A bill to be entitled

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

Section 1. Section 212.059, Florida Statutes, is
created to read:

212.059 Sales and use tax on services.--It is hereby
declared to be the legislative intent to levy an excise tax on
the sale of services in this state as hereinafter provided.
It is further declared to be the legislative intent to levy a
complementary excise tax on the use of services in this state
as hereinafter provided.

(1)(a) A tax is hereby imposed on the sale at retail
of any service in this state at the rate of 5 percent of the
sales price of the service. The tax shall be computed on each
taxable sale of a service for the purpose of remitting the
amount of tax due the state, and shall include each and every
retail sale of a service.

(b) The sale of a service is in this state for
purposes of this part if the service is performed wholly
within this state, or if the service is performed partly
within and partly without this state but the greater
proportion of the service is performed within this state,
based on costs of performance.

(c) "Costs of performance" for purposes of this part
means direct costs determined in a manner consistent with
generally accepted accounting principles and in accordance
with accepted conditions or practices in the type of trade or
business in which the taxpayer engages.

(2) A tax is hereby imposed on the use of any service
in this state when the sale of the service is not taxable in
this state, at the rate of 5 percent of the cost price of the

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service. The tax imposed by this subsection shall not apply
to the use of any service the sale of which would not be
taxable if the service had been sold in this state.

(3) The sales and use tax on services imposed by this
section shall be collected by the dealer as defined in this
part and remitted by him to the state at the time and in the
manner as provided in this part. However, the tax on services
rendered by [travel agents] and insurance agents shall be
remitted by the [purchaser of the service]. If the seller of
services is a multistate business and the sale occurs outside
this state any applicable use tax shall be remitted by the
purchaser of the service.

(4)(a) The sales and use tax on services imposed by
this section shall be due and payable according to the
brackets set forth in s. 212.12 at the time of the sale or use
of the service unless the dealer elects to remit the tax
pursuant to paragraph (b).

(b) A dealer may elect to remit the tax on service at
the time consideration is paid for such services and on the
amount of consideration paid. If such election is made, it
shall be applicable to all transactions of such dealer taxed
under this section. Such election shall be made and may be
changed by the dealer pursuant to procedures established by
rule of the department.

(c) However, if a transaction involves both the sale
or use of services and the sale or use of tangible personal
property, and the tangible personal property is not an
inconsequential element of the transaction, the sales and use
tax on services shall be due and payable at the time of the
sale or use regardless of the time consideration is paid for
such services.
(5) Notwithstanding other provisions of this section:

(a) The sales price of the sale of interstate transportation services, or the cost price of the use of interstate transportation services, shall be apportioned to the state as provided in this paragraph. There shall be included in the measure of the tax imposed by this part on the sale or use of interstate transportation services that proportion of the sales price or cost price of the Florida service provider which is equal to the proportion of mileage within Florida to the total United States mileage of the Florida service provider for the service transaction in question.

(b) The sales price of the sale of interstate advertising services, or the cost price of the use of interstate advertising services, shall be apportioned to the state as provided in this paragraph. There shall be included in the measure of the tax imposed by this part on the sale or use of interstate advertising services that proportion of the sales price or cost price which is equal to the proportion of market coverage within Florida to the total United States market coverage for the most recently completed accounting year of the service provider or such other time period or such other proportion as the department may prescribe by rule. For purposes of this paragraph, "market coverage" means average daily circulation, in the case of print media, and means the average hourly number of viewing or listening households, in the case of broadcast media, measured as prescribed by the department by rule. For interstate advertising services other than print or broadcast advertising, the department shall establish by rule a method for apportioning the advertising
services that fairly reflects the sales price or cost price of
such services sold or used in this state.

(6) When a service is rendered for which there is no
stated charge and for such services the service provider is
customarily recompensed by the difference between his cost
price and his sales price, the tax on the sale or use of the
service shall be based upon the difference between his sales
price and cost price.

Section 2. Section 212.0591, Florida Statutes, is
created to read:

212.0591 Rules of construction.--For purposes of the
sales and use tax on services, the following rules of
construction shall apply:

(1) References to the Standard Industrial
Classification are intended to describe activities or services
exempt from the tax on services. Such references shall not be
construed to exempt a service solely because it is performed
by a person typically engaged in that service. Neither shall
such references be construed to preclude an exemption for a
service solely because it is performed by a person not
typically engaged in that service.

(2) If the entire sales price of the sale of a service
or if the entire cost price of the use of a service cannot be
included within the measure of the tax imposed by this part
under the Constitution or laws of the United States, there
shall be apportioned to the state and included in the measure
of the tax imposed by this part on the sale or use of services
that proportion of the sales price or cost price so requiring
apportionment which the cost of performing the services within
the state bears to the total cost of performing the services.
(3) The sales and use tax on services imposed by this section is in addition to all other taxes, whether levied in the form of excise, license, or privilege taxes, and shall be in addition to all other fees and taxes levied.

(4) The sales and use tax on services imposed by this section shall not be construed to impose an additional tax on transactions to the extent that they are already taxed under other provisions of this chapter.

(5) No exemption from the sales and use tax on services imposed by s. 212.059(1) or (2) shall be deemed to exempt transactions that were subject to taxation pursuant to other provisions of this part on January 1, 1987.

(6) If a transaction involves both the sale or use of a service taxable under this part and the sale or use of intangible or real property not taxable under this part, then the tax imposed by this part shall apply to the transaction to the extent that the consideration paid in connection with the transaction is payment for the sale or use of services.

(7) If a transaction involves both the sale or use of a service taxable under this part and the sale or use of a service exempt under this part, the consideration paid shall be separately identified and stated with respect to the taxable and exempt portions of the transaction as a condition of the exemption.

(8) Neither the taxation of services nor the assessment or collection of taxes under this part shall be construed as making lawful the transaction or incident which is the subject of the tax.

Section 3. Section 212.0592, Florida Statutes, is created to read:

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212.0592 Exemptions from sales or use tax on services.--

There shall be exempt from the tax on the sale or use of services imposed by s. 212.059(1) or (2) the following:

1.(a) Services purchased for consumption outside of this state.

(b) A service shall be deemed to be purchased for consumption in the state where the benefit of the service is substantially enjoyed. For purposes of determining where the benefit of the service is substantially enjoyed, the following provisions shall be applicable:

1. If the service directly relates to an activity of the purchaser, or a person acting on behalf of the purchaser, that is conducted entirely in this state, the service shall be presumed to be substantially enjoyed in this state.

2. If the service directly relates to real property in this state, the service shall be presumed to be substantially enjoyed in this state.

3. Unless the provisions of subparagraph 1. are applicable, the service shall be presumed to be substantially enjoyed in this state if the service directly relates to tangible personal property and if the owner of the property is domiciled in this state or has its principal place of business in this state, unless the property has acquired a business situs outside of this state.

4. Unless the provisions of subparagraphs 1., 2., or 3. are applicable, if the purchaser of the service is doing business in this state and in one or more other states, the service shall be presumed to be substantially enjoyed in this state to the extent that the purchaser is doing business in this state. For purposes of determining the extent of the
purchaser's business in this state, the apportionment formulas
set forth in Part IV of Chapter 214 shall be utilized. If the
purchaser is a member of an affiliated group of corporations,
as described in subsection (5), the affiliated group shall be
considered the purchaser for apportionment purposes.

5. Unless the provision of subparagraphs 1., 2., 3.,
or 4. are applicable the service shall be presumed to be
substantially enjoyed in this state if the purchaser is a
resident of this state or is doing business exclusively in
this state.

6. Notwithstanding subparagraphs 1., 2., 3., 4. and
5., if the purchaser can demonstrate to the department that
the benefit of the service was substantially enjoyed outside
the state, the exemption allowed under this subsection shall
be granted.

(c) In order to qualify for this exemption, the
provisions of s. 212.0593 shall be met.

(d) Notwithstanding paragraphs (a) and (b), interstate
advertising services and interstate transportation services
shall be presumed to be substantially enjoyed in this state to
the extent that the sales price or cost price of such services
is apportioned to this state pursuant to s. 212.059(5).

(2) The sale or use of services by an employee to an
employer. This subsection shall not be construed to limit in
any respect the scope of s. 212.06(1)(b).

(3) The occasional or isolated sale of services by a
person who does not hold himself out as engaged in business or
the use of services purchased in a transaction that is an
isolated sale.

(4) The services that partners who are natural persons
render to their partnerships, unless the partner renders his

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services to the partnership in the capacity of an independent contractor.

(5) The sale or use of services between members of an affiliated group of corporations, as defined in section 1504(a) of the Internal Revenue Code, whose members are includable under Section 1504(b) of the Internal Revenue Code, and are eligible to file a consolidated tax return for Florida or federal corporate income tax purposes. However, this exemption shall not apply to the sale or use of any service between any such members who are not included in the affiliated group for purposes of the apportionment provisions in subsection (1). If the exemption in this subsection is not applicable, the sales price or cost price of the service shall be based upon the fair market value of the service. The sale or use of services between divisions that may be separate taxpayers within the same corporation shall be exempt.

(6) The sale or use of agricultural services enumerated in Standard Industrial Classification Major Group 07. However, this exemption shall not apply to animal specialty services (Industry Number 0752) unless the services relate to agricultural products as defined in s. 618.01(1), or to landscape and horticultural services (Group Number 078).

(7)(a) The sale or use of transportation and warehousing services enumerated in Standard Industrial Classification Major Groups 40, 42, 44, 45 and 47 for agricultural commodities that have retained their original identity, phosphate rock as defined in s. 211.30(9), nitrogenous fertilizers as enumerated in Standard Industrial Classification Industry Number 2873, and phosphatic fertilizers as enumerated in Standard Industrial Classification Industry Number 2874.
(b) The sale or use of food broker services for agricultural commodities that have retained their original identity.

(c) For purposes of this subsection, an agricultural commodity retains its original identity if the transportation of such product is not subject to federal regulation under Section 303(b)(6) of Title 49, United States Code.

(8) The sale or use of forestry services enumerated in Standard Industrial Classification Group Number 085 or timber cutting, harvesting, estimating or transportation services enumerated in Standard Industrial Classification Group Number 241.

(9) Educational services enumerated in Standard Industrial Classification Major Group 82, except those services enumerated in Industry Number 8299.

(10) Fees or other charges for services imposed by governmental entities enumerated in Standard Industrial Classification Major Groups 91, 92, 93, 94, 95, 96, and 97. However, this exemption shall not apply to charges for utility or sanitary services.

