

POST **Legislative**

REVIEW



1998

**Changes to
Florida Tax and
Child Support Enforcement Laws**



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General Tax Administration
Child Support Enforcement
Property Tax Administration
Administrative Services
Information Services

This booklet has been compiled by the Florida Department of Revenue to inform you about the law changes enacted by the Florida Legislature during the 1998 Legislative Session.

Every effort has been taken to ensure that this information is accurate. Please remember, however, that the discussion of each item is brief and may not include detailed coverage of every issue that might affect a particular taxpayer or child support enforcement customer. Before applying the changes to a specific decision on taxes or child support, you should consult the law and Department rules or contact us for assistance.

If you have questions about tax issues or other provisions of law, or would like additional copies of this booklet, I encourage you to contact our Taxpayer Services group by calling them at (850) 488-6800. For the hearing or speech impaired, call our TDD at (850) 922-1115. If you have questions about child support issues, you may call the Child Support Enforcement Program at (850) 922-9590. If you want a written response to a question, send your correspondence to P.O. Box 7443, Tallahassee, Florida 32314-7443.

Visit our Web site at <http://sun6.dms.state.fl.us/dor/> for information on the Department.

I hope you find this information useful, and I thank you for assisting in our efforts to improve our services to the citizens of the State of Florida.

L. H. Fuchs

“1998 Florida Sterling Award Winner”

1998 Post Legislative Review

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The following abbreviations are used in this publication:

Ch. - Chapter

CS - Committee Substitute

CSE - Child Support Enforcement

DOR - Department of Revenue

FICPA - Florida Institute of Certified Public Accountants

F.S. - Florida Statutes

FY - Fiscal Year

HB - House Bill

HJR - House Joint Resolution

I.R.C. - United States Internal Revenue Code

IV-D - Title IV-D of the Social Security Act relating to CSE

L.O.F. - Laws of Florida

NA - Not Applicable

s. - section

ss. - sections

SB - Senate Bill

TRIM - Truth in Millage Act

UBL - Upon Becoming Law

WAGES - Work and Gain Economic Self-sufficiency Act

Administration

► Checks and Drafts; Charges

Effective Date: October 1, 1998

Statute Reference: ss. 68.065, 166.251, and 832.07, F.S.

Chapter Law: 98-297 (CS/HB 767)

Persons who stop payment on a check or draft with the intent to defraud are now included under the provisions of s. 68.065, F.S., which provides civil liabilities for such persons.

Section 832.07, F.S., is amended to delete “race” as one of the pieces of evidence necessary to establish prima facie evidence for prosecution of a worthless bank check.

► Checks and Drafts; Driver’s License Suspension

Effective Date: July 1, 1998

Statute Reference: ss. 832.09, 832.10, 322.251, 322.142, 318.18, 320.07, 322.26, 322.271, 322.28, 322.283, 322.34, 322.341, and 627.733, F.S.

Chapter Law: 98-223 (HB 3275)

Requires the Department of Highway Safety and Motor Vehicles to suspend the driver’s license of any person for whom a warrant for arrest is issued for the offense of issuing a worthless bank check.

► Confidentiality; Department of Agriculture and Consumer Services

Effective Date: October 1, 1998

Statute Reference: s. 213.053, F.S.

Chapter Law: 98-299 (HB 3785)

Authorizes DOR to provide names, addresses, and sales tax registration information to the Division of Consumer Services of the Department of Agriculture and Consumer Services in the conduct of its official duties.

► Garnishment; Collection of Unpaid Taxes

Effective Date: July 1, 1998

Statute Reference: s. 213.67, F.S.

Chapter Law: 98-342 (CS/HB 4413)

Subjects the garnishee to liability equal to the value of the property transferred or disposed of by the garnishee.

Specifies that financial institutions will maintain a right of set-off for any transaction involving a debit card which occurs on or before the date of receipt of a garnishment notice of freeze.

Eliminates the 60-day renewal notice requirement, which applies after a freeze has been contested in circuit court.

Freezes the assets of a taxpayer which come into the possession of the garnishee after DOR issues a garnishment notice.

States that the delivery of all notices (garnishment procedures) must be by registered mail.

Authorizes DOR to file an action in circuit court to enforce compliance with the garnishment law.

► **Legal Process; Service; Rate of Interest**

Effective Date: October 1, 1998

Statute Reference: ss. 48.031, 48.183, 48.27, and 55.03, F.S.

Chapter Law: 98-410 (CS/HB 935)

Requires that there be two attempts to serve the owner before substitute service on the manager is allowed.

Clarifies that interest accrues at the stated rate until payment is made and that the interest rate cannot vary.

Provides that the Sheriff is not required to enter on the records or collect on any process, judgement, writ, or decree that does not state the applicable interest rate.

► **Registration Information Sharing and Exchange Program**

Effective Date: July 1, 1998

Statute Reference: s. 213.0535(4), F.S.

Chapter Law: 98-342 (CS/HB 4413)

Provides flexibility for the frequency of data exchange under the Registration Information Sharing and Exchange Program (RISE). Allows the data exchange frequency to be either monthly or quarterly, at the discretion of the respective local government, and with DOR's concurrence.

► **Voluntary Self-Disclosure; Compromise Authority**

Effective Date: July 1, 1998

Statute Reference: s. 213.21, F.S.

Chapter Law: 98-342 (CS/HB 4413)

Allows the Governor and Cabinet to delegate to the Executive Director of DOR the authority to compromise tax up to, and including, \$250,000.

Restricts the statute of limitation to five years for taxpayers who are willing to self-disclose tax liabilities. Gives DOR the discretion to settle and compromise tax and interest under a voluntary disclosure when it is in the best interest of the state to do so. Provides factors to consider when determining whether it is in the best interest of the state to offer such compromise or settlement terms.

Certified Audits Project

► Certified Audits

Effective Date: July 1, 1998

Statute Reference: s. 213.285, F.S.

Chapter Law: 98-95 (CS/SB 498)

Establishes a framework for a certified audit pilot project. Taxpayers who have not been previously advised by DOR of an intent to audit may hire qualified CPA firms, at their own expense, to examine and report on their tax compliance. A DOR approved certification is required before a CPA may participate in the project.

Provides that the certified audit work performed by qualified CPAs must use mutually agreed upon procedures. Within 30 days of receipt of a notice of qualification from DOR, the qualified CPA must submit a proposed audit plan for DOR's review and approval. Upon approval, the qualified practitioner must perform the audit and submit a timely report to DOR. DOR will then issue a notice of proposed assessment. DOR is precluded from issuing any additional assessments for the period covered by the audit, except in the instance of misrepresentation or fraud.

Authorizes DOR to share information with the Board of Accountancy if the information request is connected to a disciplinary proceeding and the proceeding is related to a CPA who participated in the certified audit program.

Directs DOR to contract with the FICPA for development and delivery of the instructional curriculum and qualification testing which CPA firms must complete before participating in the certified audit program.

This provision is repealed on July 1, 2002.

► Informal Conferences

Effective Date: July 1, 1998

Statute Reference: s. 213.21, F.S.

Chapter Law: 98-95 (CS/SB 498)

Requires DOR to settle or compromise penalties as an incentive to taxpayers who participate in the certified audits program. DOR is further required to abate the first \$25,000 of interest liability, and an additional 25 percent of any interest liability in excess of the first \$25,000.

DOR is also authorized to consider additional compromise of tax or interest. These provisions are not applicable where taxes have been collected but not remitted.

This subsection is repealed on July 1, 2002.

Child Support Enforcement

► Abandoned Property Intercept

Effective Date: July 1, 1998

Statute Reference: s. 409.25658, F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Provides that the Department of Banking and Finance (DBF) and CSE will identify child support obligors owing past-due child support who have abandoned property in the possession of DBF. Provides for transfer of the property to CSE for past due child support accounts, following the applicable notification and claim approval procedures set forth in Ch. 717, F.S.

