



**QUESTION** What is the proper tax treatment of the Signaling Equipment, Telecommunications, Electrification, Platform Screen Doors and Barrier Walls with regard to a “people mover system?”

**EQUIPMENT**

**Signaling  
Equipment**

**EXEMPT**

Rail line signaling equipment that is fastened to the rail line or the structure that holds the rail line and can be easily removed for repair or replacement without damaging the structure.

**TAXABLE**

Conduits or wiring running between the rail line, power generation equipment and control room or between the equipment in the central control room or signaling room that is embedded in the ceiling, under floor, or underground.

**Telecommunicatio  
ns Equipment**

Property related to the telecommunications equipment that retains its status as tangible personal property/equipment that is sold as part of the APMs.

CCTVs and video monitors which are mounted to and permanently wired into the building would be real property fixtures.

Signage at the terminals that is mounted and permanently wired to the real property.

**Electrification  
Equipment**

Related Control and power distribution systems including back-up generator, transformer switchgear which are assembled and installed in the bungalows prior to delivery.

Concrete pads which are affixed to the realty, as well any conduits and wiring that is located underground, within the walls, ceiling or flooring and runs to and from the electrification equipment.

Blue light station equipment which is installed at each entry on the emergency walkway at the equipment PDS.

**Platform Screen  
Doors**

Platform screen door equipment which includes door thresholds, door operating equipment, door controls, bi parting panels, call push buttons, PLCs, photo eye beam system and the barrier wall

system which includes emergency doors.

Over travel buffers located at the platform station will be replaced by simply bolting to a bracket which is bolted to a concrete pad.

January 17, 2024

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Via Email: [REDACTED]

Re: Technical Assistance Advisement – TAA #:24A-001  
[REDACTED]. (“Taxpayer”)  
Sales and Use Tax – Public Works Contracts  
Section(s) 212.08(7), Florida Statutes (“F.S.”)  
Rule(s) 12A-1.094, Florida Administrative Code (“F.A.C.”)  
BP #: [REDACTED]

[REDACTED]  
[REDACTED]

Dear Taxpayer:

This is in response to your letter dated [REDACTED], requesting this Department’s issuance of a Technical Assistance Advisement (“TAA”) pursuant to Section(s.) 213.22, F.S., and Rule Chapter 12-11 F.A.C, Florida Administrative Code, regarding the matter discussed below. Your request has been carefully examined, and the Department finds it to be in compliance with the requisite criteria set forth in Chapter 12-11, F.A.C. This response to your request constitutes a TAA and is issued to you under the authority of s. 213.22, F.S.

**REQUESTED ADVISEMENT**

1. What is the proper tax treatment of the Signaling Equipment, Telecommunications, Electrification, Platform Screen Doors and Barrier Walls with regard to an “automated people mover system” [APM].

**FACTS**

Your request provides in part:

[Taxpayer] is currently looking to bid on a project with the [REDACTED] [REDACTED] to include replacement of vehicles, train control, communications, platform screen doors, running surface and other operating system elements as needed and defined in the Design Criteria Package related to the A2 [Airside 2] and A4 [Airside 4] legs of the airport system. The system carries guests from the main, land-side terminal of the airport to one of the air-side terminals of the airport. The work will be performed at the [REDACTED]. The scope of work is the following:

- [REDACTED] Automated People Movers (“APM”) vehicles
- *Signaling equipment*
- *Telecommunications*
- Running surface (i.e., including minor civil works) and guide beam repair
- *Electrification (traction power and power rail)*
- *Platform screen doors*
- *Barrier walls*

\* \* \*

Referencing s. 212.08(6), F.S. and Rule 12A-1.094, F.A.C., you state:

Per ... Rule 12A-1.094, [F.A.C.] a contract with the [REDACTED] at the [REDACTED] would qualify as a public works contract. [Taxpayer] believe[s] the APM vehicles ... would be exempt per Rule 12A-1.094(8), [F.A.C.] and [s. 212.08(7)(zz), F.S.]. Similarly, the running surface is excluded from the definition of people movers and would be subject to tax under the Public Works rules. Therefore, as noted above this request is related to the tax treatment of the Signaling Equipment, Telecommunication, Electrification, Platform Screen Doors and Barrier Walls.