(11) The sale or use of health services enumerated in Standard Industrial Classification Major Group 80 or health services provided by pharmacists licensed pursuant to chapter 465, acupuncturists certified pursuant to chapter 457, respiratory therapists and respiratory therapy technicians registered or certified pursuant to chapter 468, audiologists and speech-language pathologists certified pursuant to chapter 468, physical therapists and physical therapist assistants licensed pursuant to chapter 486, opticians licensed pursuant to chapter 484, hearing aid specialists licensed pursuant to

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chapter 484, or home health agencies or hospices licensed pursuant to chapter 400.

(12) Consideration paid for insurance, as defined under the Florida Insurance Code. However, consideration paid for title insurance that is in excess of 110% of the risk premium rate promulgated pursuant to s. 627.782 shall not be exempt as consideration paid for insurance.

(13) Interest or "points" that constitute prepayment of interest.

(14) Maintenance assessments or fees paid by an association member to a homeowners association, residential condominium owners association, residential property owners association, residential mobile homeowners association, or residential cooperative association.

(15) Membership dues or membership fees paid to membership organizations enumerated in Standard Industrial Classification Group Numbers 863, 864, 865, 866 and 869, provided such organizations are not-for-profit corporations under chapter 617 or a comparable law of another state or are exempt organizations under the Internal Revenue Code, or membership dues or fees paid to regulatory athletic associations.

(16) Motion picture and television production services enumerated in Standard Industrial Classification Group Number 781.

(17) The sale or use of local and suburban passenger transportation services enumerated in Standard Industrial Classification Industry Number 4111, ambulance services and hearse rental services enumerated in Standard Industrial Classification Industry Number 4119, or intercity and rural...
highway passenger transportation services enumerated in Standard Industrial Classification Group Number 413.

(18) Sanitary services enumerated in Standard Industrial Classification Group Number 495, garbage, refuse and debris transportation services enumerated in Standard Industrial Classification Industry Number 4212, or septic tank cleaning services enumerated in Standard Industrial Classification Industry Number 7699, if such services are sold to residential households or owners of residential models.

(19) Social services enumerated in Standard Industrial Classification Major Group 83 or other social services rendered pursuant to any contract between a social service provider and a governmental entity.

(20) Remuneration paid to athletes for services related to their participation in athletic events, or remuneration paid to owners of greyhounds or racehorses for participation in pari-mutuel events, or consideration paid for the right to broadcast athletic events at which admission is charged.

Section 4. Section 212.0593, Florida Statutes, is created to read:

212.0593 Administration of Section 212.0592(1).--

(1) Each multistate business having nexus in this state and each business in this state which is a member of an affiliated group of corporations which constitute a multistate business shall obtain from the department an exempt purchase permit prior to claiming an exemption under s. 212.0592(1).

Upon purchasing a service from a registered Florida dealer, presentation by said multistate business of a valid exempt purchase permit shall absolve the selling dealer from the responsibility of collecting any sales or use tax which may be

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due on the service. The purchaser shall self-accrue any taxes which may be due on the service and remit them to the department in the manner and under the requirements applicable to dealers under this part, subject to such additional reporting requirements as the department may prescribe.

(2) Any business or group of businesses without nexus in this state and any individual domiciled in another state claiming an exemption under s. 212.0592(1) shall execute and present to the selling dealer an exempt purchase affidavit on a form prescribed by the department. The affidavit shall include the federal employer identification number of the business or social security number of the individual, the purchaser's location and mailing address, a statement that the business does not have nexus in this state or that the individual is not domiciled in this state, the name and registration number of the selling dealer, and a statement of consent by the purchaser to be subject to the jurisdiction of this state solely for the purpose of enforcement of the sales and use tax on services. The affidavit shall also contain such other information as the department may prescribe.
Acceptance of a valid exempt purchase affidavit shall absolve the selling dealer from the responsibility of collecting any sales or use tax which may be due on the service.

(3) Each dealer shall maintain a monthly log showing each transaction for which sales or use tax was not collected because of the presentation of an exempt purchase permit or exempt purchase affidavit under this section. The log shall identify the purchaser, the service sold, the price of the service and such other information as the department may prescribe. The logs and all affidavits accepted by the
dealer shall be submitted to the department quarterly and shall be subject to the same requirements and penalties for timeliness and completeness as returns required under this part.
A bill to be entitled
Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 212.02, Florida Statutes, 1986 Supplement, as amended by chapters 86-152 and 86-166, Laws of Florida, is amended to read:

212.02 Definitions.--The following terms and phrases when used in this chapter have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

(1) "Admissions" means and includes the net sum of money after deduction of any federal taxes for admitting a person or vehicle or persons to any place of amusement, sport, or recreation or for the privilege of entering or staying in any place of amusement, sport, or recreation, including, but not limited to, theaters, outdoor theaters, shows, exhibitions, games, races, or any place where charge is made by way of sale of tickets, gate charges, seat charges, box charges, season pass charges, cover charges, greens fees, participation fees, entrance fees, or other fees or receipts of anything of value measured on an admission or entrance or length of stay or seat box accommodations in any place where there is any exhibition, amusement, sport, or recreation, and all dues paid to private clubs providing recreational facilities, including but not limited to golf, tennis, swimming, yachting, and boating facilities.

(2) "Business" means any activity engaged in by any person, or caused to be engaged in by him, with the object of private or public gain, benefit, or advantage, either direct or indirect. Except for the sales of any aircraft, boat, mobile home, or motor vehicle, the term "business" shall not

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be construed in this chapter to include occasional or isolated sales or transactions involving tangible personal property or services by a person who does not hold himself out as engaged in business, but includes other charges for the sale or rental of tangible personal property, sales of services taxable under this part, sales of or charges of admission, communication services, all rentals and leases of living quarters, other than low-rent housing operated under chapter 421, sleeping or housekeeping accommodations in hotels, apartment houses, roominghouses, tourist or trailer camps, and all rentals of or licenses in real property, other than low-rent housing operated under chapter 421, all leases or rentals of or licenses in parking lots or garages for motor vehicles, docking or storage spaces for boats in boat docks or marinas as defined in this chapter and made subject to a tax imposed by this chapter. Any tax on such sales, charges, rentals, admissions, or other transactions made subject to the tax imposed by this chapter shall be collected by the state, county, municipality, any political subdivision, agency, bureau, or department, or other state or local governmental instrumentality in the same manner as other dealers, unless specifically exempted by this chapter.

(3)(5) The terms "cigarettes," "tobacco," or "tobacco products" referred to in this chapter include all such products as are defined or may be hereafter defined by the laws of the state.

(4)(5) "Cost price" means the actual cost of articles of tangible personal property or services without any deductions therefrom-on-account-of-the-cost-of-materials-used; labor-or-service-costs; transportation-charges; or any expenses whatsoever.
(5) The term "department" means the Department of Revenue.

(6) "Employee" means any person who is not an independent contractor and whose wages or remuneration are subject to tax under the Federal Insurance Contributions Act or under the Federal Unemployment Tax Act, or whose wages or remuneration are subject to withholding for federal income tax purposes.

(7) "Employer" means any person who must pay taxes on wages under the Federal Insurance Contributions Act or under the Federal Unemployment Tax Act, or who must withhold taxes from wages for federal income tax purposes.

(8) "Enterprise zone" means an area of the state authorized to be an enterprise zone pursuant to s. 290.0055 and approved by the secretary of the Department of Community Affairs pursuant to s. 290.0065. This subsection shall expire and be void on December 31, 1994.

(9) "Factory-built building" means a structure manufactured in a manufacturing facility for installation or erection as a finished building; "factory-built building" includes, but is not limited to, residential, commercial, institutional, storage, and industrial structures.

(10) "In this state" or "in the state" means within the state boundaries of Florida as defined in Article II, Section 1 of the Constitution of the State exterior-limits of Florida and includes all territory within these limits owned by or ceded to the United States.

(11) The term "intoxicating beverages" or "alcoholic beverages" referred to in this chapter includes all such beverages as are so defined or may be hereafter defined by the laws of the state.

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"Lease," "let," or "rental" means leasing or renting of living quarters or sleeping or housekeeping accommodations in hotels, apartment houses, roominghouses, tourist or trailer camps and real property, the same being defined as follows:

(a) Every building or other structure kept, used, maintained, or advertised as, or held out to the public to be, a place where sleeping accommodations are supplied for pay to transient or permanent guests or tenants, in which 10 or more rooms are furnished for the accommodation of such guests, and having one or more dining rooms or cafes where meals or lunches are served to such transient or permanent guests, such sleeping accommodations and dining rooms or cafes being conducted in the same building or buildings in connection therewith, shall, for the purpose of this chapter, be deemed a hotel.

(b) Any building, or part thereof, where separate accommodations for two or more families living independently of each other are supplied to transient or permanent guests or tenants shall for the purpose of this chapter be deemed an apartment house.

(c) Every house, boat, vehicle, motor court, trailer court, or other structure or any place or location kept, used, maintained, or advertised as, or held out to the public to be, a place where living quarters or sleeping or housekeeping accommodations are supplied for pay to transient or permanent guests or tenants, whether in one or adjoining buildings, shall for the purpose of this chapter be deemed a roominghouse.

(d) In all hotels, apartment houses, and roominghouses within the meaning of this chapter, the parlor, dining room,
(e) A "tourist camp" is a place where two or more tents, tent houses, or camp cottages are located and offered by a person or municipality for sleeping or eating accommodations, most generally to the transient public for either a direct money consideration or an indirect benefit to the lessor or owner in connection with a related business.

(f) A "trailer camp," "mobile home park," or "recreational vehicle park" is a place where space is offered, with or without service facilities, by any persons or municipality to the public for the parking and accommodation of two or more automobile trailers, mobile homes, or recreational vehicles which are used for lodging, for either a direct money consideration or an indirect benefit to the lessor or owner in connection with a related business, such space being hereby defined as living quarters, and the rental price thereof shall include all service charges paid to the lessor.

(g) "Lease," "let," or "rental" also means the leasing or rental of tangible personal property and the possession or use thereof by the lessee or rentee for a consideration, without transfer of the title of such property, except as expressly provided to the contrary herein. The term "lease," "let," or "rental" does not mean hourly, daily, or mileage charges, to the extent that such charges are subject to the jurisdiction of the United States Interstate Commerce Commission, when such charges are paid by reason of the presence of railroad cars owned by another on the tracks of the taxpayer.
(h) "Real property" means any interest in the surface of real property unless the property is:

1. Assessed as agricultural property under s. 193.461.
2. Used exclusively as dwelling units.
3. Property subject to tax on parking, docking, or storage spaces under s. 212.03(6).
4. A public or private street or right-of-way occupied or used by a utility for utility purposes.
5. A public street or road which is used for transportation purposes.