► Administrative Subpoena

Effective Date: July 1, 1998

Statute Reference: s. 409.2564(8), F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Authorizes the director of the Title IV-D agency or the director's designee to subpoena information necessary to establish, modify, or enforce a child support order. Provides for enforcement of the subpoena by the Title IV-D agency by petitioning the circuit court. Removes DOR's ability to collect an administrative fine, but retains DOR's ability to recover costs and fees associated with the enforcement action.

► Collection of SSN - Department of Business and Professional Regulation

Effective Date: July 1, 1998

Statute Reference: s. 455.213(9), F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Allows the Department of Business and Professional Regulation to have access to social security numbers recorded on applications for professional and occupational licenses.

► Collection of SSN - Marriage Licenses

Effective Date: July 1, 1998

Statute Reference: s. 741.04, F.S.

Chapter Law: 8-397 (CS/CS/HB 271)

Allows a county court judge or clerk of the circuit court to issue a marriage license under s. 741.04, F.S., to a non-citizen provided the individual has legal immigration status and an alternative identification number available to provide on the required affidavit.

► **Collection of SSN - Recreational Licenses**

Effective Date: July 1, 1998

Statute Reference: ss. 372.561(2), 372.57, and 372.574(3), F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Requires an applicant for a license under Ch. 372, F.S., to include his or her social security number on the application for the license. Collection of the social security number is solely for administration of the CSE program and as otherwise provided for by law.

► **Collection of SSN - State Directory of New Hires**

Effective Date: July 1, 1998

Statute Reference: s. 409.2576(3)(c), F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Allows disclosure of social security number information collected by the State Directory of New Hires to the programs listed in s. 409.2576(9), F.S.

► **Depository Fees**

Effective Date: July 1, 1998

Statute Reference: s. 61.14(6)(a)1, F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Prohibits local depositories from deducting costs and fees accrued in a judgment by operation of law process until the total amount of support due to the obligee under the judgment has been paid.

► **Depository Transaction Fees on Title IV-D Cases**

Effective Date: July 1, 1998

Statute Reference: s. 61.181(3), F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Prohibits local depositories from deducting the required transaction fee from support payments on Title IV-D cases, if the payment does not include transaction fee. This provision does not apply to non-Title IV-D cases.

► **Disclosure of Title IV-D Information**

Effective Date: July 1, 1998

Statute Reference: s. 409.2579(1), F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Clarifies CSE's responsibility to disclose certain information required by federal law to the depository and the State Case Registry.

► **Distribution of Child Support**

Effective Date: July 1, 1998

Statute Reference: s. 409.2558, F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Requires that child support be distributed and disbursed in accordance with federal requirements.

► **Due Process Requirements**

Effective Date: July 1, 1998

Statute Reference: ss. 61.13(9)(c) and 742.032(2), F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Upon showing that diligent effort has been made to locate a party in a Title IV-D case, the court is required to deem state due process requirements for notice and service of process to have been met upon delivery of written notice to a party at the party's most recent residential or employer address filed with the depository and the State Case Registry.

► **Foreclosure Actions**

Effective Date: July 1, 1998

Statute Reference: s. 69.041(4), F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Eliminates the need for CSE to file an answer or other response to the Complaint for Foreclosure. Allows CSE to participate in the disbursement of available funds upon issuance of a notice to the court, which is the same procedure used by DOR to collect tax liabilities.

► **Guideline Deviations**

Effective Date: July 1, 1998

Statute Reference: s. 61.30(1)(b), F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Allows the court to deviate from the guideline amount by more than 5 percent only upon a written finding explaining why ordering payment using the guideline amount would be unjust or inappropriate.

► **Income Deduction Orders**

Effective Date: July 1, 1998

Statute Reference: s. 61.1301, F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Requires the entry of a separate income deduction order in conjunction with orders establishing, enforcing or modifying an obligation for child support or alimony, other than temporary orders.

Allows the IV-D agency, in Title IV-D cases, to implement income deduction by issuing a notice to the payor after receiving a copy of the order from the court or a forwarding agency under the Uniform Interstate Family Support Act, the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act.

Allows income deduction to be initiated upon a delinquency without further action by the court in non-Title IV-D cases with support orders entered before January 1, 1994, that do not specify income deduction.

Expands the grounds on which an obligor can contest the enforcement of the income deduction to include the identity of the payor or the identity of the obligee.

Allows the Title IV-D agency, in Title IV-D cases, to provide instructions to employers when an employer receives multiple income deduction orders for the same employee and the amount collected is insufficient to satisfy all obligations.

Directs the depository in cases initiated under the Uniform Interstate Family Support Act to establish an account for receipt and disbursement of alimony payments and/or child support.

Provides that when the total obligations to all obligee families are greater than the amount available for deduction, the amount available is to be distributed among the obligee families on a *pro rata* basis, giving priority to current support, so that each family is allocated a percentage of the amount deducted.

► **Information Transmission to the National Directory of New Hires**

Effective Date: July 1, 1998

Statute Reference: s. 443.1715(2), F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Expands the definition of data that the Department of Labor and Employment Security must provide to the National Directory of New Hires.

► **Interstate Enforcement**

Effective Date: July 1, 1998
Statute Reference: s. 409.25641(1), F.S.
Chapter Law: 98-397 (CS/CS/HB 271)

Requires the Title IV-D agency to use automated administrative enforcement in response to another state's request to enforce a support order.

Removes the five day requirement for processing interstate enforcement requests.

► **Motor Vehicle and Vessel Liens; Fee**

Effective Date: July 1, 1998
Statute Reference: s. 319.32(4), F.S.
Chapter Law: 98-397 (CS/CS/HB 271)

Reduces to \$7.00 the statutory fee charged the CSE program by the Department of Highway Safety and Motor Vehicles to place first and subsequent liens on vehicles and vessels when enforcing delinquent child support obligations.

► **Motor Vehicle Liens; Authority Delegation**

Effective Date: July 1, 1998
Statute Reference: ss. 319.24(4) and 409.2575, F.S.
Chapter Law: 98-397 (CS/CS/HB 271)

Provides for the director of CSE or the director's designee to authorize the placement of a lien on a motor vehicle or vessel when CSE is enforcing a delinquent child support obligation.

► **OPPAGA Study: Miami - Dade and Manatee County Child Support Enforcement Demonstration Projects**

Effective Date: July 1, 1998
Statute Reference: s. 61.181(12), F.S.
Chapter Law: 98-397 (CS/CS/HB 271)

Directs the Office of Program Policy Analysis and Governmental Accountability to evaluate the Miami-Dade County Child Support Enforcement demonstration project and the Manatee County Child Support Enforcement demonstration project. The findings are to be presented to the Governor, the President of the Senate, and the Speaker of the House of Representatives no later than January 1, 1999.

► **Paternity; Voluntary Acknowledgment**

Effective Date: July 1, 1998
Statute Reference: s. 382.013(2)(c), F.S.
Chapter Law: 98-397 (CS/CS/HB 271)

Allows for giving notice through the use of video or audio equipment of the alternatives to, legal consequences of, and certain rights and responsibilities that arise from signing an acknowledgment of paternity.

► **Protective Services Information; Access**

Effective Date: October 1, 1998
Statute Reference: s. 39.202(2)(n), F.S.
Chapter Law: 98-403 (HB 1019)

Allows CSE access to all Department of Children and Family Services records concerning reports of child abuse or neglect, including reports made to the central abuse hotline and all records generated as a result of such reports.

► **Redirection of Support; Title IV-E Cases**

Effective Date: July 1, 1998
Statute Reference: s. 409.2564(9), F.S.
Chapter Law: 98-397 (CS/CS/HB 271)

Allows for redirection of payments to the appropriate depository in foster care cases under Title IV-E of the Social Security Act.

► **Retroactive Child Support**

Effective Date: July 1, 1998
Statute Reference: s. 61.30(17), F.S.
Chapter Law: 98-397 (CS/CS/HB 271)

Restricts establishment of retroactive support to a period of 24 months preceding the filing of the initial petition for support.

► **Retroactive Support in Public Assistance Cases**

Effective Date: July 1, 1998

Statute Reference: s. 409.2561, F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Removes references to retroactive support being calculated pursuant to the child support guidelines set forth in s. 61.30, F.S. Directs the court to establish the liability of the obligor for reimbursement of public assistance moneys paid. This change creates a potential conflict with s. 61.30(17), F.S.

