



Finance and Tax Subcommittee

Thursday, March 20, 2014

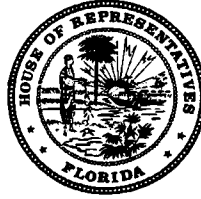
12:00 p.m. – 3:00 p.m.

Morris Hall

MEETING PACKET

The Florida House of Representatives

Finance and Tax Subcommittee



Will Weatherford
Speaker

Ritch Workman
Chair

AGENDA

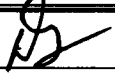
March 20, 2014
12:00 p.m. – 3:00 p.m.
Morris Hall

- I. Call to Order/Roll Call
- II. Chair's Opening Remarks
- III. **Consideration of the following proposed committee bill(s):**
PCB FTSC 14-03 -- Relating to Adoption of Internal Revenue Code for purposes of Corporate Income Tax
- IV. **Consideration of the following bill(s):**
HB 901 Ad Valorem Taxes on Non-Ad Valorem Assessments Against Subdivision Property by Romney

HB 939 Bail Bond Premiums by Stewart
- V. **Workshop on the following:**
Draft Concepts for Tax Relief and Economic Development
- VI. Closing Remarks and Adjournment

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB FTSC 14-03 Relating to Adoption of the Internal Revenue Code for Purposes of the Corporate Income Tax
SPONSOR(S): Finance & Tax Subcommittee
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Finance & Tax Subcommittee		Wolfgang <i>ew</i>	Langston 

SUMMARY ANALYSIS

Florida imposes a 5.5% tax on the taxable income of corporations doing business in Florida. The determination of taxable income for Florida tax purposes begins with the taxable income used for federal income tax purposes. This linkage to the federal Internal Revenue Code requires annual updates to Florida's tax code if the administrative and bookkeeping benefits of "piggybacking" on the federal system are to be retained.

This bill updates Florida's Corporate Income Tax Code by adopting the Internal Revenue Code as in effect on January 1, 2014.

The Revenue Estimating Conference (REC) has estimated that the bill will not have a fiscal impact.

The bill is effective upon becoming law and applies retroactively to January 1, 2014.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Florida imposes a 5.5% tax on the taxable income of corporations doing business in Florida. The determination of taxable income for Florida tax purposes begins with the taxable income used for federal income tax purposes. This means that a corporation paying taxes in Florida generally receives the same benefits from deductions allowed in determining its federal taxable income. With federal taxable income as a starting point, Florida law then requires a variety of additions and subtractions to reflect Florida-specific policies to determine Florida taxable income.

Florida maintains this relationship by each year adopting the Federal Internal Revenue Code as it exists on January 1 of the year in question. By doing this, Florida adopts any changes that were made in the previous year to the determination of federal taxable income. The bill adopting the federal code is commonly referred to as the "piggyback bill."

This year there have been no significant changes to the federal income tax code.

Proposed Changes

The bill updates the Florida Corporate Income Tax Code to reflect changes in the federal Internal Revenue Code, by adopting the Internal Revenue Code as in effect on January 1, 2014.

The bill is effective upon becoming law and applies retroactively to January 1, 2014.

B. SECTION DIRECTORY:

Section 1: Amends ss. 220.03(1) and (2), F.S., to update the version of the Internal Revenue Code adopted by Chapter 220, F.S., from 2013 to 2014.

Section 2: Provides an effective date and that applies retroactively to January 1, 2014.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled
2 An act relating to adoption of the Internal Revenue
3 Code for purposes of the corporate income tax;
4 amending s. 220.03, F.S.; adopting the 2014 version of
5 the Internal Revenue Code; providing for retroactive
6 effect; providing an effective date.

7
8 Be It Enacted by the Legislature of the State of Florida:

9
10 Section 1. Paragraph (n) of subsection (1) and paragraph
11 (c) of subsection (2) of section 220.03, Florida Statutes, are
12 amended to read:

13 220.03 Definitions.—

14 (1) SPECIFIC TERMS.—When used in this code, and when not
15 otherwise distinctly expressed or manifestly incompatible with
16 the intent thereof, the following terms shall have the following
17 meanings:

18 (n) "Internal Revenue Code" means the United States
19 Internal Revenue Code of 1986, as amended and in effect on
20 January 1, 2014 ~~2013~~, except as provided in subsection (3).

21 (2) DEFINITIONAL RULES.—When used in this code and neither
22 otherwise distinctly expressed nor manifestly incompatible with
23 the intent thereof:

24 (c) Any term used in this code has the same meaning as
25 when used in a comparable context in the Internal Revenue Code
26 and other statutes of the United States relating to federal

PCB FTSC 14-03

ORIGINAL


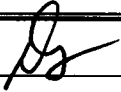
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27 income taxes, as such code and statutes are in effect on January
28 1, 2014 ~~2013~~. However, if subsection (3) is implemented, the
29 meaning of a term shall be taken at the time the term is applied
30 under this code.

31 Section 2. This act shall take effect upon becoming a law
32 and operates retroactively to January 1, 2014.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 901 Ad Valorem Taxes and Non-Ad Valorem Assessments Against Subdivision Property
SPONSOR(S): Rooney, Jr.
TIED BILLS: IDEN./SIM. **BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Finance & Tax Subcommittee		Wolfgang 	Langston 
2) Local & Federal Affairs Committee			
3) Appropriations Committee			

SUMMARY ANALYSIS

Currently, s. 193.0235, F.S., requires that the value of the common element(s) of a subdivision must be prorated and applied to the lots with in the subdivision for the purposes of ad valorem tax assessments and special assessments. The bill amends s. 193.0235, F.S., to state that notwithstanding any other provision of law, if a common element is in a different county, municipality, special district, or water management district than the subdivision it benefits, the common element shall be assessed separately, and any applicable ad valorem tax or non-ad valorem assessment shall be assessed against the common element.

The bill has an effective date of January 1, 2015.

The Revenue Estimating Conference met on February 26, 2014 and estimated that the bill would have an indeterminate impact on local governments. The direction of the impact may be positive or negative.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Overview

The ability of local governments to raise revenue for governmental operations is limited by the Florida Constitution. The constitution sets forth a number of restrictions on ad valorem taxation, including s. 2, Article VII of the Florida Constitution, which states, "All ad valorem taxation shall be at a uniform rate within each taxing unit, except the taxes on intangible personal property..."

With the exception of the ad valorem tax and constitutionally and statutorily authorized home-rule revenue sources, local governments are dependent on the Legislature for the authority to levy other forms of taxation. Two county constitutional officers, the property appraiser and tax collector, have primary responsibility for the administration and collection of ad valorem taxes at the local level. The property appraiser is charged with determining the fair market value, the assessed value, and the values of applicable exemptions to arrive at the taxable value of all property within the county, pursuant to constitutional and statutory requirements. The property appraiser is also tasked with maintaining appropriate records related to the valuation of such property. The tax collector is charged with the collection of ad valorem taxes levied by the county, school district, all municipalities within the county, and any special taxing districts within the county.¹

Assessments of Subdivisions

When the property appraiser assesses subdivisions, s. 193.0235, F.S., specifies that ad valorem taxes and non-ad valorem assessments are assessed against the lots within a platted residential subdivision and not upon the subdivision property as a whole. Pursuant to s. 193.0235, F.S., such assessments, including a tax or assessment imposed by a county, municipality, special district, or water management district, may not be assessed separately against common elements utilized exclusively for the benefit of lot owners within the subdivision, regardless of ownership. Property appraisers must prorate the value of the common elements and apply them to all of the lots in the subdivision. The statute has no exception for situations where the common element is in a different taxing unit.

For the purposes of s. 193.0235, F.S., the term "common element" includes:

- Subdivision property not included within lots constituting inventory for the developer which are intended to be conveyed or have been conveyed into private ownership.
- An easement through the subdivision property, which has been dedicated to the public or retained for the benefit of the subdivision.
- Any other part of the subdivision which has been designated on the plat or is required to be designated on the site plan as a drainage pond, or detention or retention pond, for the exclusive benefit of the subdivision.

Example

At present, there is a situation where a subdivision is located in the City of Palm Beach Gardens but its beach club (a "common element") is located in the Town of Juno Beach. Based on s. 193.0235, F.S. the property appraiser had not been assessing and the beach club had not been paying taxes to the Town of Juno Beach. To resolve this issue, the City of Palm Beach Gardens and the Town of Juno Beach have entered into an interlocal agreement² to repay the taxes, and proposed legislation to resolve the issue.

¹ See THE FLORIDA LEGISLATURE'S OFFICE OF ECONOMIC AND DEMOGRAPHIC RESEARCH, 2013 LOCAL GOVERNMENT FINANCIAL INFORMATION HANDBOOK (Dec. 2013).

² See Town of Juno Beach, Resolution 2013-06 (2013) (adopting the interlocal agreement).

Proposed Changes

The bill amends s. 193.0235, F.S., to specify that when a common element is located within a different county, municipality, special district, or water management district than the subdivision it benefits, the common element shall be assessed separately, and any applicable ad valorem tax or non-ad valorem assessment shall be assessed against the common element. It specifies that the value of such a common element may not be prorated by the property appraiser and included in the assessment of all lots within the subdivision.

B. SECTION DIRECTORY:

Section 1: Provides that a common element of a subdivision that is located in a different taxing district than the subdivision shall be assessed separately and not have its value prorated among the subdivision lots.

Section 2: Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Revenue Estimating Conference met on February 26, 2014 and estimated that the bill would have an indeterminate impact on local governments. The direction of the impact may be positive or negative.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Article VII, section 18(b) of the Florida Constitution requires any general law that reduces a local government's authority to raise revenues in the aggregate to be passed by a two-thirds vote of the membership of each house of the Legislature. Because this bill may have either a positive or negative fiscal impact on local governments, it is unclear whether article VII, section 18(b) of the Florida Constitution applies.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled

2 An act relating to ad valorem taxes and non-ad valorem
 3 assessments against subdivision property; amending s.
 4 193.0235, F.S.; providing for the assessment of ad
 5 valorem taxes and non-ad valorem assessments against
 6 certain common elements of a subdivision; prohibiting
 7 such common elements from being prorated by the
 8 property appraiser and included in the assessment of
 9 the lots within the subdivision; providing an
 10 effective date.

11
 12 Be It Enacted by the Legislature of the State of Florida:

13
 14 Section 1. Subsection (2) of section 193.0235, Florida
 15 Statutes, is renumbered as subsection (3) and a new subsection
 16 (2) is added to that section to read:

17 193.0235 Ad valorem taxes and non-ad valorem assessments
 18 against subdivision property.—

19 (2) Notwithstanding any other provision of law, a common
 20 element used exclusively for the benefit of lot owners within a
 21 subdivision, but that is located within a different county,
 22 municipality, special district, or water management district
 23 than the subdivision, shall be assessed separately, and any
 24 applicable ad valorem tax or non-ad valorem assessment shall be
 25 assessed against such separately valued property. The value of a
 26 common element described in this subsection may not be prorated

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27 | by the property appraiser and included in the assessment of all
28 | the lots within the subdivision.

29 | Section 2. This act shall take effect January 1, 2015.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 939 Bail Bond Premiums
SPONSOR(S): Stewart and others
TIED BILLS: IDEN./SIM. **BILLS:** SB 1390

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Finance & Tax Subcommittee		Pewitt <i>JP</i>	Langston <i>LS</i>
2) Insurance & Banking Subcommittee			
3) Appropriations Committee			

SUMMARY ANALYSIS

Florida imposes an annual tax on premiums collected by insurance companies doing business in the state. This tax applies to life, health, property and casualty, title insurance, and most other types of policies at a rate of 1.75%, with deductions allowed for reinsurance accepted, return premiums, assessments, and various credits. It applies to self-insurance funds at a rate of 1.6%. It applies to annuities at a rate of 1%. It applies to wet marine and transportation insurance at a rate of 0.75% of gross underwriting profit, defined as net premiums minus net losses paid.

The bill provides that insurance premiums tax on bail bond premiums shall be calculated pursuant to the requirements for financial reports laid out in section 624.4094, F.S. For domestic companies, this has the effect of excluding any portion of the premium retained by bail bond agents from the base used to calculate insurance premiums tax. It has no effect on insurance premium tax calculations for foreign companies.

The Revenue Estimating Conference has not adopted an estimate for this bill. Staff estimates that it would have a cash and recurring impact of -\$0.3 million to general revenue beginning in fiscal year 2014-2015.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Insurance Premiums Tax

Florida imposes an annual tax on premiums collected by insurance companies doing business in the state.¹ This tax applies to life, health, property and casualty, surety, title insurance, and most other types of policies at a rate of 1.75%, with deductions allowed for reinsurance accepted, return premiums and assessments.² It applies to self-insurance funds at a rate of 1.6%.³ It applies to annuities at a rate of 1%.⁴ It applies to wet marine and transportation insurance at a rate of 0.75% of gross underwriting profit, defined as net premiums minus net losses paid.⁵

There are a number of credits allowed against insurance premiums tax liability. These include:

- 100% of corporate income tax paid pursuant to chapter 220, F.S.⁶
- 15% of salaries paid by the company to its Florida-based employees.⁷
- 50% of a community contribution made pursuant to the Community Contribution Tax Credit Program for enterprise zones.⁸
- 100% of donations made to eligible scholarship funding organizations pursuant to s. 1002.395.⁹

The sum of the credits granted for corporate income tax and employee salaries may not exceed 65% of the insurer's premium tax liability.¹⁰

Retaliatory Tax

When another state or foreign country levies certain taxes or fees, including insurance premiums tax, on Florida insurers in excess of the taxes and fees levied by Florida on insurers from such other state or foreign country, a retaliatory tax is charged.¹¹ Companies from the other state or foreign country are taxed using the same tax and fee structure that a similar Florida insurer operating in such state or foreign country would be charged.

