

HB 1177

2026

A bill to be entitled
An act relating to Space Florida; amending s. 196.012, F.S.; revising the definition of the term "governmental purpose"; amending s. 212.06, F.S.; providing that the lease or rental of certain property is not a taxable lease or use; amending s. 212.08, F.S.; providing an exemption from the sales and use tax for defense or aerospace machinery and equipment; requiring exemption certificates; providing liability under certain conditions; requiring the Department of Revenue to adopt rules; amending s. 331.302, F.S.; providing that Space Florida is not an agency and is not subject to certain bidding and contract procedures under certain conditions; providing an effective date.

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

Section 1. Subsection (6) of section 196.012, Florida Statutes, is amended to read:

196.012 Definitions.—For the purpose of this chapter, the following terms are defined as follows, except where the context clearly indicates otherwise:

(6) Governmental, municipal, or public purpose or function shall be deemed to be served or performed when the lessee under any leasehold interest created in property of the United States,

26 the state or any of its political subdivisions, or any
27 municipality, agency, special district, authority, or other
28 public body corporate of the state is demonstrated to perform a
29 function or serve a governmental purpose which could properly be
30 performed or served by an appropriate governmental unit or which
31 is demonstrated to perform a function or serve a purpose which
32 would otherwise be a valid subject for the allocation of public
33 funds. For purposes of the preceding sentence, an activity
34 undertaken by a lessee which is permitted under the terms of its
35 lease of real property designated as an aviation area on an
36 airport layout plan which has been approved by the Federal
37 Aviation Administration and which real property is used for the
38 administration, operation, business offices and activities
39 related specifically thereto in connection with the conduct of
40 an aircraft full service fixed base operation which provides
41 goods and services to the general aviation public in the
42 promotion of air commerce shall be deemed an activity which
43 serves a governmental, municipal, or public purpose or function.
44 Any activity undertaken by a lessee which is permitted under the
45 terms of its lease of real property designated as a public
46 airport as defined in s. 332.004(14) by municipalities,
47 agencies, special districts, authorities, or other public bodies
48 corporate and public bodies politic of the state, a spaceport as
49 defined in s. 331.303, or which is located in a deepwater port
50 identified in s. 403.021(9) (b) and owned by one of the foregoing

51 governmental units, subject to a leasehold or other possessory
52 interest of a nongovernmental lessee that is deemed to perform
53 an aviation, airport, aerospace, maritime, or port purpose or
54 operation shall be deemed an activity that serves a
55 governmental, municipal, or public purpose. The use by a lessee,
56 licensee, or management company of real property or a portion
57 thereof as a convention center, visitor center, sports facility
58 with permanent seating, concert hall, arena, stadium, park, or
59 beach is deemed a use that serves a governmental, municipal, or
60 public purpose or function when access to the property is open
61 to the general public with or without a charge for admission. If
62 property deeded to a municipality by the United States is
63 subject to a requirement that the Federal Government, through a
64 schedule established by the Secretary of the Interior, determine
65 that the property is being maintained for public historic
66 preservation, park, or recreational purposes and if those
67 conditions are not met the property will revert back to the
68 Federal Government, then such property shall be deemed to serve
69 a municipal or public purpose. The term "governmental purpose"
70 also includes a direct use of property on federal lands in
71 connection with the Federal Government's Space Exploration
72 Program, a defense or aerospace use, or spaceport activities as
73 defined in s. 212.02(22). Real property and tangible personal
74 property owned by the Federal Government or Space Florida and
75 used for defense and space exploration purposes or which is put

76 to a use in support thereof shall be deemed to perform an
77 essential national governmental purpose and shall be exempt.
78 "Used for defense and space exploration purposes" as used in
79 this subsection includes any use within this state by a private
80 lessee for a defense or aerospace contract, program, or project
81 authorized by the board of directors of Space Florida. "Owned by
82 the lessee" as used in this chapter does not include personal
83 property, buildings, or other real property improvements used
84 for the administration, operation, business offices and
85 activities related specifically thereto in connection with the
86 conduct of an aircraft full service fixed based operation which
87 provides goods and services to the general aviation public in
88 the promotion of air commerce provided that the real property is
89 designated as an aviation area on an airport layout plan
90 approved by the Federal Aviation Administration. For purposes of
91 determination of "ownership," buildings and other real property
92 improvements which will revert to the airport authority or other
93 governmental unit upon expiration of the term of the lease shall
94 be deemed "owned" by the governmental unit and not the lessee.
95 Also, for purposes of determination of ownership under this
96 section or s. 196.199(5), flight simulation training devices
97 qualified by the Federal Aviation Administration, and the
98 equipment and software necessary for the operation of such
99 devices, shall be deemed "owned" by a governmental unit and not
100 the lessee if such devices will revert to that governmental unit

101 upon the expiration of the term of the lease, provided the
102 governing body of the governmental unit has approved the lease
103 in writing. Providing two-way telecommunications services to the
104 public for hire by the use of a telecommunications facility, as
105 defined in s. 364.02(14), and for which a certificate is
106 required under chapter 364 does not constitute an exempt use for
107 purposes of s. 196.199, unless the telecommunications services
108 are provided by the operator of a public-use airport, as defined
109 in s. 332.004, for the operator's provision of
110 telecommunications services for the airport or its tenants,
111 concessionaires, or licensees, or unless the telecommunications
112 services are provided by a public hospital.