► **Rulemaking Authority**

Effective Date: July 1, 1998

Statute Reference: s. 409.2557(3), F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Provides that DOR has the authority to adopt rules pursuant to ss. 120.54 and 120.536(1), F.S., to implement laws it administers as the state's Title IV-D agency.

► **Safeguarding Title IV-D Information**

Effective Date: July 1, 1998

Statute Reference: ss. 409.2579(3) and (4), F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Prevents the release of identifying and location information relating to children who are the subject of a Title IV-D case in certain instances.

► **State Case Registry**

Effective Date: July 1, 1998

Statute Reference: ss. 61.046(16), 61.181, 61.1825, and 61.1826, F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Establishes the federally required State Case Registry.

Directs DOR to contract with the Florida Association of Court Clerks for the operation of the non-IV-D component of the State Case Registry.

► **State Disbursement Unit**

Effective Date: July 1, 1998

Statute Reference: ss. 409.2559, 61.046(17), 61.181, 61.1824, and 61.1826, F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Establishes the federally required State Disbursement Unit.

Directs DOR to contract with the Florida Association of Court Clerks for the operation of the federally required State Disbursement Unit.

► **State and Federal Parent Locator Service; Access**

Effective Date: October 1, 1998

Statute Reference: ss. 39.503(6), 39.803(6) and 409.2577, F.S.

Chapter Law: 98-403 (HB 1019)

Provides the Department of Children and Family Services access to the federal and state parent locator service for diligent search activities for Titles IV-B and IV-E programs.

Redefines “diligent search” to include, at a minimum:

- inquiries of all known relatives of the parent or prospective parent;
- inquiries of all Department of Children and Family Services program areas likely to have information about the parent or prospective parent;
- inquiries of other state and federal agencies likely to have information about the parent or prospective parent;
- inquiries of appropriate utility and postal providers; and,
- inquiries of appropriate law enforcement agencies.

► **Uncovered Medical, Dental and Prescription Medication Expenses**

Effective Date: July 1, 1998

Statute Reference: ss. 61.13(1)(b) and 61.30(8), F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Directs the court to apportion to both parties the cost of any uncovered medical, dental, and prescription medication expenses of the child, by adding costs to the basic child support obligation unless the payment for uncovered medical expenses must be made directly to the payee on a percentage basis.

► **WAGES Recipients; Cooperation with CSE**

Effective Date: July 1, 1998

Statute Reference: ss. 414.095 and 414.32, F.S.

Chapter Law: 98-397 (CS/CS/HB 271)

Clarifies CSE as the program responsible for determining whether a parent or caretaker relative has good cause for failing to cooperate with CSE. Clarifies that a parent or caretaker relative must cooperate with CSE for all relevant child support purposes, not just to establish paternity for a child.

Corporate Income Tax

► **Apportionment of Adjusted Federal Income; Research and Development Activities**

Effective Date: July 1, 1998

Statute Reference: s. 220.15, F.S.

Chapter Law: 98-325 (CS/CS/HB 3351)

Exempts research and development activities conducted with and through a state or nonpublic university as follows:

- Excludes from the property apportionment factor any real or tangible personal property located in Florida which is certified to DOR by the Board of Regents as being used solely for university sponsored research and development activities.
- Excludes from the payroll apportionment factor compensation paid to employees in the state who are dedicated exclusively to state university or applicable nonpublic university sponsored research and development contract activities.

The university must be a member of the State University System or a nonpublic university that is chartered in Florida and conducts graduate programs at the professional or doctoral level. Any amounts excluded from the payroll or property factor would be allowed only for the contractual period specified in the agreement for the conduct of sponsored research. Also, the amounts excluded may not exceed the amounts paid to universities for the conduct of sponsored research. This exemption is not applicable to sponsored research contracts that were in existence prior to July 1, 1998.

► **Capital Investment Tax Credit**

Effective Date: July 1, 1998

Statute Reference: s. 220.191, F.S.

Chapter Law: 98-61 (CS/HB 3681)

Provides for a capital investment tax credit, which is generally equal to 5 percent of the eligible capital costs generated by a project. Provides that the Office of Tourism, Trade, and Economic Development, upon a recommendation by Enterprise Florida, Inc., shall certify whether a business is eligible to receive the tax credit. Requires that such certification be transmitted to DOR.

Provides that after receiving certification from the Office of Tourism, Trade, and Economic Development, DOR shall enter into a written agreement with the qualifying business. The qualifying business is responsible for demonstrating to the satisfaction of DOR that it meets the job creation and capital investment requirement of this statute.

Authorizes DOR to specify by rule the methods by which a project's pro forma annual taxable income shall be determined. Specifies the order in which the capital investment tax credit is to be applied, relative to the other tax credits.

► **Community Contribution Tax Credit**

Effective Date: July 1, 1998

Statute Reference: s. 220.183(3), F.S.

Chapter Law: 98-219 (HB 3113)

The total annual amount available for community contribution tax credits (corporate income tax and insurance premium tax combined) which is granted for all community revitalization is increased from \$2 million to \$5 million.

► **Child Care Facility Credits**

Effective Date: December 31, 1998

Statute Reference: Chapters 220 and 624, F.S.

Chapter Law: 98-293 (CS/HB 193)

This bill creates three unique corporate income tax credits for corporations that either establish or otherwise provide child care facilities or the use of such facilities for their employees. Provides a five year credit carry-over provision.

The three credits are:

- a credit based upon the startup cost of the child care facility;
- a credit of \$50 per month for each child that uses a company established child care facility; and,
- a credit of 50 percent of the child care payments made by the company to cover the costs of child care for its employees to use a non-company child care facility.

Insurers that are eligible to take a credit against the insurance premium taxes are ineligible to take the corporate income tax credit.

Applications for these credits must be submitted to DOR, where they must be approved by DOR's executive director. Prior to approval, such applications must have been submitted to the Department of Children and Family Services for verification that the corporation or facility meets certain licensure requirements.

A child care credit is created for insurers to use against either their insurance premium or State Fire Marshal taxes based upon certain costs of providing child care for their employees.

DOR is responsible for administering this program with the assistance of the Department of Children and Family Services.

► **Enterprise Zone; Designation; Communities Adversely Impacted by Net Limitations**

Effective Date: July 1, 1998

Statute Reference: ss. 370.28(4) and (5), F.S.

Chapter Law: 98-220 (HB 3225)

Provides that “eligible employees” include persons living within the county in which the enterprise zone is located. States that the 20 percent calculation may include any employee of the business living within the jurisdiction of the county within which the enterprise zone is located.

Allows communities adversely impacted by the fishing net limitations to apply for enterprise zone credits under this program by December 1, 1998, notwithstanding the time limitations contained in Chapters 212 and 220, F.S.

► **Enterprise Zone; Local Nominating Procedure**

Effective Date: July 1, 1998

Statute Reference: s. 290.0055(7), F.S.

Chapter Law: 98-220 (HB 3225)

Extends the deadline date for changes to enterprise zone boundaries or amendments from June 30, 1998, to June 30, 1999.

► **Enterprise Zone; Provisions**

Effective Date: July 1, 1998

Statute Reference: None

Chapter Law: 98-220 (HB 3225)

Allows a business purchased in February 1992, within the Tampa enterprise zone which existed at that time, to claim any enterprise zone incentives to which it would have been entitled under the enterprise zone program which expired December 31, 1994. To claim the incentives, such business must submit an application by December 1, 1998. All other enterprise zone program requirements apply to the business.

► **Enterprise Zone; State Designation**

Effective Date: July 1, 1998

Statute Reference: s. 290.0065(11), F.S.

Chapter Law: 98-220 (HB 3225)

Allows certain jurisdictions to modify the boundaries of the current enterprise zones.

► **Enterprise Zone Jobs Credit Against Corporate Income Tax; Documentation**

Effective Date: June 30, 1998

Statute Reference: s. 220.181, F.S.

Chapter Law: 98-57 (CS/SB 1114)

Requires proper documentation to show that employees are qualified Job Training Partnership Act classroom training participants or WAGES Program participants when applying for the enterprise zone jobs credit against corporate income tax.