Bail Bonds

When a person is charged with a crime in this state, they may seek pre-trial release. One method of seeking release is by applying for bail.¹² After a bail determination hearing, the court may grant the defendant monetary bail. Such bail can be satisfied by a surety bond presented by a qualified individual, group of individuals, or a bail bond agent licensed under chapter 648, F.S.¹³ Such surety bonds serve as a guarantee by the surety that the defendant will appear at all necessary hearings.¹⁴

¹ Section 624.509, F.S.

² Section 624.509(1)(a), F.S.

³ Section 624.4625(4), F.S.

⁴ Section 624.509(1)(b), F.S.

⁵ Section 624.510, F.S.

⁶ Section 624.509(4), F.S.

⁷ Section 624.509(5), F.S.

⁸ Section 624.5105, F.S.

⁹ Section 624.51055, F.S.

¹⁰ Section 624.509(6)(a), F.S.

¹¹ Section 524.5091, F.S.

¹² Section 903.035, F.S.

¹³ Section 903.045, F.S.

¹⁴ Section 624.606, F.S.

Licensed bail bond agents are required to charge a premium in exchange for granting the surety bond.¹⁵ Bail bond agents are subject to Section I of the Insurance Code contained in chapter 627, F.S., which requires that their rates be filed with and approved by the Office of Insurance Regulation.

Bail bond agents retain up to 93.5% of the premium, and the insurance company retains the remainder.¹⁶ Unlike other types of insurance companies, domestic bail bond providers file their required financial reports based on premiums collected net of any money retained by agents.¹⁷

Proposed Changes

The bill provides that insurance premiums tax on bail bond premiums shall be calculated pursuant to the requirements for financial reports laid out in section 624.4094, F.S. For domestic companies, this has the effect of excluding any portion of the premium retained by bail bond agents from the base used to calculate insurance premiums tax. It has no effect on insurance premium tax calculations for foreign companies.

B. SECTION DIRECTORY:

Section 1. Amends section 624.4094, F.S., providing that insurance premium taxes shall be calculated based on the financial reporting requirements of section 624.4094 F.S.

Section 2. Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Revenue Estimating Conference has not adopted an estimate for this bill. Staff estimates that it would have a cash and recurring impact of -\$0.3 million to general revenue beginning in fiscal year 2014-2015.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None,

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill would reduce the insurance premiums tax levied on companies that provide bail bond insurance.

¹⁵ Section 648.33, F.S.

¹⁶ Section 624.4094(1), F.S.

¹⁷ Section 624.4094, F.S.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled
 2 An act relating to bail bond premiums; amending s.
 3 624.4094, F.S.; specifying the amount of direct
 4 written premiums for bail bonds for the purpose of
 5 calculation of certain taxes; providing an effective
 6 date.

7
 8 Be It Enacted by the Legislature of the State of Florida:

9
 10 Section 1. Subsection (5) of section 624.4094, Florida
 11 Statutes, is amended, and subsection (1) of that section is
 12 republished, to read:

13 624.4094 Bail bond premiums.—

14 (1) The Legislature finds that a significant portion of
 15 bail bond premiums is retained by the licensed bail bond agents
 16 or licensed managing general agents. For purposes of reporting
 17 in financial statements required to be filed with the office
 18 pursuant to s. 624.424, direct written premiums for bail bonds
 19 by a domestic insurer in this state shall be reported net of any
 20 amounts retained by licensed bail bond agents or licensed
 21 managing general agents. However, in no case shall the direct
 22 written premiums for bail bonds be less than 6.5 percent of the
 23 total consideration received by the agent for all bail bonds
 24 written by the agent. This subsection also applies to any
 25 determination of compliance with s. 624.4095.

26 (5) This section applies to ~~does not affect~~ the reporting

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27 | and ~~or~~ payment of insurance premium taxes under ss. 624.509,
28 | 624.5091, and 624.5092, and the insurance premium tax and
29 | related excise taxes shall ~~continue to~~ be calculated using the
30 | amount of direct written premiums for bail bonds as determined
31 | pursuant to subsection (1) ~~gross bail bond premiums~~.

32 | Section 2. This act shall take effect upon becoming a law.

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 939 (2014)

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Finance & Tax Subcommittee
2 Representative Stewart offered the following:

3
4 **Amendment (with title amendment)**

5 Remove everything after the enacting clause and insert:

6 Section 1. Subsection (5) of section 624.4094, Florida
7 Statutes, is amended, and subsection (1) of that section is
8 republished, to read:

9 624.4094 Bail bond premiums.—

10 (1) The Legislature finds that a significant portion of
11 bail bond premiums is retained by the licensed bail bond agents
12 or licensed managing general agents. For purposes of reporting
13 in financial statements required to be filed with the office
14 pursuant to s. 624.424, direct written premiums for bail bonds
15 by a domestic insurer in this state shall be reported net of any
16 amounts retained by licensed bail bond agents or licensed
17 managing general agents. However, in no case shall the direct

Amendment No. 1

18 written premiums for bail bonds be less than 6.5 percent of the
19 total consideration received by the agent for all bail bonds
20 written by the agent. This subsection also applies to any
21 determination of compliance with s. 624.4095.

22 ~~(5) This section does not affect the reporting or payment~~
23 ~~of insurance premium taxes under ss. 624.509, 624.5091, and~~
24 ~~624.5092, and the insurance premium tax and related excise taxes~~
25 ~~shall continue to be calculated using gross bail bond premiums.~~

26 Section 2. Subsection (1) of section 624.509, Florida
27 Statutes, is amended to read:

28 624.509 Premium tax; rate and computation.—

29 (1) In addition to the license taxes provided for in this
30 chapter, each insurer shall also annually, and on or before
31 March 1 in each year, except as to wet marine and transportation
32 insurance taxed under s. 624.510, pay to the Department of
33 Revenue a tax on insurance premiums, premiums for title
34 insurance, or assessments, including membership fees and policy
35 fees and gross deposits received from subscribers to reciprocal
36 or interinsurance agreements, and on annuity premiums or
37 considerations, received during the preceding calendar year, the
38 amounts thereof to be determined as set forth in this section,
39 to wit:

40 (a) An amount equal to 1.75 percent of the gross amount of
41 such receipts on account of life and health insurance policies
42 covering persons resident in this state and on account of all
43 other types of policies and contracts (except annuity policies

Amendment No. 1

44 or contracts taxable under paragraph (b) and bail bond policies
45 or contracts taxable under paragraph (c) covering property,
46 subjects, or risks located, resident, or to be performed in this
47 state, omitting premiums on reinsurance accepted, and less
48 return premiums or assessments, but without deductions:

49 1. For reinsurance ceded to other insurers;

50 2. For moneys paid upon surrender of policies or
51 certificates for cash surrender value;

52 3. For discounts or refunds for direct or prompt payment
53 of premiums or assessments; and

54 4. On account of dividends of any nature or amount paid
55 and credited or allowed to holders of insurance policies;
56 certificates; or surety, indemnity, reciprocal, or
57 interinsurance contracts or agreements; and

58 (b) An amount equal to 1 percent of the gross receipts on
59 annuity policies or contracts paid by holders thereof in this
60 state.

61 (c) An amount equal to 1.75 percent of the direct written
62 premiums for bail bonds excluding any amounts retained by
63 licensed bail bond agents or licensed managing general agents.

64 Section 3. This act shall take effect on January 1, 2015.

65
66
67 -----
68 **T I T L E A M E N D M E N T**

69 Remove everything before the enacting clause and insert:

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 939 (2014)

Amendment No. 1

70 A bill to be entitled
71 An act relating to bail bond premiums; amending s.
72 624.4094, F.S.; repealing a provision separating the
73 calculation of insurance premiums tax from financial
74 reporting for bail bond premiums; amending 624.509,
75 F.S.; specifying the amount of direct written premiums
76 for bail bonds for the purpose of calculation of
77 certain taxes; providing an effective date.

Tax Reduction and Economic Development Concepts

Summary

The draft legislative concepts contemplate a broad range of tax cuts and spending aimed at encouraging economic development.

Included in the package are:

- A total of 4 temporary periods where sales of certain goods will be exempt from the sales tax (“sales tax holidays”). The holidays will be for:
 - Clothes, shoes, school supplies, and computers (“Back to School”),
 - Hurricane preparedness supplies,
 - Energy and water efficient appliances, and
 - Physical fitness facility memberships.
- Addition of cement mixing drums to the temporary sales tax exemption for machinery and equipment that this legislature passed last year that will expire in 2017.
- A permanent sales tax exemption for car seats and other child restraint systems.
- An increase in the exemption for corporate income tax from the first \$50,000 of income to the first \$75,000 of income for each corporate income taxpayer.
- Expansion of the amount of credits available under the New Markets program from \$178.8 million to \$227.55 million.
- A one year extension of the sunset date of the Community Contributions Tax Credit program.
- Creation of a new qualified television loan program to assist television production companies in acquiring the financing they need to encourage the production of television programs in Florida.
- Modernization of the definition of “prepaid calling arrangement” to conform the statutory definition with changes in the telecommunications industry.
- Redirection of sales tax collections currently deposited in the General Revenue Fund to the Public Education Capital Outlay and Debt Service Trust Fund.
- Redirection of \$100 million in sales tax revenue annually to the State Transportation Trust Fund.

Sales Tax Holidays

The state of Florida levies a 6 percent sales and use tax on the sale or rental of most tangible personal property, admissions, rentals of transient accommodations, rental of commercial real estate, and a limited number of services. Chapter 212, F.S., contains statutory provisions authorizing the levy and collection of Florida’s sales and use tax, as well as the exemptions and credits applicable to certain items or uses under specified circumstances. There are currently

more than 200 different exemptions.¹ Sales tax is added to the price of the taxable goods or service and collected from the purchaser at the time of sale.

In addition to the state tax, s. 212.055, F.S., authorizes counties to impose eight local discretionary sales surtaxes on all transactions occurring in the county subject to the state tax imposed on sales, use, services, rental, admissions, and other transactions by ch. 212, F.S., and on communications services as defined in ch. 202, F.S.² The discretionary sales surtax is based on the rate in the county where the taxable goods or services are sold, or delivered into, and is levied in addition to the state sales and use tax of 6 percent.

Back to School Sales Tax Holidays:

Since 1998, the Legislature has enacted twelve temporary periods (commonly called "sales tax holidays") during which certain clothing, footwear, books and school supply items were exempted from the state sales tax and county discretionary sales surtaxes.

The length of the exemption periods has varied from 3 to 10 days. The type and value of exempt items has also varied. Clothing and footwear have always been exempted at various thresholds, most recently \$75. Books valued at \$50 or less were exempted in five periods. School supplies have been included starting in 2001, with the value threshold increasing from \$10 to \$15. In 2013, personal computers and related accessories purchased for noncommercial home or personal use with a sales price of \$750 or less were exempted. The following table describes the history of the back to school sales tax holiday.

Dates	Length	TAX EXEMPTION THRESHOLDS				
		Clothing/ Footwear	Wallets/ Bags	Books	Computers	School Supplies
August 15-21, 1998	7 days	\$50 or less	N/A	N/A	N/A	N/A
July 31-August 8, 1999	9 days	\$100 or less	\$100 or less	N/A	N/A	N/A
July 29-August 6, 2000	9 days	\$100 or less	\$100 or less	N/A	N/A	N/A
July 28-August 5, 2001	9 days	\$50 or less	\$50 or less	N/A	N/A	\$10 or less
July 24-August 1, 2004	9 days	\$50 or less	\$50 or less	\$50 or less	N/A	\$10 or less
July 23-31, 2005	9 days	\$50 or less	\$50 or less	\$50 or less	N/A	\$10 or less
July 22-30, 2006	9 days	\$50 or less	\$50 or less	\$50 or less	N/A	\$10 or less
August 4-13, 2007	10 days	\$50 or less	\$50 or less	\$50 or less	N/A	\$10 or less
August 13-15, 2010	3 days	\$50 or less	\$50 or less	\$50 or less	N/A	\$10 or less
August 12-14, 2011	3 days	\$75 or less	\$75 or less	N/A	N/A	\$15 or less

¹ For a list of exemptions and history, see REC, 2013 Florida Tax Handbook. Exemptions are estimated to total about \$10 billion.

² The tax rates, duration of the surtax, method of imposition, and proceed uses are individually specified in s. 212.055, F.S. General limitations, administration, and collection procedures are set forth in s. 212.054, F.S.

August 3-5, 2012	3 days	\$75 or less	\$75 or less	N/A	N/A	\$15 or less
August 2-4, 2013	3 days	\$75 or less	\$75 or less	N/A	\$750 or less	\$15 or less

Hurricane Preparedness Holidays

Florida has also enacted sales tax holidays for certain hurricane preparedness items in the past. In 2005, 2006, and 2007 the state established 12 day periods where items below certain thresholds were exempt from tax. Items included in all three holidays were:

- Portable self-powered light sources selling for \$20 or less,
- Portable self-powered radios, two-way radios, or weather band radios selling for \$50 or less,
- Tarpaulins or other flexible waterproof sheeting selling for \$50 or less,
- Self-contained first-aid kits selling for \$30 or less,
- Ground anchor systems or tie-down kits selling for \$50 or less,
- Gas or diesel fuel tanks selling for \$25 or less,
- Packages of AA-cell, C-cell, D-cell, 6-volt, or 9-volt batteries, excluding automobile and boat batteries, selling for \$30 or less, and
- Nonelectric food storage coolers selling for \$30 or less.

