

Notice of Development of Rulemaking

DEPARTMENT OF REVENUE

Sales and Use Tax

RULE NO.: RULE TITLE:

[12A-1.005](#): Admissions

[12A-1.0144](#): Refund of Tax Paid on Purchases of Equipment, Machinery, and Other Materials for Renewable Energy Technologies

[12A-1.055](#): Sale or Discontinuation of Business

[12A-1.056](#): Tax Due at Time of Sale; Tax Returns and Regulations

[12A-1.087](#): Exemption for Power Farm Equipment; Suggested Exemption Certificate for Items Used for Agricultural Purposes

[12A-1.096](#): Industrial Machinery and Equipment for Use in a New or Expanding Business

[12A-1.097](#): Public Use Forms

PURPOSE AND EFFECT: The purpose of the proposed amendments to Rule 12A-1.005, F.A.C. (Admissions), is to provide that charges for individuals traveling in air commerce, such as skydiving, helicopter, or untethered hot air balloon rides, are not subject to the tax imposed on admissions.

The purpose of the proposed creation of Rule 12A-1.0144, F.A.C. (Refund of Tax Paid on Purchases of Equipment, Machinery, and Other Materials for Renewable Energy Technologies), is to provide taxpayers information on how to obtain a refund of previously paid sales and use tax on purchases of equipment, machinery, and other materials for renewable energy technologies, as provided in Section 212.08(7)(hhh), F.S., as created by Section 4, Chapter 2012-117, L.O.F., effective July 1, 2012.

Section 213.758, F.S., created by Section 8, Chapter 2010-166, L.O.F., and amended by Section 1, Chapter 2012-55, L.O.F., provides for the transfer of tax liability. Sections 3 and 4, Chapter 2012-55, L.O.F., repeal Sections 202.31 and 212.10, F.S., respectfully, regarding the sale of a business and the transfer of liability for communications services tax and for sales and use tax. The purpose of the proposed repeal of Rule 12A-1.055, F.A.C. (Sale or Discontinuation of Business), is to remove the rule containing obsolete provisions relating to the transfer of liability for sales and use tax when a person transfers or quits a business.

The purpose of the proposed amendments to Rule 12A-1.056, F.A.C. (Tax Due at Time of Sale; Tax Returns and Regulations), is to implement the provisions of Section 2, Chapter 2012-145, L.O.F., which continues to allow a collection allowance for only those sales and use tax dealers who file electronic tax returns and remit the amounts due on the returns by electronic means for sales tax returns due on or after July 1, 2012. Effective July 1, 2012, dealers who report or remit sales and use tax by any means other than by electronic means will not be entitled to a collection allowance.

The purpose of the proposed amendments to Rule 12A-1.087, F.A.C. (Exemption for Power Farm Equipment; Electricity Used for Certain Agricultural Purposes; Suggested Exemption Certificate for Items Use for Agricultural Purposes), is to include the amendments to Section 212.08(5)(e)2., F.S., as amended by Section 8, Chapter 2012-32, L.O.F., which, effective January 1, 2013: (1) provides an exemption for electricity used in packinghouses where fruits, vegetables, or meat from cattle or hogs are prepared for market or for shipment in fresh form for wholesale distribution; and (2) expands the exemption for production or processing agricultural farm products on the farm to include packing agricultural farm products on the farm. The title of the rule is changed to reflect the provisions regarding electricity used for certain agricultural purposes.

The purpose of the proposed amendments to Rule 12A-1.096, F.A.C. (Industrial Machinery and Equipment for Use in a New or Expanding Business), is to incorporate the provisions of Section 8, Chapter 2012-32, L.O.F., which,

effective January 1, 2013, reduces from 10 percent to 5 percent the increase in productive output needed for expanding businesses to qualify for a sales tax exemption for machinery and equipment.

The purpose of the proposed amendments to Rule 12A-1.097, F.A.C. (Public Use Forms), is to adopt, by reference, updates and changes to sales and use tax returns necessary to incorporate the provisions of Section 2, Chapter 2012-145, L.O.F., which continues to allow only those sales and use tax dealers who file electronic tax returns and remit the amounts due on the returns by electronic means may claim a collection allowance for sales tax returns due on or after July 1, 2012.

