

POST **Legislative**

REVIEW



2002

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



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 law changes enacted by the Florida Legislature during the 2002 Legislative Session.

We have made every effort to ensure that this information is accurate, however this document should be used for reference only, and not relied on as a statement of law. For current enacted general law, you should refer to the chapter law referenced or the 2002 edition of the Florida Statutes when it becomes available.

Discussion of each item in this document 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 tax law, or would like additional copies of this booklet, please contact our Taxpayer Services group by calling 850-488-6800 or 1-800-352-3671. For the hearing or speech impaired, call our TDD line at 850-922-1115 or 1-800-367-8331. If you want a written response to a tax question, send your correspondence to P.O. Box 7443, Tallahassee, Florida 32314-7443.

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 child support question, send your correspondence to P.O. Box 8030, Tallahassee, Florida 32314-8030.

Visit our Web site at www.myflorida.com/dor for more information on the Department.

We hope you find this information useful. We welcome your comments or suggestions. Please write our Legislative Services Office at P.O. Box 5906, Tallahassee, Florida 32314-5906, or e-mail us at echeverl@dor.state.fl.us.

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The following abbreviations are used in this publication:

AWI – Agency for Workforce Innovation	s. – section
CAPCO – Certified Capital Company Act	ss. – sections
Ch. – Chapter	SB – Senate Bill
CIT – Corporate Income Tax	SIC – Standard Industry Code
CS – Committee Substitute	SSNs – Social Security Numbers
CSE – Child Support Enforcement	STTF – State Transportation Trust Fund
CST – Communications Services Tax	SUT – Sales and Use Tax
DMS – Department of Management Services	UCT – Unemployment Compensation Tax
DOR – Department of Revenue	
DOT – Department of Transportation	
F.S. – Florida Statutes	
HB – House Bill	
I.R.C. – United States Internal Revenue Code	
IRS – Internal Revenue Service	
L.O.F. – Laws of Florida	
MOU – Memorandum of Understanding	
N/A – Not Applicable	
OPPAGA –Office of Program Policy Analysis and Government Accountability	
OTTED – Office of Tourism, Trade, and Economic Development	
PTA – Parent Teacher Association	
PTO – Parent Teacher Organization	
RTO – Regional transmission organization	

CHILD SUPPORT ENFORCEMENT (CSE)

➤ Administrative Support Order Establishment – Pilot

Effective Date: April 24, 2002

Statute Reference: ss. 120.80(14), 409.2557(3)(p), and 409.2563, F.S.

Chapter Law: ss. 8, 9, and 10, 2002-173 (CS/SB 1272)

Requires that notices and orders for the administrative procedures be written clearly and plainly. Creates additional mandatory notice provisions and requires that notice of proceedings be served by certified mail restricted delivery, return receipt requested. If a person other than the addressee signs the return receipt, the Department of Revenue (DOR) shall attempt to reach the addressee by telephone to confirm whether the notice was received. If someone other than the addressee signs the return receipt, the addressee does not respond to the notice, and DOR is unable to confirm that the addressee received the notice, service is not completed and DOR shall attempt to have the addressee served personally. Adds a requirement for DOR to terminate the administrative proceeding and file an action in civil court if a noncustodial parent makes a written request and signs a waiver of service of DOR's petition for support. Provides timeframes for a noncustodial parent to make the request and to return the waiver of service to DOR. Removes the requirement that the final administrative support order contain a specific support obligation for each child. Inserts an additional requirement that the administrative support order include a provision for up to 40 percent of any unemployment compensation benefits to be withheld and transmitted to DOR for payment of child support. Clarifies other current provisions and provides specific rulemaking authority for administrative support order proceedings.

➤ Administrative Support Order Establishment – Statewide

Effective Date: May 8, 2002

Statute Reference: s. 409.2563, F.S.

Chapter Law: s. 3, 2002-239 (HB 1689)

Requires that the administrative support order establishment procedures be effective throughout the state and be implemented statewide. Requires reports concerning the statewide implementation to be prepared by DOR and the Office of Program Policy Analysis and Government Accountability (OPPAGA) and submitted to the Governor, Cabinet, and Legislature.

