

By Senator Hutson

7-01353-24

20241468\_\_

1                   A bill to be entitled  
2           An act relating to the sales and use tax; amending s.  
3           212.08, F.S.; defining terms; exempting from the sales  
4           and use tax the purchase or lease of equipment by a  
5           provider of certain communication services or Internet  
6           access services; providing applicability; providing an  
7           effective date.

8  
9   Be It Enacted by the Legislature of the State of Florida:

10  
11           Section 1. Present paragraphs (ppp) through (uuu) of  
12           subsection (7) of section 212.08, Florida Statutes, are  
13           redesignated as paragraphs (qqq) through (vvv), respectively,  
14           and a new paragraph (ppp) is added to that subsection, to read:

15           212.08 Sales, rental, use, consumption, distribution, and  
16           storage tax; specified exemptions.—The sale at retail, the  
17           rental, the use, the consumption, the distribution, and the  
18           storage to be used or consumed in this state of the following  
19           are hereby specifically exempt from the tax imposed by this  
20           chapter.

21           (7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any  
22           entity by this chapter do not inure to any transaction that is  
23           otherwise taxable under this chapter when payment is made by a  
24           representative or employee of the entity by any means,  
25           including, but not limited to, cash, check, or credit card, even  
26           when that representative or employee is subsequently reimbursed  
27           by the entity. In addition, exemptions provided to any entity by  
28           this subsection do not inure to any transaction that is  
29           otherwise taxable under this chapter unless the entity has

7-01353-24

20241468\_\_

30 obtained a sales tax exemption certificate from the department  
31 or the entity obtains or provides other documentation as  
32 required by the department. Eligible purchases or leases made  
33 with such a certificate must be in strict compliance with this  
34 subsection and departmental rules, and any person who makes an  
35 exempt purchase with a certificate that is not in strict  
36 compliance with this subsection and the rules is liable for and  
37 shall pay the tax. The department may adopt rules to administer  
38 this subsection.

39 (ppp) Equipment purchased or leased in this state by a  
40 provider of communications services or Internet access services  
41 receiving broadband grants administered by the Department of  
42 Commerce.-

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

44 a. "Central office" means the location at which telephone  
45 subscribers' lines are joined to switching equipment, including,  
46 but not limited to, switches, cable distribution frames, and  
47 batteries, for connecting other subscribers to each other,  
48 locally and long distance.

49 b. "Communications services" has the same meaning as in s.  
50 202.11.

51 c. "Headend" means the primary location in a communications  
52 provider's network which receives television programming signals  
53 through satellite antennae or fiber optic cables for  
54 distribution to the customer premises through a distribution  
55 network. The headend processes and combines signals for  
56 distribution to hubs or directly to customer premises. In most  
57 cases, the headend also serves as a distribution hub for the  
58 fiber optic transfer nodes closest to the headend. The term also

7-01353-24

20241468\_\_

59 includes a super headend, which processes all incoming  
60 programming signals and transmits them to regional headends or  
61 directly to hubs. Headend equipment includes, but is not limited  
62 to, computer-based electronic equipment that receives  
63 programming signals and uses prescribed processes to combine,  
64 amplify, and convert the programming signals and transmit them  
65 through the distribution network.

66 d. "Hub" means the secondary location in a communications  
67 provider's network that is connected to the headend by fiber  
68 optic or other cable. A hub may contain electronic equipment  
69 that processes, converts, and transmits signals through the  
70 distribution network. A hub can serve a large number of business  
71 and residential communities.

72 e. "Internet access service" has the same meaning as in s.  
73 202.11 and only applies to services that provide access to the  
74 Internet with a capacity for transmission at a consistent speed  
75 of at least 25 megabits per second for download and 3 megabits  
76 per second for upload.

77 f. "Provider of communications services or Internet access  
78 services" means a dealer as defined in s. 202.11 and any member  
79 of an affiliated group as described in s. 202.37(1)(c)2.

80 g. "Qualifying equipment" means equipment, machinery,  
81 software, or other infrastructure used to provide communications  
82 services or Internet access services, which must be located  
83 within a central office, headend, or hub operated by a provider  
84 of communications services or Internet access services.

85 2. The purchase or lease of qualifying equipment used by a  
86 provider of communications services or Internet access services  
87 to fulfill the requirements of a Department of Commerce

7-01353-24

20241468\_\_

88 administered broadband grant is exempt from the tax imposed by  
89 this chapter.

90 3. The exemption provided by this paragraph does not apply  
91 to any of the following:

92 a. Land.

93 b. Improvements to land.

94 c. Office furniture and fixtures.

95 d. General office equipment and machinery that is not used  
96 to provide communications services or Internet access services.

97 e. Vehicles.

98 f. Customer premise equipment.

99 g. The facilities used to distribute signals to customer  
100 locations beyond the central office, headend, or hub facilities  
101 described herein, including fiber optic, coaxial, or other  
102 transmission cables; amplifiers; taps; and customer drops.

103 4. The exemption provided by this paragraph does not apply  
104 to the tax levied under s. 212.031.

105 Section 2. This act shall take effect July 1, 2024.