► **Enterprise Zone Jobs Credit Against Corporate Income Tax; Residence**

Effective Date: June 30, 1998

Statute Reference: s. 220.03, F.S.

Chapter Law: 98-57 (CS/SB 1114)

Allows the enterprise zone jobs credit against corporate income tax to be claimed for qualified Job Training Partnership Act classroom training participants and WAGES Program participants, whether or not they reside in an enterprise zone.

► **Florida Income Tax Code Piggyback**

Effective Date: January 1, 1998

Statute Reference: s. 220.03, F.S.

Chapter Law: 98-100 (CS/SB 608); 98-342 (CS/HB 4413)

Adopts the 1998 version of the I.R.C. States that the corporate income tax provision contained in this bill section takes effect upon becoming a law, and applies retroactively to January 1, 1998.

► **Intangible Tax Credit**

Effective Date: July 1, 2000

Statute Reference: s. 220.68, F.S.

Chapter Law: 98-132 (CS/SB 1450)

Repeals the provision allowing banks a credit against their corporate income tax equal to the intangible tax paid or 65 percent of the corporate income due, whichever is less.

► **Limited Liability Companies**

Effective Date: Applies to tax years ending on or after July 1, 1998

Statute Reference: ss. 220.02, 220.13, and 608.471, F.S.

Chapter Law: 98-101 (SB 704)

Provides that the corporate income tax treatment of any limited liability company formed under Chapter 608, F.S., and foreign limited liability companies qualified to do business in Florida will be identical to the company's treatment for federal income tax purposes.

► **Qualified Subchapter S Subsidiaries**

Effective Date: Applies to tax years beginning on or after January 1, 1997

Statute Reference: s. 220.02, F.S.

Chapter Law: 98-101 (SB 704); 98-100 (CS/SB 608)

Provides that qualified subchapter S subsidiaries are not treated as separate entities from their parent corporations for purposes of Florida corporate income tax. This provision is also contained in Ch. 98-342, L.O.F. (CS/HB 4413).

Provides that for the year in which an election is made to file as a qualified subchapter S subsidiary under s. 1361(b)(3), I.R.C., the qualified subchapter S subsidiary is required to file an informational return with DOR identifying the subsidiary, the S corporation parent, and the effective date of the election.

Provides that the provisions pertaining to qualified subchapter S subsidiaries are intended to clarify Legislative intent under existing law, and are effective with respect to tax years beginning on or after January 1, 1997. Additionally, penalty will not be assessed for failure to file a return, if such return was due before this bill became law.

Discretionary Sales Surtax

► **Requirements to Notify DOR**

Effective Date: July 1, 1998

Statute Reference: ss. 212.054 and 212.055, F.S.

Chapter Law: 98-342 (CS/HB 4413)

States that the imposition of all new surtaxes and all surtax rate changes can only occur on January 1 and allows terminations to occur only on December 31. Requires notification to DOR of all surtax impositions, terminations, and rate changes within 10 days after local adoption, and no less than 45 days prior to the January 1 effective date.

Eliminates the provision which required that a new surtax rate or increased surtax rate be effective in the imposing county up to fifteen months before it is required to be collected in other counties, when deliveries are made into the imposing county.

► **Small County Programs; Minimum Population Requirement**

Effective Date: July 1, 1998

Statute Reference: ss. 163.05, 212.055 and 218.65, F.S.

Chapter Law: 98-258 (CS/CS/HB 1589)

Redefines “small county” to mean a county with a population of 75,000 or less. Increases to 75,000 the population threshold below which a county that is required to close a landfill by order of the Department of Environmental Protection may use the proceeds of the local government infrastructure surtax, or any accrued interest, for long term maintenance costs associated with landfill closure.

Provides that a fiscal emergency exists for purposes of a county receiving an emergency distribution of funds from the Local Government Half-cent Sales Tax Clearing Trust Fund if the county has a population of 65,000 or more. Also amends the statute to allow any county that has an inmate population in any year that is greater than 7 percent of the total population of the county to be eligible for a supplemental distribution for that year from funds expressly appropriated therefor.

Documentary Stamp Tax

► **Beach Management Funding**

Effective Date: July 1, 1998

Statute Reference: s. 201.15, F.S.

Chapter Law: 98-311 (CS/HB 3427)

Provides that a portion of documentary stamp tax revenues be paid to the State Treasury to the credit of the Ecosystem Management and Restoration Trust Fund.

Also provides that, prior to moneys being credited to the General Revenue Fund under ss. 201.15(1)(c) and 201.15(2)(a), F.S., \$10 million shall be credited to the Ecosystem Management and Restoration Trust Fund in FY 1998-1999, \$20 million in FY 1999-2000, and \$30 million in FY 2000-2001 and \$1 million each FY thereafter.

► **Educational Facilities Exemption**

Effective Date: July 1, 1998

Statute Reference: s. 201.24, F.S.

Chapter Law: 98-264 (HB 3599)

Allows school boards to rent or lease existing buildings, originally constructed or used for purposes other than education, for conversion to use as educational facilities. Also provides an exemption from documentary stamp tax for rental or lease of buildings converted for use as educational facilities for municipalities, political subdivisions, and agencies of the state.

Electronic Business

► Filing of Tax Returns; Submitting Tax Payments; Electronic Funds Transfer

Effective Date: July 1, 1998

Statute Reference: ss. 212.11(1), 212.12(1), 212.17(4), and 213.755, F.S.

Chapter Law: 98-342 (CS/HB 4413)

Clarifies DOR's ability to administer and enforce tax laws and filing requirements in an electronic business environment.

Fuel Taxes

► Agricultural Emergency Eradication Trust Fund

Effective Date: July 1, 1999

Statute Reference: s. 206.606(1)(d), F.S.

Chapter Law: 98-114 (CS/SB 1088)

Provides that 0.65 percent of the fuel sales tax imposed under s. 206.41(1)(g), F.S., is to be transferred to the Agriculture Emergency Eradication Trust Fund.

► Diesel Fuel Tax Refund Report

Effective Date: July 1, 1998

Statute Reference: s. 206.8745, F.S.

Chapter Law: 98-342 (CS/HB 4413)

Requires DOR, with help from the Division of Economic and Demographic Research of the Florida Legislature, to study the equity of diesel fuel refund provisions contained in s. 206.8745, F.S. A report must be submitted to the Legislature by December 31, 1998.

► Florida Center for Urban Transportation Research

Effective Date: July 1, 1998

Statute Reference: s. 206.606(1)(c), F.S.

Chapter Law: 98-307 (CS/HB 3145)

Eliminates the requirement that \$1.5 million from the Fuel Tax Collection Trust Fund be transferred each year to the Board of Regents to fund the Florida Center for Urban Transportation Research.

Insurance Premium Tax

▶ **Certified Capital Company Act**

Effective Date: *January 1, 1999*

Statute Reference: *ss. 624.509 and 624.5091, F.S.*

Chapter Law: *98-257 (CS/HB 1575)*

Provides incentives to insurance companies, in the form of insurance premium tax credits, to invest in certified capital companies (CAPCO's), which in turn invest in small and expanding Florida businesses.

Grants a tax credit which can be claimed at a rate of no more than 10% per year from 2001 through 2017. Also allows unused credits to be carried over.

Provides that the Office of Tourism, Trade, and Economic Development has the responsibility of administering the CAPCO's; DOR has the responsibility to audit both the CAPCO and the certified investor.

Requires DOR to administer the repayment of "used premium tax credits" by the insurer, should a previously certified CAPCO be subsequently decertified.

▶ **Community Contribution Tax Credit**

Effective Date: *July 1, 1998*

Statute Reference: *s. 624.5105, F.S.*

Chapter Law: *98-219 (HB 3113)*

The total annual amount available for community contribution tax credits (insurance premium tax and corporate income tax combined) which is granted for all community revitalization is increased from \$2 million to \$5 million.

