 212.0598 Special provisions; air carriers.—

23 (2) The basis of the tax shall be the ratio of Florida
24 mileage to total mileage as determined pursuant to chapter 220
25 and this section. The ratio shall be determined at the close of
26 the carrier's preceding fiscal year. However, during the fiscal
27 year in which the air carrier begins initial operations in this
28 state, the carrier may determine its mileage apportionment
29 factor based on an estimated ratio of anticipated revenue miles

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30 in this state to anticipated total revenue miles. In such cases,
31 the air carrier shall pay additional tax or apply for a refund
32 based on the actual ratio for that year. The applicable ratio
33 shall be applied each month to the carrier's total systemwide
34 gross purchases of tangible personal property and services
35 otherwise taxable in Florida. Additionally, the ratio shall be
36 applied each month to the carrier's total systemwide payments
37 for the lease or rental of, or license in, real property used by
38 the carrier substantially for aircraft maintenance if that
39 carrier employed, on average, during the previous calendar
40 quarter in excess of 3,000 full-time equivalent maintenance or
41 repair employees at one maintenance base that it leases, rents,
42 or has a license in, in this state. ~~In all other instances, the~~
43 ~~tax on real property leased, rented, or licensed by the carrier~~
44 ~~shall be as provided in s. 212.031.~~

45 Section 3. Section 212.0602, Florida Statutes, is amended
46 to read:

47 212.0602 Education; limited exemption.—To facilitate
48 investment in education and job training, there is also exempt
49 from the taxes levied under this chapter, subject to the
50 provisions of this section, the purchase or lease of materials,
51 equipment, and other items or the license in or lease of real
52 property by any entity, institution, or organization that is
53 primarily engaged in teaching students ~~to perform any of the~~
54 ~~activities or services described in s. 212.031(1)(a)9.~~, that
55 conducts classes at a fixed location located in this state, that
56 is licensed under chapter 1005, and that has at least 500
57 enrolled students. Any entity, institution, or organization
58 meeting the requirements of this section shall be deemed to

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59 qualify for the exemptions in s. 212.08(5)(f) and (12) ~~ss.~~
60 ~~212.031(1)(a)9. and 212.08(5)(f) and (12)~~, and to qualify for an
61 exemption for its purchase or lease of materials, equipment, and
62 other items used for education or demonstration of the school's
63 curriculum, including supporting operations. Nothing in this
64 section shall preclude an entity described in this section from
65 qualifying for any other exemption provided for in this chapter.

66 Section 4. Paragraph (s) of subsection (5) of section
67 212.08, Florida Statutes, is amended to read:

68 212.08 Sales, rental, use, consumption, distribution, and
69 storage tax; specified exemptions.—The sale at retail, the
70 rental, the use, the consumption, the distribution, and the
71 storage to be used or consumed in this state of the following
72 are hereby specifically exempt from the tax imposed by this
73 chapter.

74 (5) EXEMPTIONS; ACCOUNT OF USE.—

75 (s) *Data center property*.—

76 1. As used in this paragraph, the term:

77 a. "Critical IT load" means that portion of electric power
78 capacity, expressed in terms of megawatts, which is reserved
79 solely for owners or tenants of a data center to operate their
80 computer server equipment. The term does not include any
81 ancillary load for cooling, lighting, common areas, or other
82 equipment.

83 b. "Cumulative capital investment" means the combined total
84 of all expenses incurred by the owners or tenants of a data
85 center after July 1, 2017, in connection with acquiring,
86 constructing, installing, equipping, or expanding the data
87 center. However, the term does not include any expenses incurred

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88 in the acquisition of improved real property operating as a data
89 center at the time of acquisition or within 6 months before the
90 acquisition.

91 c. "Data center" means a facility that:

92 (I) Consists of one or more contiguous parcels in this
93 state, along with the buildings, substations and other
94 infrastructure, fixtures, and personal property located on the
95 parcels;

96 (II) Is used exclusively to house and operate equipment
97 that receives, stores, aggregates, manages, processes,
98 transforms, retrieves, researches, or transmits data; or that is
99 necessary for the proper operation of equipment that receives,
100 stores, aggregates, manages, processes, transforms, retrieves,
101 researches, or transmits data;

102 (III) Has a critical IT load of 15 megawatts or higher, and
103 a critical IT load of 1 megawatt or higher dedicated to each
104 individual owner or tenant within the data center; and

105 (IV) Is constructed on or after July 1, 2017.