➤ **Child Support Enforcement Improvements**

Effective Date: May 8, 2002

Statute Reference: Not Applicable (N/A)

Chapter Law: s. 4, 2002-239 (HB 1689)

Creates legislative findings that child support services require judicial action and that these services depend heavily on coordination between judges, quasi-judicial officers, clerks of court, sheriffs, private process servers, public and private attorneys, DOR, and other state, public, and private agencies. Requires DOR to continue efforts to identify, implement, and support efforts to improve the judicial process and work with all partners to implement the recommendations in the Court Child Support Process Improvement Project Final Report dated January 2002.

Requires DOR to study the feasibility of an administrative process for the establishment of paternity in Title IV-D cases and submit a report to the Legislature, Governor, and Cabinet by December 1, 2002.

➤ **Garnishment**

Effective Date: July 1, 2002

Statute Reference: s. 409.25656(3), F.S.

Chapter Law: s. 11, 2002-173 (CS/SB 1272)

Requires liquidation of securities in a commercially reasonable manner, by the person possessing or controlling the securities, subtracting any commissions or fees, and transferring the proceeds to the Department of Revenue for the payment of past due or overdue support. Provides the following guidelines:

- If the value of the securities is less than the total amount of past due or overdue support, liquidate all of the securities.
- If the value of the securities exceeds the total amount of past due or overdue support, the obligor may, within 7 days after receipt of the Department's notice to levy, instruct the person possessing or controlling the securities as to which securities to sell. If instructions are not provided by the obligor, the person shall liquidate sufficient property to meet the amount of past due or overdue support, beginning with securities most recently purchased.

➤ **Local Depository Transaction Fee**

Effective Date: April 24, 2002

Statute Reference: s. 61.181(2)(b), F.S.

Chapter Law: s. 4, 2002-173 (CS/SB 1272)

Extends from June 30, 2002, to June 30, 2003, the time during which the clerk of court may collect the increased fee that they are required to collect. This fee is to cover the cost of receiving, recording, disbursing, monitoring, or handling alimony or child support payments that are not required to be processed by the State Disbursement Unit.

➤ **National Medical Support Notice**

Effective Date: July 1, 2002

Statute Reference: ss. 61.046(10), 61.13(1), 409.2576(7) F.S.

Chapter Law: ss. 1,2, and 13, 2002-173 (CS/SB 1272)

Provides the federally required mandatory laws and procedures concerning the enforcement of health care coverage in cases handled by DOR. Defines the National Medical Support Notice. Provides requirements for obligors, employers, health care coverage providers, and DOR when health care coverage is enforced by a national medical support notice.

➤ **Nonsupport of Dependents**

Effective Date: April 24, 2002

Statute Reference: s. 827.06(6), F.S.

Chapter Law: s. 14, 2002-173 (CS/SB 1272)

Allows the required notice which informs noncustodial parents that they may avoid criminal prosecution by paying the total unpaid support obligation before prosecution is commenced, to be provided by any means permitted for service of process in a civil action, as well as the current method of certified mail.

➤ **Review and Adjustment of Support Orders**

Effective Date: April 24, 2002

Statute Reference: ss. 61.14(1)(b) and 61.30(1)(c), F.S.

Chapter Law: ss. 3 and 7, 2002-173 (CS/SB 1272)

Provides that the guidelines established in s. 61.30, F.S., can provide the basis for an adjustment to the support amount in cases where it has been more than three years since the order was established, modified, or last reviewed, if the difference between the existing child support award and the amount indicated by the guidelines differs by at least 10 percent, but not less than \$25.

➤ **State Disbursement Unit and Non-Title IV-D Component of the State Case Registry**

Effective Date: April 24, 2002

Statute Reference: s. 61.1826, F.S.

Chapter Law: ss. 5 and 6, 2002-173 (CS/SB 1272)

Repeals the requirement for OPPAGA to conduct comprehensive reviews of the State Disbursement Unit and the State Case Registry. Makes conforming changes to renumber subsequent subsections and corrects a cross-reference.

➤ **Use of Unclaimed Property for Past Due Support**

Effective Date: April 24, 2002

Statute Reference: s. 409.25658, F.S.

Chapter Law: s. 12, 2002-173 (CS/SB 1272)

Changes references from “abandoned” property to “unclaimed” property to conform to Ch. 717, F.S.

COMMUNICATIONS SERVICES TAX (CST)

➤ **Determination of Local Tax Situs**

Effective Date: April 16, 2002

Statute Reference: s. 202.22, F.S.