In 2005, portable generators selling for \$750 or less were exempted. In 2006 and 2007, the threshold for generators was increased to \$1,000, and several additional items were added:

- Reusable ice or items sold as artificial ice selling for \$10 or less,
- Cell phone chargers selling for \$40 or less,
- Cell phone batteries selling for \$60 or less, and
- Storm shutter devices selling for \$1,000 or less.

In 2005 and 2007 the hurricane preparedness holidays ran from June 1 through June 12, in 2006 the Holiday was from May 21 through June 1.

Energy Efficient Appliance Holidays

From October 5 through October 11, 2006, Florida exempted energy-efficient products priced under \$1,500 and that met or exceeded the requirements of the federal "ENERGY STAR" program³. The following items were exempted:

- Refrigerators,
- Dishwashers,
- Clothes washers,
- Air conditioners,
- Ceiling fans,
- Light bulbs,
- Dehumidifiers, and

³ ENERGY STAR products must meet energy efficiency standards established by the U.S. Environmental Protection Agency.

- Thermostats.

Proposed Changes

The draft legislation would establish four sales tax holidays during the 2014-2015 calendar year.

Back to School

The draft legislation provides for a 3 day sales tax holiday beginning August 1, 2014, and ending August 3, 2013. During the holiday, the following items that cost \$100 or less are exempt from the state sales tax and county discretionary sales surtaxes:

- Clothing (defined as an "article of wearing apparel intended to be worn on or about the human body," but excluding watches, watchbands, jewelry, umbrellas, and handkerchiefs);
- Footwear (excluding skis, swim fins, roller blades, and skates);
- Wallets; and
- Bags (including handbags, backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags).

The legislation also exempts "school supplies" that cost \$15 or less per item. Further exempt would be personal computers and related accessories purchased for noncommercial home or personal use with a sales price of \$750 or less. This would include tablets, laptops, monitors, input devices, and non-recreational software. Cell phones, furniture and devices or software intended primarily for recreational use are not exempted.

Hurricane Preparedness

The draft legislation proposes a sales tax exemption for the following items related to hurricane preparedness for the period beginning on June 1, 2014, and ending on June 12, 2014:

- A portable self-powered light source selling for \$20 or less,
- A portable self-powered radio, two-way radio, or weather band radio selling for \$50 or less,
- A tarpaulin or other flexible waterproof sheeting selling for \$50 or less,
- A self-contained first-aid kit selling for \$30 or less,
- A ground anchor system or tie-down kit selling for \$50 or less,
- A gas or diesel fuel tank selling for \$25 or less,
- A package of AA-cell, C-cell, D-cell, 6-volt, or 9-volt batteries, excluding automobile and boat batteries, selling for \$30 or less, and
- A nonelectric food storage cooler selling for \$30 or less.

Energy Efficient Appliances

The draft legislation provides that no sales tax will be collected on the first \$1,500 of the sales price for a new ENERGY STAR product or WaterSense product⁴ during the period beginning on September 19, 2014, and ending on September 21, 2014.

ENERGY STAR products eligible for this holiday are:

- Air conditioners
- Air purifiers
- Ceiling fans
- Clothes washers
- Dehumidifiers
- Dishwashers
- Freezers
- Refrigerators
- Water heaters
- Pool pumps
- Light bulbs.

WaterSense products eligible for this holiday are:

- Bathroom sink faucets
- Faucet accessories
- High-efficiency toilets
- Showerheads
- Weather or sensor-based irrigation controllers.

A person is limited to a single purchase for each specific type of item listed above with a sales price over \$500 during the holiday, and a second purchase of the same type of product will be subject to tax on the entire price.

Physical Fitness Memberships

The draft legislation provides that the sales and use tax levied on admissions will not be collected during the period beginning September 1, 2014, and ending September 8, 2014, on the sale of athletic, exercise, and physical fitness facility memberships. A facility must be registered as a health studio under ss. 501.012 through 501.019, F.S., to participate in the holiday.

⁴ WaterSense labeled products and meet the US Environmental Protection Agency specifications for water efficiency and performance.

Sales Tax Exemptions

As noted above, ch. 212, F.S., establishes a 6 percent state sales tax, while s. 212.08, F.S., provides a variety of exemptions from that tax. In 2013, the legislature passed an exemption for sales tax exemption for machinery and equipment used at a fixed location within Florida to manufacture, process, compound, or produce tangible goods for sale. This sales tax exemption is available for 3 years, from April 30, 2014 until April 30, 2017.

Proposed Changes

Child Car Seats

The draft legislation will add a permanent exemption for sales of child restraint systems and booster seats for use in motor vehicles.

Cement Mixers

The draft legislation will add cement mixer drums that are affixed to mixer trucks, as well as the parts and labor necessary to affix those drums to trucks, to the sales tax exemption for manufacturing machinery and equipment that will sunset on April 20, 2017.

Tax on Sales of Electricity

The sale of electric power or energy by an electric utility is subject to the state sales tax at the rate of 7 percent,⁵ subject to numerous exemptions. The exemptions include sales for use in residential households, sales for certain agricultural purposes, sales for use in operating manufacturing machinery and equipment in a fixed location, and sales in enterprise zones. The distribution for sales and use tax receipts is governed by s. 212.20, F.S., with roughly 89% of the proceeds being deposited in the General Revenue Fund.

Chapter 203 imposes, at the rate of 2.5 percent, a tax on gross receipts from the sale, delivery, or transportation of natural gas, manufactured gas, or electricity to a retail consumer in Florida. All revenue received pursuant to this tax goes to the Public Education Capital Outlay and Debt Service ("PECO") Trust Fund. The use of such funds is limited to paying the principal or interest on bonds to finance capital projects for institutions of higher learning, community colleges, vocational technical schools, or public schools, or direct payment of the cost of any public educational facility capital project.

Proposed Change

The draft legislation proposes to decrease the sales tax on sales of electricity from 7 to 4 percent and increase the gross receipts tax on electrical power or energy delivered to a retail consumer by the same amount. The new gross receipts tax additional rate will incorporate the

⁵ S. 212.05(1)(e)l.c., F.S.

existing exemptions from the sales tax to make this change revenue neutral to both the state and to taxpayers. The result is to increase the bondable revenue flow to the PECO trust fund.

Corporate Income Tax Exemption

Florida imposes a 5.5 percent tax on the net income of corporations doing business in Florida. Currently the first \$50,000 of income subject to Florida tax is exempt from the corporate income tax. This exemption was \$5,000 prior to 2011, when it was increased to \$25,000. It was increased to its current level in 2012.

Proposed Change

The draft legislation will increase the amount of exempted income to \$75,000.

Qualified Television Loan Program

Current Situation

Television Production

Television shows are typically created by production companies and pitched to networks. If the network opts to pick the show up, they will enter into a license agreement with the production company. This agreement grants the network exclusive rights to air the show for some specified period of time, in exchange for a license fee that usually covers 70-80% of the budget to produce the show. The production company must raise funds to cover the deficit that remains. In addition, the license fee is not paid until the show is completed and delivered to the studio, so the production company has to come up with the cash to fund the production.

There are a variety of ways that companies attempt to secure this funding. They can give up equity in the production, take out loans from banks, or borrow against tax credits where available. They can also eventually sell syndication rights, DVD/Blu-Ray rights, foreign broadcast rights, etc. Shows are not always able to attain sufficient funding, however.

Proposed Changes

The draft legislation would create the Qualified Television Loan Fund (QTV fund) within the Department of Economic Opportunity. It would appropriate \$20 million to the department to place in the revolving loan fund. The department would be required to contract with a private fund administrator to invest the fund. The administrator would be charged with finding a financial institution to partner with.

The fund and financial institution would make joint loans to production companies that meet certain criteria. The production companies would be required to have an agreement with a network to air at least 13 episodes of the show to be produced (made-for-TV movies would also

qualify), and at least 80% of the production budget would need to be spent in Florida. The debt issued by the financial institution, which would make up a much larger portion of the total loan than QTV funds, would hold a senior position to the debt issued by the QTV fund. The terms given to the financial institution or any other lenders could be no better than those given to the QTV fund. The term of the loan could be no longer than 3 years. After the loans are repaid with interest, those funds are reinvested into additional projects.

The fund administrator would be paid a fee equal to 5% of the assets under management for the first 5 years, and 3% of assets under management every year thereafter until the end of the contract. Additionally, the fund administrator may receive 20% of the fund's net income on an annual basis. This may not be paid from the fund's principal.

The program would expire on December 31, 2024, and all funds remaining in the QTV fund at that point will revert to the General Revenue Fund.

These changes would have no effect on Florida's current, tax credit-funded Entertainment Industry Financial Incentive Program.

New Markets

Current Situation

Modeled after a similar federal program, Florida's New Markets Development Program, established by the Legislature in 2009,⁶ encourages "capital investment in rural and urban low-income communities by allowing taxpayers to earn credits against specified taxes by investing in qualified community development entities that invest in qualified active low-income community businesses to create and retain jobs."⁷

Under the program, federally-certified Community Development Entities (CDEs), which have entered into allocation agreements with the U.S. Department of Treasury, have the ability to apply to the Department of Economic Opportunity (DEO) for a certification of Florida tax credits. The CDE must show that it is prepared to invest capital into qualified businesses in Florida's low-income communities. The certification process includes proof of the CDE's eligibility, identification of its investors, description of the investments to be raised by the CDE, information regarding how the investments will be used, and a description of the CDE's efforts to partner with local community-based groups.

DEO certifies qualified applications on a first-come, first-served basis. Any failure by a CDE to follow either Florida or federal law may result in the state recapturing tax credits claimed, together with interest and penalties.⁸

⁶ Chapter 2009-50, L.O.F.

⁷ Section 288.9912, F.S.

⁸ Section 288.9920, F.S.

Tax Credits

The New Markets Tax Credit Program allows a tax credit to be taken against the corporate income tax found in s. 220.11, F. S. or the insurance premium tax found in s. 624.509, F.S. This credit may be claimed after an investment through a CDE has been made and held for a minimum of two years. In year three the credit is worth seven percent of the investment, and from the fourth year through the seventh year the credit is worth eight percent.

As in the federal program, over seven years this credit totals 39 percent of the total investment. Therefore, a qualified taxpayer with a qualified investment approved for both the federal and state program could receive 78 percent of the purchase price of the investment in tax credits over seven years.

Any unused portion of the tax credit may be carried forward for future tax years; however, all tax credits expire on December 31, 2022.⁹ The program has a cap of \$178.8 million on the total of tax credits allowed to be allocated to all investments or \$36.6 million in tax credits in a single state fiscal year.¹⁰ The transfer or sale of tax credits is not permitted; however, a tax credit may travel with the purchase of an investment to a new owner.¹¹

Proposed Change

The draft legislation increases the total amount of tax credits available to be allocated for the New Markets Development Program from \$178.8 million to \$227.55 million.

Community Contributions Tax Credit

The Community Contribution Tax Credit Program provides a credit or refund in the amount of 50 percent of eligible donations to Florida businesses that make donations toward community development and housing projects for low-income persons. Businesses may take the credit against corporate income tax pursuant to s. 220.183, F.S., insurance premium tax pursuant to s. 624.5105, F.S., or as a refund on sales tax collected pursuant to s. 212.08(5)(p), F.S..

The Community Contribution Tax Credit Program expires on June 30, 2015.

Proposed Change

The draft legislation extends the expiration date of the program by one year to June 30, 2016.

⁹ Section 15, ch. 2009-50, L.O.F.

¹⁰ Section 288.914(3)(c), F.S. *See* s. 16, ch. 2012-32, L.O.F.

¹¹ Section 288.9916(2), F.S.

State Transportation Trust Fund

The State Transportation Trust Fund (STTF) is currently funded by from a variety of tax sources, including portions of the revenue received from tax on motor and aviation fuels imposed by ch. 206, F.S., motor vehicle fees imposed by ch. 320, F.S., the rental car surcharge imposed by s. 212.0606, F.S., and the documentary stamp tax imposed by ch. 201, F.S. The funds deposited are used by the Florida Department of Transportation to provide a safe, viable, and balanced state transportation system serving all regions of the state.

Proposed Change

The draft legislation will redirect to the STTF, \$100 million annually from sales and use tax that would otherwise be deposited into the General Revenue Fund. Of those funds, \$85 million would be used annually for transportation projects that connect major markets within this state or between this state and other states, and which increase Florida's viability in national and global markets. The remaining \$15 million would be used annually for regionally-significant transportation projects that provide connectivity to and through rural areas.

Communications Services Taxation: Prepaid Calling Arrangements

Under current law, "prepaid calling arrangements" as defined by s. 212.05(1)(e), F.S., are subject to the sales tax of 6 percent (plus any applicable local option sales and use taxes). Other communications services, including postpaid mobile communications services, are subject to state and local communications services tax under ch. 202, F.S., and the gross receipts tax on communications services imposed by ch. 203, F.S. While local rates vary widely, the statewide average combined state and local tax rate on the sale of postpaid mobile communications is roughly 14%.

The current statutory definition of "prepaid calling arrangement" is narrowly drafted to only include, "retail sale by advance payment of communications services that consist exclusively of telephone calls... that are sold in predetermined units or dollars whose number declines with use in a known amount." However, the telecommunications industry has developed over the past decade to offer more prepaid plans compatible with the texting, data, video, and other capabilities of today's modern smartphones. This has led to increased utilization of prepaid mobile services, 32% of all smartphones sold in Q1 2013 were sold with prepaid plans.¹² As markets and technology have evolved, the statutory definition has become increasingly incompatible with industry practice and ability to collect communications services taxes.

