Senator Deratany.........................moved the following amendment............which was adopted:
which failed:

<table>
<thead>
<tr>
<th>Senate Amendment</th>
</tr>
</thead>
</table>

On page 30, between lines 17 - 18,

If amendment is text from another bill insert: No

<table>
<thead>
<tr>
<th>Bill No.</th>
<th>Draft No.</th>
<th>With Changes?</th>
<th>Yes</th>
</tr>
</thead>
</table>

and insert:

(n) 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 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.

(o) 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;

CODING: Words stricken are deletions; words underlined are additions.

(Amendment No. ___  Adopted ___ Failed ___ Date __/__/__)
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.

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 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 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

CODING: Words stricken are deletions; words underlined are additions.
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.
Senator Deratany.....................moved the following

amendment...........which was adopted:

Senate Amendment

On page 29, line 6, strike
the words "paragraph (e)"

If amendment is text from another bill insert:

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<td>Yes -</td>
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</table>

and insert:

paragraphs (e), (n), and (o)

CODING: Words stricken are deletions; words underlined are additions.

(Amendment No. ____  Adopted ____  Failed ____  Date ___/___/___)
STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN COMMITTEE SUBSTITUTE FOR Senate Bill 2

The Committee Substitute broadens and adds specifics to the amnesty provisions of SB 2.

The Committee Substitute adds numerous provisions amending CS/SB 777 as passed by the Legislature, the bill which imposed the sales tax on services.

Committee on Finance, Taxation and Claims

Staff Director

(FILE THREE COPIES WITH THE SECRETARY OF THE SENATE)
# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

<table>
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<th>STAFF DIRECTOR</th>
<th>REFERENCE</th>
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**SUBJECT:** Tax Amnesty

**BILL NO. AND SPONSOR:** CS/SB 2 by Senate FT&C Committee and Senator Kiser

## I. SUMMARY:

This bill makes numerous technical changes to the language of CS/SB 777. In addition, the bill makes the following substantive changes:

1. **Situs of an estate**
   - **Current Situation:**
     - The law is unclear as to the location of an estate for the determination of the sales tax on services.
   - **Proposed Change:**
     - The bill specifies that services provided to the estate of a decedent shall be presumed to be enjoyed for sales tax purposes where the decedent last established residency. (Pg. 9, L. 3)

2. **Severability**
   - **Current Situation:**
     - While CS/SB 777 contained a severability clause, it was not clear in certain circumstances.
   - **Proposed Change:**
     - The bill clearly states that if any exemption in the bill is declared unconstitutional, it is the exemption that will be deemed inoperative. (Pg. 9, L. 7)

3. **Service of partners to the partnership**
   - **Current Situation:**
     - The service of partners to the partnership are currently exempt only if the partner is a natural person.
   - **Proposed Change:**
     - The bill expands the exemption to include services rendered exclusively to the partnership by partners who are professional corporations. (Pg. 10, L. 6)

4. **Investment advisory services**
   - **Current Situation:**
     - CS/SB 777 specifically taxed investment advisory services when performed by security brokers, but specifically exempted them when performed by financial institutions.
Proposed Change:
The bill specifically taxes investment advisory services, except those performed by a trustee, when provided by either security brokers or financial institutions. (Pg. 11, L. 16)

5. Garbage disposal

Current Situation:
The current bill is not clear as to whether fees for dumping residential versus commercial garbage are subject to the sales tax.

Proposed Change:
The bill clarifies that charges for the right to dispose garbage are taxable. (Pg. 12, L. 4)

6. Household utility services

Current Situation:
Only the utility service itself (e.g., the electricity or telephone charges) is exempt from the sales tax when sold to residential households. Hookup and other fees are taxable.

Proposed Change:
All household utility services sold to residential households or owners of residential models are exempted. (Pg. 13, L. 1)

7. Newspaper delivery services

Current Situation:
The law currently does not subject to the sales tax newspaper delivery services.

Proposed Change:
The bill further clarifies that newspaper delivery services provided to the publisher or printer of a newspaper are exempt. (Pg. 13, L. 9)

8. Construction services

Current Situation:
The current tax on construction services is based on the "cost price" of the prime contractor minus any amounts on which the sales tax has already been paid. This requires a separate calculation of the tax base for each construction project and an accounting of all purchases of taxable building materials by both the prime contractor and subcontractors.