Within the above statute and regulation[], it is noted the people mover system does not include, “Embedded wiring, conduits, or cabling and the roads, rails, guidebeams, or other permanent structures on which the vehicles run.” What is unclear is whether the intent of including wiring, conduits or cabling after the word embedded is to imply that only such materials that are embedded would not qualify. This is further emphasized with the inclusion of the phrase “permanent structures” with the definition. If wiring, conduits and cabling is simply attached and not embedded and can be removed without destruction to the permanent structures, would it then be considered part of the equipment that makes up the related control and power distribution systems? What would be the intent of including the word Embedded if all wiring, conduits and cabling were to be excluded from the definition of the system?

According to the Meriam Webster dictionary, the word Embedded means, “enclosed closely in or as if in a matrix: set firmly into a mass or material.” By this definition ... anything not set firmly into the APM permanent structures but rather attached, would not be considered embedded.

Similarly, the FL regulation noted above goes on to define, “Related control and power distribution systems” [to] include electrical or electronic control or signaling equipment...” Wiring and cabling noted above could be considered part of the electrical system.

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### Signaling Equipment

Signaling equipment is designed to provide multiple communication functions along the rail lines including the location of the APM, speed, direction and passenger information. It includes equipment located along the rail lines, within the APMs, at the station terminals and the central control room.

\* \* \*

Your request includes a photo that depicts the conduits that will carry the cabling along the rail lines and a piece of the signaling equipment located along the rail lines and provides information to the station terminal signage, so that passengers are aware of the status of the APMs arrival at the station.

The project involves setting up conduits to connect various electrical and control systems for the APM. Conduits are pipes that carry wires and cables. ... The conduits will link the Signaling Equipment Rooms, where the main power sources are, with the guideway, where the APM vehicles run and with the station platform, which is where guests will board and exit the APM vehicles. The conduits will also link the Power Distribution Rooms, where the power is distributed to different parts of the system, with the guideway. Finally, the conduits will link the Operations Control Center Equipment Room, where the APM system is controlled and monitored, with the guideway.

\* \* \*

The conduits will mainly connect [Taxpayer] equipment, which is the equipment made by the company that is designed and built for the APM system, with installed cable trays, conduits, junction boxes, etc. These are devices that hold and organize wires and cables. <sup>1</sup>

\* \* \*

In the airside and Main terminals, touch screen panels will be installed with International

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<sup>1</sup> Photos A and B provided with request.

mode feature (location will be defined during project execution along with the customer) that will be selectable and programmable by [REDACTED] ... and are remotely responsible for close car and station doors and enabling the train to depart the station. Currently, there is a key lockout switch for the door sets on the platform....<sup>[2]</sup>

Code "Bravo" buttons will be installed in all stations to provide [an] "all trains stop[]" feature and will be located in the TSA and [REDACTED] checkpoint desks (function currently exists).

Central Control room will receive all cabinets that interface signals and commands with wayside equipment. Installation process for the Signaling Equipment room and the Central Control Room should be similar to Photo D<sup>[3]</sup>, which is a photo of the Signaling Equipment Room. The cabinets come fully equipped with all electrical equipment ... installed .... [It is] uncertain at this time if the cabinets will be free-standing or bolted to the floor. Wiring brought into the Signaling Equipment Room from various areas of the APM lines will ... be connected to the equipment in cabinets along with power. Wiring will run from one set of cabinets to the other and will be pulled through the ceiling or floating floor.

#### Telecommunication Equipment

[Taxpayer] is providing an Operational Passenger Communications System (OPICS) which provides two-way voice communication between APM cars and Central Control, public address, passenger information messaging, and alarm reporting. OPICS includes equipment onboard the APM cars, wayside public address cabinets, and platform LCD signs. The OPICS systems may be controlled from workstations located at the Central Control room and the backup Central Control room.

For Maintenance Radio communications, new handheld radios, batteries, and charge[r]s will be provided for staff.

A Closed-Circuit Television ("CCTV") system will be provided to monitor all activities surrounding the APM areas including the APM cars. CCTV recording servers and management servers will be in a cabinet assembly in the central control equipment room. Cameras will be located along the guideway, platform areas, and maintenance areas.