106 d. "Data center property" means property used exclusively
107 at a data center to construct, outfit, operate, support, power,
108 cool, dehumidify, secure, or protect a data center and any
109 contiguous dedicated substations. The term includes, but is not
110 limited to, construction materials, component parts, machinery,
111 equipment, computers, servers, installations, redundancies, and
112 operating or enabling software, including any replacements,
113 updates and new versions, and upgrades to or for such property,
114 regardless of whether the property is a fixture or is otherwise
115 affixed to or incorporated into real property. The term also
116 includes electricity used exclusively at a data center.

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117 2. Data center property is exempt from the tax imposed by
118 this chapter, ~~except for the tax imposed by s. 212.031~~. To be
119 eligible for the exemption provided by this paragraph, the data
120 center's owners and tenants must make a cumulative capital
121 investment of \$150 million or more for the data center and the
122 data center must have a critical IT load of 15 megawatts or
123 higher and a critical IT load of 1 megawatt or higher dedicated
124 to each individual owner or tenant within the data center. Each
125 of these requirements must be satisfied no later than 5 years
126 after the commencement of construction of the data center.

127 3.a. To receive the exemption provided by this paragraph,
128 the person seeking the exemption must apply to the department
129 for a temporary tax exemption certificate. The application must
130 state that a qualifying data center designation is being sought
131 and provide information that the requirements of subparagraph 2.
132 will be met. Upon a tentative determination by the department
133 that the data center will meet the requirements of subparagraph
134 2., the department must issue the certificate.

135 b.(I) The certificateholder shall maintain all necessary
136 books and records to support the exemption provided by this
137 paragraph. Upon satisfaction of all requirements of subparagraph
138 2., the certificateholder must deliver the temporary tax
139 certificate to the department together with documentation
140 sufficient to show the satisfaction of the requirements. Such
141 documentation must include written declarations, pursuant to s.
142 92.525, from:

143 (A) A professional engineer, licensed pursuant to chapter
144 471, certifying that the critical IT load requirement set forth
145 in subparagraph 2. has been satisfied at the data center; and

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146 (B) A Florida certified public accountant, as defined in s.
147 473.302, certifying that the cumulative capital investment
148 requirement set forth in subparagraph 2. has been satisfied for
149 the data center.

150

151 The professional engineer and the Florida certified public
152 accountant may not be professionally related with the data
153 center's owners, tenants, or contractors, except that they may
154 be retained by a data center owner to certify that the
155 requirements of subparagraph 2. have been met.

156 (II) If the department determines that the subparagraph 2.
157 requirements have been satisfied, the department must issue a
158 permanent tax exemption certificate.

159 (III) Notwithstanding s. 212.084(4), the permanent tax
160 exemption certificate remains valid and effective for as long as
161 the data center described in the exemption application continues
162 to operate as a data center as defined in subparagraph 1., with
163 review by the department every 5 years to ensure compliance. As
164 part of the review, the certificateholder shall, within 3 months
165 before the end of any 5-year period, submit a written
166 declaration, pursuant to s. 92.525, certifying that the critical
167 IT load of 15 megawatts or higher and the critical IT load of 1
168 megawatt or higher dedicated to each individual owner or tenant
169 within the data center required by subparagraph 2. continues to
170 be met. All owners, tenants, contractors, and others purchasing
171 exempt data center property shall maintain all necessary books
172 and records to support the exemption as to those purchases.

173 (IV) Notwithstanding s. 213.053, the department may share
174 information concerning a temporary or permanent data center

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175 exemption certificate among all owners, tenants, contractors,
176 and others purchasing exempt data center property pursuant to
177 such certificate.

178 c. If, in an audit conducted by the department, it is
179 determined that the certificateholder or any owners, tenants,
180 contractors, or others purchasing, renting, or leasing data
181 center property do not meet the criteria of this paragraph, the
182 amount of taxes exempted at the time of purchase, rental, or
183 lease is immediately due and payable to the department from the
184 purchaser, renter, or lessee of those particular items, together
185 with the appropriate interest and penalty computed from the date
186 of purchase in the manner prescribed by this chapter.
187 Notwithstanding s. 95.091(3)(a), any tax due as provided in this
188 sub-subparagraph may be assessed by the department within 6
189 years after the date the data center property was purchased.

190 d. Purchasers, lessees, and renters of data center property
191 who qualify for the exemption provided by this paragraph shall
192 obtain from the data center a copy of the tax exemption
193 certificate issued pursuant to sub-subparagraph a. or sub-
194 subparagraph b. Before or at the time of purchase of the item or
195 items eligible for exemption, the purchaser, lessee, or renter
196 shall provide to the seller a copy of the tax exemption
197 certificate and a signed certificate of entitlement. Purchasers,
198 lessees, and renters with self-accrual authority shall maintain
199 all documentation necessary to prove the exempt status of
200 purchases.

