



410044

LEGISLATIVE ACTION

Senate	.	House
Comm: OO	.	
03/11/2020	.	
	.	
	.	
	.	

The Committee on Appropriations (Brandes) recommended the following:

Senate Amendment (with title amendment)

Between lines 2070 and 2071

insert:

Section 30. Paragraph (fff) of subsection (7) of section 212.08, Florida Statutes, is amended, and paragraph (u) is added to subsection (5) of that section, to read:

212.08 Sales, rental, use, consumption, distribution, and storage tax; specified exemptions.—The sale at retail, the rental, the use, the consumption, the distribution, and the



410044

11 storage to be used or consumed in this state of the following
12 are hereby specifically exempt from the tax imposed by this
13 chapter.

14 (5) EXEMPTIONS; ACCOUNT OF USE.—

15 (u) Aircraft equipment used in governmental contracts.—

16 Equipment, including electric and hydraulic ground power units,
17 jet starter units, oxygen servicing and test equipment, engine
18 trim boxes, and communications and avionics test sets, which is
19 used to service, test, operate, upgrade, or configure aircraft
20 for advanced training purposes as part of any contract with the
21 United States Department of Defense or with a military branch of
22 a recognized foreign government is exempt from the tax imposed
23 by this chapter.

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



410044

40 shall pay the tax. The department may adopt rules to administer
41 this subsection.

42 (fff) *Aircraft temporarily in the state.*—

43 1. An aircraft owned by a nonresident is exempt from the
44 use tax imposed under this chapter if the aircraft enters and
45 remains in this state for less than a total of 21 days during
46 the 6-month period after the date of purchase. The temporary use
47 of the aircraft and subsequent removal from this state may be
48 proven by invoices for fuel, tie-down, or hangar charges issued
49 by out-of-state vendors or suppliers or similar documentation
50 that clearly and specifically identifies the aircraft. The
51 exemption provided in this subparagraph is in addition to the
52 exemptions provided in subparagraphs 2. and 3. ~~subparagraph 2.~~
53 and s. 212.05(1) (a).

54 2. An aircraft owned by a nonresident is exempt from the
55 use tax imposed under this chapter if the aircraft enters or
56 remains in this state exclusively for purposes of flight
57 training, repairs, alterations, refitting, or modification. Such
58 purposes shall be supported by written documentation issued by
59 in-state vendors or suppliers which clearly and specifically
60 identifies the aircraft. The exemption provided in this
61 subparagraph is in addition to the exemptions provided in
62 subparagraph 1. and s. 212.05(1) (a).

63 3. An aircraft owned by a nonresident is exempt from the
64 use tax imposed under this chapter if the aircraft enters or
65 remains in this state exclusively to be used in service of a
66 contract with the United States Department of Defense or with a
67 military branch of a recognized foreign government. The
68 exemption provided in this subparagraph is in addition to the



410044

69 exemptions provided in subparagraph 1. and s. 212.05(1)(a).

70 Section 31. Effective October 1, 2020, paragraph (jjj) of
71 subsection (7) of section 212.08, Florida Statutes, is amended
72 to read:

73 212.08 Sales, rental, use, consumption, distribution, and
74 storage tax; specified exemptions.—The sale at retail, the
75 rental, the use, the consumption, the distribution, and the
76 storage to be used or consumed in this state of the following
77 are hereby specifically exempt from the tax imposed by this
78 chapter.

79 (7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any
80 entity by this chapter do not inure to any transaction that is
81 otherwise taxable under this chapter when payment is made by a
82 representative or employee of the entity by any means,
83 including, but not limited to, cash, check, or credit card, even
84 when that representative or employee is subsequently reimbursed
85 by the entity. In addition, exemptions provided to any entity by
86 this subsection do not inure to any transaction that is
87 otherwise taxable under this chapter unless the entity has
88 obtained a sales tax exemption certificate from the department
89 or the entity obtains or provides other documentation as
90 required by the department. Eligible purchases or leases made
91 with such a certificate must be in strict compliance with this
92 subsection and departmental rules, and any person who makes an
93 exempt purchase with a certificate that is not in strict
94 compliance with this subsection and the rules is liable for and
95 shall pay the tax. The department may adopt rules to administer
96 this subsection.