▶ **Intangible Tax Credit**

Effective Date: *July 1, 2000*

Statute Reference: *s. 624.509, F.S.*

Chapter Law: *98-132 (CS/SB 1450)*

Repeals the provision allowing insurance companies filing an insurance premium tax return a credit against their insurance premium tax based upon the intangible tax paid.

Intangible Personal Property Tax

▶ **Accounts Receivable**

Effective Date: July 1, 1998

Statute Reference: s. 199.185, F.S.

Chapter Law: 98-132 (CS/SB 1450)

Exempts one-third of the accounts receivable that have a taxable situs in this state from the intangible tax.

▶ **Bank and Insurance Company Exemption**

Effective Date: July 1, 2000

Statute Reference: ss. 199.052, 199.175 and 199.185, F.S.

Chapter Law: 98-132 (CS/SB 1450)

Exempts banks and insurance companies from the intangible tax.

▶ **Bank Master File; Machine Sensible Media**

Effective Date: July 1, 1998

Statute Reference: s. 199.052(15), F.S.

Chapter Law: 98-342 (CS/HB 4413)

Requires banks to file bank master files with DOR using machine-sensible media (e.g., magnetic media, electronic data interchange).

▶ **Credit Card Receivables**

Effective Date: July 1, 1998

Statute Reference: s. 199.175, F.S.

Chapter Law: 98-132 (CS/SB 1450)

Provides that a financial institution's credit card receivables are subject to taxation only if the person owing the debt is domiciled in Florida.

▶ **Financial Institutions; Agent or Fiduciary of a Trust**

Effective Date: July 1, 1998

Statute Reference: s. 199.052(15), F.S.

Chapter Law: 98-132 (CS/SB 1450)

Provides that if a bank or saving association acts only as a fiduciary or agent of a trust (i.e., manages or controls the trust) and is not a trustee of the trust, then the intangible personal property

contained in such trust is not automatically considered to have taxable situs in Florida.

► **Minimum Tax Payment**

Effective Date: July 1, 1998

Statute Reference: s. 199.052(2), F.S.

Chapter Law: 98-132 (CS/SB 1450)

Every person who owes less than \$60 in intangible tax does not have to pay the tax.

► **Other Exemptions**

Effective Date: July 1, 1998

Statute Reference: ss. 199.185, F.S.

Chapter Law: 98-132 (CS/SB 1450)

Exempts the following types of intangible personal property from taxation:

- Education Individual Retirement Accounts (s. 530, I.R.C.)
- Financial Asset Securitization Trusts (FASITS)
- Employee Stock Option Plans (ESOP) where the options are nontransferable, and cannot be sold or encumbered by the employee.

► **Penalty Decreases**

Effective Date: July 1, 1998

Statute Reference: s. 199.282, F.S.

Chapter Law: 98-132 (CS/SB 1450)

Reduces the penalties for intangible tax to 10% per month, up to a maximum of 50% for any delinquent payment of tax or for any late filing of a return. The maximum combined penalty for both the delinquent payment of tax and late filing of a return cannot exceed a total of 50% of the tax due.

Local Government

► **City of Marco Island**

Effective Date: May 28, 1998

Statute Reference: None (Local Bill)

Chapter Law: 98-494 (HB 3963)

Relieves the City of Marco Island from complying with the revenue sharing provisions of s. 218.23(1), F.S. and from the revenue sharing calculations of s. 218.26(3), F.S., from the date of incorporation through state FY 1999-2000.

► **Islamorada, Village of Islands**

Effective Date: May 23, 1998

Statute Reference: None (Local Bill)

Chapter Law: 98-518 (HB 4325)

Relieves the City of Islamorada, Village of Islands, from the revenue sharing requirements of s. 218.23(1)(c), F.S., through state FY 1999-2000. Also waives this local government from the revenue sharing calculations of s. 218.26(3), F.S.

Provides that the millage levied by the Monroe County Mosquito Control District, an independent special district, may be used for the purposes of satisfying the requirements of s. 218.23(1), F.S.

► **Town of Ponte Vedra Beach**

Effective Date: Upon majority vote of electorate on November 3, 1998

Statute Reference: None (Local Bill)

Chapter Law: 98-534 (HB 4821)

Provides for the incorporation of the Town of Ponte Vedra Beach upon majority vote of the electors within the town limits voting in a referendum to be held on November 3, 1998. The ad valorem millage rate is set at three mills. However, the town may raise the equivalent revenue from any combination of specified license fees or taxes.

Dissolves the Ponte Vedra Municipal Service District. Any indebtedness of this district is assumed by the Town. There is no waiver from the provisions of Chapter 218, F.S.

Miscellaneous

► **Local Government Half-cent Sales Tax Clearing Trust Fund; Special Distribution**

Effective Date: May 24, 1998

Statute Reference: s. 218.66, F.S.

Chapter Law: 98-228 (CS/SB 1748)

Grants a special distribution from the Local Government Half-cent Sales Tax Clearing Trust Fund (the Trust Fund) to any county or municipality in which a taxpayer has brought an action contesting a property tax assessment. The taxes being contested by such taxpayer must be more than 6% of the total taxes assessed by such county or municipality. The county or municipality must, upon resolution of the contested taxes, repay the Trust Fund the total amount of taxes received through such resolution.

Property Tax

► Abatement of Taxes; Tornado Damage

Effective Date: May 23, 1998

Statute Reference: NA

Chapter Law: 98-185 (HB 4261)

Allows the partial abatement of 1998 property taxes for a house or other residential building or structure damaged by a tornado to the extent that it cannot be occupied or used for the purpose for which it was constructed for a period of 60 days or more.

Requires the taxpayer to seek partial abatement by application made under oath to the property appraiser by March 1, 1999.

► Assessment of Agricultural Land; Use of Five-Year Average Data

Effective Date: May 30, 1998

Statute Reference: s. 193.461(6)(a)7., F.S.

Chapter Law: 98-313 (CS/HB 489)

Beginning January 1, 1999, this provision requires the property appraiser to rely on a five-year moving average of data typical of agricultural operations when using the income approach to determine the assessed value of agricultural properties.

► Cancelled or Corrected Tax Certificate; Interest

Effective Date: October 1, 1998

Statute Reference: s. 197.432(10), F.S.

Chapter Law: 98-167 (SB 2222)

Provides that a cancelled or corrected tax certificate will earn the lesser of 8% interest or the rate bid at the tax certificate sale.

► Computer Software

Effective Date: July 1, 1998

Statute Reference: 192.001(19), F.S.

Chapter Law: 98-342 (CS/HB 4413)

Defines "computer software" as tangible property only to the extent of the medium it is stored in. Provides that the definition of computer software applies to the 1997 and subsequent property tax assessment rolls and to any assessment in an administrative or judicial proceeding pending on June 1, 1997.

► **Delinquent Personal Property Taxes; Installment Payment**

Effective Date: October 1, 1998

Statute Reference: s. 197.4155, F.S.

Chapter Law: 98-167 (SB 2222)

Authorizes county tax collectors to implement an installment payment program for delinquent tangible personal property taxes, for taxpayers whose delinquent personal property taxes exceed \$1,000. The delinquent taxpayer must submit an application to the tax collector requesting participation in the program. Upon receiving an application, the tax collector has 10 days to develop an installment payment plan for the delinquent taxpayer.

The installment payment plan must:

- be in writing;
- be based on the taxpayer's ability to pay;
- result in full payment of the delinquent taxes within three years of the date the first installment payment is due;
- provide procedures concerning the taxpayer's failure to follow the terms of the plan; and,
- state the interest imposed on unpaid tax amounts.

Provides that a tax warrant issued against a delinquent taxpayer's property pursuant to s. 197.413, F.S., is not enforceable if such taxpayer has been granted an installment payment plan, unless the taxpayer fails to comply with the installment payment terms, or is removing or disposing of the affected tangible personal property.

► **Determining Nonprofit Status**

Effective Date: January 1, 1998

Statute Reference: ss. 196.195(4) and (5), F.S.

Chapter Law: 98-289 (CS/HB 29)

Provides that corporations organized as nonprofit under Ch. 617, F.S., may provide a valid consumer's certificate of exemption under s. 212.08(7)(o), F.S., and proof of exempt federal income tax status under s. 501(c)(3), I.R.C., as sufficient documentation of its nonprofit status to the property appraiser.