Proposed Changes:
The special provisions for the taxation of construction services are substantially revised. Under this bill: (Pg. 14, L. 17)

a. For new construction, the prime contractor is considered the final consumer of the construction and is responsible for remitting the tax on both his service and those of his subcontractors.

b. The tax is based on 50 percent of the contract price less the cost of land. The purpose of this 50 percent reduction is to exclude amounts on which tax has already been paid and other nontaxable expenses of the contractor.
c. Construction other than new construction is considered that which costs less than $5,000. The purchaser of the service is responsible for the tax based on 50 percent of the contract price.

d. The tax on construction for one's own use or on speculative construction not sold within six months is based on 50 percent of the appraisal value on which the construction loan was based or, if that is not available, on the contractor's cost price.

e. For factory built buildings, the tax is to be paid based on the cost price of the construction, less amounts on which tax has already been paid.

f. For new construction, the tax is to be remitted when the contractor receives payments pursuant to this contract. For speculative construction and for construction for one's own use, the tax is due at such time payments are made to subcontractors with final payment due 30 days after a certificate of occupancy is issued. The tax on construction services other than new construction is due upon completion of the contract.

9. Construction support services

Current Situation:

Construction support services are currently included in the special provisions for construction services.

Proposed Change:

Construction support services purchased by a provider of such services in the furtherance of a contract are exempted. Construction support services means architectural, engineering, drafting, surveying land planning, landscape design, and interior design services when such services directly relate to the construction alteration, improvement or repair of real property. This treatment is similar to that in CS/SB 777. (Pg. 13, L. 11)

10. Existing construction contracts

Current Situation:

Under current law, the exemption for existing construction contracts expires on June 30, 1986. Also, current law only applies to actual contracts signed before that date.

Proposed Change:

This bill extends that exemption to June 30, 1989, if the Department of Revenue determines that the construction on a specific project will not be completed before June 30, 1988. The Department is directed to report to the 1988 Legislature its estimate of construction services performed pursuant to an existing contract that will not be completed prior to June 30, 1987. (Pg. 38, L. 25) Also, the exemption for existing construction contracts signed prior to May 1, 1987, is expanded to include offers submitted prior to that date which are binding on the offeror, and contracts funded by government bonds sold before May 1, 1987, or contracted prior to that date to be sold. (Pg. 37, L. 24)

11. Advertising services

Current Situation:

The apportionment formula for advertising services is based on the circulation of the publication in Florida versus total
circulation. Under current law, however, if an advertisement is run in an edition of the publication that has lower circulation than the full publication (e.g., regional editions), the tax is calculated based on total circulation of the publication.

Proposed Change:

The bill clarifies that for advertising services the circulation used in the apportionment formula for print media shall be that covered by the advertisement being taxed. (Pg. 20, L. 18)

12. Affiliated groups

Current Situation:

Current law only covers those affiliated groups whose members are includable under s. 1504(6), Internal Revenue Code. Affiliated insurance companies and certain subsidiaries formed to comply with foreign law are not covered. Also, the law requires all members of the affiliated group to be included when calculating Florida's sales tax.

Proposed Change:

Two provisions are added for affiliated groups: (Pg. 22, L. 22)

a. The definition is expanded to include affiliated insurance companies and certain subsidiaries formed to comply with foreign law.

b. Affiliated groups are given the option of excluding any members who have no tax nexus in Florida and those whose business activities are unrelated to the activities of other members of the group. However, in no event may parent corporations be excluded.

13. Definition of real property

Current Situation:

The definition of "real property" is confusing and contains extraneous provisions.

Proposed Change:

The definition of real property is simplified to mean land, improvements thereto, and fixtures, and is synonymous with "realty" and "real estate." (Pg. 23, L. 14)

14. Food and drink concessionaire rentals

Current Situation:

Food and drink concessionaire rentals are exempt from sales tax when on the premises of certain businesses. These businesses include airports, but do not include public auditoriums and recreational facilities.