97 (jjj) *Certain machinery and equipment.*—



410044

98 1. Industrial machinery and equipment purchased by eligible
99 manufacturing businesses which is used at a fixed location in
100 this state for the manufacture, processing, compounding, or
101 production of items of tangible personal property for sale is
102 exempt from the tax imposed by this chapter. If, at the time of
103 purchase, the purchaser furnishes the seller with a signed
104 certificate certifying the purchaser's entitlement to exemption
105 pursuant to this paragraph, the seller is not required to
106 collect the tax on the sale of such items, and the department
107 shall look solely to the purchaser for recovery of the tax if it
108 determines that the purchaser was not entitled to the exemption.

109 2. For purposes of this paragraph, the term:

110 a. "Eligible manufacturing business" means any business
111 whose primary business activity at the location where the
112 industrial machinery and equipment is located is within the
113 industries classified under NAICS codes 31, 32, 33, 112511, and
114 423930.

115 b. "Eligible postharvest activity business" means a
116 business whose primary business activity, at the location where
117 the postharvest machinery and equipment is located, is within
118 the industries classified under NAICS code 115114.

119 c. "NAICS" means those classifications contained in the
120 North American Industry Classification System, as published in
121 2007 by the Office of Management and Budget, Executive Office of
122 the President.

123 d. "Primary business activity" means an activity
124 representing more than 50 percent of the activities conducted at
125 the location where the industrial machinery and equipment or
126 postharvest machinery and equipment is located.



410044

127 e. "Industrial machinery and equipment" means tangible
128 personal property or other property that has a depreciable life
129 of 3 years or more and that is used as an integral part in the
130 manufacturing, processing, compounding, or production of
131 tangible personal property for sale. The term includes tangible
132 personal property or other property that has a depreciable life
133 of 3 years or more which is used as an integral part in the
134 recycling of metals for sale. A building and its structural
135 components are not industrial machinery and equipment unless the
136 building or structural component is so closely related to the
137 industrial machinery and equipment that it houses or supports
138 that the building or structural component can be expected to be
139 replaced when the machinery and equipment are replaced. Heating
140 and air conditioning systems are not industrial machinery and
141 equipment unless the sole justification for their installation
142 is to meet the requirements of the production process, even
143 though the system may provide incidental comfort to employees or
144 serve, to an insubstantial degree, nonproduction activities. The
145 term includes parts and accessories for industrial machinery and
146 equipment only to the extent that the parts and accessories are
147 necessary for the continued operation of the industrial
148 machinery or equipment or were purchased before the date the
149 machinery and equipment were ~~are~~ placed in service.

150 f. "Postharvest activities" means services performed on
151 crops, after their harvest, with the intent of preparing them
152 for market or further processing. Postharvest activities
153 include, but are not limited to, crop cleaning, sun drying,
154 shelling, fumigating, curing, sorting, grading, packing, and
155 cooling.



410044

156 g. "Postharvest machinery and equipment" means tangible
157 personal property or other property with a depreciable life of 3
158 years or more which is used primarily for postharvest
159 activities. A building and its structural components are not
160 postharvest industrial machinery and equipment unless the
161 building or structural component is so closely related to the
162 postharvest machinery and equipment that it houses or supports
163 that the building or structural component can be expected to be
164 replaced when the postharvest machinery and equipment is
165 replaced. Heating and air conditioning systems are not
166 postharvest machinery and equipment unless the sole
167 justification for their installation is to meet the requirements
168 of the postharvest activities process, even though the system
169 may provide incidental comfort to employees or serve, to an
170 insubstantial degree, nonpostharvest activities.

171 3. Postharvest machinery and equipment purchased by an
172 eligible postharvest activity business which is used at a fixed
173 location in this state is exempt from the tax imposed by this
174 chapter. All labor charges for the repair of, and parts and
175 materials used in the repair of and incorporated into, such
176 postharvest machinery and equipment are also exempt. If, at the
177 time of purchase, the purchaser furnishes the seller with a
178 signed certificate certifying the purchaser's entitlement to
179 exemption pursuant to this subparagraph, the seller is not
180 required to collect the tax on the sale of such items, and the
181 department shall look solely to the purchaser for recovery of
182 the tax if it determines that the purchaser was not entitled to
183 the exemption.

184



410044

185 ===== T I T L E A M E N D M E N T =====

186 And the title is amended as follows:

187 Delete line 117

188 and insert:

189 reports; providing applicability; amending s. 212.08,
190 F.S.; providing a sales tax exemption for certain
191 aircraft equipment used as part of certain
192 governmental contracts; providing a use tax exemption
193 for certain aircraft owned by nonresidents and used in
194 service of certain governmental contracts; providing
195 construction; providing a sales tax exemption for
196 parts and accessories necessary for the continued
197 operation of certain industrial machinery or
198 equipment; amending s. 212.134,