Internal telephones and emergency intercoms will be provided throughout the facilities to support APM operations. These telephones will connect to the existing Airport telephone system.

A data transmission system will be provided for network communications. The network equipment will be installed into equipment cabinets located at each station and Central equipment room. For wireless communications, multiple radio systems will be installed

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<sup>2</sup> Photo C provided with request.

<sup>3</sup> Photo D provided with request.

along the guideway for train to wayside communications. Both the data transmission system and radio network will use fiber optic cable installed along the guideway and through the station equipment rooms to the Central Control room.

### Electrification

[Taxpayer] will provide the substations for the two Legs. It includes but is not limited to the following:

- Medium Voltage Vacuum Breaker Switchgear. One for 12.47 kV [kilovolt] supply and the other for 34.5kv supply
- Step Down Transformers for Medium Voltage feeds to the 600 VAC [Volts Alternating Current] Switchgear.
- 600 VAC Traction Power Equipment Emergency Diesel Generator with 5,000 Gallon Diesel Fuel tank located above ground.
- Metering equipment
- Blue Light Stations

The ... equipment will be installed for both guideways. As depicted in Photo E, it will be located at ground level midway between the Landside Terminals and the Airside Terminals on guideways A2 and A4. Each piece of equipment will come packaged inside metal bungalows from the equipment supplier.

You included a photo that shows the traction power unit in gray and the transformers on the left in the green unit.

These bungalows will be mounted on concrete pads sized to handle the square area and weight of bungalows. This equipment is needed to supply traction power to the [APM] vehicles being installed on the guideway. Required cabling will run underground between this equipment and includes both power cabling and control cabling. Cables will also be installed between the 600 VAC Switchgear and the guideways. It runs underground from the Switchgear up through conduits connected to the support columns. This cabling provides the traction power to the vehicle. The cables connect to the Power/Ground Rails located on top of the center guidebeam (Photo F) on each lane of Airside guideway. The vehicles use power collector shoes to collect this power from the power rails. The existing Power Rail System will be replaced in kind. This includes, but is not limited to; support b[r]ackets, power and ground rails, expansion joints, isolation joints, PVC covers, SST hardware, etc. The rails are connected to these (glass reinforced fiberglass) brackets approximately every 3 feet. The brackets are mounted to the top of the existing guidebeam and are bolted to this beam using SST hardware.<sup>4</sup>

As part of this equipment, a diesel-powered emergency generator with an above ground

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<sup>4</sup> Photos E and F provided with request.

5,000-gallon diesel fuel tank will be installed to replace the existing equipment. Similar to the power equipment discussed above, the generator will sit in a bunk house that rests on a concrete pad. This generator will be used to supply traction power to the system in the unlikely event of a complete failure of the substation associated with a particular guideway. The fuel tank is sized large enough to provide back up for the system for up to 48 hours. Power/Ground Rail will be installed on all four guidebeams the length of each of the 4 lanes of guideway.<sup>5</sup>

A new Blue Light Station ... will be installed at each entry on to the emergency walkway and at the Equipment PDS [Power Distribution Systems] bungalows. The Blue Light station[s] are for use during emergency situations. They have a[n] LED Blue light for ease of finding, an emergency intercom that directly dials up Central Control and an Emergency Power kill button that shuts off power to the guideway.

“Code Bravo” Power kill pushbutton[s] will be installed near the TSA stations. These are similar to the power kill buttons supplied at the blue lights with the same functionality as described above. These buttons are located near the TSA entry points and are used to kill power to the guideway by the TSA if there is a security breach at the security checkpoints.

15 kVA [kilo volt-amperes] Un-interruptible Power Supplies (UPS) will also be supplied to provide power to key elements of the system, including but not limited to, Automatic Train Control (ATC) equipment, Station Platform Doors, Central Control equipment, Closed Circuit TV (CCTV's), PLCs for Power Distribution control and monitoring, etc. One 15 kVA UPS [unit] will be installed at both Airside A2 and Airside A4 stations in the ATC equipment rooms next to the Central Control Rooms. It will consist of 120 VAC supply units, rectifiers and batteries to supply back power for up to 2 hours in the event of a power failure.