Chapter Law: s. 5, 2002-48 (CS/HB 1511)

Requires a dealer of communications services to collect and remit local CST imposed under Ch. 202, F.S., for service addresses that are known and used by the dealer that are not in DOR’s database. Directs DOR to determine the accuracy of an industry database for which the Department’s certification is sought, based on the geographic area that the database covers within the state.

Provides a transition rule for dealers who apply for database certification before a statutory deadline. States that DOR is not limited to 180 days to process the application and entitles the dealer to the benefits of a certified database during the application process.

Explains that these provisions are remedial and clarify existing law.

➤ **Exemption from Public Records Requirements**

Effective Date: April 16, 2002

Statute Reference: None

Chapter Law: s. 1, 2002-47 (CS/HB 1487)

Clarifies that information received by a municipality during an audit of a telecommunications service provider for compliance with the municipal tax on telecommunications services in effect prior to October 1, 2001, is exempt from the public records disclosure requirements of s. 119.07(1), F.S. Makes this exemption subject to the Open Government Sunset Review Act, schedules it for repeal on October 2, 2007 (unless reviewed and reenacted by the Legislature), and states that it is remedial in nature.

➤ **Local Permit Fees**

Effective Date: April 16, 2002

Statute Reference: s. 337.401, F.S.

Chapter Law: s. 6, 2002-48 (CS/HB 1511)

Requires local governments that change their permit fee elections and thereby affect the local CST rate to notify communications services dealers in their jurisdiction by September 1 preceding the January 1 effective date of the change.

Imposes permit fees on providers that put or maintain communications services facilities on a municipality's or county's roads or rights-of-way, if the provider does not remit local CST to the jurisdiction.

➤ **Public Lodging Establishments**

Effective Date: April 16, 2002

Statute Reference: s. 202.16, F.S.

Chapter Law: s. 3, 2002-48 (CS/HB 1511)

Authorizes public lodging establishments licensed under Ch. 509, F.S., to notify guests about the CST imposed by Ch. 202, F.S., by posting a notice in a guest room in a manner consistent with the requirements of s. 509.2015, F.S., rather than separately stating the taxes on the guest bill.

➤ **“Religious Institutions” and “Educational Institutions” Defined**

Effective Date: April 16, 2002

Statute Reference: s. 202.125(4), F.S.

Chapter Law: s. 1, 2002-48 (CS/HB 1511)

Replaces the term “religious or educational organization” with the term “religious institution or educational institution.” Conforms the definitions of “religious institution” and “educational institution” for purposes of CST to the definitions of the same terms in the sales tax provisions in Ch. 212, F.S.

Exempts from CST sales of communications services by a religious institution that is exempt from federal income tax under s. 501(c)(3) of the United States Internal Revenue Code (I.R.C.) and that has an established physical place for worship at which nonprofit religious services and activities are regularly conducted and carried on.

States that these changes are remedial in nature.

➤ **Report on CST Rates**

Effective Date: April 16, 2002

Statute Reference: None

Chapter Law: s. 14, 2002-48 (CS/HB 1511)

Requires DOR to submit a report to the Governor and Legislature by February 1, 2003, on the accuracy of the state CST rates and the local CST conversion rates imposed, authorized, or administered pursuant to Ch. 202, F.S. Specifies information to be included in the report.

➤ **Transitional Rule for Local Rates**

Effective Date: April 16, 2002

Statute Reference: s. 202.25, F.S.

Chapter Law: s. 4, 2002-48 (CS/HB 1511)

States that if a local government adopted a resolution or ordinance setting a reduced local CST rate to be effective October 1, 2002, and notified DOR about the reduced rate by mail postmarked by July 16, 2002, the reduced rate will take effect as provided in the resolution or ordinance. Provides that the local government may change the local rate effective January 1, 2003, as provided in Ch. 202, F.S.

➤ **Use Tax on Certain Purchases of Communications Services**

Effective Date: April 16, 2002

Statute Reference: s. 202.151, F.S.

Chapter Law: s. 2, 2002-48 (CS/HB 1511)

Provides that purchasers who make retail purchases of communications services that are taxable under Ch. 202, F.S., from a seller outside the state must report and remit CST, unless the seller registers as a dealer in this state and collects the taxes. Authorizes DOR to adopt rules to implement this provision.

➤ **Wireless Emergency Telephone Number “E911” Fee**

Effective Date: April 16, 2002

Statute Reference: s. 365.172, F.S.