Proposed Change

The concept language modernizes the definition of "prepaid calling arrangement" to include the sale of mobile communications services that satisfy all the below requirements:

¹² <https://www.npd.com/wps/portal/npd/us/news/press-releases/the-mpd-group-nearly-one-third-of-all-smartphones-sold-in-the-u-s-are-prepaid/> (last visited 3/18/14)

- Must be paid for in advance.
- Sold in predetermined units that expire or decrease according to a predetermined basis.
- Cannot be used if the predetermined units have expired or been exhausted.
- Are not subject to any requirement to purchase additional units in the future.
- Units cannot be used to obtain communications services other than mobile communications services unless those services are provided by or through the same handset.

Products that meet that definition will therefore be taxed at the sales tax rate.

These changes are remedial in nature and apply retroactively, but do not create the right to a refund or credit of any tax paid.

FISCAL IMPACT OF DRAFT CONCEPTS: FY 2014-15 (in millions of dollars)

Issue	General Revenue		State Trust Funds		Local		Total	
	Cash	Recur.	Cash	Recur.	Cash	Recur.	Cash	Recur.
Sales Tax: Physical Fitness Holiday (ss. 17, 21)	(4.1)	-	(*)	-	(0.9)	-	(5.0)	0.0
Sales Tax: Back to School Holiday (ss. 18, 23)	(32.0)	-	(*)	-	(7.2)	-	(39.2)	0.0
Sales Tax: Energy Efficient Holiday (ss. 20, 24)	(1.6)	-	(*)	-	(0.3)	-	(1.9)	0.0
Sales Tax: Hurricane Prep. Holiday (ss. 19, 22)	(3.2)	-	(*)	-	(0.7)	-	(3.9)	0.0
Sales Tax: Car Seats (s. 6)	(2.0)	(2.2)	(*)	(*)	(0.5)	(0.5)	(2.5)	(2.7)
Sales Tax: Cement Mixers (s. 26)	(3.3)	-	(*)	-	(0.7)	-	(4.0)	0.0
Sales Tax/Gross Receipts: Electricity (ss. 3, 4)	(152.9)	(166.8)	172.1	187.7	(19.1)	(20.9)	0.1	0.0
Corp Income Tax: Income Exemption (ss. 9,11,12)	(8.8)	(21.7)	-	-	-	-	(8.8)	(21.7)
QTV Fund (ss. 13, 25)	(20.0)	-	-	-	-	-	(20.0)	0.0
New Markets Credits (s. 14)	-	(10.0)	-	-	-	-	0.0	(10.0)
Community Contribution Expiration Date (ss. 6, 10, 16) (FY 2015-16)	(12.6)	-	(*)	-	(1.4)	-	(14.0)	0.0
STTF Funding (ss. 8,15)	(100.0)	(100.0)	100.0	100.0	-	-	0.0	0.0
Prepaid Calling (ss. 1,2,4,5)	-	(1.4)	-	(5.7)	-	(11.2)	0.0	(18.3)
Totals	(340.5)	(302.1)	272.1	282.0	(30.8)	(32.6)	(99.2)	(52.7)

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1 A bill to be entitled
 2 An act relating to economic development; amending s.
 3 202.11, F.S.; revising the definition of "prepaid
 4 calling arrangement"; providing for retroactive
 5 applicability and construction; amending s. 203.01,
 6 F.S.; imposing an additional tax on gross receipts for
 7 electrical power or energy for specified years;
 8 revising exemptions from the tax on gross receipts for
 9 utility and communications services; providing
 10 exemptions from the additional tax on gross receipts
 11 from electrical power or energy; requiring the
 12 additional tax to be excluded from the taxable base on
 13 which gross receipts are calculated under certain
 14 circumstances; amending s. 212.05, F.S.; revising the
 15 definition of "prepaid calling arrangement" to clarify
 16 and update which services are included under the
 17 definition and subject to sales tax; revising the
 18 sales tax rate for charges for electrical power or
 19 energy for specified years; providing that
 20 discretionary sales surtaxes apply regardless of the
 21 sales tax rate for charges for electrical power or
 22 energy; providing for retroactive applicability and
 23 construction; amending s. 212.08, F.S.; revising an
 24 expiration date; providing a sales tax exemption on
 25 car seats and child restraint systems; amending s.
 26 212.12, F.S.; conforming a provision to a change made

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27 by the act; amending s. 212.20, F.S.; providing for a
 28 distribution to the State Transportation Trust Fund;
 29 amending s. 220.14, F.S.; increasing an exemption;
 30 amending s. 220.183, F.S.; revising an expiration
 31 date; amending s. 220.63, F.S.; increasing an
 32 exemption; creating s. 288.127, F.S.; providing
 33 definitions; providing a purpose; creating the
 34 Qualified Television Loan Fund; requiring the
 35 Department of Economic Opportunity to contract with a
 36 fund administrator; providing fund administrator
 37 qualifications; providing for the fund administrator's
 38 compensation and removal; specifying the fund
 39 administrator powers and duties; providing the
 40 structure of the loans; providing qualified television
 41 content criteria; requiring the Auditor General to
 42 conduct an operational audit of the fund and the fund
 43 administrator; authorizing the department to adopt
 44 rules; providing for expiration of the act; providing
 45 emergency rulemaking authority; amending s. 288.9914,
 46 F.S.; increasing a tax credit amount; creating s.
 47 339.0803, F.S.; authorizing use of certain funds;
 48 amending s. 624.5105, F.S.; revising an expiration
 49 date; providing that the admissions tax may not be
 50 levied on the sale of athletic, exercise, and physical
 51 fitness facility memberships by certain health studios
 52 during a specified period; authorizing the Department

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53 of Revenue to adopt emergency rules; specifying a
 54 period during which the sale of clothing, wallets,
 55 bags, school supplies, personal computers, and
 56 personal computer-related accessories are exempt from
 57 the sales tax; providing definitions; providing
 58 exceptions; authorizing the Department of Revenue to
 59 adopt emergency rules; providing for a sales tax
 60 holiday for certain products; providing restrictions;
 61 providing definitions; authorizing the Department of
 62 Revenue to adopt emergency rules; providing an
 63 exemption from the sales and use tax for sales during
 64 a specified period of certain tangible personal
 65 property; authorizing the Department of Revenue to
 66 adopt emergency rules; providing an appropriation;
 67 providing an appropriation; amending Chapter 2013-39,
 68 2013 Laws of Florida; providing a sales tax exemption
 69 on certain items; providing an effective date.

70

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

72

73 Section 1. Subsection (9) of section 202.11, Florida
 74 Statutes, is amended to read:

75 202.11 Definitions.—As used in this chapter, the term:

76 (9) "Prepaid calling arrangement" means: the ~~separately~~
 77 ~~stated retail sale by advance payment of~~

78 (a) A right to use communications services, other than

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79 mobile communications services, for which a separately stated
 80 price must be paid in advance, which is sold at retail in
 81 predetermined units that decline in number with use on a
 82 predetermined basis, and which ~~that~~ consist exclusively of
 83 telephone calls originated by using an access number,
 84 authorization code, or other means that may be manually,
 85 electronically, or otherwise entered; ~~or and that are sold in~~
 86 ~~predetermined units or dollars of which the number declines with~~
 87 ~~use in a known amount.~~

88 (b) A right to use mobile communications services that
 89 must be paid for in advance and is sold at retail in
 90 predetermined units that expire or decline in number on a
 91 predetermined basis if:

92 1. The purchaser's right to use mobile communications
 93 services terminates upon all purchased units expiring or being
 94 exhausted unless the purchaser pays for additional units;

95 2. The purchaser is not required to purchase additional
 96 units; and

97 3. Any right of the purchaser to use units to obtain
 98 communications services other than mobile communications
 99 services is limited to services that are provided to or through
 100 the same handset or other electronic device that is used by the
 101 purchaser to access mobile communications services.

102
 103 Predetermined units described in this subsection may be
 104 quantified as amounts of usage, time, money, or a combination of

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105 these or other means of measurement.

106 Section 2. The amendments made by this act to s. 202.11,
 107 Florida Statutes, are intended to be remedial in nature and
 108 apply retroactively, but do not provide a basis for an
 109 assessment of any tax not paid or create a right to a refund or
 110 credit of any tax paid before the effective date of this act.

111 Section 3. Subsections (5) through (9) of section 203.01,
 112 Florida Statutes, are renumbered as subsections (6) through
 113 (10), respectively, paragraph (b) of subsection (1), subsection
 114 (3), and present subsections (4) and (8) are amended, and a new
 115 subsection (4) is added to that section, to read:

116 203.01 Tax on gross receipts for utility and
 117 communications services.-

118 (1)

119 (b)1. The rate applied to utility services shall be 2.5
 120 percent.

121 2. The rate applied to communications services shall be
 122 2.37 percent.

123 3. There shall be an additional rate of 0.15 percent
 124 applied to communication services subject to the tax levied
 125 pursuant to s. 202.12(1)(a), (c), and (d). The exemption
 126 provided in s. 202.125(1) applies to the tax levied pursuant to
 127 this subparagraph.

128 4. There shall be an additional rate of 3 percent applied
 129 to the gross receipts for electrical power or energy delivered
 130 to a retail consumer in this state. Notwithstanding s. 203.0111,

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131 any increase in the gross receipts tax provided by this
 132 subparagraph applies to charges for electrical power or energy
 133 on any bill dated on or after the date upon which the increase
 134 takes effect.

135 (3) The tax imposed by subparagraph (1)(b)1. ~~subsection~~
 136 ~~(1)~~ does not apply to:

137 (a)1. The sale or transportation of natural gas or
 138 manufactured gas to a public or private utility, including a
 139 municipal corporation or rural electric cooperative association,
 140 either for resale or for use as fuel in the generation of
 141 electricity; or

142 2. The sale or delivery of electricity to a public or
 143 private utility, including a municipal corporation or rural
 144 electric cooperative association, for resale, or as part of an
 145 electrical interchange agreement or contract between such
 146 utilities for the purpose of transferring more economically
 147 generated power, + if provided the person deriving gross receipts
 148 from such sale demonstrates that a sale, transportation, or
 149 delivery for resale in fact occurred and complies with the
 150 following requirements: A sale, transportation, or delivery for
 151 resale must be in strict compliance with the rules and
 152 regulations of the Department of Revenue; and any sale subject
 153 to the tax imposed by this section which is not in strict
 154 compliance with the rules and regulations of the Department of
 155 Revenue shall be subject to the tax at the appropriate rate
 156 imposed on utilities by paragraph (b) on the person making the

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157 sale. Any person making a sale for resale may, through an
 158 informal protest provided for in s. 213.21 and the rules of the
 159 Department of Revenue, provide the department with evidence of
 160 the exempt status of a sale. The department shall adopt rules
 161 that provide that valid proof and documentation of the resale by
 162 a person making the sale for resale will be accepted by the
 163 department when submitted during the protest period but will not
 164 be accepted when submitted in any proceeding under chapter 120
 165 or any circuit court action instituted under chapter 72;

166 (b) Wholesale sales of electric transmission service;

167 (c) The use of natural gas in the production of oil or
 168 gas, or the use of natural or manufactured gas by a person
 169 transporting natural or manufactured gas, when used and consumed
 170 in providing such services; or

171 (d) The sale or transportation ~~to, or use of,~~ natural gas
 172 or manufactured gas to, or the use of natural gas or
 173 manufactured gas by, a person eligible for an exemption under s.
 174 212.08(7)(ff)2. for use as an energy source or a raw material.
 175 Possession by a seller of natural or manufactured gas or by any
 176 person providing transportation or delivery of natural or
 177 manufactured gas of a written certification by the purchaser,
 178 certifying the purchaser's entitlement to the exclusion
 179 permitted by this paragraph, relieves the seller or person
 180 providing transportation or delivery from the responsibility of
 181 remitting tax on the nontaxable amounts, and the department
 182 shall look solely to the purchaser for recovery of such tax if

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183 | the department determines that the purchaser was not entitled to
 184 | the exclusion. The certification must include an acknowledgment
 185 | by the purchaser that it will be liable for tax pursuant to
 186 | paragraph (1)(f) if the requirements for exclusion are not met.

187 | (4) The additional rate imposed by subparagraph (1)(b)4.
 188 | does not apply to:

189 | (a) The sale of electrical power or energy to a person
 190 | eligible for an exemption under s. 212.08(7)(ff) for use in
 191 | operating machinery and equipment at a fixed location in this
 192 | state;

193 | (b) The sale or transportation of electrical power or
 194 | energy to, or the use of electrical power or energy by, a person
 195 | eligible for an exemption under s. 212.08(5)(e) for certain
 196 | agricultural purposes;

197 | (c) The sale or transportation of electrical power or
 198 | energy to, or the use of electrical power or energy by, a person
 199 | eligible for an exemption under s. 212.08(7)(j) for use as a
 200 | household fuel;

201 | (d) The sale or transportation of electrical power or
 202 | energy to, or the use of electrical power or energy by, a person
 203 | eligible for an exemption under s. 212.08(15)(a) for use in an
 204 | enterprise zone;

205 | (e) The sale or transportation of electrical power or
 206 | energy to, or the use of electrical power or energy by, a person
 207 | who holds a valid Consumer's Certificate of Exemption issued by
 208 | the Department of Revenue;

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209 (f) The sale or transportation of electrical power or
 210 energy to, or the use of electrical power or energy by, foreign
 211 diplomats and consular personnel who hold a tax exemption card
 212 issued by the United States Department of State; or

213 (g) The sale or transportation of electrical power or
 214 energy to, or the use of electrical power or energy by, the
 215 Federal Government or any federal department, commission,
 216 agency, or other instrumentality thereof.