#### Platform Screen Doors and Barrier Walls

As part of the scope of equipment supply, [Taxpayer] will replace existing Platform Edge Wall, Platform Barrier Walls and Station Platform automatic bi-parting platform doors. ... This equipment will be similar to the existing equipment .... This equipment is located at the Station Platform level at the Landside Terminals and both platform levels at the Airside 2 and Airside 4 stations. ... Door equipment will include Door Thresholds, Door Operating equipment, Door Controls, Bi-Parting Panels, Call Pushbuttons, PLC's, Bi-parting panels, and photo-eye beam system. There are also emergency doors that are part of the barrier wall system.<sup>[6]</sup>

The roof over the doors will be lifted while the barrier walls and subsequently the door systems are replaced and ... lowered down onto the new barrier walls. The neon lighting

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<sup>5</sup> Photo G provided with request.

<sup>6</sup> Photo H provided with request.

within the platform area will also be replaced.<sup>[7]</sup>

Eight (8) Over travel Buffers located at the platform stations at both ends of the track on each individual guideway lane will be replaced. These buffers are used in the event the car does not stop at the designated place in the terminal. These are bolted to a bracket, which is bolted to a concrete pad. Only the buffer[s] will be replaced.<sup>8</sup>

Maintenance equipment at the Maintenance and Service Facility (“M&SF”) area will include a ground switch for each track for a total of four. Plus 3 stinger breakers and associated stinger power chords per track to provide auxiliary power to the vehicles during light maintenance activities on the cars. New Emergency walkway lighting will be furnished. It will be integrated with the existing emergency walkway handrail and supplied on both emergency walkways the length of the handrail system. Tactile equipment will also be added if necessary. Along with Signage directing passengers to the closest emergency exit in the event of an unlikely unassisted evacuation of the vehicles onto the emergency walkway. The signage will be mounted to the railings and lighted internally with LED lighting.<sup>[9]</sup>

\* \* \*

With regard to the taxation of the various elements, Taxpayer provides the following determinations:

#### *Signaling Equipment*

Rail line signaling equipment should be exempt from sales tax as part of the rail control and power distributions systems of a people mover system as noted in Rule 12A-1.094 [, F.A.C.]. While the rail line signaling equipment is fastened to the rail line or the structure that holds the rail line, it can easily be removed for repair or replacement without causing any damage to the rail line or any of the structure.

The conduits and associated wiring should be considered exempt from sales tax as neither is embedded into any of the structure but rather connected to the structure through a series of bolts and brackets. It can be removed without any damage to either. This area is admittedly a gray area in the regulations. Normally, under a public works contract, this would be considered taxable to the contractor. However, the regulations go on to specifically mention people mover systems and their exemptions. The regulations also use the word embedded as opposed to “fixed to” or “bolted to” as seen in other regulations to describe the way in which the materials would be considered taxable. As noted above, “Related control and power distribution systems” includes any electrical or electronic control or signaling equipment, but does not include the “embedded wiring, conduits, or

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<sup>7</sup> Photo I provided with request.

<sup>8</sup> Photo J provided with request.

<sup>9</sup> Photo K provided with request.



cabling used to transmit electrical or electronic signals among such control equipment, power distribution equipment, signaling equipment, and wheeled vehicles.” [s. 212.08(7)(zz), F.S.]. Such a choice of wording would allow a greater exemption in respect to people movers as opposed to other types of public works contracts. Central control room and Signaling room equipment should be exempt from sales tax as all such equipment is part of the related control and power distribution systems. The equipment comes fully installed in cabinets that are shipped to the airport and placed in the central control room. While the cabinets may be secured to the floor in some way to avoid the possibility of falling in the event something disrupts them, they are not custom-made cabinets specifically designed for this room but rather similar to a large PC that holds all the parts necessary for it to function.

Any conduits or wiring running between the rail line, power generation equipment and the control room that is installed in the ceiling, under the floor or within the walls or underground would be subject to sales tax as it requires disturbing the ceiling, flooring, walls or ground and could be considered to be embedded in such areas. Similarly, any wiring between the equipment in the central control room or signaling room running in the ceiling, floor or walls would be subject to tax for the same reason.

#### *Telecommunication Equipment*

Based upon the above description of the telecommunication equipment, most of the property retains its status of tangible personal property. The equipment in the central control is merely installed in cabinets and can easily be removed or replaced without damage to the cabinets. CCTVs and video monitors also maintain their original status as tangible personal property.

