

By Senator Burgess

23-00788A-26

20261512

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

21 Section 1. Subsection (6) of section 196.012, Florida
22 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:

23-00788A-26

20261512

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

23-00788A-26

20261512

59 licensee, or management company of real property or a portion
60 thereof as a convention center, visitor center, sports facility
61 with permanent seating, concert hall, arena, stadium, park, or
62 beach is deemed a use that serves a governmental, municipal, or
63 public purpose or function when access to the property is open
64 to the general public with or without a charge for admission. If
65 property deeded to a municipality by the United States is
66 subject to a requirement that the Federal Government must,
67 through a schedule established by the Secretary of the Interior,
68 determine that the property is being maintained for public
69 historic preservation, park, or recreational purposes and that
70 if those conditions are not met, the property will revert back
71 to the Federal Government, then such property is shall be deemed
72 to serve a municipal or public purpose. The term "governmental
73 purpose" also includes a direct use of property on federal lands
74 in connection with the Federal Government's Space Exploration
75 Program, aerospace activities as specified in s. 331.303, or
76 spaceport activities as defined in s. 212.02(22). Real property
77 and tangible personal property owned by the Federal Government
78 or Space Florida and used for defense and space exploration
79 purposes or which is put to a use in support thereof is shall be
80 deemed to perform an essential national governmental purpose and
81 is shall be exempt. Real property and tangible personal property
82 being used by a nongovernmental lessee within this state
83 pursuant to a project authorized by the Space Florida board of
84 directors is deemed to perform an essential governmental purpose
85 and is exempt. As used in this chapter, the term "owned by the
86 lessee" as used in this chapter does not include personal
87 property, buildings, or other real property improvements used

23-00788A-26

20261512

88 for the administration, operation, business offices and
89 activities related specifically thereto in connection with the
90 conduct of an aircraft full service fixed based operation which
91 provides goods and services to the general aviation public in
92 the promotion of air commerce provided that the real property is
93 designated as an aviation area on an airport layout plan
94 approved by the Federal Aviation Administration. For purposes of
95 determination of "ownership," buildings and other real property
96 improvements which will revert to the airport authority or other
97 governmental unit upon expiration of the term of the lease are
98 ~~shall be~~ deemed "owned" by the governmental unit and not the
99 lessee. Also, for purposes of determination of ownership under
100 this section or s. 196.199(5), flight simulation training
101 devices qualified by the Federal Aviation Administration, and
102 the equipment and software necessary for the operation of such
103 devices, are ~~shall be~~ deemed "owned" by a governmental unit and
104 not the lessee if such devices will revert to that governmental
105 unit upon the expiration of the term of the lease, provided the
106 governing body of the governmental unit has approved the lease
107 in writing. Providing two-way telecommunications services to the
108 public for hire by the use of a telecommunications facility, as
109 defined in s. 364.02(14), and for which a certificate is
110 required under chapter 364 does not constitute an exempt use for
111 purposes of s. 196.199, unless the telecommunications services
112 are provided by the operator of a public-use airport, as defined
113 in s. 332.004, for the operator's provision of
114 telecommunications services for the airport or its tenants,
115 concessionaires, or licensees, or unless the telecommunications
116 services are provided by a public hospital.

23-00788A-26

20261512

117 Section 2. Paragraph (j) of subsection (5) of section
118 212.08, Florida Statutes, is reordered and amended to read:

119 212.08 Sales, rental, use, consumption, distribution, and
120 storage tax; specified exemptions.—The sale at retail, the
121 rental, the use, the consumption, the distribution, and the
122 storage to be used or consumed in this state of the following
123 are hereby specifically exempt from the tax imposed by this
124 chapter.

125 (5) EXEMPTIONS; ACCOUNT OF USE.—

126 (j) *Machinery and equipment used in semiconductor, defense,*
127 *or space technology production.*—

128 1. All of the following are exempt from the tax imposed by
129 this chapter:

130 a. Industrial machinery and equipment used in semiconductor
131 technology facilities certified under subparagraph 5. to
132 manufacture, process, compound, or produce semiconductor
133 technology products for sale or for use by these facilities ~~are~~
134 ~~exempt from the tax imposed by this chapter.~~ For purposes of
135 this paragraph, industrial machinery and equipment includes
136 molds, dies, machine tooling, other appurtenances or accessories
137 to machinery and equipment, testing equipment, test beds,
138 computers, and software, whether purchased or self-fabricated,
139 and, if self-fabricated, includes materials and labor for
140 design, fabrication, and assembly.

141 b. Industrial machinery and equipment used in defense or
142 space technology facilities certified under subparagraph 5. to
143 design, manufacture, assemble, process, compound, or produce
144 defense technology products or space technology products for
145 sale or for use by these facilities ~~are exempt from the tax~~

23-00788A-26

20261512

146 imposed by this chapter.