6. Property used at an airport exclusively for the purpose of aircraft landing or aircraft taxiing or property used by an airline for the purpose of loading or unloading passengers or property onto or from aircraft or for fueling aircraft.

7. Property used at a port authority as defined in s. 315.02(2) exclusively for the purpose of ocean going vessels or tugs docking, or such vessels mooring on property used by a port authority for the purpose of loading or unloading passengers or cargo onto or from such a vessel, or property used at a port authority for fueling such vessels.

(i) "License," as used in this chapter with reference to the use of real property, means the granting of a privilege to use or occupy a building or a parcel of real property for any purpose.

(13) "Motor fuel" means and includes what is commonly known and sold as gasoline and fuels containing a mixture of gasoline and other products.

(14) "Nurseryman" or "grower" means any person engaged in the production of nursery stock or horticultural plants.

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"Person" includes any individual, firm, copartnership, joint adventure, association, corporation, estate, trust, business trust, receiver, or syndicate, or other-group-or-combination-acting-as-a-unit and includes any political subdivision, municipality, state agency, bureau, or department and the plural as well as the singular number.

"Retailer" means and includes every person engaged in the business of making sales at retail, or for distribution, or use, or consumption, or storage to be used or consumed in this state.

"Retail sale" or a "sale at retail" means a sale to a consumer or to any person for any purpose other than for resale in the form of tangible personal property or services, and includes all such transactions that may be made in lieu of retail sales or sales at retail. A sale of a service shall be considered a sale for resale only if:

1. The purchaser of the service does not use or consume the service and acts as a broker or intermediary in procuring a service for his customer;

2. The purchaser of the service separately states the value of the service purchased at the purchase price in his charge for the service on its subsequent sale; and

3. The service, with its value separately stated, will be taxed under this part in a subsequent sale.

(b) The terms "retail sales," "sales at retail," "use," "storage," and "consumption" include the sale, use, storage, or consumption of all tangible advertising materials imported or caused to be imported into this state. Tangible advertising material includes displays, display containers, brochures, catalogs, pricelists, point-of-sale advertising,

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and technical manuals or any tangible personal property which
does not accompany the product to the ultimate consumer.

(c) "Retail sales," "sale at retail," "use,"
"storage," and "consumption" do not include materials,
containers, labels, sacks, or bags intended to be used one
time only for packaging tangible personal property for sale or
for packaging in the process of providing a service taxable
under this part and do not include the sale, use, storage, or
consumption of industrial materials, including chemicals and
fuels except as provided herein, for future processing,
manufacture, or conversion into articles of tangible personal
property for resale when such industrial materials, including
chemicals and fuels except as provided herein, become a
component or ingredient of the finished product. However,
said terms include the sale, use, storage, or consumption of
tangible personal property, including machinery and equipment
or parts thereof, purchased electricity, and fuels used to
power machinery, when said items are used and dissipated in
fabricating, converting, or processing tangible personal
property for sale, even though they may become ingredients or
components of the tangible personal property for sale through
accident, wear, tear, erosion, corrosion, or similar means.

(d) "Gross sales" means the sum total of all sales of
tangible personal property or services as defined herein,
without any deduction whatsoever of any kind or character,
except as provided in this chapter.

(18)(2) "Sale" means and includes:

(a) Any transfer of title or possession, or both,
exchange, barter, license, lease, or rental, conditional or
otherwise, in any manner or by any means whatsoever, of
tangible personal property for a consideration.
(b) The rental of living quarters or sleeping or housekeeping accommodations in hotels, apartment houses or roominghouses, or tourist or trailer camps, as hereinafter defined in this chapter.

(c) The producing, fabricating, processing, printing, or imprinting of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the producing, fabricating, processing, printing, or imprinting.

(d) The furnishing, preparing, or serving for a consideration of any tangible personal property for consumption on or off the premises of the person furnishing, preparing, or serving such tangible personal property which includes the sale of meals or prepared food by an employer to his employees.

(e) A transaction whereby the possession of property is transferred but the seller retains title as security for the payment of the price.

(f) Any transfer, provision, or rendering of services for a consideration.

(19)(4) "Sales price" means the total amount paid for tangible personal property or services, including any services that are a part of the sale and any tangible personal property that is part of the service, valued in money, whether paid in money or otherwise, and includes any amount for which credit is given to the purchaser by the seller, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service cost, interest charged, losses, or any other expense whatsoever. "Sales price" also includes the consideration for a transaction which requires labor or material to alter, remodel, maintain,
adjust, or repair tangible personal property. Trade-ins or
discounts allowed and taken at the time of sale shall not be
included within the purview of this subsection.

(9) "Solar-energy-system" means equipment and
requisite hardware which provide and are used for the
collection, transfer, storage, and use of incident solar
energy for water-heating, space-heating, cooling, or other
application which would otherwise require the use of a
conventional source of energy such as petroleum products,
natural gas, manufactured gas, or electricity. This
subsection is repealed effective June 30, 1984.

(20) "Service" means any activity engaged in for other
persons for a consideration.

(21) "Special fuel" means any liquid product, gas
product, or combination thereof used in an internal combustion
engine or motor to propel any form of vehicle, machine, or
mechanical contrivance. This term includes, but is not
limited to, all forms of fuel commonly or commercially known
or sold as diesel fuel or kerosene. However, the term
"special fuel" does not include butane gas, propane gas, or
any other form of liquefied petroleum gas or compressed
natural gas.

(22) "Standard Industrial Classification" means those
classifications contained in the Standard Industrial
Classification Manual, 1972, as published by the Office of
Management and Budget, Executive Office of the President, and
as amended in the 1977 Supplement.

(23) "Storage" means and includes any keeping or
retention in this state of tangible personal property for use
or consumption in this state or for any purpose other than
sale at retail in the regular course of business.

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"Tangible personal property" means and includes personal property which may be seen, weighed, measured, or touched or is in any manner perceptible to the senses, including electric power or energy, boats, motor vehicles and mobile homes as defined in s. 320.01(1) and (2), aircraft as defined in s. 330.27, and all other types of vehicles. The term "tangible personal property" does not include stocks, bonds, notes, insurance, or other obligations or securities; intangibles as defined by the intangible tax law of the state; or pari-mutuel tickets sold or issued under the racing laws of the state.

"Use" means and includes the exercise of any right or power over tangible personal property incident to the ownership thereof, or interest therein, except that it does not include the sale at retail of that property in the regular course of business. "Use" also means the exercise of any right or power over services, including the consumption or enjoyment of such services, except that it shall not include the sale at retail of such services in the regular course of business when the sale at retail of such services is taxable under this part.

The term "use tax" referred to in this chapter includes the use, the consumption, the distribution, and the storage as herein defined of tangible personal property or services.

Section 2. Paragraph (a) of subsection (1) of section 212.031, Florida Statutes, as amended by chapters 86-152 and 86-166, Laws of Florida, is reenacted to read:

212.031 Lease or rental of or license in real property.--

CODING: Words stricken are deletions; words underlined are additions.
(1)(a) It is declared to be the legislative intent that every person is exercising a taxable privilege who engages in the business of renting, leasing, letting, or granting a license for the use of any real property unless such property is:

1. Assessed as agricultural property under s. 193.461.
2. Used exclusively as dwelling units.
3. Property subject to tax on parking, docking, or storage spaces under s. 212.03(6).
4. A public or private street or right-of-way occupied or used by a utility for utility purposes.
5. A public street or road which is used for transportation purposes.
6. Property used at an airport exclusively for the purpose of aircraft landing or aircraft taxing or property used by an airline for the purpose of loading or unloading passengers or property onto or from aircraft or for fueling aircraft.
7. Property used at a port authority as defined in s. 315.02(2) exclusively for the purpose of oceangoing vessels or tugs docking, or such vessels mooring on property used by a port authority for the purpose of loading or unloading passengers or cargo onto or from such a vessel, or property used at a port authority for fueling such vessels.

Section 3. Paragraph (a) of subsection (2) of section 212.04, Florida Statutes, 1986 Supplement, as amended by Chapter 86-166, Laws of Florida, is reenacted and amended to read:

212.04 Admissions tax; rate, procedure, enforcement.--
(2)(a)1.--No tax shall be levied on admissions to athletic or other events sponsored by elementary schools;

CODING: Words stricken are deletions; words underlined are additions.
junior-high-schools,-middle-schools,-high-schools,-community
colleges,-public-or-private-colleges-and-universities,-deaf
and-blind-schools,-facilities-of-the-youth-services-programs
of-the-Department-of-Health-and-Rehabilitative-Services,-and
state-correctional-institutions-when-only-student,-faculty,-or
inmate-talent-is-utilized;

2.--No-tax-shall-be-levied-on-dues,-membership-fees,-
and-admission-charges-imposed-by-not-for-profit-sponsoring
organizations-or-community-or-recreational-facilities.--To
receive-this-exemption,-the-sponsoring-organization-or
facility-must-qualify-as-a-not-for-profit-entity-under-the
provisions-of-S.501(c)(3)-of-the-United-States-Internal

3.--No-tax-shall-be-levied-on-an-admission-paid-by-a
student,-or-on-his-behalf,-to-any-required-place-of-sport-or
recreation-if-the-student's-participation-in-the-sport-or
recreational-activity-is-required-as-a-part-of-a-program-or
activity-sponsored-by,-and-under-the-jurisdiction-of,-the
student's-educational-institution,-provided-his-attendance-is
as-a-participant-and-not-as-a-spectator.

4. No tax shall be levied on admissions to the
National Football League championship game.

Section 4. Section 212.05, Florida Statutes, 1986
Supplement, as amended by chapters 86-152, 86-155, and 86-166,
Laws of Florida, is amended to read:

212.05 Sales, storage, use tax.--It is hereby declared
to be the legislative intent that every person is exercising a
taxable privilege who engages in the business of selling
tangible personal property at retail in this state, or who
rents or furnishes any of the things or services taxable under
this section chapter, or who stores for use or consumption in

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this state any item or article of tangible personal property
as defined herein and who leases or rents such property within
the state.

(1) For the exercise of such privilege, a tax is
levied on each taxable transaction or incident, which tax is
due and payable as follows:

(a) The rate of 5 percent of the sales price of
each item or article of tangible personal property when sold
at retail in this state, computed on each taxable sale for the
purpose of remitting the amount of tax due the state, and
including each and every retail sale.