Signage at the terminals should be considered part of the signaling equipment but could also be considered part of the overall people mover system. However, they are mounted to the building and are permanently wired. So, it’s questionable whether this signage would be excluded from the definition of the people mover system and be considered part of real property subject to tax by the contractor as part of the public works contract.

Any wiring and cabling associated with the CCTVs, video monitors and signage should be afforded the same treatment as any other wiring noted above for the signaling equipment.

#### *Electrification*

The back-up diesel generator and the transformer and switchgear are assembled and installed in bungalows that are delivered on-site and placed on concrete pads. The concrete pads are clearly subject to sales tax for the contractor, but the generator, transformers and switchgear should qualify for the exemption as part of the Related control and power distribution systems. The blue light station equipment should be exempt for the same reason.

Any conduits and wiring running to and from such equipment that is located underground, within walls, ceiling or flooring should be subject to tax. The conduits running up the side of the support columns and along the rail lines would appear to be exempt from tax similar to conduits and wiring for signaling equipment as it is not embedded in any real property but merely attached.

#### *Platform Screen Doors and Barrier Walls*

The doors located at both ends of the APM rail lines are not specifically mentioned in the Florida statute that defines [] people mover systems. However, the definition of people mover systems is relatively broad. The platform screen doors could be considered part of the system, “exempt from the tax imposed by this chapter when the systems or parts go into or become part of publicly owned facilities.” [*Ibid.*] However, if not considered part of the system, it would seem appropriate to look to Rule 12A-1.094(2) [F.A.C.] to determine taxability of the platform screen doors. As such, materials purchased would be subject to sales tax to the contractor. This seems consistent with [Rule 12A-1.051(17), F.A.C.] which defines a real property contractor as those who install doors or glass which installation is considered permanent in nature. Similarly, lighting installed within the platform area along the roof would be considered a fixture subject to sales tax if not considered part of the people mover system. It should be noted that it would clearly be unsafe to operate the APM system without such doors.

Platform barrier walls are made up of the edge and barrier walls. The screen doors and their associated equipment are connected to these walls. Similar to above, it would seem appropriate to look to Rule 12A-1.094(2) [F.A.C.] to determine taxability of the platform walls. As such, materials purchased would be subject to sales tax for the contractor unless the Department were to take a broad interpretation of the people mover system since this area would not exist but for the system.

Lighting and lighted signage replaced and/or installed along the emergency walkway would be considered taxable fixtures and subject to sales tax by the contractor. This is differentiated from other parts of the people mover system as it is more associated with the airport terminals than the people mover system itself although needed for the APMs as an emergency safety measure.

Buffers located at the end of each of the people mover lines should be considered part of the entire people mover system and not subject to tax. While they are bolted to the base of the rail lines, they can easily be removed with no damage to real property [upon] which they are attached.

You included the following attachments with your request:

- Design Criteria Package, Volume 1A & 1B, Specifications. This document includes all addendums up through 7/24/23; the last addendum that has been proposed. This Request for Proposal includes a very detailed description of the project and instructions on how to bid on such a project. The attached document is 311 pages.
- Index of Design Criteria Package, Volume 1C, General Requirements. The total document is 179 pages and generally describes how the contractor is expected to work at the facility, with the [REDACTED] and responsibilities of the contractor in terms of permits, regulations, etc. It doesn't specifically relate to the scope of the project, but if any or all of this document is desired, please advise and it will be provided.
- Index of Design Criteria Package, Volume 1D, Special Provisions. The total document is 377 pages and further discusses the expected execution of the project. It includes a brief description of the project, similar to that mentioned in DCP 1A & 1B, a work schedule, expected project management structure, expected quality control during the project, payment schedule, verification and acceptance process, warranty provisions and contract data requirements list. If any or all of this package is desired, please advise and it will be provided.
- Design Criteria Package, Volume 1E, Technical Provisions. The attached document is 285 pages. This document describes the technical requirements for the fully automated driverless, fixed-guideway transportation systems to provide safe, reliable transportation for the [REDACTED] passengers, visitors, and staff. It provides a good description of the various parts of the project and purposes of the systems.