► **Determining Property Entitled to Charitable, Religious, Scientific, or Literary Exemption**

Effective Date: January 1, 1998

Statute Reference: s. 196.196(1), F.S.

Chapter Law: 98-289 (CS/HB 29)

Provides that the extent to which property used to conduct activities that qualify an organization for the consumer's certificate of exemption under s. 212.08(7)(o), F.S., is to be considered as part of the exempt purpose for property tax exemption.

► **Homes for the Aged or Elderly; Special Assessments Exemption**

Effective Date: October 1, 1998

Statute Reference: s. 170.201(2), F.S.

Chapter Law: 98-167 (SB 2222)

Defines the term “governmentally financed, insured, or subsidized housing facility” to include governmentally financed, insured, or subsidized housing facilities used by the elderly or disabled.

Provides that a “governmentally financed, insured, or subsidized housing facility” is exempt from special assessments, at the option of the municipality.

► **Late Filed Application for Charitable Exemption**

Effective Date: May 29, 1998

Statute Reference: s. 196.011(13), F.S.

Chapter Law: 98-289 (CS/HB 29)

Requires the property appraiser to consider an application for charitable exemption filed after the due date of March 1, and to grant the exemption if failure to timely file was due to an inadvertent error and if the property appraiser determines that the owner of the property would have been entitled to the exemption for the 1994 tax year.

This provision expires May 29, 1999.

► **Material Mistake of Fact Correction**

Effective Date: January 1, 1999

Statute Reference: s. 197.122(3), F.S.

Chapter Law: 98-167 (SB 2222)

Provides that for tax years beginning January 1, 1999, a material mistake of fact may be corrected within one year after the approval of the tax roll by DOR, increasing the period from the current 60 days.

Also provides that if the correction of a material mistake of fact results in a tax refund, the property appraiser has the option of submitting it to DOR, or directly to the tax collector to handle pursuant to s. 197.182(2), F.S. However, if the correction pertains to a prior year’s tax roll, the request must be submitted to DOR, as provided in s. 197.182, F.S.

► **Municipal Improvements Assessments**

Effective Date: January 1, 1999

Statute Reference: s. 170.07, F.S.

Chapter Law: 98-52 (HB 1555)

Increases from 10 days to 30 days the minimum written notice that a governing body must give to affected property owners regarding a public hearing on proposed imposition of a special assessment.

► **Notice of Proposed Property Taxes and Non-Ad Valorem Assessments**

Effective Date: May 22, 1998

Statute Reference: s. 200.069, F.S.

Chapter Law: 98-167 (SB 2222)

Provides that the Notice of Proposed Property Taxes may include notice of proposed as well as adopted non-ad valorem special assessments.

► **Proprietary Continuing Care Facilities Property Exemption**

Effective Date: January 1, 1999

Statute Reference: ss. 196.1976; 196.1977, F.S.

Chapter Law: 98-177 (CS/CS/HB 1093)

Provides an exemption of \$25,000 for each apartment located in proprietary continuing care facilities certified under Ch. 651, F.S., and occupied by a permanent resident on January 1 of each year. The benefit of the exemption inures to the permanent resident through credits of annual or monthly maintenance fees.

► **Tax Certificates; Certificate Holder; Property Owner Contact**

Effective Date: October 1, 1998

Statute Reference: s. 197.432, F.S.

Chapter Law: 98-167 (SB 2222)

Prohibits the holder of a tax certificate, or certificate holder's agent, from contacting the property owner to demand or encourage payment either directly or indirectly. If such contact is initiated by a certificate holder, or agent of the certificate holder, then the tax collector can prohibit the certificate holder from participating at tax certificate sales. Provides that contact with a property owner by a certificate holder to obtain payment is an "unfair and deceptive trade practice," punishable pursuant to ss. 501.2075 through 501.211, F.S. If the certificate is redeemed in reliance on a deceptive or unfair contact, such conduct can be subject to laws prohibiting fraud.

▶ **TRIM; Dependent Districts' Levies and Budgets**

Effective Date: April 29, 1998

Statute Reference: s. 200.065(2)(e)2., F.S.

Chapter Law: 98-32 (HB 3477)

Allows a taxing authority to adopt each tax levy by a single vote and each budget by a single vote for all of its dependent special districts, unless a member of the public requests a separate discussion and vote for the tax levy or budget.

▶ **TRIM; Method of Fixing Millage; Advertisement**

Effective Date: January 1, 1999

Statute Reference: s. 200.065, F.S.

Chapter Law: 98-53 (CS/HB 1605)

Renames the "Notice of Tax Increase" advertisement for schools the "Notice of Proposed Tax Increase." The law conforms the advertisement used by the school districts to the same format used by other taxing authorities.

Also revises the language in the "Notice of Tax for School Capital Outlay" advertisement by requiring it to contain the words "continue to" before the word "impose," where the district school board is proposing to levy the same millage levied in the prior year.

▶ **Value Adjustment Board Notification to Petitioner**

Effective Date: January 1, 1999

Statute Reference: ss. 194.032(1) and (2), F.S.

Chapter Law: 98-52 (HB 1555)

Increases from five to 15 days the required notice to a petitioner for a Value Adjustment Board (VAB) appearance. Also extends the meeting time period to not earlier than 30 days nor later than 60 days after the mailing of the TRIM notice.

Rental Car Surcharge

▶ **Free Loan of Vehicle to Customer Whose Car is Being Repaired**

Effective Date: July 1, 1998

Statute Reference: s. 212.0606, F.S.

Chapter Law: 98-342 (CS/HB 4413)

Exempts loans of replacement motor vehicles by dealers to persons if the dealer loans such vehicle to the person at no charge; and, the entity loaning the replacement vehicle is repairing, adjusting, or servicing such person's motor vehicle.

Sales And Use Tax

► Aircraft Repair and Maintenance Labor Exemption

Effective Date: May 15, 1998

Statute Reference: s. 212.08(7)(ff), F.S.

Chapter Law: 98-60 (CS/HB 3171)

Reduces the maximum certified takeoff weight an aircraft must have to be eligible for the exemption from more than 20,000 pounds to more than 15,000 pounds.

Grants this same exemption to “rotary wing” aircraft with a maximum certified takeoff weight of more than 10,000 pounds.

► Aircraft Replacement Engines, Parts, and Maintenance or Repair Equipment Exemption

Effective Date: May 15, 1998

Statute Reference: s. 212.08(7)(qq), F.S.

Chapter Law: 98-60 (CS/HB 3171)

Exempts replacement engines, parts, and equipment used in the repair or maintenance of aircraft meeting the following criteria:

- the engines, parts, and equipment are installed on such aircraft that is being repaired or maintained in Florida; and
- the aircraft, unless it is a rotary wing aircraft, must have a certified maximum take-off weight of more than 15,000 pounds; or,
- if the aircraft is a rotary wing aircraft, it must have a certified maximum take-off weight of more than 10,300 pounds.

► Aircraft Sold to or Leased by Common Carriers Exemption

Effective Date: May 15, 1998

Statute Reference: s. 212.08(7)(rr), F.S.

Chapter Law: 98-60 (CS/HB 3171)

Exempts the sale or lease of aircraft for use by “common carriers” if the aircraft has a maximum certified takeoff weight of more than 15,000 pounds.

Defines “common carrier” to mean an airline operating under Title 14, Chapter I, Part 121 or 129, of the Federal Aviation Administration Regulations.

► **Chambers of Commerce Exemption**

Effective Date: May 29, 1998
Statute Reference: Chapter 212, F.S.
Chapter Law: 98-296 (CS/HB 747)

Defines “chamber of commerce” to mean an organization whose operations and members are defined without regard to any specific industry, and which is qualified as a “chamber of commerce” under s. 501(c)(6) of the I.R.C.

Exempts the revenues of chambers of commerce for purchases used in operations to foster Florida business for which sales tax has not been paid before December 31, 1994.