2. Each occasional or isolated sale of an aircraft,
boat, or mobile home, or motor vehicle of a class or type
which is required to be registered, licensed, titled, or
documented in this state or by the United States Government
shall be subject to tax at the rate provided in this
paragraph. The department shall, by rule, adopt the NADA
Official Used Car Guide as the reference price list for any
used motor vehicle which is required to be licensed pursuant
to s. 320.08(1), (2), (3)(a), (b), (c), or (f), or (9). If
any party to an occasional or isolated sale of such a vehicle
reports to the tax collector a sales price which is less than
80 percent of the average loan price for the specified model
and year of such vehicle as listed in the most recent
reference price list, the tax levied under this paragraph
shall be computed by the department on such average loan price
unless the parties to the sale have provided to the tax
collector an affidavit, signed by each party, or other
substantial proof, stating the actual sales price. Any party
to such sale who reports a sales price less than the actual
sales price is guilty of a misdemeanor of the second degree.
punishable as provided in s. 775.083. The department shall
collect or attempt to collect from such party any delinquent
sales taxes. In addition, such party shall pay any tax due
and any penalty and interest assessed, plus a penalty equal to
twice the amount of the additional tax owed. Notwithstanding
any other provision of law, the Department of Revenue may
waive or compromise any penalty imposed after July 1, 1985,
pursuant to this sub-subparagraph. For purposes of this sub-
subparagraph, an occasional or isolated sale is one in which
the seller is not a motor vehicle dealer as defined in s.
320.27(1)(c).

(b) At the rate of 5 percent of the cost price of each
item or article of tangible personal property when the same is
not sold but is used, consumed, distributed, or stored for use
or consumption in this state.

2. This paragraph does not apply to the sale of a boat
by or through a registered dealer under this chapter to a
purchaser who removes such boat from this state within 10 days
after the date of purchase or, when the boat is repaired or
altered, within 10 days after completion of such repairs or
alterations. In no event shall the boat remain in this state
more than 90 days after the date of purchase. This exemption
shall not be allowed unless the seller:

a. Obtains from the purchaser within 90 days from the
date of sale written proof that the purchaser licensed,
registered, or documented the boat outside the state;

b. Requires the purchaser to sign an affidavit that he
has read the provisions of this section; and

c. Makes the affidavit a part of his permanent record.
In the event the purchaser fails to remove the boat from this state within 10 days after purchase or, when the boat is repaired or altered, within 10 days after completion of such repairs or alterations, or permits the boat to return to this state within 6 months from the date of departure, the purchaser shall be liable for use tax on the cost price of the boat and, in addition thereto, payment of a penalty to the Department of Revenue equal to the tax payable. This penalty shall be in lieu of the penalty imposed by s. 212.12(2) and is mandatory and shall not be waived by the department.

(c) At the rate of 5 percent of the gross proceeds derived from the lease or rental of tangible personal property, as defined herein:--except-the-rental-of-motion-picture-film-when-an-admission-is-charged-for-viewing-such-film-when-the-lease-or-rental-of-such-property-is-an-established-business-or-part-of-an-established-business-or-the-same-is-incidental-or-germane-to-such-business.

(d) At the rate of 5 percent of the lease or rental price paid by a lessee or rentee, or contracted or agreed to be paid by a lessee or rentee, to the owner of the tangible personal property.

(e)l. At the rate of 5 percent on charges for all telegraph messages and long distance telephone calls beginning and terminating in this state; on charges for telecommunication service as defined in s. 203.012 and for those services described in s. 203.012(2)(a); on recurring charges to regular subscribers for wired television service; on all charges for the installation of telecommunication, wired television, and telegraphic equipment; and on all charges for electrical power or energy. For purposes of this

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subparagraph, the term "telecommunication service" does not
include local service provided through a pay telephone. The
provisions of s. 212.17(3), regarding credit for tax paid on
charges subsequently found to be worthless, shall be equally
applicable to any tax paid under the provisions of this
section on charges for telecommunication or telegraph services
or electric power subsequently found to be uncollectible. The
word "charges" in this paragraph does not include any excise
or similar tax levied by the Federal Government, any political
subdivision of the state, or any municipality upon the
purchase or sale of telecommunication, wired television, or
telegraph service or electric power, which tax is collected by
the seller from the purchaser.

2. Telegraph messages and telecommunication services
which originate or terminate in this state, other than
interstate private communication services, and are billed to a
customer, telephone number, or device located within this
state are taxable under this paragraph. Interstate private
communication services are taxable under this paragraph as
follows:

a. One hundred percent of the charge imposed at each
channel termination point within this state;

b. One hundred percent of the charge imposed for the
total channel mileage between each channel termination point
within this state; and

c. Fifty percent of the charge imposed for the total
channel mileage between the first channel termination point
inside this state and the nearest channel termination point
outside this state.

3. The tax imposed pursuant to this paragraph shall
not exceed $50,000 per calendar year on charges to any person

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for interstate telecommunications services defined in s. 203.012(4) and (7)(b), if the majority of such services used by such person are for communications originating outside of this state and terminating in this state. This exemption shall only be granted to holders of a direct pay permit issued pursuant to this subparagraph. No refunds shall be given for taxes paid prior to receiving a direct pay permit. Upon application, the department may issue a direct pay permit to the purchaser of telecommunications services authorizing such purchaser to pay tax on such services directly to the department. Any vendor furnishing telecommunications services to the holder of a valid direct pay permit shall be relieved of the obligation to collect and remit the tax on such service. Tax payments and returns pursuant to a direct pay permit shall be monthly. For purposes of this subparagraph, the term "person" shall be limited to a single legal entity and shall not be construed as meaning a group or combination of affiliated entities or entities controlled by one person or group of persons. For purposes of this subparagraph, for calendar year 1986, the term "calendar year" means the last 6 months of 1986.

(f) At the rate of 5 percent on the sale, rental, use, consumption, or storage for use in this state of machines and equipment and parts and accessories therefor used in manufacturing, processing, compounding, producing, mining, or quarrying personal property for sale or to be used in furnishing communications, transportation, or public utility services.

(g) At the rate of 5 percent of the price, as determined pursuant to part II, of each gallon of motor fuel or special fuel taxable pursuant to that part, except that

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motor fuel and special fuel expressly taxable under this part shall be taxed as provided in paragraphs (a) and (b).

(h) Any person who purchases, installs, rents, or leases a telephone system or telecommunication system for his own use to provide himself with telephone service or telecommunication service which is a substitute for any telephone company switched service or a substitute for any dedicated facility by which a telephone company provides a communication path is exercising a taxable privilege and shall register with the Department of Revenue and pay into the State Treasury a yearly amount equal to 5 percent of the actual cost of operating such system, notwithstanding the provisions of s. 212.081(3)(b). "Actual cost" includes, but is not limited to, depreciation, interest, maintenance, repair, and other expenses directly attributable to the operation of such system. For purposes of this paragraph, the depreciation expense to be included in actual cost shall be the depreciation expense claimed for federal income tax purposes. The total amount of any payment required by a lease or rental contract or agreement shall be included within the actual cost. The provisions of this paragraph do not apply to the use by any local telephone company or any telecommunication carrier of its own telephone system or telecommunication system to conduct a telecommunication service for hire. If a system described in this paragraph is located in more than one state, the actual cost of such system for purposes of this paragraph shall be the actual cost of the system's equipment located in Florida.

(i)--At-the-rate-of-5-percent-on-charges-for-cleaning, laundry, and garment services as defined in group 721 of the 1972 Standard Industrial Classification Manual as published by

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the Executive Office of the President, Office of Management
and Budget.
(j) At the rate of 5 percent of the consideration for
performing or providing any service.
(2) The tax shall be collected by the dealer, as
defined herein, and remitted by him to the state at the time
and in the manner as hereinafter provided.
(3) The tax so levied is in addition to all other
taxes, whether levied in the form of excise, license, or
privilege taxes, and in addition to all other fees and taxes
levied.
(4) The tax imposed pursuant to this part shall be due
and payable according to the brackets set forth in s. 212.12.
Section 5. Paragraph (b) of subsection (1) of section
212.052, Florida Statutes, is amended to read:
212.052 Research or development costs; exemption.--
(1) For the purposes of the exemption provided in this
section:
(b) The term "costs" means cost price as defined in s.
212.02(4)(5).
Section 6. Paragraph (a) of subsection (3) of section
212.054, Florida Statutes, 1986 Supplement, is amended to
read:
212.054 Discretionary sales surtax; limitations,
administration, and collection.--
(3) For the purpose of this section, a transaction
shall be deemed to have occurred in a county imposing the
surtax when:
(a) The dealer is located in the county and the sale
includes tangible personal property or services, except as
otherwise provided herein provided in paragraph (c);

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Section 7. Paragraph (b) of subsection (1), paragraphs (g) and (k) of subsection (2), and subsections (4) and (7) of section 212.06, Florida Statutes, 1986 Supplement, are amended to read:

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

(1)

(b) Except as otherwise provided, any person who manufactures, produces, compounds, processes, or fabricates in any manner tangible personal property for his own use shall pay a tax upon the cost of the product manufactured, produced, compounded, processed, or fabricated without any deduction therefrom on account of the cost of material used, labor or service costs, or transportation charges, notwithstanding the provisions of s. 212.02(4)(5) defining "cost price." However, the tax levied under this paragraph shall not be imposed upon any person who manufactures or produces electrical power or energy, steam energy, or other energy, when such power or energy is used directly and exclusively in the operation of machinery or equipment that is used to manufacture, process, compound, produce, fabricate, or prepare for shipment tangible personal property for sale or to operate pollution control equipment, maintenance equipment, or monitoring or control equipment used in such operations. The manufacturing or production of electrical power or energy that is used for space heating, lighting, office equipment, or air conditioning or any other nonmanufacturing, nonprocessing, noncompounding, nonproducing, nonfabricating, or nonshipping activity is taxable. Electrical power or energy consumed or dissipated in the transmission or distribution of electrical power or energy.

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for resale is also not taxable. Fabrication labor shall not be taxable when a person is using his own equipment and his own personnel, for his own account, as a producer, subproducer, or coproducer of video tapes or motion pictures prepared for showing on screens or through television, for either theatrical, commercial, advertising, or educational purposes.

(2)

(g) "Dealer" also means and includes every person who solicits business either by direct representatives, indirect representatives, or manufacturers' agents or by distribution of catalogs or other advertising matter or by any other means whatsoever and by reason thereof receives orders for tangible personal property or services from consumers for use, consumption, distribution, and storage for use or consumption in the state; and such dealer shall collect the tax imposed by this chapter from the purchaser, and no action either in law or in equity on a sale or transaction as provided by the terms of this chapter may be had in this state by any such dealer unless it is affirmatively shown that the provisions of this chapter have been fully complied with.