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### LAW AND DISCUSSION

People-mover systems, and parts thereof, which are purchased or manufactured by contractors employed either directly by or as agents for the United States Government, the state, a county, a municipality, a political subdivision of the state, or the public operator of a public-use airport as defined by s. 332.004(14), F.S. are exempt from the tax imposed by this chapter when the systems or parts go into or become part of publicly owned facilities. In the case of contractors who manufacture and install such systems and parts, this exemption extends to the purchase of component parts and all other manufacturing and fabrication costs. The department may provide a form to be used by contractors to provide to suppliers of people-mover systems or parts to certify the contractor's eligibility for the exemption provided under this paragraph. As used in this paragraph, "people-mover systems" includes wheeled passenger vehicles and related control and power distribution systems that are part of a transportation system for use by the general public, regardless of whether such vehicles are operator-controlled or driverless, self-propelled or propelled by external power and control systems, or conducted on roads, rails, guidebeams, or other permanent structures that are an integral part of such transportation system. "Related control and power distribution systems" includes any electrical or electronic control or signaling equipment, but does not include the

embedded wiring, conduits, or cabling used to transmit electrical or electronic signals among such control equipment, power distribution equipment, signaling equipment, and wheeled vehicles. See s. 212.08(7)(zz), F.S.

Rule 12A-1.094, F.A.C., provides in part:

\* \* \*

(2) The purchase or manufacture of supplies or materials by a public works contractor, when such supplies or materials are purchased for the purpose of going into or becoming part of public works, whether the purchase or manufacture occurs inside or outside Florida, is taxable to the public works contractor if the public works contractor also installs such supplies or materials, since the public works contractor is the ultimate consumer of such supplies or materials. Public works contractors that purchase or manufacture such supplies and materials in Florida are liable for sales tax or use tax on such purchases and manufacturing costs. A public works contractor that purchases supplies or materials that may be sold as tangible personal property or may be incorporated into a public works project may purchase such supplies or materials without tax by issuing a copy of the contractor's Annual Resale Certificate and accrue and remit tax upon withdrawing such supplies or materials from inventory to go into or become a part of public works. Public works contractors that purchase or manufacture such materials outside the State of Florida are liable for use tax, subject to credit for any sales or use tax lawfully imposed and paid in the state of purchase or manufacture. (Emphasis added).

\* \* \*

(5) Contractors, including subcontractors, that manufacture, fabricate, or furnish tangible personal property that the contractor incorporates into public works are liable for tax in the manner provided in subsection (10) of Rule 12A-1.051, F.A.C. The contractor and subcontractors, not the governmental entity, are deemed to be the ultimate consumers of the articles of tangible personal property they manufacture, fabricate, or furnish to perform their contracts and may not accept a Certificate of Entitlement for these articles.

\* \* \*

(8) Contractors that install people mover systems in public works projects are exempt from sales and use tax on their purchases of such systems or components of such systems and on any other costs incurred in the manufacture of such systems that would be taxable under the provisions of subsection (10) of Rule 12A-1.051, F.A.C.

\* \* \*

(b) A people mover system contractor should claim the exemption by providing a vendor with a certificate of entitlement to the exemption. The vendor must maintain copies of

certificates until tax imposed by Chapter 212, F.S., may no longer be determined and assessed under Section 95.091, F.S. Possession by a vendor of such a certificate from the purchaser relieves the vendor from the responsibility of collecting tax on the sale, and the Department shall look solely to the purchaser for recovery of tax if it determines that the purchaser was not entitled to the exemption. A suggested form of certificate follows:

SUGGESTED PURCHASER’S EXEMPTION CERTIFICATE  
PEOPLE MOVER SYSTEMS AND PARTS

\_\_\_\_\_ (Purchaser’s Name) certifies that the tangible personal property purchased on or after \_\_\_\_\_ (date) will be used as part of a people mover system that will become a part of a publicly owned facility pursuant to a contract with the United States, a state, a county, a municipality, a political subdivision of a state, or the public operator of a public-use airport as defined in Section 332.004, F.S. Such contract requires Purchaser to purchase the tangible personal property for use in manufacturing, installing, manufacturing and installing, repairing, or maintaining, all or part of a people mover system operated by the governmental entity as a public facility.