Proposed Change:

The exemption for food and drink concessionaire rentals is expanded to include rentals of publicly owned auditoriums and recreational facilities. Also, the exemption is removed for such rentals at airports. (Pg. 27, L. 10)

15. Admissions tax

Current Situation:
The exemption for admissions to athletic events sponsored by schools and not-for-profit organizations, and for student admissions to events in which student participation is required will sunset on July 1, 1987.

Proposed Change:

Sunset exemptions from the admissions tax are reinstated for:
(Pg. 27, L. 13)

a. admissions to athletic and other events sponsored by schools;

b. admissions charged by not-for-profit religious organizations. The exemption for admissions of other not-for-profit organizations is not reinstated;

c. student admissions to events in which the student participation is required.

16. Newspaper and magazine sales

Current Situation:
The sales tax on newspaper and magazine sales would be collected by the retail dealer.

Proposed Change:
The sales tax on newspapers and magazine sales is required to be collected by the publisher, or if the publisher is not in Florida, by the distributor. (Pg. 28, L. 27)

17. Refund assistance

Current Situation:
Sales tax dealers are prohibited from helping in the preparation of a refund claim. This provision does not apply to attorneys or certified public accountants.

Proposed Change:
The provision that no licensed dealer may assist in the preparation of a claim for tax refund is repealed. (Pg. 31, L. 23)

18. State infrastructure trust fund

Current Situation:
The authorized uses of money in the State Infrastructure Trust Fund currently includes beach, lake, or river restoration.

Proposed Change:
The uses of the State Infrastructure Trust Fund are expanded to include in addition to current uses the financing of state projects for waterbody restoration including the restoration of bays and estuaries. (Pg. 37, L. 8)

19. Emergency rules

Current Situation:
The Legislature intended to give the Department of Revenue authority to issue emergency rules to implement the sales tax bill. However, the wording of this provision was not correct.

Proposed Change:
on unpaid taxes would be 5 percent per month to a maximum of 100 percent of the tax due, and the Department of Revenue's audit period is extended from three to five years.

Proposed Change:
For the tax amnesty, the bill deletes the provision providing for 20-year liens for taxes, changes felony penalties back to misdemeanor penalties, changes penalties equal to 100 percent of unpaid taxes back to a maximum 25 percent of unpaid taxes and deletes the provisions providing for priority of tax warrants and seizure and sale of property for collection of taxes. (Pgs. 43-79)

24. Sales tax exemption review commission

Current Situation:
Section 9 of chapter 86-166, Laws of Florida, provided for a 21-member commission to study the public policy and fiscal impact of exemptions from the sales tax, to report its findings and recommendations to the 1987 Legislature on any exemptions from the sales tax not sunset by chapter 86-166, Laws of Florida, or addressed by chapter 87-6, Laws of Florida.

Proposed Change:
The provision of chapter 86-166, Laws of Florida, providing for the sales tax exemption review commission is repealed. (Pg. 79, L. 18)

II. ECONOMIC IMPACT AND FISCAL NOTE:
A. Public:
Many of the provisions of this bill are designed to make the provisions of CS/ SB 777 operate more efficiently, both through technical amendments affecting the whole bill, through specific provisions for different types of companies or industries. The latter is especially true for affiliated groups and the construction industry.

B. Government:
Most of the provisions of this bill are revenue neutral. Overall, there will be a loss to the General Revenue Fund in 1987-88 of $3.3 million and to local governments of $3 million. In 1988-89, there will be a non-recurring $7.8 million loss to General Revenue and $8 million to local governments.

III. COMMENTS:
None.

IV. AMENDMENTS:
None.
Senator...moved the following amendment...which was adopted: which failed:

Senate Amendment

On page 11, line 5, after the word "However,"

If amendment is text from another bill insert:

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<tr>
<th>Bill No.</th>
<th>Draft No.</th>
<th>With Changes?</th>
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unless the service is provided to a non-resident entity or non-resident person as defined in Rule 3C - 15.003, Florida Administrative Code.

87s0002ftec?ad

CODING: Words struck are deletions; words underlined are additions.