113 **Section 2. Paragraph (a) of subsection (1) of section
114 212.06, Florida Statutes, is amended to read:**

115 212.06 Sales, storage, use tax; collectible from dealers;
116 "dealer" defined; dealers to collect from purchasers;
117 legislative intent as to scope of tax.—

118 (1) (a) The aforesaid tax at the rate of 6 percent of the
119 retail sales price as of the moment of sale, 6 percent of the
120 cost price as of the moment of purchase, or 6 percent of the
121 cost price as of the moment of commingling with the general mass
122 of property in this state, as the case may be, shall be
123 collectible from all dealers as herein defined on the sale at
124 retail, the use, the consumption, the distribution, and the
125 storage for use or consumption in this state of tangible

126 personal property or services taxable under this chapter. The
127 full amount of the tax on a credit sale, installment sale, or
128 sale made on any kind of deferred payment plan shall be due at
129 the moment of the transaction in the same manner as on a cash
130 sale. However, the lease or rental of tangible personal property
131 owned by a governmental entity and leased to a private entity as
132 a leasehold interest qualifying under s. 212.08(5)(j)7. is not a
133 taxable lease or use under this section.

134 **Section 3. Paragraph (j) of subsection (5) of section**

135 **212.08, Florida Statutes, is amended, and paragraph (w) is added**
136 **to that subsection, to read:**

137 212.08 Sales, rental, use, consumption, distribution, and
138 storage tax; specified exemptions.—The sale at retail, the
139 rental, the use, the consumption, the distribution, and the
140 storage to be used or consumed in this state of the following
141 are hereby specifically exempt from the tax imposed by this
142 chapter.

143 (5) EXEMPTIONS; ACCOUNT OF USE.—

144 (j) Machinery and equipment used in semiconductor,
145 defense, or space technology production.—

146 1.a. Industrial machinery and equipment used in
147 semiconductor technology facilities certified under subparagraph
148 5. to manufacture, process, compound, or produce semiconductor
149 technology products for sale or for use by these facilities are
150 exempt from the tax imposed by this chapter. For purposes of

151 this paragraph, industrial machinery and equipment includes
152 molds, dies, machine tooling, other appurtenances or accessories
153 to machinery and equipment, testing equipment, test beds,
154 computers, and software, whether purchased or self-fabricated,
155 and, if self-fabricated, includes materials and labor for
156 design, fabrication, and assembly.

157 b. Industrial machinery and equipment used in defense or
158 space technology facilities certified under subparagraph 5. to
159 design, manufacture, assemble, process, compound, or produce
160 defense technology products or space technology products for
161 sale or for use by these facilities are exempt from the tax
162 imposed by this chapter.

163 2. Building materials purchased for use in manufacturing
164 or expanding clean rooms in semiconductor-manufacturing
165 facilities are exempt from the tax imposed by this chapter.

166 3. In addition to meeting the criteria mandated by
167 subparagraph 1. or subparagraph 2., a business must be certified
168 by the Department of Commerce in order to qualify for exemption
169 under this paragraph.

170 4. For items purchased tax-exempt pursuant to this
171 paragraph, possession of a written certification from the
172 purchaser, certifying the purchaser's entitlement to the
173 exemption, relieves the seller of the responsibility of
174 collecting the tax on the sale of such items, and the department
175 shall look solely to the purchaser for recovery of the tax if it

176 determines that the purchaser was not entitled to the exemption.

177 5.a. To be eligible to receive the exemption provided by
178 subparagraph 1. or subparagraph 2., a qualifying business entity
179 shall initially apply to the Department of Commerce. The
180 original certification is valid for a period of 2 years. In lieu
181 of submitting a new application, the original certification may
182 be renewed biennially by submitting to the Department of
183 Commerce a statement, certified under oath, that there has not
184 been a material change in the conditions or circumstances
185 entitling the business entity to the original certification. The
186 initial application and the certification renewal statement
187 shall be developed by the Department of Commerce.

188 b. The Division of Economic Development of the Department
189 of Commerce shall review each submitted initial application and
190 determine whether or not the application is complete within 5
191 working days. Once complete, the division shall, within 10
192 working days, evaluate the application and recommend approval or
193 disapproval to the Department of Commerce.

194 c. Upon receipt of the initial application and
195 recommendation from the division or upon receipt of a
196 certification renewal statement, the Department of Commerce
197 shall certify within 5 working days those applicants who are
198 found to meet the requirements of this section and notify the
199 applicant of the original certification or certification
200 renewal. If the Department of Commerce finds that the applicant

201 does not meet the requirements, it shall notify the applicant
202 within 10 working days that the application for certification
203 has been denied and the reasons for denial. The Department of
204 Commerce has final approval authority for certification under
205 this section.