217 (5)~~(4)~~ The taxes ~~tax~~ imposed pursuant to this chapter
 218 relating to the provision of any utility services at the option
 219 of the person supplying the taxable services may be separately
 220 stated as Florida gross receipts taxes ~~tax~~ on the total amount
 221 of any bill, invoice, or other tangible evidence of the
 222 provision of such taxable services and may be added as a
 223 component part of the total charge. Whenever a provider of
 224 taxable services elects to separately state such taxes ~~tax~~ as a
 225 component of the charge for the provision of such taxable
 226 services, every person, including all governmental units, shall
 227 remit the taxes ~~tax~~ to the person who provides such taxable
 228 services as a part of the total bill, and the taxes are ~~tax is~~ a
 229 component part of the debt of the purchaser to the person who
 230 provides such taxable services until paid and, if unpaid, are ~~is~~
 231 recoverable at law in the same manner as any other part of the
 232 charge for such taxable services. If a utility provider elects
 233 to separately state the additional rate imposed by subparagraph
 234 (1)(b)4. on any bill, invoice, or other tangible evidence of the

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235 provision of such taxable service, the additional tax shall not
 236 be included as part of the taxable base on which the gross
 237 receipts tax is calculated. For a utility, the decision to
 238 separately state any increase in the rate of tax imposed by this
 239 chapter which is effective after December 31, 1989, and the
 240 ability to recover the increased charge from the customer shall
 241 not be subject to regulatory approval.

242 (9)~~(8)~~ Notwithstanding ~~the provisions of~~ subsection (5)
 243 ~~(4)~~ and s. 212.07(2), sums that were charged or billed as taxes
 244 under this section and chapter 212 and that were remitted to the
 245 state in full as taxes shall not be subject to refund by the
 246 state or by the utility or other person that remitted the sums,
 247 when the amount remitted was not in excess of the amount of tax
 248 imposed by chapter 212 and this section.

249 Section 4. Paragraph (e) of section (1) of section 212.05,
 250 Florida Statutes, is amended to read:

251 212.05 Sales, storage, use tax.—It is hereby declared to
 252 be the legislative intent that every person is exercising a
 253 taxable privilege who engages in the business of selling
 254 tangible personal property at retail in this state, including
 255 the business of making mail order sales, or who rents or
 256 furnishes any of the things or services taxable under this
 257 chapter, or who stores for use or consumption in this state any
 258 item or article of tangible personal property as defined herein
 259 and who leases or rents such property within the state.

260 (1) For the exercise of such privilege, a tax is levied on

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261 | each taxable transaction or incident, which tax is due and
 262 | payable as follows:

263 | (e)1. At the rate of 6 percent on charges for:

264 | a. Prepaid calling arrangements. The tax on charges for
 265 | prepaid calling arrangements shall be collected at the time of
 266 | sale and remitted by the selling dealer.

267 | (I) "Prepaid calling arrangement" has the same meaning as
 268 | provided in s. 202.11 ~~means the separately stated retail sale by~~
 269 | ~~advance payment of communications services that consist~~
 270 | ~~exclusively of telephone calls originated by using an access~~
 271 | ~~number, authorization code, or other means that may be manually,~~
 272 | ~~electronically, or otherwise entered and that are sold in~~
 273 | ~~predetermined units or dollars whose number declines with use in~~
 274 | ~~a known amount.~~

275 | (II) If the sale or recharge of the prepaid calling
 276 | arrangement does not take place at the dealer's place of
 277 | business, it shall be deemed to have taken ~~take~~ place at the
 278 | customer's shipping address or, if no item is shipped, at the
 279 | customer's address or the location associated with the
 280 | customer's mobile telephone number.

281 | (III) The sale or recharge of a prepaid calling
 282 | arrangement shall be treated as a sale of tangible personal
 283 | property for purposes of this chapter, whether or not a tangible
 284 | item evidencing such arrangement is furnished to the purchaser,
 285 | and such sale within this state subjects the selling dealer to
 286 | the jurisdiction of this state for purposes of this subsection.

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287 (IV) No additional tax under this chapter or chapter 202
 288 is due or payable if a purchaser of a prepaid calling
 289 arrangement, who has paid tax under this chapter on the sale or
 290 recharge of such arrangement, applies one or more units of the
 291 prepaid calling arrangement to obtain communications services as
 292 described in s. 202.11(9)(b)3., other services that are not
 293 communications services, or products.

294 b. The installation of telecommunication and telegraphic
 295 equipment.

296 c. Electrical power or energy, except that the tax rate
 297 for charges for electrical power or energy is 4 7 percent.

298 2. The provisions of s. 212.17(3)~~7~~ regarding credit for
 299 tax paid on charges subsequently found to be worthless are
 300 ~~shall be~~ equally applicable to any tax paid under ~~the provisions~~
 301 ~~of~~ this section on charges for prepaid calling arrangements,
 302 telecommunication or telegraph services, or electric power
 303 subsequently found to be uncollectible. The term ~~word~~ "charges"
 304 under ~~in~~ this paragraph does not include any excise or similar
 305 tax levied by the Federal Government, any political subdivision
 306 of this ~~the~~ state, or any municipality upon the purchase, sale,
 307 or recharge of prepaid calling arrangements or upon the purchase
 308 or sale of telecommunication, television system program, or
 309 telegraph service or electric power, which tax is collected by
 310 the seller from the purchaser.

311 Section 5. The amendments made by this act to s.
 312 212.05(1)(e)1.a., Florida Statutes, are intended to be remedial

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313 in nature and apply retroactively, but do not provide a basis
 314 for an assessment of any tax not paid or create a right to a
 315 refund or credit of any tax paid before the effective date of
 316 this act.

317 Section 6. Paragraph (p) of subsection (5) is amended and
 318 paragraph (kkk) is added to subsection (7) of section 212.08,
 319 Florida Statutes, to read:

320 212.08 Sales, rental, use, consumption, distribution, and
 321 storage tax; specified exemptions.—The sale at retail, the
 322 rental, the use, the consumption, the distribution, and the
 323 storage to be used or consumed in this state of the following
 324 are hereby specifically exempt from the tax imposed by this
 325 chapter.

326 (5) EXEMPTIONS; ACCOUNT OF USE.—

327 (p) Community contribution tax credit for donations.—

328 1. Authorization.—Persons who are registered with the
 329 department under s. 212.18 to collect or remit sales or use tax
 330 and who make donations to eligible sponsors are eligible for tax
 331 credits against their state sales and use tax liabilities as
 332 provided in this paragraph:

333 a. The credit shall be computed as 50 percent of the
 334 person's approved annual community contribution.

335 b. The credit shall be granted as a refund against state
 336 sales and use taxes reported on returns and remitted in the 12
 337 months preceding the date of application to the department for
 338 the credit as required in sub-subparagraph 3.c. If the annual

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339 credit is not fully used through such refund because of
 340 insufficient tax payments during the applicable 12-month period,
 341 the unused amount may be included in an application for a refund
 342 made pursuant to sub-subparagraph 3.c. in subsequent years
 343 against the total tax payments made for such year. Carryover
 344 credits may be applied for a 3-year period without regard to any
 345 time limitation that would otherwise apply under s. 215.26.

346 c. A person may not receive more than \$200,000 in annual
 347 tax credits for all approved community contributions made in any
 348 one year.

349 d. All proposals for the granting of the tax credit
 350 require the prior approval of the Department of Economic
 351 Opportunity.

352 e. The total amount of tax credits which may be granted
 353 for all programs approved under this paragraph, s. 220.183, and
 354 s. 624.5105 is \$10.5 million annually for projects that provide
 355 homeownership opportunities for low-income or very-low-income
 356 households as defined in s. 420.9071(19) and (28) and \$3.5
 357 million annually for all other projects.

358 f. A person who is eligible to receive the credit provided
 359 for in this paragraph, s. 220.183, or s. 624.5105 may receive
 360 the credit only under the one section of the person's choice.

361 2. Eligibility requirements.—

362 a. A community contribution by a person must be in the
 363 following form:

364 (I) Cash or other liquid assets;

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365 (II) Real property;

366 (III) Goods or inventory; or

367 (IV) Other physical resources as identified by the

368 Department of Economic Opportunity.

369 b. All community contributions must be reserved

370 exclusively for use in a project. As used in this sub-

371 subparagraph, the term "project" means any activity undertaken

372 by an eligible sponsor which is designed to construct, improve,

373 or substantially rehabilitate housing that is affordable to low-

374 income or very-low-income households as defined in s.

375 420.9071(19) and (28); designed to provide commercial,

376 industrial, or public resources and facilities; or designed to

377 improve entrepreneurial and job-development opportunities for

378 low-income persons. A project may be the investment necessary to

379 increase access to high-speed broadband capability in rural

380 communities with enterprise zones, including projects that

381 result in improvements to communications assets that are owned

382 by a business. A project may include the provision of museum

383 educational programs and materials that are directly related to

384 any project approved between January 1, 1996, and December 31,

385 1999, and located in an enterprise zone designated pursuant to

386 s. 290.0065. This paragraph does not preclude projects that

387 propose to construct or rehabilitate housing for low-income or

388 very-low-income households on scattered sites. With respect to

389 housing, contributions may be used to pay the following eligible

390 low-income and very-low-income housing-related activities:

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391 (I) Project development impact and management fees for
 392 low-income or very-low-income housing projects;
 393 (II) Down payment and closing costs for eligible persons,
 394 as defined in s. 420.9071(19) and (28);
 395 (III) Administrative costs, including housing counseling
 396 and marketing fees, not to exceed 10 percent of the community
 397 contribution, directly related to low-income or very-low-income
 398 projects; and
 399 (IV) Removal of liens recorded against residential
 400 property by municipal, county, or special district local
 401 governments when satisfaction of the lien is a necessary
 402 precedent to the transfer of the property to an eligible person,
 403 as defined in s. 420.9071(19) and (28), for the purpose of
 404 promoting home ownership. Contributions for lien removal must be
 405 received from a nonrelated third party.
 406 c. The project must be undertaken by an "eligible
 407 sponsor," which includes:
 408 (I) A community action program;
 409 (II) A nonprofit community-based development organization
 410 whose mission is the provision of housing for low-income or
 411 very-low-income households or increasing entrepreneurial and
 412 job-development opportunities for low-income persons;
 413 (III) A neighborhood housing services corporation;
 414 (IV) A local housing authority created under chapter 421;
 415 (V) A community redevelopment agency created under s.
 416 163.356;

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- 417 (VI) A historic preservation district agency or
- 418 organization;
- 419 (VII) A regional workforce board;
- 420 (VIII) A direct-support organization as provided in s.
- 421 1009.983;
- 422 (IX) An enterprise zone development agency created under
- 423 s. 290.0056;
- 424 (X) A community-based organization incorporated under
- 425 chapter 617 which is recognized as educational, charitable, or
- 426 scientific pursuant to s. 501(c)(3) of the Internal Revenue Code
- 427 and whose bylaws and articles of incorporation include
- 428 affordable housing, economic development, or community
- 429 development as the primary mission of the corporation;
- 430 (XI) Units of local government;
- 431 (XII) Units of state government; or
- 432 (XIII) Any other agency that the Department of Economic
- 433 Opportunity designates by rule.

434

435 In no event may a contributing person have a financial interest

436 in the eligible sponsor.

437 d. The project must be located in an area designated an

438 enterprise zone or a Front Porch Florida Community, unless the

439 project increases access to high-speed broadband capability for

440 rural communities with enterprise zones but is physically

441 located outside the designated rural zone boundaries. Any

442 project designed to construct or rehabilitate housing for low-

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443 income or very-low-income households as defined in s.
 444 420.9071(19) and (28) is exempt from the area requirement of
 445 this sub-subparagraph.

446 e.(I) If, during the first 10 business days of the state
 447 fiscal year, eligible tax credit applications for projects that
 448 provide homeownership opportunities for low-income or very-low-
 449 income households as defined in s. 420.9071(19) and (28) are
 450 received for less than the annual tax credits available for
 451 those projects, the Department of Economic Opportunity shall
 452 grant tax credits for those applications and shall grant
 453 remaining tax credits on a first-come, first-served basis for
 454 any subsequent eligible applications received before the end of
 455 the state fiscal year. If, during the first 10 business days of
 456 the state fiscal year, eligible tax credit applications for
 457 projects that provide homeownership opportunities for low-income
 458 or very-low-income households as defined in s. 420.9071(19) and
 459 (28) are received for more than the annual tax credits available
 460 for those projects, the Department of Economic Opportunity shall
 461 grant the tax credits for those applications as follows:

462 (A) If tax credit applications submitted for approved
 463 projects of an eligible sponsor do not exceed \$200,000 in total,
 464 the credits shall be granted in full if the tax credit
 465 applications are approved.

466 (B) If tax credit applications submitted for approved
 467 projects of an eligible sponsor exceed \$200,000 in total, the
 468 amount of tax credits granted pursuant to sub-sub-sub-

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469 subparagraph (A) shall be subtracted from the amount of
 470 available tax credits, and the remaining credits shall be
 471 granted to each approved tax credit application on a pro rata
 472 basis.

473 (II) If, during the first 10 business days of the state
 474 fiscal year, eligible tax credit applications for projects other
 475 than those that provide homeownership opportunities for low-
 476 income or very-low-income households as defined in s.
 477 420.9071(19) and (28) are received for less than the annual tax
 478 credits available for those projects, the Department of Economic
 479 Opportunity shall grant tax credits for those applications and
 480 shall grant remaining tax credits on a first-come, first-served
 481 basis for any subsequent eligible applications received before
 482 the end of the state fiscal year. If, during the first 10
 483 business days of the state fiscal year, eligible tax credit
 484 applications for projects other than those that provide
 485 homeownership opportunities for low-income or very-low-income
 486 households as defined in s. 420.9071(19) and (28) are received
 487 for more than the annual tax credits available for those
 488 projects, the Department of Economic Opportunity shall grant the
 489 tax credits for those applications on a pro rata basis.