\_\_\_\_\_ (Purchaser’s Name) further certifies: a) that all of the tangible personal property purchased pursuant to this certificate is or will be part of a wheeled passenger vehicle or of related control or power distribution systems that are part of a transportation system for use by the general public; and b) none of the tangible personal property purchased pursuant to this certificate will be used as embedded wiring, conduits, or cabling to transmit signals among the vehicles, control equipment, power distribution equipment, and signaling equipment that make up the people mover system.

The undersigned understands that if such tangible personal property does not qualify for this exemption, the undersigned will be subject to sales and use tax, interest, and penalties. The undersigned further understands that when any person fraudulently, for the purpose of evading tax, issues to a vendor or to any agent of the state a certificate or statement in writing in which he or she claims exemption from the sales tax, such person, in addition to being liable for payment of the tax plus a mandatory penalty of 200% of the tax, shall be liable for fine and punishment provided by law for conviction of a felony of the third degree, as provided in Section 775.082, 775.083 or 775.084, F.S.

\_\_\_\_\_  
Purchaser’s Name (Print or Type)

\_\_\_\_\_  
Signature and Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Florida Sales Tax Number

\_\_\_\_\_  
Federal Employer Identification  
Number or Social Security Number

\_\_\_\_\_  
Telephone Number

\* \* \*

Section 212.06(14), F.S., provides:

(14) For the purpose of determining whether a person is improving real property, the term:

(a) "Real property" means the land and improvements thereto and fixtures and is synonymous with the terms "realty" and "real estate."

(b) "Fixtures" means items that are an accessory to a building, other structure, or land and that do not lose their identity as accessories when installed but that do become permanently attached to realty. However, the term does not include the following items, whether or not such items are attached to real property in a permanent manner: property of a type that is required to be registered, licensed, titled, or documented by this state or by the United States Government, including, but not limited to, mobile homes, except mobile homes assessed as real property, or industrial machinery or equipment. For purposes of this paragraph, industrial machinery or equipment is not limited to machinery and equipment used to manufacture, process, compound, or produce tangible personal property. For an item to be considered a fixture, it is not necessary that the owner of the item also own the real property to which it is attached.

(c) "Improvements to real property" includes the activities of building, erecting, constructing, altering, improving, repairing, or maintaining real property.

\* \* \*

Rule 12A-1.051, F.A.C., provides in part:

\* \* \*

(10) ... Contractors may maintain shops, plants, or similar facilities where they manufacture, produce, compound, process, or fabricate items for their own use in performing contracts. Contractors are required to pay use tax on the fabricated cost of those items. The elements that must be included in the taxable cost of such items are set forth in Rule 12A-1.043, F.A.C. In the case of real property contractors, the taxable cost of an item manufactured, produced, compounded, processed, or fabricated for use in performing a contract does not include labor that occurs at the job site where the item will be incorporated into a real property improvement or transportation from the plant where an item was fabricated to the job site. Examples of real property contractors who are subject to tax under this subsection include cabinet contractors who build custom cabinets in their shops, roofing contractors who operate tile plants, or heating/air conditioning/ventilation contractors who maintain sheet metal shops for making ductwork. Real property contractors that are required to remit use tax on fabricated items must register as dealers for purposes of remitting such tax if they are not already registered as dual operators.

\* \* \*

Based on the information provided, Taxpayer plans to bid on a project with [REDACTED] to install a replacement APM system at the [REDACTED]. The system described in Taxpayer's request and the included Design Criteria Package and Technical Provisions qualifies as a People Mover System pursuant to s. 212.08(7)(zz), F.S.; therefore, when Taxpayer purchases or manufactures supplies or materials that are installed or become part of a people-mover system, those supplies or materials would be exempt from sales and use tax.

As provided in Rule 12A-1.094, F.A.C., the public works contractor is the ultimate consumer and therefore liable for tax on supplies or materials purchased or manufactured by the public works contractor and incorporated into the public works. In this case, when Taxpayer purchases and installs any wiring, conduits, or cabling that is embedded into the roads, rails, guidebeams, or other permanent structures, Taxpayer is acting as a public works contractor and therefore liable for tax on supplies or materials purchased or manufactured and subsequently embedded into the public work.