201 e. For any purchase, lease, or rental of property that is
202 exempt pursuant to this paragraph, the possession of a copy of a
203 tax exemption certificate issued pursuant to sub-subparagraph a.

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204 or sub-subparagraph b. and a signed certificate of entitlement
205 relieves the seller of the responsibility of collecting the tax
206 on the sale, lease, or rental of such property, and the
207 department must look solely to the purchaser, renter, or lessee
208 for recovery of the tax if it determines that the purchase,
209 rental, or lease was not entitled to the exemption.

210 4. After June 30, 2027, the department may not issue a
211 temporary tax exemption certificate pursuant to this paragraph.

212 Section 5. Section 212.099, Florida Statutes, is repealed.

213 Section 6. Paragraphs (b) and (c) of subsection (2) and
214 subsection (3) of section 288.1258, Florida Statutes, are
215 amended to read:

216 288.1258 Entertainment industry qualified production
217 companies; application procedure; categories; duties of the
218 Department of Revenue; records and reports.-

219 (2) APPLICATION PROCEDURE.-

220 (b)1. The Office of Film and Entertainment shall establish
221 a process by which an entertainment industry production company
222 may be approved by the office as a qualified production company
223 and may receive a certificate of exemption from the Department
224 of Revenue for the sales and use tax exemptions under ss. 212.06
225 and 212.08 ~~ss. 212.031, 212.06, and 212.08.~~

226 2. Upon determination by the Office of Film and
227 Entertainment that a production company meets the established
228 approval criteria and qualifies for exemption, the Office of
229 Film and Entertainment shall return the approved application or
230 application renewal or extension to the Department of Revenue,
231 which shall issue a certificate of exemption.

232 3. The Office of Film and Entertainment shall deny an

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233 application or application for renewal or extension from a
234 production company if it determines that the production company
235 does not meet the established approval criteria.

236 (c) The Office of Film and Entertainment shall develop,
237 with the cooperation of the Department of Revenue and local
238 government entertainment industry promotion agencies, a
239 standardized application form for use in approving qualified
240 production companies.

241 1. The application form shall include, but not be limited
242 to, production-related information on employment, proposed
243 budgets, planned purchases of items exempted from sales and use
244 taxes under ss. 212.06 and 212.08 ~~ss. 212.031, 212.06, and~~
245 ~~212.08~~, a signed affirmation from the applicant that any items
246 purchased for which the applicant is seeking a tax exemption are
247 intended for use exclusively as an integral part of
248 entertainment industry preproduction, production, or
249 postproduction activities engaged in primarily in this state,
250 and a signed affirmation from the Office of Film and
251 Entertainment that the information on the application form has
252 been verified and is correct. In lieu of information on
253 projected employment, proposed budgets, or planned purchases of
254 exempted items, a production company seeking a 1-year
255 certificate of exemption may submit summary historical data on
256 employment, production budgets, and purchases of exempted items
257 related to production activities in this state. Any information
258 gathered from production companies for the purposes of this
259 section shall be considered confidential taxpayer information
260 and shall be disclosed only as provided in s. 213.053.

261 2. The application form may be distributed to applicants by

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262 the Office of Film and Entertainment or local film commissions.

263 (3) CATEGORIES.—

264 (a)1. A production company may be qualified for designation
265 as a qualified production company for a period of 1 year if the
266 company has operated a business in Florida at a permanent
267 address for a period of 12 consecutive months. Such a qualified
268 production company shall receive a single 1-year certificate of
269 exemption from the Department of Revenue for the sales and use
270 tax exemptions under ss. 212.06 and 212.08 ~~ss. 212.031, 212.06,~~
271 ~~and 212.08~~, which certificate shall expire 1 year after issuance
272 or upon the cessation of business operations in the state, at
273 which time the certificate shall be surrendered to the
274 Department of Revenue.

275 2. The Office of Film and Entertainment shall develop a
276 method by which a qualified production company may annually
277 renew a 1-year certificate of exemption for a period of up to 5
278 years without requiring the production company to resubmit a new
279 application during that 5-year period.

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

283 (b)1. A production company may be qualified for designation
284 as a qualified production company for a period of 90 days. Such
285 production company shall receive a single 90-day certificate of
286 exemption from the Department of Revenue for the sales and use
287 tax exemptions under ss. 212.06 and 212.08 ~~ss. 212.031, 212.06,~~
288 ~~and 212.08~~, which certificate shall expire 90 days after
289 issuance, with extensions contingent upon approval of the Office
290 of Film and Entertainment. The certificate shall be surrendered

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291 to the Department of Revenue upon its expiration.