206 d. The initial application and certification renewal
207 statement must indicate, for program evaluation purposes only,
208 the average number of full-time equivalent employees at the
209 facility over the preceding calendar year, the average wage and
210 benefits paid to those employees over the preceding calendar
211 year, the total investment made in real and tangible personal
212 property over the preceding calendar year, and the total value
213 of tax-exempt purchases and taxes exempted during the previous
214 year. The department shall assist the Department of Commerce in
215 evaluating and verifying information provided in the application
216 for exemption.

217 e. The Department of Commerce may use the information
218 reported on the initial application and certification renewal
219 statement for evaluation purposes only.

220 6. A business certified to receive this exemption may
221 elect to designate one or more state universities or community
222 colleges as recipients of up to 100 percent of the amount of the
223 exemption. To receive these funds, the institution must agree to
224 match the funds with equivalent cash, programs, services, or
225 other in-kind support on a one-to-one basis for research and

226 development projects requested by the certified business. The
227 rights to any patents, royalties, or real or intellectual
228 property must be vested in the business unless otherwise agreed
229 to by the business and the university or community college.

230 7.a. A private lessee's leasehold interest in equipment is
231 eligible to receive the exemption provided by subparagraph 1. or
232 subparagraph 2. if such equipment is:

233 (I) Owned by a federal, state, or local governmental
234 entity;

235 (II) Located in this state;

236 (III) Used by the private lessee solely in connection with
237 a defense or aerospace contract, program, or project;

238 (IV) Leased under a written lease, license, or similar
239 agreement with the governmental entity; or

240 (V) Certified by the private lessee as being used solely
241 for qualifying defense or aerospace purposes.

242 b. The private lessee shall furnish an exemption
243 certificate to the lessor affirming that the leased property
244 qualifies under this subparagraph. The private lessee is liable
245 for the tax imposed by this chapter if the leased property is
246 used for a nonqualifying purpose.

247 c. The department shall adopt rules to implement this
248 subparagraph.

249 8.7. As used in this paragraph, the term:

250 a.b. "Clean rooms" means manufacturing facilities enclosed

251 in a manner that meets the clean manufacturing requirements
252 necessary for high-technology semiconductor-manufacturing
253 environments.

254 b.e. "Defense technology products" means products that
255 have a military application, including, but not limited to,
256 weapons, weapons systems, guidance systems, surveillance
257 systems, communications or information systems, munitions,
258 aircraft, vessels, or boats, or components thereof, which are
259 intended for military use and manufactured in performance of a
260 contract with the United States Department of Defense or the
261 military branch of a recognized foreign government or a
262 subcontract thereunder which relates to matters of national
263 defense.

264 c.a. "Semiconductor technology products" means raw
265 semiconductor wafers or semiconductor thin films that are
266 transformed into semiconductor memory or logic wafers, including
267 wafers containing mixed memory and logic circuits; related
268 assembly and test operations; active-matrix flat panel displays;
269 semiconductor chips; semiconductor lasers; optoelectronic
270 elements; and related semiconductor technology products as
271 determined by the Department of Commerce.

272 d. "Space technology products" means products that are
273 specifically designed or manufactured for application in space
274 activities, including, but not limited to, space launch
275 vehicles, space flight vehicles, missiles, satellites or

276 research payloads, avionics, and associated control systems and
277 processing systems and components of any of the foregoing. The
278 term does not include products that are designed or manufactured
279 for general commercial aviation or other uses even though those
280 products may also serve an incidental use in space applications.

281 (w) Defense or aerospace machinery and equipment.—

282 1. Any tangible personal property owned by this state or
283 any political subdivision thereof and leased to a private entity
284 pursuant to a written lease, license, or other agreement is
285 exempt from the tax imposed by this chapter if the property is
286 used by the private lessee solely in connection with a defense
287 or aerospace contract, program, or project.

288 2. The private lessee shall furnish an exemption
289 certificate to the lessor affirming that the leased property
290 qualifies under this paragraph. The private lessee is liable for
291 the tax imposed by this chapter if the leased property is used
292 for a nonqualifying purpose.

293 3. The department shall adopt rules to implement this
294 paragraph.

295 **Section 4. Subsection (4) of section 331.302, Florida**
296 **Statutes, is amended to read:**

297 331.302 Space Florida; creation; purpose.—

298 (4) (a) Space Florida is not an agency as defined in ss.
299 216.011 and 287.012.

300 (b) Space Florida is not an agency as defined in s.

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301 287.055(2)(b) and is not subject to s. 255.20 when it purchases
302 professional services or construction services, or both, using
303 nonappropriated state funds. Space Florida must attest in
304 writing that such funds are nonappropriated.

305 **Section 5.** This act shall take effect July 1, 2026.