(Amendment No.   Adopted  Failed  Date /_/___)
Senator ..................... moved the following amendment which was adopted:

Senate Amendment

On page 15, line 19, strike the number "$1,000"

If amendment is text from another bill insert:

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<tr>
<th>Bill No.</th>
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CODING: Words stricken are deletions; words underlined are additions.
Senator [Signature] moved the following amendment, which was adopted:

Senate Amendment

On page 13, between lines 18 & 19,

If amendment is text from another bill insert:

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<th>Draft No.</th>
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<td>Yes</td>
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</table>

insert:

(45) Convention & Conference registration fees.

CODING: Words stricken are deletions; words underlined are additions.

(Amendment No. Adopted ___ Failed ___ Date __/__/___)

87s0002ftc?ac
Senator...moved the following amendment...which was adopted: which failed:

Senate Amendment

On page 11, line 14, strike the words "collection fees"

If amendment is text from another bill insert:

<table>
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<th>Draft No.</th>
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and insert:

fees for the collection of coupons, drafts, checks, foreign exchange items, and similar over-the-counter collection items collection-fees

(CODING: Words stricken are deletions; words underlined are additions.)
Senator... moved the following amendment... which was adopted:

Senate Amendment

On page 5, line 1,
after the word "service"

If amendment is text from another bill insert:

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<th>Draft No.</th>
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<td>Yes</td>
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</table>

...if the purchaser of the service has nexus for tax purposes with this state
Senator moved the following amendment which was adopted: which failed:

Senate Amendment

On page 9, line 10, strike the words "unconstitutional per se"

If amendment is text from another bill insert:

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and insert:

facially unconstitutional

CODING: Words stricken are deletions; words underlined are additions.

(Amendment No. ___ Adopted ___ Failed ___ Date __/__/___)
On page 21, line 6, after the word "department"

If amendment is text from another bill insert:

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and insert:

, if the advertiser has nexus for tax purposes with this state
SENATE AMENDMENT

CS/SB 2

HB

Senator ................................... moved the following amendment ......... which was adopted: which failed:

Senate Amendment

On page 25, line 14,
after the words "subsequent sale"

If amendment is text from another bill insert:

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</table>

insert:

, unless otherwise exempt pursuant to s. 212.0592(1)

CODING: Words stricken are deletions; words underlined are additions.
SENATE AMENDMENT

CS/SB 2

HB

Senator moved the following amendment which was adopted: 

Senate Amendment

On page 22, line 77, after the word "purposes."

If amendment is text from another bill insert:

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insert:

Also included in the definition of affiliated group are mutual insurance companies which are members of the same insurance holding company system subject to the provisions of s. 628.801.

CODING: Words stricken are deletions; words underlined are additions.

(Amendment No. ___  Adopted ___  Failed ___  Date __/__/___)
CS/SB 2

SENGNT AMENDMENT

HB [Signature]

Senator [Name] moved the following amendment, which was adopted:

Senate Amendment

On page 28, line 26,

If amendment is text from another bill insert:

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</table>

and insert:

(e)1. 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 part, 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.

CODING: Words stricken are deletions; words underlined are additions
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 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.
SENATE AMENDMENT

Senate Amendment

On page 13, line 18,

after the period "."

This exemption shall apply only if:

(a) The purchaser of the service buys the service
pursuant to a written contract with the seller and such
contract identifies the client or customer for whom the
purchaser is buying the service;

(b) The purchaser of the service identifies the seller
of the service purchased in his charge for the service on its
subsequent sale; and

(c) The service will be taxed under this part in a
subsequent sale, unless exempt under other provisions of this
part.
Senator moved the following amendment which was adopted: which failed:

Senate Amendment

On page 11, lines 16 - 22, strike all of said lines

If amendment is text from another bill insert: No

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and insert:
cash vault fees; or data processing services not otherwise exempt, except check processing and check clearing services.

(c) The tax imposed under s. 212.059 shall not apply to a service by a financial institution:

1. The charge for which is waived or imputed; or:
2. Which service is specifically excluded from the exemption from taxation under subsection (23).

This paragraph does not exempt financial institutions from the tax imposed in paragraph (b).

CODING: Words stricken are deletions; words underlined are additions.