(k) "Dealer" also means any person who sells, provides, or performs a taxable service for consideration taxable under this part. "Dealer" also means any person who purchases, uses, or consumes a service taxable under this part who cannot prove that the tax levied by this part has been paid to the seller of the taxable service.

(4) On all tangible personal property imported or caused to be imported from other states, territories, the District of Columbia, or any foreign country, and used by him, and on all services purchased in other states, territories,

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the District of Columbia, or any foreign country, and used by
him, the dealer as herein defined, shall pay the tax imposed
by this chapter on all articles of tangible personal property
so imported and used, and on all services so purchased and
used, the same as if such articles or services had been sold
at retail for use or consumption in this state. For the
purposes of this chapter, the use, or consumption, or
distribution, or storage to be used or consumed in this state
of tangible personal property shall each be equivalent to a
sale at retail; and the tax shall thereupon immediately levy
and be collected in the manner provided herein, provided there
shall be no duplication of the tax in any event.

(7) The provisions of this chapter do not apply in
respect to the use or consumption of tangible personal
property or services, or distribution or storage of tangible
personal property or services for use or consumption in this
state, upon which a like tax equal to or greater than the
amount imposed by this chapter has been lawfully imposed and
paid in another state. The proof of payment of such tax shall
be made according to rules and regulations of the department.
If the amount of tax paid in another state is not equal to or
greater than the amount of tax imposed by this chapter, then
the dealer shall pay to the department an amount sufficient to
make the tax paid in the other state and in this state equal
to the amount imposed by this chapter.

Section 8. Paragraph (a) of subsection (1) and
subsections (2), (4), and (9) of section 212.07, Florida
Statutes, 1986 Supplement, are amended to read:

212.07 Sales, storage, use tax; tax added to purchase
price; dealer not to absorb; liability of purchasers who

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cannot prove payment of the tax; penalties; general
exemptions.--

(1)(a) The privilege tax herein levied measured by
retail sales shall be collected by the dealers from the
purchaser or consumer. The sales and use tax on services
herein levied measured by retail sales shall likewise be
collected by the dealers from the purchaser or consumer.

(2) A dealer shall, as far as practicable, add the
amount of the tax imposed under this chapter to the sale
price, and the amount of the tax shall be separately stated as
Florida tax on any charge ticket, sales slip, invoice, or
other tangible evidence of sale. Such tax shall constitute a
part of such price, charge, or proof of sale which shall be a
debt from the purchaser or consumer to the dealer, until paid,
and shall be recoverable at law in the same manner as other
debts. Where it is impracticable, due to the nature of the
business practices within an industry, to separately state
Florida tax on any charge ticket, sales slip, invoice, or
other tangible evidence of sale, the department may establish
an effective tax rate for such industry. The department may
also amend this effective tax rate as the industry's pricing
or practices change. Any dealer who neglects, fails, or
refuses to collect the tax herein provided upon any, every,
and all retail sales made by him or his agents or employees of
tangible personal property or services which are is subject to
the tax imposed by this chapter shall be liable for and pay
the tax himself.

(4) A dealer engaged in any business or in selling any
services taxable under this chapter may not advertise or hold
out to the public, in any manner, directly or indirectly, that
he will absorb all or any part of the tax, or that he will
relieve the purchaser of the payment of all or any part of the
tax, or that the tax will not be added to the selling price of
the property or services sold or released or, when added, that
it or any part thereof will be refunded either directly or
indirectly by any method whatsoever. A person who violates
this provision with respect to advertising or refund is guilty
of a misdemeanor of the second degree, punishable as provided
in s. 775.082 or s. 775.083. A second or subsequent offense
constitutes a misdemeanor of the first degree, punishable as
provided in s. 775.082 or s. 775.083.

(9) Any person who has purchased at retail, used,
consumed, distributed, or stored for use or consumption in
this state tangible personal property, admissions,
communication or other services taxable under this part, or
leased tangible personal property, or who has leased,
occupied, or used or was entitled to use any real property,
space or spaces in parking lots or garages for motor vehicles
or docking or storage space, or spaces for boats in boat docks
or marinas and cannot prove that the tax levied by this
chapter has been paid to his vendor, lessor, or other person
is directly liable to the state for any tax, interest, or
penalty due on any such taxable transactions.

Section 9. Subsections (6) and (7) and paragraph (b)
of subsection (12) of section 212.08, Florida Statutes, 1986
Supplement, are amended, paragraph (a) of subsection (2) of
said section, as amended by chapters 86-152 and 86-166, Laws
of Florida, is reenacted, and subsection (11) of said section
is reenacted and amended, 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

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

(2) EXEMPTIONS; MEDICAL.--

(a) There shall be exempt from the tax imposed by this
chapter any product, supply, or medicine dispensed in a retail
establishment by a pharmacist licensed by the state, according
to an individual prescription or prescriptions written by a
prescriber authorized by law to prescribe medicinal drugs;
hypodermic needles; hypodermic syringes; chemical compounds
and test kits used for the diagnosis or treatment of human
disease, illness, or injury; and common household remedies
recommended and generally sold for internal or external use in
the cure, mitigation, treatment, or prevention of illness or
disease in human beings, but not including cosmetics or toilet
articles, notwithstanding the presence of medicinal
ingredients therein, according to a list prescribed and
approved by the Department of Health and Rehabilitative
Services, which list shall be certified to the Department of
Revenue from time to time and included in the rules
promulgated by the Department of Revenue. There shall also be
exempt from the tax imposed by this chapter artificial eyes
and limbs; prescription eyeglasses and items incidental
thereto or which become a part thereof; dentures; hearing
aids; crutches; prosthetic and orthopedic appliances; and
funerals. Funeral directors shall pay tax on all tangible
personal property used by them in their business.

(6) EXEMPTIONS; POLITICAL SUBDIVISIONS;
COMMUNICATIONS.--There are also exempt from the tax imposed by
this chapter sales made to the United States Government, the
state, or any county, municipality, or political subdivision

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of this state when payment is made directly to the dealer by
the governmental entity. This exemption shall not inure to
any transaction otherwise taxable under this chapter when
payment is made by a government employee by any means,
including, but not limited to, cash, check, or credit card
when that employee is subsequently reimbursed by the
governmental entity.†—provided This exemption does not include
sales of tangible personal property made to contractors
employed either directly or as agents of any such government
or political subdivision thereof when such tangible personal
property goes into or becomes a part of public works owned by
such government or political subdivision thereof, except
public works in progress or for which bonds or revenue
certificates have been validated on or before August 1, 1959.†
and—further—provided This exemption does not include sales,
rental, use, consumption, or storage for use in any political
subdivision or municipality in this state of machines and
equipment and parts and accessories therefor used in the
generation, transmission, or distribution of electrical energy
by systems owned and operated by a political subdivision in
this state except sales, rental, use, consumption, or storage
for which bonds or revenue certificates are validated on or
before January 1, 1973, for transmission or distribution
expansion. Likewise—exempt—are—film—rentals;—when—an
admission—is—charged—for—viewing—such—film.

(7) MISCELLANEOUS EXEMPTIONS.—

(a)†† Artificial commemorative flowers.—Exempt Also
exempted from the tax imposed by this chapter is the sale of
artificial commemorative flowers by bona fide nationally
chartered veterans' organizations.
Boiler fuels.--When purchased for use as a combustible fuel, purchases of natural gas, residual oil, recycled oil, waste oil, solid waste material, coal, sulfur, wood, wood residues or wood bark used in an industrial manufacturing, processing, compounding, or production process at a fixed location in this state are exempt from the taxes imposed by this chapter; however, such exemption shall not be allowed unless the purchaser signs a certificate stating that the fuel to be exempted is for the exclusive use designated herein. This exemption does not apply to the use of boiler fuels that are not used in manufacturing, processing, compounding, or producing items of tangible personal property for sale, or to the use of boiler fuels used by any firm subject to regulation by the Division of Hotels and Restaurants of the Department of Business Regulation.

Crustacea bait.--Also exempt from the tax imposed by this chapter is the purchase by commercial fishermen of bait intended solely for use in the entrapment of Callinectes sapidus and Menippe mercenaria.

Feeds.--Feeds for poultry and livestock, including racehorses and dairy cows, are exempt.

Flags.--Also exempt are sales of the flag of the United States and the official state flag of Florida.

Florida Retired Educators Association and its local chapters.--Also exempt from payment of the tax imposed by this chapter are purchases of office supplies, equipment, and publications made by the Florida Retired Educators Association and its local chapters.

Guide dogs for the blind.--Also exempt are the sale or rental of guide dogs for the blind, commonly referred

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to as "seeing-eye dogs," and the sale of food or other items for such guide dogs.

1. The department shall issue a consumer's certificate of exemption to any blind person who holds an identification card as provided for in s. 413.091 and who either owns or rents, or contemplates the ownership or rental of, a guide dog for the blind. The consumer's certificate of exemption shall be issued without charge and shall be of such size as to be capable of being carried in a wallet or billfold.

2. The department shall make such rules concerning items exempt from tax under the provisions of this paragraph as may be necessary to provide that any person authorized to have a consumer's certificate of exemption need only present such a certificate at the time of paying for exempt goods and shall not be required to pay any tax thereon.

   (h) Hospital meals and rooms.--Also exempt from payment of the tax imposed by this chapter on rentals and meals are patients and inmates of any hospital or other physical plant or facility designed and operated primarily for the care of persons who are ill, aged, infirm, mentally or physically incapacitated, or otherwise dependent on special care or attention.

   (i) Household fuels.--Also exempt from payment of the tax imposed by this chapter are sales of utilities to residential households or owners of residential models in this state by utility companies who pay the gross receipts tax imposed under s. 203.01, and sales of fuel to residential households or owners of residential models, including oil, kerosene, liquefied petroleum gas, coal, wood, and other fuel products used in the household or residential model for the purposes of heating, cooking, lighting, and refrigeration.
regardless of whether such sales of utilities and fuels are
separately metered and billed direct to the residents or are
metered and billed to the landlord. If any part of the
utility or fuel is used for a nonexempt purpose, the entire
sale is taxable. The landlord shall provide a separate meter
for nonexempt utility or fuel consumption.

(j) Meals provided by certain nonprofit
organizations.--There is exempt from the tax imposed by this
chapter the sale of prepared meals by a nonprofit volunteer
organization to handicapped, elderly, or indigent persons when
such meals are delivered as a charitable function by the
organization to such persons at their places of residence.

(k) Military museums Specified-nonprofit
corporations.--Also exempt are sales to nonprofit corporations
which hold current exemptions from federal corporate income
tax pursuant to s. 501(c)(3), U.S. Internal Revenue Code,
1954, as amended, and whose primary purpose is to raise money
for military museums.