Exempts chambers of commerce for revenues for which sales tax has not been collected before December 31, 1994. Sales tax is due on resales of materials which are routinely and directly available from entities other than chambers of commerce before December 31, 1994, even when sales tax was not collected by chambers of commerce.

Provides that chambers that did remit taxes on transactions that would be exempted under the bill are entitled to refunds. Refund claims must be filed on or before July 1, 1999.

Provides that purchases and sales by chambers of commerce are fully taxable after December 31, 1994.

► **Commercial Fishing Vessels, Fishing Guide Boats, and Ecotourism Guide Boat Exemption**

Effective Date: July 1, 1998
Statute Reference: s. 212.08(5)(h), F.S.
Chapter Law: 98-220 (HB 3225)

Exempts licensed commercial fishing vessels, fishing guide boats, and ecotourism guide boats from the provision which states they must be used exclusively within the enterprise zone. Allows these vessels to leave and return to a fixed location within an enterprise zone. The exemption for property used outside the enterprise zone does not apply to purchases of these vessels or boats.

► **Dealer Loan of Vehicle at No Charge**

Effective Date: July 1, 1998
Statute Reference: s. 212.0601, F.S.
Chapter Law: 98-342 (CS/HB 4413)

States that motor vehicle dealers must accrue use tax on any vehicle they loan to a person at no charge, unless the transaction is exempted by other law. Requires that the value of the vehicle upon which use tax must be accrued must be based on the Internal Revenue Service’s automobile lease value table.

► **Electricity Used in Manufacturing Exemption**

Effective Date: July 1, 1998

Statute Reference: s. 212.08(7)(ii), F.S.

Chapter Law: 98-318 (CS/CS/HBs 3249 & 3305)

Exempts from sales tax steam used to operate machinery and equipment, pollution control equipment, recycling equipment, maintenance equipment, or monitoring or control equipment.

Provides that this sales tax exemption will also be granted on charges for electricity or steam used to “prepare for shipment” items of tangible personal property destined for sale.

The exemption for charges for electricity which does not include steam is granted if at least 75 percent of the electricity is used to operate “qualifying machinery or equipment.” States that if more than 50 percent, but less than 75 percent, of the electricity used at the fixed location is used to operate qualifying machinery or equipment, it is then presumed that 50 percent of the total charge for electricity is for nonexempt uses.

Deletes Standard Industry Code (SIC) Group Number (#21—All Tobacco Products) from the statute. Therefore, this industry no longer qualifies for the exemption.

Provides that a business must first be registered with the WAGES Program to receive this sales tax exemption on charges for electricity or steam.

► **Enterprise Zone Jobs Credit Against Sales Tax**

Effective Date: June 30, 1998

Statute Reference: s. 212.096, F.S.

Chapter Law: 98-57 (CS/SB 1114)

Allows the enterprise zone jobs credit against sales tax to be claimed for qualified Job Training Partnership Act classroom training participants and WAGES Program participants, whether or not they reside in an enterprise zone. Requires proper documentation to show that employees are enrolled in those programs when applying for the credit.

► **Equipment or Machinery for Pollution Control Exemption**

Effective Date: January 1, 1999

Statute Reference: s. 212.051, F.S.

Chapter Law: 98-317 (CS/CS/HB 3229)

Exempts from sales, use, or privilege taxes any facility, device, fixture, equipment, or machinery used primarily for the control or abatement of pollution or contaminants by businesses engaged in manufacturing, processing, compounding, or producing articles of tangible personal property at a fixed location; subject to qualification by the Department of Environmental Protection (DEP).

To qualify for the exemption, the purchase of equipment, machinery, or materials must be required to meet any law implemented by, or any condition of a permit issued by, DEP for monitoring, prevention, abatement, or control of pollution or contaminants at solid waste management facilities.

Also exempts the purchases of equipment, machinery, and materials by privately owned or operated landfills, if such items meet the qualifications listed above. Also exempts construction and demolition debris disposal. Excludes solid waste collection vehicles, compactors, graders, and earthmovers from exemption.

► **Farm Equipment**

Effective Date: October 1, 1998

Statute Reference: ss. 212.02 (27), (28), (29), (30), F.S.

Chapter Law: 98-294 (CS/HB 209)

Defines “self-propelled farm equipment” to mean equipment that contains its own method of propulsion.

Defines “power-drawn farm equipment” to mean equipment that is pulled or dragged by self-propelled equipment.

Defines “power-driven farm equipment” to mean moving or stationary equipment that is dependent on an external power source.

Defines “forest” to mean the land stocked by trees of any size used in the production of forest products, or formerly having such tree cover, and not currently developed for nonforest use.

► **Farm Equipment Exemptions**

Effective Date: October 1, 1998

Statute Reference: s. 212.08(3), F.S.

Chapter Law: 98-294 (CS/HB 209)

Subjects power-driven farm equipment to the 3 percent sales tax rate (partial exemption). Provides that included equipment may be used in forests, as well as on farms. Includes all agricultural industries enumerated in s. 570.02(1), F.S., including equipment used for fire prevention and suppression concerning such crops or products. This partial exemption is not forfeited by moving the equipment between farms or forests.

Provides that processing activities are not included in this exemption.

Provides that the tax rate on the rental of self-propelled, power-drawn, or power-driven farm equipment is reduced from 6 percent to 3 percent.

► **Florida Tax Relief Act of 1998; Clothing and Footwear Exemption**

Effective Date: May 30, 1998

Statute Reference: Ch. 212, F.S.

Chapter Law: 98-341 (CS/CS/HB 4407)

During the period from 12:01 a.m. August 15, 1998, through midnight August 21, 1998, no sales tax or discretionary sales surtax will be collected on sales of items of clothing having a taxable value of \$50 or less.

“Clothing” means any article of wearing apparel, including footwear, intended to be worn on or about the human body, but does not include watches, watchbands, jewelry, handbags, handkerchiefs, umbrellas, scarves, ties, headbands, or belt buckles.

The exemption does not apply to sales made within theme parks, entertainment centers, or public lodging establishments.

► **Food and Drink for Human Consumption**

Effective Date: July 1, 1998

Statute Reference: ss. 212.08(1), 212.08(7), and 213.22(1), F.S.

Chapter Law: 98-408 (CS/CS/HB 315)

Clarifies the application of sales tax on bakery products sold by bakeries, pastry shops, and like establishments; food products sold for “take out” or “to go”; and food products prepared on or off seller’s premises and sold for immediate consumption.

Provides an exemption for complimentary items and items given to a customer as part of a price guarantee plan related to point-of-sale errors by a retail dealer of food products (not to include businesses whose primary activity is serving prepared meals or alcoholic beverages for immediate consumption); and for food or beverage products donated by a retailer of food to food banks or exempt organizations.

Provides that membership of the technical assistance advisory committee must include representatives of both manufacturers and retailers.

Authorizes DOR to issue technical assistance advisements on the applicability of tax to food and medical items when a taxpayer is under audit.

► **Free Loan of Vehicle to Customer Whose Car is Being Repaired**

Effective Date: July 1, 1998

Statute Reference: s. 212.0601, F.S.

Chapter Law: 98-342 (CS/HB 4413)

Exempts loans of replacement motor vehicles by dealers to persons if the dealer loans such vehicle to the person at no charge and the entity loaning the replacement vehicle is repairing, adjusting, or servicing such person’s motor vehicle.

► **Generators for Poultry Farms**

Effective Date: July 1, 1998

Statute Reference: s. 212.08(5)(a), F.S.

Chapter Law: 98-416 (HB 4155)

Exempts generators purchased for use on poultry farms.

► **Health Facilities Authorities Exemption**

Effective Date: May 28, 1998

Statute Reference: s. 212.08(7)(o), F.S.

Chapter Law: 98-273 (HB 3971)

Amends the special definitional provision for nonprofit health systems that qualify under s. 501(c)(3), I.R.C., as follows:

- the organization must be a health system foundation; it must have applied to DOR for exemption prior to November 15, 1997 (rather than April 5, 1998); and,
- the exemption applies to unpaid taxes on purchases from November 14, 1990, to December 31, 1997 (rather than January 1, 1994 to June 1, 1997).