The legislature's intent of including wiring, conduits or cabling after the word embedded is to make it clear to the contractor that any such wiring, conduits, and cabling that is incorporated into the project is considered to be a public work, in which case the contractor is liable for tax on those materials and supplies - as these materials would be considered part of the equipment that makes up the related control and power distribution systems only when they do not become part of the realty and are attached in such a manner that they can be removed without damaging to the realty.

To claim the exemption on its purchases of people mover systems or related components that are subject to the exemption, Taxpayer must provide the vendor with a written certification such as the suggested format found in Rule 12A-1.094(8)(b), F.A.C.

**CONCLUSION**

The Department's determination regarding whether the various components of the people mover system qualify for the exemption provided in the above-cited statutory and regulatory provisions is as follows:

**QUESTION**                      What is the proper tax treatment of the Signaling Equipment, Telecommunications, Electrification, Platform Screen Doors and Barrier Walls with regard to a "people mover system?"

<b>EQUIPMENT</b>	<b>EXEMPT</b>	<b>TAXABLE</b>
<b>Signaling Equipment</b>	Rail line signaling equipment that is fastened to the rail line or the structure that holds the rail line and can be easily removed for repair or replacement without damaging the structure.	Conduits or wiring running between the rail line, power generation equipment and control room or between the equipment in the central control room or signaling room that is embedded in the ceiling, under floor, or underground.

<b>Telecommunications Equipment</b>	Property related to the telecommunications equipment that retains its status as tangible personal property/equipment that is sold as part of the APMs.	CCTVs and video monitors which are mounted to and permanently wired into the building would be real property fixtures.  Signage at the terminals that is mounted and permanently wired to the real property.
<b>Electrification Equipment</b>	Related Control and power distribution systems including back-up generator, transformer switchgear which are assembled and installed in the bungalows prior to delivery.  Blue light station equipment which is installed at each entry on the emergency walkway at the equipment PDS.	Concrete pads which are affixed to the realty, as well any conduits and wiring that is located underground, within the walls, ceiling or flooring and runs to and from the electrification equipment.
<b>Platform Screen Doors</b>	Platform screen door equipment which includes door thresholds, door operating equipment, door controls, bi parting panels, call push buttons, PLCs, photo eye beam system and the barrier wall system which includes emergency doors.  Over travel buffers located at the platform station will be replaced by simply bolting to a bracket which is bolted to a concrete pad.	

This response constitutes a TAA under s. 213.22, F.S., which is binding on the Department only under the facts and circumstances described in the request for this advice, as specified in s. 213.22, F.S. Our response is predicated on those facts and the specific situation summarized above. You are advised that subsequent statutory or administrative rule changes, or judicial interpretations of the statutes or rules, upon which this advice is based, may subject similar future transactions to a different treatment than expressed in this response.



You are further advised that this response, your request and related backup documents are public records under Chapter 119, F.S., and are subject to disclosure to the public under the conditions of s. 213.22, F.S. Confidential information must be deleted before public disclosure. In an effort to protect confidentiality, we request you provide the undersigned with an edited copy of your request for TAA, the backup material and this response, deleting names, addresses and any other details which might lead to identification of the Taxpayer. Your response should be received by the Department within ten (10) days of the date of this letter.

If you have any further questions with regard to this matter and wish to discuss them, you may contact me directly at (850)717-6701.

Sincerely,

A handwritten signature in blue ink that reads "Shundra McClean".

Shundra McClean  
Tax Law Specialist  
Technical Assistance & Dispute Resolution

Record ID: 7001057188

### TADR Satisfaction Survey

The Florida Department of Revenue invites you to complete the online TADR Satisfaction Survey to help us identify ways to improve our service to taxpayers. The survey is an opportunity to provide feedback on your recent experience with the Department's office of Technical Assistance and Dispute Resolution (TADR). To access the survey, place the following address in your browser's access bar:

<https://tadr.questionpro.com>

When you open the survey, you'll be asked to enter the following information. This information will enable you to complete and submit the survey.

Notification number: 7001057188

Respondent code: 44

Tax type: Sales and Use Tax

Correspondence type: Technical Assistance

If you need technical assistance accessing the survey, please email Douglas Charity at [douglas.charity@floridarevenue.com](mailto:douglas.charity@floridarevenue.com).

Thank you.