147 c. (I) Tangible personal property, including, but not
148 limited to, machinery or equipment, leased to a private entity
149 lessee that:

150 (A) Is owned by a federal, state, or local governmental
151 entity;

152 (B) Is located in this state;

153 (C) Is used by the lessee solely in connection with
154 semiconductor, defense, or aerospace contracts, programs, or
155 projects; and

156 (D) Is leased under a written lease, license, or similar
157 agreement with the federal, state, or local governmental entity
158 that owns the machinery or equipment.

159 (II) The department may adopt rules governing the manner
160 and form of the application for, and the issuance of, exemption
161 certificates pursuant to this sub-subparagraph.

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

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

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

23-00788A-26

20261512

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

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

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

193 c. Upon receipt of the initial application and
194 recommendation from the division or upon receipt of a
195 certification renewal statement, the Department of Commerce
196 shall certify within 5 working days those applicants who are
197 found to meet the requirements of this section and notify the
198 applicant of the original certification or certification
199 renewal. If the Department of Commerce finds that the applicant
200 does not meet the requirements, it shall notify the applicant
201 within 10 working days that the application for certification
202 has been denied and the reasons for denial. The Department of
203 Commerce has final approval authority for certification under

23-00788A-26

20261512

204 this section.

205 d. The initial application and certification renewal
206 statement must indicate, for program evaluation purposes only,
207 the average number of full-time equivalent employees at the
208 facility over the preceding calendar year, the average wage and
209 benefits paid to those employees over the preceding calendar
210 year, the total investment made in real and tangible personal
211 property over the preceding calendar year, and the total value
212 of tax-exempt purchases and taxes exempted during the previous
213 year. The department shall assist the Department of Commerce in
214 evaluating and verifying information provided in the application
215 for exemption.216 e. The Department of Commerce may use the information
217 reported on the initial application and certification renewal
218 statement for evaluation purposes only.219 6. A business certified to receive this exemption may elect
220 to designate one or more state universities or community
221 colleges as recipients of up to 100 percent of the amount of the
222 exemption. To receive these funds, the institution must agree to
223 match the funds with equivalent cash, programs, services, or
224 other in-kind support on a one-to-one basis for research and
225 development projects requested by the certified business. The
226 rights to any patents, royalties, or real or intellectual
227 property must be vested in the business unless otherwise agreed
228 to by the business and the university or community college.

229 7. As used in this paragraph, the term:

230 c.a. "Semiconductor technology products" means raw
231 semiconductor wafers or semiconductor thin films that are
232 transformed into semiconductor memory or logic wafers, including

23-00788A-26

20261512

233 wafers containing mixed memory and logic circuits; related
234 assembly and test operations; active-matrix flat panel displays;
235 semiconductor chips; semiconductor lasers; optoelectronic
236 elements; and related semiconductor technology products as
237 determined by the Department of Commerce.

238 a.b. "Clean rooms" means manufacturing facilities enclosed
239 in a manner that meets the clean manufacturing requirements
240 necessary for high-technology semiconductor-manufacturing
241 environments.

242 b.e. "Defense technology products" means products that have
243 a military application, including, but not limited to, weapons,
244 weapons systems, guidance systems, surveillance systems,
245 communications or information systems, munitions, aircraft,
246 vessels, or boats, or components thereof, which are intended for
247 military use and manufactured in performance of a contract with
248 the United States Department of Defense or the military branch
249 of a recognized foreign government or a subcontract thereunder
250 which relates to matters of national defense.

251 d. "Space technology products" means products ~~that are~~
252 specifically designed or manufactured for application in space
253 activities, including, but not limited to, space launch
254 vehicles, space flight vehicles, missiles, satellites or
255 research payloads, avionics, and associated control systems and
256 processing systems and components of any of the foregoing. The
257 term does not include products that are designed or manufactured
258 for general commercial aviation or other uses even though those
259 products may also serve an incidental use in space applications.

260 Section 3. Subsection (4) of section 331.302, Florida
261 Statutes, is amended to read:

23-00788A-26

20261512

262 331.302 Space Florida; creation; purpose.—

263 (4) (a) Space Florida is not an agency as defined in ss.
264 216.011 and 287.012.

265 (b) Space Florida is not subject to s. 255.20 when
266 purchasing professional or construction services, or both, using
267 funds that are not appropriated by the Legislature. For all such
268 purchases, Space Florida shall maintain in its records an
269 attestation that the funds used are not appropriated by the
270 Legislature.

271 Section 4. This act shall take effect July 1, 2026.