490 3. Application requirements.—

491 a. Any eligible sponsor seeking to participate in this
 492 program must submit a proposal to the Department of Economic
 493 Opportunity which sets forth the name of the sponsor, a
 494 description of the project, and the area in which the project is

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495 located, together with such supporting information as is
 496 prescribed by rule. The proposal must also contain a resolution
 497 from the local governmental unit in which the project is located
 498 certifying that the project is consistent with local plans and
 499 regulations.

500 b. Any person seeking to participate in this program must
 501 submit an application for tax credit to the Department of
 502 Economic Opportunity which sets forth the name of the sponsor, a
 503 description of the project, and the type, value, and purpose of
 504 the contribution. The sponsor shall verify the terms of the
 505 application and indicate its receipt of the contribution, which
 506 verification must be in writing and accompany the application
 507 for tax credit. The person must submit a separate tax credit
 508 application to the Department of Economic Opportunity for each
 509 individual contribution that it makes to each individual
 510 project.

511 c. Any person who has received notification from the
 512 Department of Economic Opportunity that a tax credit has been
 513 approved must apply to the department to receive the refund.
 514 Application must be made on the form prescribed for claiming
 515 refunds of sales and use taxes and be accompanied by a copy of
 516 the notification. A person may submit only one application for
 517 refund to the department within any 12-month period.

518 4. Administration.-

519 a. The Department of Economic Opportunity may adopt rules
 520 pursuant to ss. 120.536(1) and 120.54 necessary to administer

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521 | this paragraph, including rules for the approval or disapproval
 522 | of proposals by a person.

523 | b. The decision of the Department of Economic Opportunity
 524 | must be in writing, and, if approved, the notification shall
 525 | state the maximum credit allowable to the person. Upon approval,
 526 | the Department of Economic Opportunity shall transmit a copy of
 527 | the decision to the Department of Revenue.

528 | c. The Department of Economic Opportunity shall
 529 | periodically monitor all projects in a manner consistent with
 530 | available resources to ensure that resources are used in
 531 | accordance with this paragraph; however, each project must be
 532 | reviewed at least once every 2 years.

533 | d. The Department of Economic Opportunity shall, in
 534 | consultation with the statewide and regional housing and
 535 | financial intermediaries, market the availability of the
 536 | community contribution tax credit program to community-based
 537 | organizations.

538 | 5. Expiration.—This paragraph expires June 30, 2016 ~~2015~~;
 539 | however, any accrued credit carryover that is unused on that
 540 | date may be used until the expiration of the 3-year carryover
 541 | period for such credit.

542 | (7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any
 543 | entity by this chapter do not inure to any transaction that is
 544 | otherwise taxable under this chapter when payment is made by a
 545 | representative or employee of the entity by any means,
 546 | including, but not limited to, cash, check, or credit card, even

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547 | when that representative or employee is subsequently reimbursed
 548 | by the entity. In addition, exemptions provided to any entity by
 549 | this subsection do not inure to any transaction that is
 550 | otherwise taxable under this chapter unless the entity has
 551 | obtained a sales tax exemption certificate from the department
 552 | or the entity obtains or provides other documentation as
 553 | required by the department. Eligible purchases or leases made
 554 | with such a certificate must be in strict compliance with this
 555 | subsection and departmental rules, and any person who makes an
 556 | exempt purchase with a certificate that is not in strict
 557 | compliance with this subsection and the rules is liable for and
 558 | shall pay the tax. The department may adopt rules to administer
 559 | this subsection.

560 | (kkk) Sales of child restraint systems and booster seats
 561 | for use in motor vehicles are exempt.

562 | Section 7. Subsection (11) of section 212.12, Florida
 563 | Statutes, is amended to read:

564 | 212.12 Dealer's credit for collecting tax; penalties for
 565 | noncompliance; powers of Department of Revenue in dealing with
 566 | delinquents; brackets applicable to taxable transactions;
 567 | records required.-

568 | (11) The department shall make available in an electronic
 569 | format or otherwise the tax amounts and brackets applicable to
 570 | all taxable transactions that occur in counties that have a
 571 | surtax at a rate other than 1 percent which transactions would
 572 | otherwise have been transactions taxable at the rate of 6

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573 percent. Likewise, the department shall make available in an
 574 electronic format or otherwise the tax amounts and brackets
 575 applicable to transactions taxable as provided in at 7 percent
 576 ~~pursuant to~~ s. 212.05(1)(e), and on transactions which would
 577 otherwise have been so taxable in counties which have adopted a
 578 discretionary sales surtax.

579 Section 8. Paragraph (d) of subsection (6) of section
 580 212.20, Florida Statutes, is amended to read:

581 212.20 Funds collected, disposition; additional powers of
 582 department; operational expense; refund of taxes adjudicated
 583 unconstitutionally collected.-

584 (6) Distribution of all proceeds under this chapter and s.
 585 202.18(1)(b) and (2)(b) shall be as follows:

586 (d) The proceeds of all other taxes and fees imposed
 587 pursuant to this chapter or remitted pursuant to s. 202.18(1)(b)
 588 and (2)(b) shall be distributed as follows:

589 1. In any fiscal year, the greater of \$500 million, minus
 590 an amount equal to 4.6 percent of the proceeds of the taxes
 591 collected pursuant to chapter 201, or 5.2 percent of all other
 592 taxes and fees imposed pursuant to this chapter or remitted
 593 pursuant to s. 202.18(1)(b) and (2)(b) shall be deposited in
 594 monthly installments into the General Revenue Fund.

595 2. After the distribution under subparagraph 1., 8.814
 596 percent of the amount remitted by a sales tax dealer located
 597 within a participating county pursuant to s. 218.61 shall be
 598 transferred into the Local Government Half-cent Sales Tax

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599 Clearing Trust Fund. Beginning July 1, 2003, the amount to be
 600 transferred shall be reduced by 0.1 percent, and the department
 601 shall distribute this amount to the Public Employees Relations
 602 Commission Trust Fund less \$5,000 each month, which shall be
 603 added to the amount calculated in subparagraph 3. and
 604 distributed accordingly.

605 3. After the distribution under subparagraphs 1. and 2.,
 606 0.095 percent shall be transferred to the Local Government Half-
 607 cent Sales Tax Clearing Trust Fund and distributed pursuant to
 608 s. 218.65.

609 4. After the distributions under subparagraphs 1., 2., and
 610 3., 2.0440 percent of the available proceeds shall be
 611 transferred monthly to the Revenue Sharing Trust Fund for
 612 Counties pursuant to s. 218.215.

613 5. After the distributions under subparagraphs 1., 2., and
 614 3., 1.3409 percent of the available proceeds shall be
 615 transferred monthly to the Revenue Sharing Trust Fund for
 616 Municipalities pursuant to s. 218.215. If the total revenue to
 617 be distributed pursuant to this subparagraph is at least as
 618 great as the amount due from the Revenue Sharing Trust Fund for
 619 Municipalities and the former Municipal Financial Assistance
 620 Trust Fund in state fiscal year 1999-2000, no municipality shall
 621 receive less than the amount due from the Revenue Sharing Trust
 622 Fund for Municipalities and the former Municipal Financial
 623 Assistance Trust Fund in state fiscal year 1999-2000. If the
 624 total proceeds to be distributed are less than the amount

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625 received in combination from the Revenue Sharing Trust Fund for
 626 Municipalities and the former Municipal Financial Assistance
 627 Trust Fund in state fiscal year 1999-2000, each municipality
 628 shall receive an amount proportionate to the amount it was due
 629 in state fiscal year 1999-2000.

630 6. Of the remaining proceeds:

631 a. In each fiscal year, the sum of \$29,915,500 shall be
 632 divided into as many equal parts as there are counties in the
 633 state, and one part shall be distributed to each county. The
 634 distribution among the several counties must begin each fiscal
 635 year on or before January 5th and continue monthly for a total
 636 of 4 months. If a local or special law required that any moneys
 637 accruing to a county in fiscal year 1999-2000 under the then-
 638 existing provisions of s. 550.135 be paid directly to the
 639 district school board, special district, or a municipal
 640 government, such payment must continue until the local or
 641 special law is amended or repealed. The state covenants with
 642 holders of bonds or other instruments of indebtedness issued by
 643 local governments, special districts, or district school boards
 644 before July 1, 2000, that it is not the intent of this
 645 subparagraph to adversely affect the rights of those holders or
 646 relieve local governments, special districts, or district school
 647 boards of the duty to meet their obligations as a result of
 648 previous pledges or assignments or trusts entered into which
 649 obligated funds received from the distribution to county
 650 governments under then-existing s. 550.135. This distribution

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651 specifically is in lieu of funds distributed under s. 550.135
 652 before July 1, 2000.

653 b. The department shall distribute \$166,667 monthly
 654 pursuant to s. 288.1162 to each applicant certified as a
 655 facility for a new or retained professional sports franchise
 656 pursuant to s. 288.1162. Up to \$41,667 shall be distributed
 657 monthly by the department to each certified applicant as defined
 658 in s. 288.11621 for a facility for a spring training franchise.
 659 However, not more than \$416,670 may be distributed monthly in
 660 the aggregate to all certified applicants for facilities for
 661 spring training franchises. Distributions begin 60 days after
 662 such certification and continue for not more than 30 years,
 663 except as otherwise provided in s. 288.11621. A certified
 664 applicant identified in this sub-subparagraph may not receive
 665 more in distributions than expended by the applicant for the
 666 public purposes provided for in s. 288.1162(5) or s.
 667 288.11621(3).

668 c. Beginning 30 days after notice by the Department of
 669 Economic Opportunity to the Department of Revenue that an
 670 applicant has been certified as the professional golf hall of
 671 fame pursuant to s. 288.1168 and is open to the public, \$166,667
 672 shall be distributed monthly, for up to 300 months, to the
 673 applicant.

674 d. Beginning 30 days after notice by the Department of
 675 Economic Opportunity to the Department of Revenue that the
 676 applicant has been certified as the International Game Fish

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677 Association World Center facility pursuant to s. 288.1169, and
 678 the facility is open to the public, \$83,333 shall be distributed
 679 monthly, for up to 168 months, to the applicant. This
 680 distribution is subject to reduction pursuant to s. 288.1169. A
 681 lump sum payment of \$999,996 shall be made, after certification
 682 and before July 1, 2000.

683 e. The department shall distribute up to \$55,555 monthly
 684 to each certified applicant as defined in s. 288.11631 for a
 685 facility used by a single spring training franchise, or up to
 686 \$111,110 monthly to each certified applicant as defined in s.
 687 288.11631 for a facility used by more than one spring training
 688 franchise. Monthly distributions begin 60 days after such
 689 certification or July 1, 2016, whichever is later, and continue
 690 for not more than 30 years, except as otherwise provided in s.
 691 288.11631. A certified applicant identified in this sub-
 692 subparagraph may not receive more in distributions than expended
 693 by the applicant for the public purposes provided in s.
 694 288.11631(3).

695 f. The department shall distribute \$20 million by August
 696 1 of each fiscal year and \$10 million on the first day of each
 697 month for the remainder of that fiscal year to the State
 698 Transportation Trust Fund to be used as directed by s. 339.0803.

699 7. All other proceeds must remain in the General Revenue
 700 Fund.

701 Section 9. Subsection (1) of section 220.14, Florida
 702 Statutes, is amended to read:

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703 220.14 Exemption.-

704 (1) In computing a taxpayer's liability for tax under this
 705 code, ~~there shall be exempt from the tax \$75,000 \$50,000~~ of net
 706 income as defined in s. 220.12 is exempt from the tax or such
 707 lesser amount as will, without increasing the taxpayer's federal
 708 income tax liability, provide the state with an amount under
 709 this code which is equal to the maximum federal income tax
 710 credit which may be available from time to time under federal
 711 law.

712 Section 10. Subsection (5) of section 220.183, Florida
 713 Statutes, is amended to read:

714 220.183 Community contribution tax credit.-

715 (5) EXPIRATION.-The provisions of this section, except
 716 paragraph (1)(e), shall expire and be void on June 30, 2016
 717 ~~2015~~.

718 Section 11. Subsection (3) of section 220.63, Florida
 719 Statutes, is amended to read:

720 220.63 Franchise tax imposed on banks and savings
 721 associations.-

722 (3) For purposes of this part, the franchise tax base
 723 ~~shall be~~ is adjusted federal income, as defined in s. 220.13,
 724 apportioned to this state, plus nonbusiness income allocated to
 725 this state pursuant to s. 220.16, less the deduction allowed in
 726 subsection (5) and less \$75,000 ~~\$50,000~~.

727 Section 12. The amendments made by sections 9 and 11 of
 728 this act apply to taxable years beginning on or after January 1,

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729 | 2015.

730 | Section 13. Section 288.127, Florida Statutes, is created
731 | to read:

732 | 288.127 Qualified Television Loan Fund (QTV Fund).-

733 | (1) DEFINITIONS.-As used in this section, the term:

734 | (a) "Fund administrator" means a private sector
735 | organization under contract with the department to manage and
736 | administer the QTV Fund.

737 | (b) "Major broadcaster" means broadcasting organizations
738 | that include, but are not limited to, television broadcasting
739 | networks, cable television, direct broadcast satellite,
740 | telecommunications companies, and internet streaming or other
741 | digital media platforms.

742 | (c) "Private investment capital" means capital from
743 | private, nongovernmental funding sources that will be coinvested
744 | with the QTV Fund in segregated accounts.

745 | (d) "Qualified lending partner" means a financial
746 | institution, as defined in s. 655.005, selected by a fund
747 | administrator with demonstrated capability in providing
748 | financing to television production and specialized expertise in
749 | intellectual property, tax credit programs, customary broadcast
750 | license agreements, advertising inventories, and ancillary
751 | revenue sources, with a combined portfolio in film, television,
752 | and entertainment media of at least \$500 million.