(l) Nonprofit corporation; home for the aged,
nursing home, or hospice.--Nonprofit corporations which hold
current exemptions from federal corporate income tax pursuant
to s. 501(c)(3), U.S. Internal Revenue Code, 1954, as amended,
and which either qualify as homes for the aged pursuant to s.
196.1975(2) or are licensed as a nursing home or hospice under
the provisions of chapter 400, are exempt from the tax imposed
by this chapter.

(m) Organizations providing special educational,
cultural, recreational, and social benefits to minors.--There
shall be exempt from the tax imposed by this part nonprofit
organizations which are incorporated pursuant to chapter 617
or which hold a current exemption from federal corporate

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income tax pursuant to s. 501(c)(3) of the Internal Revenue
Code the primary purpose of which is providing activities that
contribute to the development of good character or good
sportsmanship, or to the educational or cultural development,
of minors in this state. This exemption is extended only to
that level of the organization located in this state that has
a salaried executive officer or an elected nonsalaried
executive officer.

(n) Religious, charitable, scientific, educational,
and veterans' institutions and organizations.--

1. There are exempt from the tax imposed by part I of
this chapter transactions involving:

   a. Sales or leases directly to churches or sales or
   leases of tangible personal property or services by churches;

   b. Sales or leases to nonprofit religious, nonprofit
   charitable, nonprofit scientific, or nonprofit educational
   institutions when used in carrying on their customary
   nonprofit religious, nonprofit charitable, nonprofit
   scientific, or nonprofit educational activities, including
   church cemeteries; and

   c. Sales or leases to the state headquarters of
   qualified veterans' organizations and the state headquarters
   of their auxiliaries when used in carrying on their customary
   veterans' organization activities. If a qualified veterans'
   organization or its auxiliary does not maintain a permanent
   state headquarters, then transactions involving sales or
   leases to such organization and used to maintain the office of
   the highest ranking state official are exempt from the tax
   imposed by this part.

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2. The provisions of this section authorizing exemptions from tax shall be strictly defined, limited, and applied in each category as follows:

   a. "Religious institutions" means churches, synagogues, and established physical places for worship in this state at which nonprofit religious services and activities are regularly conducted and carried on. The term "religious institutions" includes nonprofit corporations the sole purpose of which is to provide free transportation services to church members, their families, and other church attendees. The term "religious institutions" also includes state, district, or other governing or administrative offices the function of which is to assist or regulate the customary activities of religious organizations or members within the state or district organization.

   b. "Charitable institutions" means only nonprofit corporations qualified as nonprofit pursuant to s. 501(c)(3), United States Internal Revenue Code, 1954, as amended, and other nonprofit entities, the sole or primary function of which is to provide, or to raise funds for organizations which provide, one or more of the following services if a reasonable percentage of such service is provided free of charge, or at a substantially reduced cost, to persons, animals, or organizations that are unable to pay for such service:

      (I) Medical aid for the relief of disease, injury, or disability;

      (II) Regular provision of physical necessities such as food, clothing, or shelter;

      (III) Services for the prevention of, or rehabilitation of persons from, alcoholism or drug abuse; the

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prevention of suicide; or the alleviation of mental, physical, or sensory health problems;

(IV) Social welfare services including adoption placement, child care, community care for the elderly, and other social welfare services which clearly and substantially benefit a client population which is disadvantaged or suffers a hardship;

(V) Medical research for the relief of disease, injury, or disability;

(VI) Legal services; or

(VII) Food, shelter, or medical care for animals or adoption services, cruelty investigations, or education programs concerning animals;

and the term includes groups providing volunteer manpower to organizations designated as charitable institutions hereunder.

c. "Scientific organizations" means scientific organizations in this state which hold current exemptions from federal income tax under s. 501(c)(3) of the Internal Revenue Code and also means organizations the purpose of which is to protect air and water quality in this state or the purpose of which is to protect wildlife in this state and which hold current exemptions from the federal income tax under s. 501(c)(3) of the Internal Revenue Code.

d. "Educational institutions" means state tax-supported or parochial, church and nonprofit private schools, colleges, or universities which conduct regular classes and courses of study required for accreditation by, or membership in, the Southern Association of Colleges and Schools, the Department of Education, the Florida Council of Independent Schools, or the Florida Association of Christian Colleges and

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Schools, Inc., or which conduct regular classes and courses of study accepted for continuing education credit by the American Medical Association or the American Dental Association. Nonprofit libraries, art galleries, and museums open to the public are defined as educational institutions and are eligible for exemption. The term "educational institutions" includes private nonprofit organizations the purpose of which is to raise funds for schools teaching grades kindergarten through high school, colleges, and universities located in this state. The term "educational institutions" includes any educational television or radio network or system established pursuant to s. 229.805 or s. 229.8051 and any nonprofit television or radio station which is a part of such network or system and which holds a current exemption from federal income tax under s. 501(c)(3) of the Internal Revenue Code. The term "educational institutions" also includes state, district, or other governing or administrative offices the function of which is to assist or regulate the customary activities of educational organizations or members within the state or district organization.

e. "Veterans' organizations" means nationally chartered or recognized veterans' organizations, including, but not limited to, Florida chapters of the Paralyzed Veterans of America, Catholic War Veterans of the U.S.A., and Jewish War Veterans of the U.S.A. and the Disabled American Veterans, Department of Florida, Inc., which hold current exemptions from federal income tax under s. 501(c)(4) or s. 501(c)(19) of the Internal Revenue Code.

(p)(b) School books and school lunches.--This exemption applies to school books used in regularly prescribed courses of study, and to school lunches served to students, in

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public, parochial, or nonprofit schools operated for and
attended by pupils of grades 1 through 12. School books and
food sold or served at community colleges and other
institutions of higher learning are taxable.

(11) PARTIAL EXEMPTION; FLYABLE AIRCRAFT.--

(a) The tax imposed on the sale by a manufacturer of
flyable aircraft, who designs such aircraft, which sale may
include necessary equipment and modifications placed on such
flyable aircraft prior to delivery by the manufacturer, shall
be an amount equal to the sales tax which would be imposed on
such sale under the laws of the state in which the aircraft
will be domiciled.

(b) This partial exemption applies only if the
purchaser is a resident of another state who will not use the
aircraft in this state, or if the purchaser is a resident of
another state and uses the aircraft in interstate or foreign
commerce, or if the purchaser is a resident of a foreign
country.

(c) The maximum tax collectible under this subsection
may not exceed 5 percent of the sales price of such aircraft.
No Florida tax may be imposed on the sale of such aircraft if
the state in which the aircraft will be domiciled does not
allow Florida sales or use tax to be credited against its
sales or use tax. Furthermore, no tax may be imposed on the
sale of such aircraft if the state in which the aircraft will
be domiciled has enacted a sales and use tax exemption for
flyable aircraft or if the aircraft will be domiciled outside
the United States.

(d) The purchaser shall execute a sworn affidavit
attesting that he is not a resident of this state and stating
where the aircraft will be domiciled. If the aircraft is
subsequently used in this state within 6 months of the time of
purchase, in violation of the intent of this subsection, the
purchaser shall be liable for payment of the full use tax
imposed by this chapter and shall be subject to the penalty
imposed by s. 212.12(2), which penalty shall be mandatory.

(e) - The provisions of s. 212.12(1) notwithstanding,
manufacturers-of-fiyable-aircraft-granted-the-partial-sales
tax-exemption-under-this-subsection-shall-be-allowed-to-retain
a-10-percent-deduction-of-the-amount-of-sales-tax-due-on-sales
of-fiyable-aircraft-manufactured-by-them-if-such-manufacturers
conform-to-the-provisions-of-this-chapter;

(12) PARTIAL EXEMPTION; MASTER TAPES, RECORDS, FILMS,
OR VIDEO TAPES.--

(b) For the purposes of this subsection, the term:

1. "Amounts paid for the tangible elements" does not
include any amounts paid for the copyrightable, artistic, or
other intangible elements of such master tapes, records,
films, or video tapes, whether designated as royalties or
otherwise, including, but not limited to, services rendered in
producing, fabricating, processing, or imprinting tangible
personal property or any other services or production expenses
in connection therewith which may otherwise be construed as
constituting a "sale" under s. 212.02(18)(2).

2. "Master films or master video tapes" means films or
video tapes utilized by the motion picture and television
production industries in making visual images for
reproduction.

3. "Master tapes or master records embodying sound"
means tapes, records, and other devices utilized by the
recording industry in making recordings embodying sound.

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4. "Motion picture or television studio" means a facility in which film or video tape productions or parts of productions are made and which contains the necessary equipment and personnel for this purpose and includes a mobile unit or vehicle that is equipped in much the same manner as a stationary studio and used in the making of film or video tape productions.

5. "Recording studio" means a place where, by means of mechanical or electronic devices, voices, music, or other sounds are transmitted to tapes, records, or other devices capable of reproducing sound.

6. "Recording industry" means any person engaged in an occupation or business of making recordings embodying sound for a livelihood or for a profit.

7. "Motion picture or television production industry" means any person engaged in an occupation or business for a livelihood or for profit of making visual motion picture or television visual images for showing on screen or television for theatrical, commercial, advertising, or educational purposes.

Section 10. Paragraph (a) of subsection (3), paragraph (c) of subsection (4), and paragraph (a) of subsection (6) of section 212.095, Florida Statutes, are amended to read:

212.095 Refunds.--

(3)(a) When a sale is made to a person who claims to be entitled to a refund under this section, the seller shall make out a sales invoice, which shall contain the following information:

1. The name and business address of the purchaser.

2. A description of the item or services sold.

3. The date on which the purchase was made.

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4. The price and amount of tax paid for the item or services.

5. The name and place of business of the seller at which the sale was made.

6. The refund permit number of the purchaser.

(c) Refund application forms shall include at a minimum the following information:

1. The name and address of the person claiming the refund.

2. The refund permit number of such person.

3. The location at which the items or services for which a refund is claimed are used.

4. A description of each such item or service and the purpose for which such item or service was acquired.

5. Copies of the sales invoices of items or services for which a refund is being claimed.

(6)(a) Each registered dealer shall, in accordance with the requirements of the department, keep at his principal place of business in this state or at the location where the sale is made a complete record or duplicate sales tickets of all items or services sold by him for which a refund provided in this section may be claimed, which records shall contain the information required in paragraph (3)(a). No licensed dealer or his agent or employee may acknowledge or assist in the preparation of any claim for tax refund.