SUBJECT AREA TO BE ADDRESSED: The subject of the rule workshop is: (1) the proposed repeal of the obsolete rule on the transfer of tax liability when a dealer sells or discontinues a business; (2) the proposed amendments to provide that charges to individuals traveling in air commerce are not subject to the tax imposed on admissions; (3) the procedures to obtain a refund of previously paid sales and use tax on purchases of equipment, machinery, and other materials for renewable energy technologies; (4) the proposed updates to the rule and sales and use tax returns to provide that only those dealers who file sales and use tax returns and remit the amounts due on the returns by electronic means for returns due after July 1, 2012, may claim a collection allowance; (5) the proposed updates to include the exemption for electricity used in packing agricultural farm products on the farm and the exemption for electricity used in packinghouses where fruits, vegetables, or meat from cattle or hogs are prepared for market or for shipment in fresh form for wholesale distribution; and (6) the proposed updates to reflect the reduction from 10 percent to 5 percent the increase in productive output needed for expanding businesses to qualify for a sales tax exemption for machinery and equipment.

RULEMAKING AUTHORITY: [201.11](#), [202.17\(3\)\(a\)](#), [202.22\(6\)](#), [202.26\(3\)](#), [212.04\(4\)](#), [212.0515\(7\)](#), [212.07\(1\)\(b\)](#), [212.08\(5\)\(b\)4.](#), (n)4., (o)4., (7), [212.11\(5\)\(b\)](#), [212.12\(1\)\(a\)2.](#), [212.17\(6\)](#), [212.18\(2\)](#), (3), [212.183](#), [213.06\(1\)](#), [288.1258\(4\)\(c\)](#), [376.70\(6\)\(b\)](#), [376.75\(9\)\(b\)](#), [403.718\(3\)\(b\)](#), [403.7185\(3\)\(b\)](#), [443.171\(2\)](#), (7) FS.

LAW IMPLEMENTED: [92.525\(1\)\(b\)](#), (3), [95.091](#), [119.071\(5\)](#), [125.0104](#), [125.0108](#), [201.01](#), [201.08\(1\)\(a\)](#), [201.133](#), [202.11\(2\)](#), (3), (6), (16), (24), [202.17](#), [202.22\(3\)-\(6\)](#), [202.28\(1\)](#), [203.01](#), [212.02](#), [212.03](#), [212.0305](#), [212.031](#), [212.04](#), [212.05](#), [212.0501](#), [212.0506\(4\)](#), (11), [212.0515](#), [212.054](#), [212.055](#), [212.06](#), [212.0606](#), [212.07\(1\)](#), (8), (9), [212.08](#), [212.084\(3\)](#), [212.085](#), [212.09](#), [212.096](#), [212.10\(1\)](#), (2), (4), [212.11](#), [212.12\(1\)](#), - (5), (9), (13), [212.13](#), [212.14\(2\)](#), (4), (5), [212.15\(1\)](#), [212.17](#), [212.18\(2\)](#), (3), [212.183](#), [213.053](#), [213.235](#), [213.255](#), [213.29](#), [213.37](#), [213.755](#), [215.26\(2\)](#), [219.07](#), [288.1258](#), [373.41492](#), [376.70](#), [376.75](#), [403.717](#), [403.718](#), [403.7185](#), [443.036](#), [443.121\(1\)](#), (3), [443.131](#), [443.1315](#), [443.1316](#), [443.171\(2\)](#), (7), [616.260](#), [681.117](#), [823.14\(3\)](#) FS.

PLACE: 2450 Shumard Oak Boulevard, Building One, Room 1220, Tallahassee, Florida

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 48 hours before the workshop/meeting by contacting: Tammy Miller at (850)617-8347. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955- 8771 (TDD) or 1(800)955-8770 (Voice).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT AND A COPY OF THE PRELIMINARY DRAFT, IF AVAILABLE, IS: Richard Parsons, Jeff Soff, or Janet L. Young, Tax Law Specialists, Technical Assistance and Dispute Resolution, Department of Revenue, P. O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850)617-8346

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS PUBLISHED ON THE DEPARTMENT'S INTERNET SITE AT: myflorida.com/dor/rules