753 | (e) "Qualified television content" means series, mini-
754 | series, or made-for-TV content produced by a qualified

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755 production company that has in place a distribution contract
 756 with a major broadcaster, under a customary broadcast license
 757 agreement. The term does not include a production that contains
 758 content that is obscene, as defined in s. 847.001.

759 (2) PURPOSE.—The purpose of the QTV Fund is to create a
 760 public-private partnership in the form of a revolving loan fund
 761 to administer a loan program for television production. The QTV
 762 Fund shall be privately managed under state oversight to
 763 incentivize the use of this state as a site for producing
 764 qualified television content and to develop and sustain the
 765 workforce and infrastructure for television content production.

766 (3) CREATION.—The Qualified Television Loan Fund is
 767 created within the department. The QTV Fund shall be a public
 768 fund that is privately managed by the fund administrator under
 769 contract entered into with the department. The department shall
 770 disburse \$20 million from the Economic Development Trust Fund to
 771 the fund administrator to invest in the QTV Fund during the
 772 existence of the program pursuant to this section and the
 773 contract entered into between the fund administrator and the
 774 department. State funds in the QTV Fund may be used only to
 775 enter into loan agreements and to pay any administrative costs
 776 or other authorized fees under this section.

777 (a) The QTV Fund shall be a revolving loan fund that shall
 778 invest and reinvest the principal and interest of the fund in
 779 accordance with s. 617.2104, in such a manner as to not subject
 780 the funds to state or federal taxes and to be consistent with

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781 the investment policy statement adopted by the fund
 782 administrator. As the production companies repay the principal
 783 and interest for the QTV Fund, the state funds shall be
 784 returned, less any QTV Fund expenses, to the account to be lent
 785 to subsequent borrowers.

786 (b) Funds from the QTV Fund shall be disbursed by the fund
 787 administrator through a lending vehicle to make short-term loans
 788 pursuant to this section.

789 (4) FUND ADMINISTRATOR.-

790 (a) The department shall contract with a fund
 791 administrator by July 1, 2014, and award the contract in
 792 accordance with the competitive bidding requirements in s.
 793 287.057.

794 (b) The department shall select as fund administrator a
 795 private sector entity that demonstrates the ability to implement
 796 the program under this section and that meets the requirements
 797 set forth in this section. Preference shall be given to
 798 applicants that are headquartered in this state. Additional
 799 consideration may be given to applicants with experience in the
 800 management of economic development or job creation-related
 801 funds. The qualifications for the fund administrator must
 802 include, but are not limited to, the following:

803 1. A demonstrated track record of managing private sector
 804 equity or debt funds in the entertainment and media industries.

805 2. The ability to demonstrate through a partnership
 806 agreement that a qualified lending partner is in place, with the

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807 capability of providing leverage of a minimum of 2.5 times the
 808 capital amount of the QTV Fund, for financing the production
 809 cost of qualified television content in the form of senior debt.

810 (c) For overseeing and administering the QTV Fund, the
 811 fund administrator shall be paid an annual management fee equal
 812 to 5 percent of the assets under management during the first 5
 813 years and 3 percent of the assets under management after the
 814 fifth year and for the remaining duration of the contract.
 815 However, after the first year of the QTV Fund, the annual
 816 management fee may not exceed the investment proceeds earned
 817 from its completed investments. The annual management fee shall
 818 be paid from state funds in the QTV Fund and shall be paid in
 819 advance, in equal quarterly installments. Any additional private
 820 investment capital in the segregated accounts is responsible for
 821 its own management fees. In addition, the fund administrator may
 822 receive income or profit distribution equal to 20 percent of the
 823 net income of the QTV Fund on an annual basis. Such distribution
 824 may not be made from any principal funds from the original
 825 appropriation.

826 (d) The fund administrator shall provide services defined
 827 under this section for the duration of the QTV Fund term unless
 828 removed for cause. Cause shall be further defined under the
 829 contract with the fund administrator and must include, but is
 830 not limited to, the engagement in fraud or other criminal acts
 831 by board members, incapacity, unfitness, neglect of duty,
 832 official incompetence and irresponsibility, misfeasance,

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833 malfeasance, nonfeasance, or lack of performance.

834 (5) FUND ADMINISTRATOR POWERS AND DUTIES.—

835 (a) Authority to contract.—The fund administrator may
 836 enter into agreements with qualified lending partners for
 837 concurrent lending through the QTV Fund. A loan made by the
 838 qualified lending partner must be accounted for separately from
 839 the state funds or any other private investment capital. Such
 840 loan shall be made as senior debt. The fund administrator may
 841 raise private investment capital for mezzanine equity and other
 842 equity or raise junior capital for concurrent lending through
 843 the QTV Fund. However, loans from private investment capital may
 844 not be made at more favorable terms and conditions than the
 845 terms and conditions of the state funds in the QTV Fund. The
 846 state appropriation must be maintained in a separate account
 847 from any private investment capital and administered in a
 848 separate legal investment entity or entities. Private investment
 849 capital and loans shall be segregated from each other, and funds
 850 may not be commingled.

851 (b) General duties.—The fund administrator:

852 1. Shall prudently manage the funds in the QTV Fund as an
 853 evergreen fund.

854 2. Shall contract with one or more qualified lending
 855 partners.

856 3. Shall provide improvement of the credit profile of a
 857 structured financial transaction for qualified production
 858 companies that produce qualified television content meeting the

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859 criteria in subsection (7).

860 4. May raise additional private investment capital to be
 861 held in separate accounts, in addition to the leverage provided
 862 by the qualified lending partner.

863 5. Shall administer the QTV Fund in accordance with this
 864 part.

865 6. Shall agree to maintain the recipient's books and
 866 records relating to funds received from the department according
 867 to generally accepted accounting principles and in accordance
 868 with the requirements of s. 215.97(7) and to make those books
 869 and records available to the department for inspection upon
 870 reasonable notice. The books and records must be maintained with
 871 detailed records showing the use of proceeds from loans to fund
 872 qualified television content.

873 7. Shall maintain its registered office in this state
 874 throughout the duration of the contract.

875 (c) Financial reporting.—The fund administrator shall
 876 submit to the department by February 28 each year audited
 877 financial statements for the preceding tax year which are
 878 audited by an independent certified public accountant after the
 879 end of each year in which the fund administrator is under
 880 contract with the department. In addition to providing an
 881 independent opinion on the annual financial statements, such
 882 audit provides a basis to verify the segregation of state funds
 883 from those of any private investment capital.

884 (d) Program reporting.—The fund administrator shall submit

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885 an annual report to the department by February 28 after the end
 886 of each year in which the fund administrator is under contract
 887 with the department. The report must include information on the
 888 loans made in the preceding calendar year and must include, but
 889 need not be limited to, the following:

- 890 1. The name of the qualified television content.
- 891 2. The names of the counties in which the production
 892 occurred.
- 893 3. The number of jobs created and retained as a result of
 894 the production.
- 895 4. The loan amounts, including the amount of private
 896 investment capital and funds provided by a qualified lending
 897 partner.
- 898 5. The loan repayment status for each loan.
- 899 6. The number, and amounts, of any loans with payments
 900 past due.
- 901 7. The number, and amounts, of any loans in default.
- 902 8. A description of the assets securing the loans.
- 903 9. Other information and documentation required by the
 904 department.

905 (e) Plan of accountability.—The fund administrator shall
 906 submit an annual plan of accountability of economic development,
 907 including a report detailing the job creation resulting from the
 908 QTV Fund loans made during the current year and cumulatively
 909 since the inception of the program. The fund administrator shall
 910 also provide any additional information requested by the

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911 department pertaining to economic development and job creation
 912 in the state.

913 (f) Conflict-of-interest statement.-The fund administrator
 914 shall provide a conflict-of-interest statement from its
 915 governing board certifying that no board member, director,
 916 employee, agent, or other person connected to or affiliated with
 917 the fund administrator is receiving or will receive any type of
 918 compensation or remuneration from a production company that has
 919 received or will receive funds from the loan program or from a
 920 qualified lending partner. The department may waive this
 921 requirement for good cause shown.

922 (6) LOAN STRUCTURE.-

923 (a) The QTV Fund may make loans to production companies to
 924 fund production costs or provide improvement of the credit
 925 profile of a structured financial transaction for qualified
 926 television content that meets the criteria requirements of
 927 subsection (7). To make a loan, the fund administrator shall
 928 take into consideration the types of eligible collateral, the
 929 credit worthiness of the project, the producer's track record,
 930 the possibility that the project will encourage, enhance, or
 931 create economic benefits, and the extent to which assistance
 932 would foster innovative public-private partnerships and attract
 933 private debt or equity investment.

934 (b) The QTV Fund loan package shall be secured by
 935 contractual and predictable sources of repayment such as
 936 domestic and international broadcaster license agreements, tax

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937 credits, and other ancillary revenues that are derived from
 938 media content rights. Unsecured loans may not be made.

939 (c) The loans shall be made on the basis of a second lien
 940 or primary security rights on the media assets listed in
 941 paragraph (b).

942 (d) The QTV Fund shall provide funding only in conjunction
 943 with senior loans provided by a qualified lending partner. Loans
 944 from the QTV Fund may be subordinated to senior debt from the
 945 qualified lending partner and may not exceed 30 percent of the
 946 total production funding cost of any particular project.

947 (e) The production company's repayment of any loan shall
 948 be in accordance with the broadcast license agreement and the
 949 delivery of qualified television content to the major
 950 broadcaster and shall be within 60 days after such delivery.

951 (f) Loans made by the QTV Fund may not exceed 36 months in
 952 duration, except for extenuating circumstances for which the
 953 fund administrator may grant an extension upon making written
 954 findings to the department specifying the conditions requiring
 955 the extension.

956 (g) With the exception of funds appropriated to the
 957 department for the loan program, the credit of the state may not
 958 be pledged. The state is not liable or obligated in any way for
 959 claims on the loan program or against the lender or the
 960 department.

961 (7) QUALIFIED TELEVISION CONTENT CRITERIA.—The fund
 962 administrator must consider at a minimum the following criteria

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963 for evaluating the qualifying television content:

964 (a) The content is intended for broadcast by a major
 965 broadcaster on a major network, cable, or streaming channel.

966 (b) The content is produced in this state, or a minimum of
 967 80 percent of the production budget must be spent in this state.

968 This requirement may be amended by the fund administrator upon
 969 notice to the department. Such notice must include a specific
 970 justification for the change and must be transmitted to the
 971 department in writing. The department has 10 business days to
 972 object to the change. If the department does not object to the
 973 change within 10 business days, the change is deemed acceptable
 974 by the department, and the fund administrator may grant the
 975 amendment to the requirement in this paragraph.

976 (c) If the content is a series, there is a programming
 977 order for at least 13 episodes. This requirement may be amended
 978 by the fund administrator upon notice to the department. Such
 979 notice must include a specific justification for the change and
 980 must be transmitted to the department in writing. The department
 981 has 10 business days to object to the change. If the department
 982 does not object to the change within 10 business days, the
 983 change is deemed acceptable by the department, and the fund
 984 administrator may grant the amendment to the requirement in this
 985 paragraph.

986 (d) The producer must have a contract in place with a
 987 major broadcaster to acquire content programming under a
 988 customary broadcast license agreement and the contract must

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989 cover 60 percent of the budget.

990 (e) The producer must retain a foreign sales agent and
 991 must be able to provide the fund administrator with the foreign
 992 sales agent's official estimates of foreign and ancillary sales.

993 (f) The project must be bonded and secured by an industry-
 994 approved completion guarantor if the production cost per episode
 995 exceeds \$1 million. This requirement may be waived if the loan
 996 applicant provides the fund administrator with evidence of
 997 adequate structure to protect the state's funds.

998 (8) AUDITOR GENERAL REPORT.—The Auditor General shall
 999 conduct an operational audit, as defined in s. 11.45, of the QTV
 1000 Fund and fund administrator. The scope of review must include,
 1001 but is not limited to, internal controls evaluations, internal
 1002 audit functions, reporting and performance requirements for the
 1003 use of the funds, and compliance with state and federal law. The
 1004 fund administrator shall provide to the Auditor General any
 1005 detail or supplemental data required.

1006 (9) RULEMAKING AUTHORITY.—The department may adopt rules
 1007 to administer this section.

1008 (10) EXPIRATION.—This section expires December 31, 2024,
 1009 at which point all funds remaining in the QTV Fund shall revert
 1010 to the General Revenue Fund.

1011 (11) EMERGENCY RULES.—

1012 (a) The executive director of the department is
 1013 authorized, and all conditions are deemed met, to adopt
 1014 emergency rules pursuant to ss. 120.536(1) and 120.54(4) for the

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1015 purpose of implementing this section.

1016 (b) Notwithstanding any other law, the emergency rules
 1017 adopted pursuant to paragraph (a) remain in effect for 6 months
 1018 after adoption and may be renewed during the pendency of
 1019 procedures to adopt permanent rules addressing the subject of
 1020 the emergency rules.

1021 (c) This subsection expires October 1, 2015.

1022 Section 14. Paragraph (c) of subsection (3) of section
 1023 288.9914, Florida Statutes, is amended to read:

1024 288.9914 Certification of qualified investments;
 1025 investment issuance reporting.-

1026 (3) REVIEW.-

1027 (c) The department may not approve a cumulative amount of
 1028 qualified investments that may result in the claim of more than
 1029 ~~\$178.8~~ \$227.55 million in tax credits during the existence of
 1030 the program or more than \$36.6 million in tax credits in a
 1031 single state fiscal year. However, the potential for a taxpayer
 1032 to carry forward an unused tax credit may not be considered in
 1033 calculating the annual limit.