(Amendment No. ___  Adopted ___  Failed ___  Date __/__/__)
Senator ______ moved the following amendment which was adopted:

Senate Amendment

On page 79, line 25,

If amendment is text from another bill insert:

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</table>

Section 66. The Department of Revenue, in consultation with the Revenue Estimating Conference, shall conduct a study of the sales tax on construction services to determine the revenue impact of taxing such services based on 50% of the contract price as contained in this act versus taxing such services based on 100% of the cost price of the construction less items on which sales taxes have already been paid. The Department shall report the results of this study to the Legislature prior to March 1, 1988.

CODING: Words stricken are deletions; words underlined are additions.

(Amendment No. ___  Adopted ___  Failed ___  Date __/__/__)
Senate Amendment

On page 12, lines 8 - 12, \textit{strike} all of said lines

\textbf{If amendment is text from another bill insert:}

\begin{tabular}{|l|l|l|}
\hline
Bill No. & Draft No. & With Changes? \\
\hline
 & & \\
\hline
\end{tabular}

and insert:

enumerated in SIC Major Group 62 \textit{involving-the-transfer-of}
securities-or-commodities. However, this exemption shall not
be construed to exempt any financial service taxable under
subsection (11) or any accounting or investment \textit{advisory}
services \textit{provided by an investment adviser as defined in s.}
517.021(12)(a)

\textit{87s0002ftc?ar}

\textbf{CODING:} Words stricken are deletions; words \textit{underlined} are additions.

(Amendment No. ____ Adopted ____ Failed ____ Date __/__/__)
SENATE AMENDMENT

Senator Meek... moved the following amendment... which was adopted: which failed:

Senate Amendment

On page 11, between lines 29 and 30,

<table>
<thead>
<tr>
<th>Bill No.</th>
<th>Draft No.</th>
<th>With Changes?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No - Yes</td>
</tr>
</tbody>
</table>

If amendment is text from another bill insert:

(21) Water transportation services described in SIC Group Numbers 441 and 442, towing or tugboat services described in SIC Industry Number 4454, marine cargo handling services described in SIC Industry Number 4463, piloting services, ship cleaning, steamship leasing, marine surveyors and ship repair and maintenance services; storage of cargo at port facilities; transportation services enumerated in SIC Industry Numbers 4712 and 4723, regardless of the mode of transportation employed, lighterage services, described in SIC Industry Number 4453, and services related to processing and accessorizing of automobiles that are imported through Florida ports. The exemption provided by this subsection also applies to services provided in connection with cargo in international trade by any licensed customhouse broker; any customs bonded warehouse, container freight and examination station, or cartman; or freight consolidator or deconsolidator.

1

CODING: Words stricken are deletions; words underlined are additions.

(Amendment No. ___ Adopted ___ Failed ___ Date __/__/__)
SENATE AMENDMENT

Senator Crenshaw moved the following amendment, which was adopted: which failed:

Amendment

on page 41, between line 6 and 7

If amendment is text from another bill insert:

Bill No.
Draft No.

and insert: new section 20

Section 20. Section 37 of chapter 87-61, Laws of Florida, is amended to read:

July 1, 1987, is provided prior to that date, it shall not be
taxed, notwithstanding that compensation for the service is
paid or payable on or after that date, when a service that is
taxable beginning July 1, 1987, is provided on or after that
date, the service shall be taxed unless it was prepaid in full
prior to April 1, 1987, when a service that is taxable
beginning on July 1, 1987, is provided over a period of time
beginning prior to that date and ending after that date, the
service shall be taxed only upon that portion of the service
provided on or after July 1, 1987. For purposes of this
section, a service shall be deemed prepaid in full if payment
for the service is pursuant to a finance agreement and such
agreement was sold by the service provider to a third party
prior to April 1, 1987.

RENUMBER SUBSEQUENT SECTIONS

(Amendment No. ______ Adopted ______ Failed ______ Date ______)

S1-81 5th copy may be removed
Senator Denier moved the following amendment which was adopted:

Senate Amendment

On page 22, line 13,

If amendment is text from another bill insert:

<table>
<thead>
<tr>
<th>Bill No.</th>
<th>Draft No.</th>
<th>With Changes?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No</td>
</tr>
</tbody>
</table>

insert:

Section 8. Section 212.0598, Florida Statutes, is created to read:

212.0598 Special provisions; air carriers.--

(1) Notwithstanding other provisions of this part to the contrary, any air carrier required by the United States Department of Transportation to keep records according to said department's standard classification of accounting may elect, upon the conditions prescribed in subsection (4), to be subject to the tax imposed by this part on services and tangible personal property according to the provisions of this section.