► **NonProfit Organizations Providing Services to Religious Institutions**

Effective Date: July 1, 1998

Statute Reference: s. 212.08(7)(o), F.S.

Chapter Law: 98-328 (CS/HB 3395)

Redefines “religious institutions” to include nonprofit corporations qualified under s. 501(c)(3), I.R.C., which have the sole or primary function of providing nonprofit religious or evangelistic services, religious education, or administration or missionary assistance for and upon the invitation of a church, synagogue, or other established physical place of worship where nonprofit religious services and activities are regularly conducted.

► **Performance-enhancing or Growth-enhancing Products for Cattle**

Effective Date: July 1, 1998

Statute Reference: s. 212.08(5)(k), F.S.

Chapter Law: 98-416 (HB 4155)

Exempts the sale of performance-enhancing or growth-enhancing products for Cattle.

► **Religious Institutions; Audio Recordings Exemptions**

Effective Date: July 1, 1998

Statute Reference: s. 212.08(7)(o), F.S.

Chapter Law: 98-328 (CS/HB 3395)

Redefines “religious institutions” to include any corporation which is a qualified nonprofit organization under s. 501(c)(3), I.R.C., the primary activity of which is the making and distribution of audio recordings of religious scriptures and teachings to blind or visually impaired persons at no charge.

► **Rental of Motor Vehicles**

Effective Date: July 1, 1998
Statute Reference: s. 212.05 (1)(c), F.S.
Chapter Law: 98-140 (CS/SB 1688)

Provides when a motor vehicle, other than a commercial vehicle, is leased or rented in Florida for a period of less than 12 months, the entire amount of such rental is taxable, even if the vehicle is dropped off in another state. If the motor vehicle is rented in another state and dropped off in Florida, the rental is exempt from Florida tax.

If the lease or rental of a motor vehicle is for 12 months or more, tax is due when the vehicle is registered, licensed, or titled in Florida. However, no tax is due if the taxpayer documents that the motor vehicle is being used outside of Florida and sales tax is being paid on the lease or rental payments to another state.

Provides that tax does not apply to the lease or rental of a commercial motor vehicle to one lessee or rentee for a period of not less than 12 months when tax on the purchase price of such vehicle was paid by the lessor.

► **Retail Sale**

Effective Date: July 1, 1998
Statute Reference: s. 212.02(14)(c), F.S.
Chapter Law: 98-342 (CS/HB 4413)

Redefines the terms “retail sale,” “sale at retail,” “use,” “storage,” and “consumption” so as to not include the sale, use, storage or consumption of industrial materials used by a repairer to repair a motor vehicle, airplane, or boat, if such materials are incorporated into the repaired vehicle, plane, or boat.

► **Silicon Technology Exemption**

Effective Date: July 1, 1998
Statute Reference: s. 212.08(5)(b), F.S.
Chapter Law: 98-205 (CS/SB 1564)

Removes the requirement that this exemption only be available through refund of previously paid taxes. Allows the qualifying business to make tax exempt purchases.

Eliminates the provision that the refund is subject to an annual appropriation by the Legislature. Also eliminates any ceiling which may have previously applied to the total amount exempted in any state fiscal year.

► **Sporting Events Admissions Tax Exemption**

Effective Date: May 29, 1998

Statute Reference: s. 212.04, F.S.

Chapter Law: 98-290 (CS/HB 73)

Exempts admissions to the following events:

- any semifinal game or championship game of a national collegiate tournament;
- any postseason collegiate football game sanctioned by the National Collegiate Athletic Association; or,
- any Major League Baseball all-star game.

► **“Urban High-Crime Area” and “Rural” Job Tax Credit Programs**

Effective Date: July 1, 1998

Statute Reference: ss. 212.097(2) and 212.098(2), F.S.

Chapter Law: 98-342 (CS/HB 4413)

Clarifies that business entities that operated eligible businesses in a high-crime area or in a qualifying rural job credit county during the 48 months before the period provided for application by subsection (3) of the statute, are not considered a new business.

► **Vending Machine Reports**

Effective Date: July 1, 1998

Statute Reference: s. 212.0515(5), F.S.

Chapter Law: 98-342 (CS/HB 4413)

Repeals the requirement to file the Sales and Use Tax Vending Machine Wholesaler Quarterly Report, Form DR-15VW. Also eliminates the penalty for failure to file the quarterly report.

Secondhand Goods

► Secondhand Goods

Effective Date: April 29, 1998

Statute Reference: ss. 538.03 and 538.04, F.S.

Chapter Law: 98-30 (CS/HB 3199)

Redefines “secondhand goods” to include golf clubs.

Exempts secondhand dealers from the record-keeping requirements and penalty provisions of s. 538.04, F.S., for all transactions involving secondhand sports equipment except secondhand sports equipment that is permanently labeled with a serial number.

Tourist Development Tax

► Garnishment

Effective Date: October 1, 1998

Statute Reference: s. 213.68, F.S.

Chapter Law: 98-167 (SB 2222)

Authorizes entities which collect the tourist development tax on behalf of counties which have elected to self-administer such tax to use the garnishment procedures contained in s. 213.67, F.S., to collect unpaid tourist development taxes.

► Use of Proceeds

Effective Date: May 22, 1998

Statute Reference: s. 125.0104, F.S.

Chapter Law: 98-106 (SB 884)

Eliminates the limitation on the authorized use of tourist development tax proceeds under s. 125.0104(3)(l), F.S., which applied to counties which initially elected to levy the tax for the purpose of financing the construction, reconstruction, or renovation of a professional sports facility.

Provides for an additional use of the proceeds for counties which have elected to levy the tax for payment of debt service on bonds for construction, reconstruction, or renovation of a convention center. These counties may use the revenue to pay the operation and maintenance costs of a convention center for a period of up to 10 years.

Addendum

Rule Authorization Bills

[NOTE: These bills contain provisions granting statutory authority for existing agency rules.]

► **CS/SB 1686**

Effective Date: July 1, 1998

Statutory References: ss. 193.075(3), (4); 197.162; 197.182(1)(b); 197.243(1); 197.252(2)(c); 197.253(7); 197.332; 197.344(1), (2); 197.413(1); 197.432(6); 197.443(2); 197.542(1); and 197.4325, F.S.

Chapter Law: 98-139 (CS/SB 1686)

► **CS/SB 1688**

Effective Date: July 1, 1998

Statutory References: ss. 212.02(14)(c), (16), (20); 212.03(7)(c); 212.031(1)(b), (7), (8); 212.04(1)(d), (2)(a)8.; 212.05(1)(a)2., (b), (c), (h), (m), (n); 212.06(13), and 212.18(3)(a), F.S.

Chapter Law: 98-140 (CS/SB 1688)

► **CS/SB 1690**

Effective Date: July 1, 1998

Statutory References: ss. 212.0506(8), (10); 212.0515(1), (2), (3), (6); 212.054(2)(b); 212.0598(2); and, 212.06(1)(d), (7), (10), (13), (14), (15), F.S.

Chapter Law: 98-141 (CS/SB 1690)

► **CS/SB 1692**

Effective Date: July 1, 1998

Statutory References: ss. 212.02(27), (28), (29); 212.07(1)(c), (5), (8); 212.08(7); 212.09; 212.17; and, 212.18(3), F.S.

Chapter Law: 98-142 (CS/SB 1692)

▶ **CS/SB 1694**

Effective Date: July 1, 1998

Statutory References: ss. 212.08(1), (2), (7), (8)(a), (14); and, 213.22(1), F.S.

Chapter Law: 98-143 (CS/SB 1694)

▶ **CS/SB 1696**

Effective Date: July 1, 1998

Statutory References: ss. 212.08(3), (4)(a), (5)(a) and (k), (6), (9), (11)(d), F.S.

Chapter Law: 98-144 (CS/SB 1696)

▶ **CS/HB 4413**

Effective Date: July 1, 1998

Statutory References: ss. 72.011(2)(b); 199.052(5); 213.21(1)(a), (2)(a); 220.222(2)(c); 624.515(1); and, 896.102(3), F.S.

Chapter Law: 98-342 (CS/HB 4413)



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