Section 11. Paragraph (a) of subsection (1) of section 212.11, Florida Statutes, 1986 Supplement, is amended to read:

212.11 Tax returns and regulations.--

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(1)(a). Except as provided in subparagraph 3., each dealer shall calculate his estimated tax liability for any month by one of the following methods:

a. Sixty-six percent of the current month's liability pursuant to this part as shown on the tax return;

b. Sixty-six percent of the tax reported on the tax return pursuant to this part by a dealer for the taxable transactions occurring during the corresponding month of the preceding calendar year; or

c. Sixty-six percent of the average tax liability pursuant to this part for those months during the preceding calendar year in which the dealer reported taxable transactions.

2. Any estimated tax liability greater than or equal to the threshold amount specified in subsection (5) shall be due, payable, and remitted by the 20th day of the month for which the liability applies. The difference between the estimated tax liability paid and the actual amount and taxes due under this part for such month shall become due and payable by the first day of the following month and shall be remitted by the 20th day thereof.

3. For any dealer who has an estimated tax liability of less than the threshold amount specified in subsection (5) or who was not registered for sales tax purposes for the corresponding month of the preceding year or who first remits taxes to the department on or after the effective date of this act, the current taxes levied pursuant to this part shall be due and payable monthly on the first day of the following month and shall be remitted by the 20th day thereof.

Section 12. Subsection (1), paragraph (b) of subsection (5), and subsections (7) and (9) of section 212.12,
Florida Statutes, 1986 Supplement, and, effective January 1, 1988, paragraph (b) of subsection (1) of said section are amended to read:

212.12 Dealer's credit for collecting tax; penalties for noncompliance; powers of Department of Revenue in dealing with delinquents; brackets applicable to taxable transactions; records required.--

(1) Notwithstanding any other provision of law and for the purpose of compensating persons granting licenses for and the lessors of real and personal property taxed hereunder, for the purpose of compensating dealers in tangible personal property, for the purpose of compensating dealers providing communication services and taxable services, and for the purpose of compensating owners of places where admissions are collected, and for the purpose of compensating remitters of any taxes or fees reported on the same documents utilized for the sales and use tax, as compensation for the keeping of prescribed records and the proper accounting and remitting of taxes by them, such seller, person, lessor, dealer, and owner shall be allowed 3 percent of the amount of the tax due and accounted for and remitted to the department, in the form of a deduction in submitting his report and paying the amount due by him; and the department shall allow such deduction of 3 percent of the amount of the tax to the person paying the same for remitting the tax in the manner herein provided, for paying the amount due to be paid by him, and as further compensation to dealers in tangible personal property for the keeping of prescribed records and for collection of taxes and remitting the same. However, if the amount of the tax due and remitted to the department for the reporting period exceeds

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1 $1,000, the 3-percent allowance shall be reduced to 1 percent
2 for all amounts in excess of $1,000.
3 (b) The Department of Revenue may reduce the
4 collection allowance by 10 percent or $50, whichever is less,
5 if a taxpayer files an incomplete return.
6 1. An "incomplete return" is, for purposes of this
7 chapter, a return which is lacking such uniformity,
8 completeness, and arrangement that the physical handling,
9 verification, or review of the return may not be readily
10 accomplished.
11 2. The department shall adopt rules requiring such
12 information as it may deem necessary to ensure that the tax
13 levied hereunder is properly collected, reviewed, compiled,
14 and enforced, including, but not limited to: the amount of
15 gross sales; the amount of taxable sales; the amount of
16 taxable purchases; the amount of tax collected or due; the
17 amount of lawful refunds, deductions, or credits claimed; the
18 amount claimed as the dealer's collection allowance; the
19 amount of penalty and interest; the amount due with the
20 return; and such other information as the Department of
21 Revenue may specify. The department shall require that the
22 amounts of gross sales, taxable sales, taxable purchases, and
23 tax collected or due shall be reported by major sales tax
24 source: services; tangible personal property; admissions;
25 transient rentals; commercial leases or licenses; and
26 agricultural equipment.
27 (5)
28 (b) In the event any dealer or other person charged
29 herein fails or refuses to make his records available for
30 inspection so that no audit or examination has been made of
31 the books and records of such dealer or person, fails or

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refuses to register as a dealer, or fails to make a report and pay the tax as provided by this chapter; or makes a grossly incorrect report, or makes a report that is false or fraudulent, then, in such event, it shall be the duty of the department to make an assessment from an estimate based upon the best information then available to it for the taxable period of retail sales of such dealer, the gross proceeds from rentals, the total admissions received, amounts received from leases of tangible personal property by such dealer, or of the cost price of all articles of tangible personal property imported by the dealer for use or consumption or distribution or storage to be used or consumed in this state or of the sales or cost price of all services the sale or use of which is taxable under this part, together with interest, plus penalty, if such have accrued, as the case may be. Then the department shall proceed to collect such taxes, interest, and penalty on the basis of such assessment, which shall be considered prima facie correct; and the burden to show the contrary shall rest upon the dealer, seller, owner, or lessor, as the case may be.

(7) In the event the dealer has imported the tangible personal property or has acquired services outside the state for sale or use in this state and he fails to produce an invoice showing the cost price of the articles or services, as defined in this chapter, which are subject to tax, or the invoice does not reflect the true or actual cost price as defined herein, then the department shall ascertain, in any manner feasible, the true cost price, and assess and collect the tax thereon with interest plus penalties, if such have accrued on the true cost price as assessed by it. The

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assessment so made shall be considered prima facie correct, and the duty shall be on the dealer to show to the contrary.

(9) Taxes imposed by this chapter upon the privilege of the use, consumption, storage for consumption, or sale of tangible personal property, admissions, license fees, rentals, and communication services, and upon the sale or use of services as herein taxed shall be collected upon the basis of an addition of the tax imposed by this chapter to the total price of such admissions, license fees, rentals, communication or other services, or sale price of such article or articles that are purchased, sold, or leased at any one time by or to a customer or buyer; and the dealer, or person charged herein, is required to pay a privilege tax in the amount of the tax imposed by this chapter on the total of his gross sales of tangible personal property, admissions, license fees, rentals, and communication services or to collect a tax upon the sale or use of services, and such person or dealer shall add the tax imposed by this chapter to the price, license fee, rental, or admissions, and communication or other services and collect the total sum from the purchaser, admittee, licensee, lessee, or consumer. Notwithstanding the rate of taxes imposed upon the privilege of sales, admissions, license fees, rentals, and communication services, or upon the sale or use of services, the following brackets shall be applicable to all transactions taxable at the rate of 5 percent:

(a) On single sales of less than 10 cents, no tax shall be added.

(b) On single sales in amounts from 10 cents to 20 cents, both inclusive, 1 cent shall be added for taxes.

(c) On sales in amounts from 21 cents to 40 cents, both inclusive, 2 cents shall be added for taxes.
(d) On sales in amounts from 41 cents to 60 cents, both inclusive, 3 cents shall be added for taxes.

(e) On sales in amounts from 61 cents to 80 cents, both inclusive, 4 cents shall be added for taxes.

(f) On sales in amounts from 81 cents to $1, both inclusive, 5 cents shall be added for taxes.

(g) On sales in amounts of more than $1, 5 percent shall be charged upon each dollar of price, plus the appropriate bracket charge upon any fractional part of a dollar.

Section 13. Subsections (2), (3), and (4) of section 212.13, Florida Statutes, are amended to read:

212.13 Records required to be kept; power to inspect; audit procedure.--

(2) Each dealer, as defined in this chapter, shall secure, maintain, and keep for a period of 3 years a complete record of tangible personal property or services received, used, sold at retail, distributed or stored, leased or rented by said dealer, together with invoices, bills of lading, gross receipts from such sales, and other pertinent records and papers as may be required by the department for the reasonable administration of this chapter; and all such records which are located or maintained in this state shall be open for inspection by the department at all reasonable hours at such dealer's store, sales office, general office, warehouse, or place of business located in this state. Any dealer who maintains such books and records at a point outside this state must make such books and records available for inspection by the department where the general records are kept. Any dealer subject to the provisions of this chapter who violates these
provisions is guilty of a misdemeanor of the second degree, 
punishable as provided in s. 775.082 or s. 775.083.

(3) For the purpose of enforcement of this chapter, 
every manufacturer and seller of tangible personal property or 
services licensed within this state is required to permit the 
department to examine his books and records at all reasonable 
hours; and, upon his refusal, the department may require him 
to permit such examination by resort to the circuit courts of 
this state, subject however to the right of removal of the 
cause to the judicial circuit wherein such person's business 
is located or wherein such person's books and records are 
kept, provided further that such person's books and records 
are kept within the state.

(4) For the further purpose of enforcement of this 
chapter, every wholesaler of tangible personal property or 
services licensed within this state is required to permit the 
department to examine his books and records at all reasonable 
hours. He must also maintain such books and records for a 
period of not less than 3 years in order to disclose the sales 
of all goods or services sold, and to whom sold, and also the 
amount of items sold, in such form and in such manner as the 
department may reasonably require, and so as to permit the 
department to determine the volume of goods or services sold 
by wholesalers to dealers, as defined under this chapter, and 
the dates and amounts of sales made. The department may 
require any manufacturer or wholesaler who refuses to keep 
such records or to permit such inspection through the circuit 
courts of Florida to submit to such inspection, subject 
however to the right of removal of the cause as hereinbefore 
provided in this section.

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Section 14. Subsection (1) of section 212.14, Florida Statutes, 1986 Supplement, is amended to read:

212.14 Departmental powers; hearings, subpoena; distress warrants; time for assessments.--

(1) Any person required to pay a tax imposed under this chapter, or to make a return, either or both, and who renders a return or makes a payment of a tax with intent to deceive or defraud the state, and to prevent the state from collecting the amount of taxes imposed by this chapter, or otherwise fails to comply with the provisions of this chapter for the taxable period for which any return is made, or any tax is paid, or any report is made to the department, may be required by the department to show cause at a time and place to be set by the department, after 10 days' notice in writing requiring such books, records, or papers as the department may require relating to the business of such person for such tax period, and the department may require such person, or persons, or their employee or employees to give testimony under oath and answer interrogatories by the department, or an assistant, respecting the sale, use, consumption, distribution, or storage rental or license for use of real or personal property or services within the state, or admissions collected therein, or the failure to make a true report thereof, as provided by this chapter, or failure to pay the true amount of the tax required to be paid under this chapter. At said hearing, in the event such person fails to produce such books, records, or papers, or to appear and answer questions within the scope of investigation relating to matters concerning taxes to be imposed under this chapter, or prevents or impedes his or her agents or employees from giving testimony, then the department is authorized under this

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chapter to estimate any unpaid deficiencies in taxes to be assessed against such person upon such information as may be available to it and to issue a distress warrant for the collection of such taxes, interest, or penalties estimated by him to be due and payable, and such assessment shall be deemed prima facie correct. In such cases said warrant shall be issued to any sheriff in the state where such person owns or possesses any property and such property as may be required to satisfy any such taxes, interest, or penalties shall be by such sheriff seized and sold under said distress warrant in the same manner as property is permitted to be seized and sold under distress warrants issued to secure the payments of delinquent taxes as hereinafter provided, and the department shall also have the right to writ of garnishment to subject any indebtedness due to the delinquent dealer by a third person in any goods, money, chattels, or effects of the delinquent dealer in the hands, possession, or control of the third person in the manner provided by law. Respecting the place for the holding of a hearing by the department or its agents as provided in this section, the person whose tax return or report being investigated may by written request to the department require the hearing be set at a place within the judicial circuit of Florida wherein the person’s business is located or within the judicial circuit of Florida wherein such person’s books and records are kept.