292 2. Any production company may submit a new application for
293 a 90-day certificate of exemption upon the expiration of that
294 company's certificate of exemption.

295 Section 7. Section 338.234, Florida Statutes, is amended to
296 read:

297 338.234 Granting concessions or selling along the turnpike
298 system; ~~immunity from taxation.~~

299 ~~(1)~~ The department may enter into contracts or licenses
300 with any person for the sale of services or products or business
301 opportunities on the turnpike system, or the turnpike enterprise
302 may sell services, products, or business opportunities on the
303 turnpike system, which benefit the traveling public or provide
304 additional revenue to the turnpike system. Services, business
305 opportunities, and products authorized to be sold include, but
306 are not limited to, motor fuel, vehicle towing, and vehicle
307 maintenance services; food with attendant nonalcoholic
308 beverages; lodging, meeting rooms, and other business services
309 opportunities; advertising and other promotional opportunities,
310 which advertising and promotions must be consistent with the
311 dignity and integrity of the state; state lottery tickets sold
312 by authorized retailers; games and amusements that operate by
313 the application of skill, not including games of chance as
314 defined in s. 849.16 or other illegal gambling games; Florida
315 citrus, goods promoting the state, or handmade goods produced
316 within the state; and travel information, tickets, reservations,
317 or other related services. However, the department, pursuant to
318 the grants of authority to the turnpike enterprise under this
319 section, shall not exercise the power of eminent domain solely

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320 for the purpose of acquiring real property in order to provide
321 business services or opportunities, such as lodging and meeting-
322 room space on the turnpike system.

323 ~~(2) The effectuation of the authorized purposes of the~~
324 ~~Strategic Intermodal System, created under ss. 339.61-339.65,~~
325 ~~and Florida Turnpike Enterprise, created under this chapter, is~~
326 ~~for the benefit of the people of the state, for the increase of~~
327 ~~their commerce and prosperity, and for the improvement of their~~
328 ~~health and living conditions; and, because the system and~~
329 ~~enterprise perform essential government functions in~~
330 ~~effectuating such purposes, neither the turnpike enterprise nor~~
331 ~~any nongovernment lessee or licensee renting, leasing, or~~
332 ~~licensing real property from the turnpike enterprise, pursuant~~
333 ~~to an agreement authorized by this section, are required to pay~~
334 ~~any commercial rental tax imposed under s. 212.031 on any~~
335 ~~capital improvements constructed, improved, acquired, installed,~~
336 ~~or used for such purposes.~~

337 Section 8. Paragraph (a) of subsection (3) of section
338 341.840, Florida Statutes, is amended to read:

339 341.840 Tax exemption.—

340 (3) (a) Purchases or leases of tangible personal property or
341 real property by the enterprise, excluding agents of the
342 enterprise, are exempt from taxes imposed by chapter 212 as
343 provided in s. 212.08(6). Purchases or leases of tangible
344 personal property that is incorporated into the high-speed rail
345 system as a component part thereof, as determined by the
346 enterprise, by agents of the enterprise or the owner of the
347 high-speed rail system are exempt from sales or use taxes
348 imposed by chapter 212. ~~Leases, rentals, or licenses to use real~~

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349 ~~property granted to agents of the enterprise or the owner of the~~
350 ~~high-speed rail system are exempt from taxes imposed by s.~~
351 ~~212.031 if the real property becomes part of such system.~~ The
352 exemptions granted in this subsection do not apply to sales,
353 leases, or licenses by the enterprise, agents of the enterprise,
354 or the owner of the high-speed rail system.

355 Section 9. Paragraph (j) of subsection (6) of section
356 1002.395, Florida Statutes, is amended to read:

357 1002.395 Florida Tax Credit Scholarship Program.—

358 (6) OBLIGATIONS OF ELIGIBLE NONPROFIT SCHOLARSHIP-FUNDING
359 ORGANIZATIONS.—An eligible nonprofit scholarship-funding
360 organization:

361 (j)1. May use eligible contributions received pursuant to
362 this section and ss. 212.1832 and 1002.40 ~~ss. 212.099, 212.1832,~~
363 ~~and 1002.40~~ during the state fiscal year in which such
364 contributions are collected for administrative expenses if the
365 organization has operated as an eligible nonprofit scholarship-
366 funding organization for at least the preceding 3 fiscal years
367 and did not have any findings of material weakness or material
368 noncompliance in its most recent audit under paragraph (m).
369 Administrative expenses from eligible contributions may not
370 exceed 3 percent of the total amount of all scholarships funded
371 by an eligible scholarship-funding organization under this
372 chapter. Such administrative expenses must be reasonable and
373 necessary for the organization's management and distribution of
374 scholarships funded under this chapter. No funds authorized
375 under this subparagraph shall be used for lobbying or political
376 activity or expenses related to lobbying or political activity.
377 Up to one-third of the funds authorized for administrative

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378 expenses under this subparagraph may be used for expenses
379 related to the recruitment of contributions from taxpayers. An
380 eligible nonprofit scholarship-funding organization may not
381 charge an application fee.