(2) The basis of the tax shall be the ratio of Florida mileage to total mileage traveled by the carrier's aircraft during the previous fiscal year as determined pursuant to part IV of chapter 214. The ratio shall be determined at the close of the carrier's preceding fiscal year. The ratio shall be applied each month to the carrier's total systemwide gross purchases of tangible personal property and services otherwise taxable in Florida.

CODING: Words struck are deletions; words underlined are additions.
(3) It is the legislative intent that air carriers are hereby determined to be susceptible to a distinct and separate classification for taxation under the provisions of this part, if the provisions of this section are met.

(4) The election provided for in this section shall not be allowed unless the purchaser makes a written request, in a manner prescribed by the Department of Revenue, to be taxed under the provisions of subsection (2), and such person registers with the Department of Revenue as a dealer and extends to his vendor at the time of purchase, if required to do so, a certificate stating that the item or items to be partially exempted are for the exclusive use designated herein. Otherwise, all purchases of taxable property and services purchased in this state shall be subject to taxation.

(5) Notwithstanding other provisions of this part to the contrary, any air carrier eligible for the election provided in subsection (1) which does not so elect shall be subject to the tax imposed by this part on the purchase or use of services and tangible personal property purchased or used in this state, as well as other taxes imposed herein.
Senator Hill moved the following amendment which was adopted:

Senate Amendment

On page 29, line 8, following the comma

If amendment is text from another bill insert:

<table>
<thead>
<tr>
<th>Bill No.</th>
<th>Draft No.</th>
<th>With Changes?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Yes</td>
</tr>
</tbody>
</table>

No other changes except that paragraph (t) is added to subsection (7) of said section.
Senator Hill moved the following amendment which was adopted:

Senate Amendment

On page 30, between lines 17 & 18,

If amendment is text from another bill insert:

<table>
<thead>
<tr>
<th>Bill No.</th>
<th>Draft No.</th>
<th>With Changes?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No</td>
</tr>
</tbody>
</table>

insert:

(t) Vinous and alcoholic beverages provided by distributors or vendors for the purpose of "wine tasting" and "spirits beverage tasting" as contemplated under the provisions of section 564.08 and 565.17 respectively, are exempt from the tax imposed by this part. This exemption shall be effective retroactively to July 1, 1981.
SENATE AMENDMENT

CS/SB 2

HB

Senators Meek and Plummer moved the following amendment which was adopted:

Senator Amendment

On page 11, line 30,

If amendment is text from another bill insert:

Bill No. Draft No. With Changes? Yes

text:

(18) Qualified production services performed by any person for a person principally engaged in the business of producing qualified motion pictures or for a person who owns or leases property used primarily for the production of qualified motion pictures. For purposes of this subsection:

(a) "Qualified production services" means any activity or service performed directly in connection with the production of qualified motion pictures, and includes:

1. Photography, recording, casting, shooting, creation of special effects, animation, adaption (language, media, electronic or otherwise), technological modifications, computer graphics, set and stage support, wardrobe, acting, consulting, writing, directing, dubbing, mixing, editing, cutting, lopping, printing, processing, duplicating, storing and distributing;

2. The design, planning, engineering, construction, alteration, repair and maintenance of real or personal property including stages, sets, props, models, painting, and facilities principally required for the performance of those services listed in subparagraph 1.; and

CODING: Words stricken are deletions; words underlined are additions.
3. Property management services directly related to property used in connection with the services described in subparagraph 1. and 2.

(b) "Qualified motion picture" means all or any part of a series of related images, either on film, tape or other embodiment, including, but not limited to, all items comprising part of the original work and film-related products derived therefrom as well as duplicates and prints thereof and all sound recordings created to accompany a motion picture, which is produced, adapted or altered for exploitation in, on or through any medium or device and at any location, primarily for entertainment, industrial, commercial or educational purposes.