Section 15. Subsections (3) and (7) of section 212.17, Florida Statutes, 1986 Supplement, are amended to read:

212.17 Credits for returned goods, returned payments for services, rentals, or admissions; additional powers of department.--

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(3) A dealer who has paid the tax imposed by this chapter on tangible personal property or services may take a credit or obtain a refund for any tax paid by him on the unpaid balance due on worthless accounts within 12 months following the month in which the bad debt has been charged off for federal income tax purposes. If any accounts so charged off for which a credit or refund has been obtained are thereafter in whole or in part paid to the dealer, the amount so paid shall be included in the first return filed after such collection and the tax paid accordingly.

(7) The department, where admissions, license fees, or rental payments or payments for services are made and thereafter returned to the payers after the taxes thereon have been paid, shall return or credit the taxpayer for taxes so paid on the moneys returned in the same manner as is provided for returns or credits of taxes where purchases or tangible personal property are returnable to a dealer.

Section 16. Subsection (3) of section 212.18, Florida Statutes, 1986 Supplement, is amended to read:

212.18 Administration of law; rules and regulations.--
(3) Every person desiring to engage in or conduct business in this state as a dealer, as defined in this chapter, or to lease, rent, or let or grant licenses in living quarters or sleeping or housekeeping accommodations in hotels, apartment houses, roominghouses, tourist or trailer camps, or real property, as defined in this chapter, and every person who sells or receives anything of value by way of admissions, shall file with the department an application for a certificate of registration for each place of business, showing the names of the persons who have interests in such business and their residences, the address of the business,
and such other data as the department may reasonably require.
The application shall be made to the department before the
person, firm, copartnership, or corporation may engage in such
business; and it shall be accompanied by a registration fee of
$5. The department, upon receipt of such application, will
grant to the applicant a separate certificate of registration
for each place of business, which certificate may be canceled
by the department or its designated assistants for any failure
by the certificateholder to comply with any of the provisions
of this chapter. The certificate shall not be assignable and
shall be valid only for the person, firm, copartnership, or
corporation to which issued; and such certificate shall be
placed in a conspicuous place in the business or businesses
for which it is issued and shall be so displayed at all times.
No person shall engage in business as a dealer or in leasing,
renting, or letting of or granting licenses in living quarters
or sleeping or housekeeping accommodations in hotels,
apartment houses, roominghouses, tourist or trailer camps, or
real property as hereinbefore defined, nor shall any person
sell or receive anything of value by way of admissions,
without first having obtained such a certificate or after such
certificate has been canceled; and no person shall receive any
license from any authority within the state to engage in any
such business without first having obtained such a certificate
or after such certificate has been canceled. The engaging in
the business of selling or leasing tangible personal property
or services or as a dealer, as defined in this chapter, or the
engaging in leasing, renting, or letting of or granting
licenses in living quarters or sleeping or housekeeping
accommodations in hotels, apartment houses, roominghouses,
tourist or trailer camps, or real property as hereinbefore

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defined, or the engaging in the business of selling or
receiving anything of value by way of admissions, without such
certificate first being obtained or after such certificate has
been canceled by the department is prohibited. The failure or
refusal of any person, firm, copartnership, or corporation to
so qualify when required hereunder is a misdemeanor of the
second degree, punishable as provided in s. 775.082, s.
775.083, or s. 775.084, or subject to injunctive proceedings
as provided by law.

Section 17. Subsection (3) of section 212.21, Florida
Statutes, is amended to read:

212.21 Declaration of legislative intent.--
(3) It is further declared to be the specific
legislative intent to exempt from the tax or taxes or from the
operation or the imposition thereof only such sales,
admissions, uses, storages, consumption or rentals in relation
to or in respect of the things set forth by this chapter as
exempted from the tax to the extent that such exemptions are
in accordance with the provisions of the constitutions of the
state and of the United States. It is further declared to be
the specific legislative intent to tax each and every taxable
privilege made subject to the tax or taxes, and each and every
taxable service made subject to the tax or taxes, except such
sales, admissions, uses, storages, consumptions or rentals as
are specifically exempted therefrom by this chapter to the
extent that such exemptions are in accordance with the
provisions of the constitutions of the state and of the United
States.

Section 18. Section 212.61, Florida Statutes, is
amended to read:

212.61 Definitions.--As used in this part, the term:

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(1) "Dealer" means any person who holds a valid license as a dealer of special fuel, issued by the department pursuant to s. 206.89, and who:
   (a) Imports and sells at wholesale, retail, or otherwise within this state any special fuel;
   (b) Imports, or causes to be imported, and withdraws for use within this state by himself or others any special fuel from the tank car, truck, or other original container or package in which it was imported into this state;
   (c) Exports special fuel from this state to another state or foreign country;
   (d) Manufactures, refines, produces, or compounds any special fuel within this state and sells such fuel at wholesale, retail, or otherwise within this state;
   (e) Imports into this state from any other state or foreign country, or receives by any means into this state and keeps in storage in this state for a period of 24 hours or more after the fuel loses interstate character as a shipment in interstate commerce, any special fuel which is intended to be used in this state;
   (f) Is primarily liable under the special fuel tax laws of this state for the payment of special fuel taxes;
   (g) Purchases or receives in this state special fuel in bulk quantities for resale to service stations, to a user or another dealer, or to the ultimate consumer for nontaxable consumption upon which the tax has not been paid; or
   (h) Has both a taxable use and nontaxable consumption of the same special fuel in this state. However, this paragraph does not require that a person be a dealer when his only purchases of special fuel are delivered into reservoirs

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attached to motor vehicles to fuel internal combustion engines
attached to such motor vehicles.

(2) "Refiner," "importer," or "wholesaler" means any
person who holds a valid license as a refiner, importer, or
wholesaler, as defined in s. 206.01, of motor fuel, issued by
the department pursuant to ss. 206.02 and 206.03.

(3) "Retail dealer" means any person who is licensed
pursuant to chapter 206 to sell motor fuel or special fuel at
retail to the general public at posted retail prices.

The definitions contained in s. 212.02(2), (5), (10), (13),
(15), (16), (17), (18), (19), (22), (25), (26), and (27) of
section 212.02(2), (3), (4), (7), (8), (9), (10), (11), (13),
(17), (21), and (22) apply to the same terms as used in this
part.

Section 19. Section 8 of chapter 86-166, Laws of
Florida, is amended to read:

Section 8. Subsections (5), (6), (7), and (8) of
section 212.031, Florida Statutes, paragraph (a) of subsection
(2) of section 212.04, Florida Statutes, and paragraphs (d),
(e), (f), (h), (i), and (p) of subsection (7) of subsections (10) and (11) of section 212.08, Florida Statutes,
and section 212.096, Florida Statutes, and paragraphs (g) and
(h) of subsection (5) and subsection (15) of section 212.08,
Florida Statutes, as amended by chapters 84-356 and 85-342,
laws of Florida, are repealed July 1, 1987.

Section 20. Subsection (2) of section 212.0821,
Florida Statutes, is amended to read:

212.0821 Legislative intent that political
subdivisions and public libraries use their sales tax
exemption certificates for purchases on behalf of specified

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groups.--It is the intent of the Legislature that the
political subdivisions of the state and the public libraries
utilize their sales tax exemption certificates to purchase,
with funds provided by the following groups, services,
equipment, supplies, and items necessary for the operation of
such groups, in addition to the normal exempt purchases that
political subdivisions and libraries are empowered to make:

(2) Counties and municipalities shall purchase
necessary goods and services requested by REACT groups,
neighborhood crime watch groups, and state or locally
recognized organizations solely engaged in youth activities
identical to those discussed in s. 212.08(7)(n)(u).

Section 21. Paragraph (c) of subsection (4) of section
240.533, Florida Statutes, is amended to read:

240.533 Women's intercollegiate athletics.--
(4)(c) In addition to the above amount, an amount
equal to the sales taxes which would be collected from
admission to athletic events sponsored by an institution
within the State University System shall be retained and
remitted to the state if the exemption provided in s.
212.04(2)(a) did not apply shall be utilized by each
institution to support women's athletics.

Section 22. Paragraph (g) of subsection (1) of section
290.007, Florida Statutes, is amended to read:

290.007 Incentives and programs available in
enterprise zones.--

(1) STATE INCENTIVES AND PROGRAMS.--The following
incentives and programs are provided by the state to encourage
the revitalization of enterprise zones:

(g) The sales tax exemption for electrical energy used
in an enterprise zone provided in s. 212.08(15)(14).

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Section 23. Paragraph (b) of subsection (3) of section 564.02, Florida Statutes, 1986 Supplement, is amended to read:

564.02 License fees; vendors; manufacturers and distributors.--

(3)

(b) A bona fide religious order, monastery, church, or religious body that has a tax-exempt status as a religious organization as provided by s. 212.08(7)(o)(a) may be licensed as a distributor under this subsection if its sales and distribution are limited to wines sold solely for religious or sacramental purposes to holders of valid permits obtained under s. 564.03; and such religious order, monastery, church, or religious body shall pay a state license tax of $50 for each and every such distribution establishment to be operated by the licensee.

Section 24. Existing contracts (language to follow)

Section 25. Rule 12A-1.091(6) of the Department of Revenue is hereby repealed.

Section 26. The Legislature hereby finds that the failure to promptly implement the provisions of this act would present an immediate threat to the welfare of the state because revenues needed for operation of the state would not be authorized. Therefore, the Department of Revenue is hereby authorized to adopt emergency rules pursuant to s. 120.54(9) for purposes of implementing this act.

Section 27. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared severable.
Section 28. Except as otherwise provided herein, this act shall take effect July 1, 1987.

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