382 2. Must expend for annual or partial-year scholarships an
383 amount equal to or greater than 75 percent of the net eligible
384 contributions remaining after administrative expenses during the
385 state fiscal year in which such contributions are collected. No
386 more than 25 percent of such net eligible contributions may be
387 carried forward to the following state fiscal year. All amounts
388 carried forward, for audit purposes, must be specifically
389 identified for particular students, by student name and the name
390 of the school to which the student is admitted, subject to the
391 requirements of ss. 1002.22 and 1002.221 and 20 U.S.C. s. 1232g,
392 and the applicable rules and regulations issued pursuant
393 thereto. Any amounts carried forward shall be expended for
394 annual or partial-year scholarships in the following state
395 fiscal year. No later than September 30 of each year, net
396 eligible contributions remaining on June 30 of each year that
397 are in excess of the 25 percent that may be carried forward
398 shall be used to provide scholarships to eligible students or
399 transferred to other eligible nonprofit scholarship-funding
400 organizations to provide scholarships for eligible students. All
401 transferred funds must be deposited by each eligible nonprofit
402 scholarship-funding organization receiving such funds into its
403 scholarship account. All transferred amounts received by any
404 eligible nonprofit scholarship-funding organization must be
405 separately disclosed in the annual financial audit required
406 under paragraph (m).

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407 3. Must, before granting a scholarship for an academic
408 year, document each scholarship student's eligibility for that
409 academic year. A scholarship-funding organization may not grant
410 multiyear scholarships in one approval process.

411
412 Information and documentation provided to the Department of
413 Education and the Auditor General relating to the identity of a
414 taxpayer that provides an eligible contribution under this
415 section shall remain confidential at all times in accordance
416 with s. 213.053.

417 Section 10. For the purpose of incorporating the amendment
418 made by this act to section 1002.395, Florida Statutes, in a
419 reference thereto, paragraph (a) of subsection (11) of section
420 1002.394, Florida Statutes, is reenacted to read:

421 1002.394 The Family Empowerment Scholarship Program.—

422 (11) OBLIGATIONS OF ELIGIBLE SCHOLARSHIP-FUNDING
423 ORGANIZATIONS.—

424 (a) An eligible nonprofit scholarship-funding organization
425 awarding scholarships to eligible students pursuant to paragraph
426 (3) (a):

427 1. Must receive applications, determine student
428 eligibility, notify parents in accordance with the requirements
429 of this section, and provide the department with information on
430 the student to enable the department to determine student
431 funding in accordance with paragraph (12) (a).

432 2. Shall verify the household income level of students
433 pursuant to subparagraph (3) (a)1. and submit the verified list
434 of students and related documentation to the department.

435 3. Shall award scholarships in priority order pursuant to

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436 paragraph (3) (a).

437 4. May, from eligible contributions received pursuant to s.
438 1002.395(6)(j)1., use an amount not to exceed 2.5 percent of the
439 total amount of all scholarships funded under this section for
440 administrative expenses associated with performing functions
441 under this section. Such administrative expense amount is
442 considered within the 3 percent limit on the total amount an
443 organization may use to administer scholarships under this
444 chapter.

445 5. Must, in a timely manner, submit any information
446 requested by the department relating to the scholarship under
447 this section.

448 6. Must notify the department about any violation of this
449 section by a parent or a private school.

450 Section 11. For the purpose of incorporating the amendment
451 made by this act to section 1002.395, Florida Statutes, in a
452 reference thereto, paragraph (g) of subsection (11) of section
453 1002.40, Florida Statutes, is reenacted to read:

454 1002.40 The Hope Scholarship Program.—

455 (11) FUNDING AND PAYMENT.—

456 (g) An eligible nonprofit scholarship-funding organization,
457 subject to the limitations of s. 1002.395(6)(j)1., may use
458 eligible contributions received during the state fiscal year in
459 which such contributions are collected for administrative
460 expenses.

461 Section 12. This act shall take effect July 1, 2026.