1034 Section 15. Section 339.0803, Florida Statutes, is created
 1035 to read:

1036 339.0803 Funding for strategic and regionally important
 1037 transportation projects.--Funds deposited into the State
 1038 Transportation Trust Fund pursuant to s. 212.20(6)(d)6.f. must
 1039 be used annually, first as set forth in subsection (1) and then
 1040 as set forth in subsection (2), notwithstanding any other

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1041 provision of law:

1042 (1) Beginning in the 2014-2015 fiscal year and every year
 1043 thereafter, \$85 million shall be used annually for
 1044 transportation projects within this state for existing or
 1045 planned strategic transportation projects which connect major
 1046 markets within this state or between this state and other
 1047 states, which focus on job creation, and which increase this
 1048 state's viability in the national and global markets.

1049 (2) Beginning in the 2014-2015 fiscal year and every year
 1050 thereafter, \$15 million shall be used annually for regionally-
 1051 significant transportation projects that support Florida's
 1052 economic regions and provide connectivity to and through rural
 1053 areas. To be eligible for funding under this subsection,
 1054 projects must be production-ready in the 5-year work program
 1055 developed pursuant to s. 339.135. Funds provided in this
 1056 subsection may be used to provide up to 75 percent of project
 1057 costs for eligible projects. Preference shall be given to
 1058 projects that have been identified as regionally significant in
 1059 accordance with s. 339.155(4)(c), (d), and (e) and have provided
 1060 an increased level of non-state match.

1061 Section 16. Subsection (6) of section 624.5105, Florida
 1062 Statutes, is amended to read:

1063 624.5105 Community contribution tax credit; authorization;
 1064 limitations; eligibility and application requirements;
 1065 administration; definitions; expiration.-

1066 (6) EXPIRATION.-The provisions of this section, except

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1067 paragraph (1)(e), shall expire and be void on June 30, 2016
 1068 ~~2015~~.

1069 Section 17. Physical fitness admissions tax suspension.-

1070 (1) The tax levied under s. 212.04, Florida Statutes, may
 1071 not be collected during the period from 12:01 a.m. on September
 1072 1, 2014, through 11:59 p.m. on September 8, 2014, on the sale of
 1073 athletic, exercise, and physical fitness facility memberships by
 1074 a health studio registered under ss. 501.012-501.019, Florida
 1075 Statutes.

1076 (2) The Department of Revenue may, and all conditions are
 1077 deemed met to, adopt emergency rules pursuant to ss. 120.536(1)
 1078 and 120.54, Florida Statutes, to administer this section.

1079 Section 18. (1) The tax levied under chapter 212, Florida
 1080 Statutes, may not be collected during the period from 12:01 a.m.
 1081 on August 1, 2014, through 11:59 p.m. on August 3, 2014, on the
 1082 sale of:

1083 (a) Clothing, wallets, or bags, including handbags,
 1084 backpacks, fanny packs, and diaper bags, but excluding
 1085 briefcases, suitcases, and other garment bags, having a sales
 1086 price of \$100 or less per item. As used in this paragraph, the
 1087 term "clothing" means:

1088 1. Any article of wearing apparel intended to be worn on
 1089 or about the human body, excluding watches, watchbands, jewelry,
 1090 umbrellas, and handkerchiefs; and

1091 2. All footwear, excluding skis, swim fins, roller blades,
 1092 and skates.

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1093 (b) School supplies having a sales price of \$15 or less
 1094 per item. As used in this paragraph, the term "school supplies"
 1095 means pens, pencils, erasers, crayons, notebooks, notebook
 1096 filler paper, legal pads, binders, lunch boxes, construction
 1097 paper, markers, folders, poster board, composition books, poster
 1098 paper, scissors, cellophane tape, glue or paste, rulers,
 1099 computer disks, protractors, compasses, and calculators.

1100 (c) Personal computers and related accessories having a
 1101 sales price of \$750 or less, purchased for noncommercial home or
 1102 personal use. The term "personal computer" means an electronic
 1103 device that accepts information in digital or similar form and
 1104 manipulates such information for a result based on a sequence of
 1105 instructions. The term includes any electronic book reader,
 1106 laptop, desktop, handheld, tablet, or tower computer but does
 1107 not include cellular telephones, video game consoles, digital
 1108 media receivers, or devices that are not primarily designed to
 1109 process data. The term "related accessories" includes keyboards,
 1110 mice, personal digital assistants, monitors, other peripheral
 1111 devices, modems, routers, and nonrecreational software,
 1112 regardless of whether the accessories are used in association
 1113 with a personal computer base unit; however, the term does not
 1114 include furniture or systems, devices, software, or peripherals
 1115 that are designed or intended primarily for recreational use.
 1116 The term "monitor" does not include a device that includes a
 1117 television tuner.

1118 (2) The tax exemptions provided in this section do not

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1119 apply to sales within a theme park or entertainment complex as
 1120 defined in s. 509.013(9), Florida Statutes, within a public
 1121 lodging establishment as defined in s. 509.013(4), Florida
 1122 Statutes, or within an airport as defined in s. 330.27(2),
 1123 Florida Statutes.

1124 (3) The Department of Revenue may, and all conditions are
 1125 deemed met to, adopt emergency rules pursuant to ss. 120.536(1)
 1126 and 120.54, Florida Statutes, to administer this section.

1127 Section 19. (1) Effective June 1, 2014, through June 12,
 1128 2014, no tax levied under chapter 212, Florida Statutes, shall
 1129 be collected on the sale of:

1130 (a) A portable self-powered light source selling for \$20
 1131 or less.

1132 (b) A portable self-powered radio, two-way radio, or
 1133 weatherband radio selling for \$50 or less.

1134 (c) A tarpaulin or other flexible waterproof sheeting
 1135 selling for \$50 or less.

1136 (d) A self-contained first-aid kit selling for \$30 or
 1137 less.

1138 (e) A ground anchor system or tie-down kit selling for \$50
 1139 or less.

1140 (f) A gas or diesel fuel tank selling for \$25 or less.

1141 (g) A package of AA-cell, C-cell, D-cell, 6-volt, or 9-
 1142 volt batteries, excluding automobile and boat batteries, selling
 1143 for \$30 or less.

1144 (h) A nonelectric food storage cooler selling for \$30 or

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1145 less.

1146 (i) A portable generator used to provide light or
 1147 communications or preserve food in the event of a power outage
 1148 selling for \$750 or less.

1149 (2) The Department of Revenue may, and all conditions are
 1150 deemed met to, adopt emergency rules pursuant to ss. 120.536(1)
 1151 and 120.54, Florida Statutes, to administer this section.

1152 Section 20. Sales tax holiday for Energy Star and
 1153 WaterSense products.-

1154 (1) The tax levied under chapter 212, Florida Statutes,
 1155 may not be collected during the period from 12:01 a.m. on
 1156 September 19, 2014, through 11:59 p.m. on September 21, 2014, on
 1157 the first \$1,500 of the sale price of a new Energy Star product
 1158 or WaterSense product. However, a person is limited to one
 1159 purchase of each specific type of Energy Star or WaterSense
 1160 product listed in paragraph (2) (a) or paragraph (2) (b) with a
 1161 sales price of \$500 or more. A second or subsequent purchase of
 1162 a specific type of Energy Star product or WaterSense product
 1163 with a sales price of \$500 or more is subject to tax.

1164 (2) As used in this section, the term:

1165 (a) "Energy Star product" means an air conditioner, air
 1166 purifier, ceiling fan, clothes washer, dehumidifier, dishwasher,
 1167 freezer, refrigerator, water heater, swimming pool pump, or
 1168 package of light bulbs that is designated by the United States
 1169 Environmental Protection Agency and the United States Department
 1170 of Energy as meeting or exceeding each agency's requirements

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1171 under the Energy Star program and that is affixed with an Energy
 1172 Star label.

1173 (b) "WaterSense product" means a bathroom sink faucet,
 1174 faucet accessory, high-efficiency toilet, showerhead, or weather
 1175 or sensor-based irrigation controller that is recognized as
 1176 water efficient by the WaterSense program sponsored by the
 1177 United States Environmental Protection Agency and that is
 1178 affixed with a WaterSense label.

1179 (3) The Department of Revenue may, and all conditions are
 1180 deemed met to, adopt emergency rules pursuant to ss. 120.536(1)
 1181 and 120.54, Florida Statutes, to administer this section.

1182 Section 21. For fiscal year 2014-2015, the sum of \$50,000
 1183 is appropriated from the General Revenue Fund to the Department
 1184 of Revenue for the purpose of administering section 17 of this
 1185 act.

1186 Section 22. The sum of \$280,912 is appropriated from the
 1187 General Revenue Fund to the Department of Revenue for purposes
 1188 of administering section 20 of this act.

1189 Section 23. For fiscal year 2014-2015, the sum of
 1190 \$223,048 is appropriated from the General Revenue Fund to the
 1191 Department of Revenue for the purpose of administering section
 1192 18 of this act.

1193 Section 24. For fiscal year 2014-2015, the sum of
 1194 \$60,541 is appropriated from the General Revenue Fund to the
 1195 Department of Revenue for the purpose of administering section
 1196 20 of this act.

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1197 Section 25. The sum of \$20,000,000 is appropriated from
 1198 the General Revenue Fund to the Economic Development Trust Fund
 1199 in the Department of Economic Opportunity for purposes of making
 1200 disbursements pursuant to s. 288.127(3) Florida Statutes.

1201 Section 26. Chapter 2013-39, 2013 Laws of Florida:

1202 Section 6. Effective April 30, 2014, paragraph (kkk) is
 1203 added to subsection (7) of section 212.08, Florida Statutes, to
 1204 read:

1205 Effective April 30, 2014, paragraph (kkk) is added to subsection
 1206 (7) of section 212.08, Florida Statutes, to read:

1207 212.08 Sales, rental, use, consumption, distribution, and
 1208 storage tax; specified exemptions.—The sale at retail, the
 1209 rental, the use, the consumption, the distribution, and the
 1210 storage to be used or consumed in this state of the following
 1211 are hereby specifically exempt from the tax imposed by this
 1212 chapter.

1213 (7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any
 1214 entity by this chapter do not inure to any transaction that is
 1215 otherwise taxable under this chapter when payment is made by a
 1216 representative or employee of the entity by any means,
 1217 including, but not limited to, cash, check, or credit card, even
 1218 when that representative or employee is subsequently reimbursed
 1219 by the entity. In addition, exemptions provided to any entity by
 1220 this subsection do not inure to any transaction that is
 1221 otherwise taxable under this chapter unless the entity has
 1222 obtained a sales tax exemption certificate from the department

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1223 or the entity obtains or provides other documentation as
 1224 required by the department. Eligible purchases or leases made
 1225 with such a certificate must be in strict compliance with this
 1226 subsection and departmental rules, and any person who makes an
 1227 exempt purchase with a certificate that is not in strict
 1228 compliance with this subsection and the rules is liable for and
 1229 shall pay the tax. The department may adopt rules to administer
 1230 this subsection.

1231 (kkk) Certain machinery and equipment.-

1232 1. Industrial machinery and equipment purchased by
 1233 eligible manufacturing businesses which is used at a fixed
 1234 location within this state or a mixer drum, affixed to a mixer
 1235 truck, used at any location within this state to mix, agitate,
 1236 and transport freshly mixed concrete in a plastic state, for the
 1237 manufacture, processing, compounding, or production of items of
 1238 tangible personal property for sale shall be exempt from the tax
 1239 imposed by this chapter. Parts and labor required to affix a
 1240 mixer drum exempt under this paragraph to a mixer truck shall
 1241 also be exempt. If at the time of purchase the purchaser
 1242 furnishes the seller with a signed certificate certifying the
 1243 purchaser's entitlement to exemption pursuant to this paragraph,
 1244 the seller is relieved of the responsibility for collecting the
 1245 tax on the sale of such items, and the department shall look
 1246 solely to the purchaser for recovery of the tax if it determines
 1247 that the purchaser was not entitled to the exemption.

1248 2. For purposes of this paragraph, the term:

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1249 a. "Eligible manufacturing business" means any business
 1250 whose primary business activity at the location where the
 1251 industrial machinery and equipment is located is within the
 1252 industries classified under NAICS codes 31, 32, and 33. As used
 1253 in this subparagraph, "NAICS" means those classifications
 1254 contained in the North American Industry Classification System,
 1255 as published in 2007 by the Office of Management and Budget,
 1256 Executive Office of the President.

1257 b. "Primary business activity" means an activity
 1258 representing more than fifty percent of the activities conducted
 1259 at the location where the industrial machinery and equipment is
 1260 located.

1261 c. "Industrial machinery and equipment" means tangible
 1262 personal property or other property that has a depreciable life
 1263 of 3 years or more and that is used as an integral part in the
 1264 manufacturing, processing, compounding, or production of
 1265 tangible personal property for sale. A building and its
 1266 structural components are not industrial machinery and equipment
 1267 unless the building or structural component is so closely
 1268 related to the industrial machinery and equipment that it houses
 1269 or supports that the building or structural component can be
 1270 expected to be replaced when the machinery and equipment are
 1271 replaced. Heating and air conditioning systems are not
 1272 industrial machinery and equipment unless the sole justification
 1273 for their installation is to meet the requirements of the
 1274 production process, even though the system may provide

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1275 incidental comfort to employees or serve, to an insubstantial
 1276 degree, nonproduction activities. The term includes parts and
 1277 accessories for industrial machinery and equipment only to the
 1278 extent that the parts and accessories are purchased prior to the
 1279 date the machinery and equipment are placed in service.

1280 3. This paragraph is repealed effective April 30, 2017.

1281 Section 27. Except as otherwise expressly provided in this
 1282 act, this act shall take effect July 1, 2014.