

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

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

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

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

22 (7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any
 23 entity by this chapter do not inure to any transaction that is
 24 otherwise taxable under this chapter when payment is made by a
 25 representative or employee of the entity by any means,

26 including, but not limited to, cash, check, or credit card, even
 27 when that representative or employee is subsequently reimbursed
 28 by the entity. In addition, exemptions provided to any entity by
 29 this subsection do not inure to any transaction that is
 30 otherwise taxable under this chapter unless the entity has
 31 obtained a sales tax exemption certificate from the department
 32 or the entity obtains or provides other documentation as
 33 required by the department. Eligible purchases or leases made
 34 with such a certificate must be in strict compliance with this
 35 subsection and departmental rules, and any person who makes an
 36 exempt purchase with a certificate that is not in strict
 37 compliance with this subsection and the rules is liable for and
 38 shall pay the tax. The department may adopt rules to administer
 39 this subsection.

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

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

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

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

51 202.11.

52 c. "Headend" means the primary location in a
53 communications provider's network which receives television
54 programming signals through satellite antennae or fiber optic
55 cables for distribution to the customer premises through a
56 distribution network. The headend processes and combines signals
57 for distribution to hubs or directly to customer premises. In
58 most cases, the headend also serves as a distribution hub for
59 the fiber optic transfer nodes closest to the headend. The term
60 also includes a super headend, which processes all incoming
61 programming signals and transmits them to regional headends or
62 directly to hubs. Headend equipment includes, but is not limited
63 to, computer-based electronic equipment that receives
64 programming signals and uses prescribed processes to combine,
65 amplify, and convert the programming signals and transmit them
66 through the distribution network.

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

73 e. "Internet access service" has the same meaning as in s.
74 202.11 and only applies to services that provide access to the
75 Internet with a capacity for transmission at a consistent speed

76 of at least 25 megabits per second for download and 3 megabits
 77 per second for upload.

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

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

86 2. The purchase or lease of qualifying equipment used by a
 87 provider of communications services or Internet access services
 88 to fulfill the requirements of a Department of Commerce
 89 administered broadband grant is exempt from the tax imposed by
 90 this chapter.

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

93 a. Land.

94 b. Improvements to land.

95 c. Office furniture and fixtures.

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

98 e. Vehicles.

99 f. Customer premise equipment.

100 g. The facilities used to distribute signals to customer

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101 locations beyond the central office, headend, or hub facilities
102 described herein, including fiber optic, coaxial, or other
103 transmission cables; amplifiers; taps; and customer drops.

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

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