Chapter Law: s. 7, 2002-48 (CS/HB 1511)

Conforms certain definitions and provisions in s. 365.172, F.S., relating to the E911 fee on mobile communications services, with definitions and provisions of Ch. 202, F.S.

CORPORATE INCOME TAX (CIT)

➤ **Apportionment – Businesses in Standard Industry Code (SIC) #2037**

Effective Date: May 1, 2002, and applying to tax years beginning on or after January 1, 2002

Statute Reference: s. 220.15(5)(b)1., F.S.

Chapter Law: ss. 40 and 41, 2002-218 (CS/SB 426)

Provides that, for tax years beginning on or after January 1, 2002, sales made by processors of frozen fruits, fruit juices, and vegetables (businesses in SIC #2037) are considered to have been made outside Florida if the ultimate destination of the products shipped is outside of Florida, regardless of the f.o.b. point or shipping method.

➤ **Conform to Internal Revenue Code (I.R.C.)**

Effective Date: May 30, 2002 (SB 2028; retroactive to January 1, 2002)
June 7, 2002 (SB 18-E; retroactive to January 1, 2002)

Statute Reference: s. 220.03, F.S.

Chapter Law: s. 1, 2002-283 (SB 2028)
ss. 1, 2, and 3, 2002-395 (SB 18-E)

Updates the references in the Florida Income Tax Code to conform to the I.R.C. in effect beginning January 1, 2002. States that the provisions of the federal Job Creation and Worker Assistance Act of 2002 (Public Law #107-147) are adopted for computing net income subject to Florida corporate income tax.

➤ **Contributions to Nonprofit Scholarship – Funding Organizations**

Effective Date: May 1, 2002, and applying to tax years beginning on or after January 1, 2002

Statute Reference: s. 220.331, F.S.

Chapter Law: ss. 58 and 59, 2002-218 (CS/SB 426)

Repeals the requirement that the first two income tax estimated payments be computed without considering contributions made to nonprofit–scholarship funding organizations.

➤ **Credits for Contributions to Nonprofit Scholarship-Funding Organizations**

Effective Date: May 1, 2002, and applying to tax years beginning on or after January 1, 2002

Statute Reference: s. 220.187(2)(e), F.S.

Chapter Law: s. 42, 2002-218 (CS/SB 426)

Adds a student who is eligible to enter kindergarten or first grade to the definition of a “qualified student.”

➤ **Federal Returns**

Effective Date: January 1, 2003

Statute Reference: s. 220.23(2)(c), F.S.

Chapter Law: ss. 44 and 45, 2002-218 (CS/SB 426)

Provides that interest accrues from the due date of the original return to the date of payment on Florida CIT deficiencies that result from federal audit changes, which is consistent with other interest provisions of the Florida Income Tax Code and the I.R.C. Overturns the decision in *Barnett Bank, Inc. v. Department of Revenue*.

➤ **Returns – Filing Requirement**

Effective Date: May 1, 2002

Statute Reference: s. 220.22(4), F.S.

Chapter Law: s. 43, 2002-218 (CS/SB 426)

Reduces the burden on certain corporate income taxpayers by eliminating the initial year information return. These entities could be added to DOR’s database when, and if, they owe Florida CIT based on information that DOR receives from the Internal Revenue Service (IRS).

DOCUMENTARY STAMP TAX

➤ **Certificate of Title Issued after Foreclosure Sale**

Effective Date: March 14, 2002

Statute Reference: s. 201.02(8), F.S.

Chapter Law: s. 1, 2002-8 (HB 173)

States that documentary stamp tax is due on the certificate of title issued by the clerk of court pursuant to s. 45.031(4), F.S., and is computed based solely on the amount of the highest and best bid price received on the property at the foreclosure sale. Explains that this change clarifies existing law and must be applied retroactively.

➤ **Distribution of Tax – Save Our Everglades Trust Fund**

Effective Date: July 1, 2002

Statute Reference: s. 201.15(1), F.S.

Chapter Law: s. 1, 2002-261 (HB 813)

Provides for a portion of documentary stamp tax collections to be distributed to the state treasury for the benefit of the Save Our Everglades Trust Fund. States that the distributions must be in amounts necessary to pay the debt service, provide reserves, and pay rebate obligations and other amounts due on bonds issued for Everglades restoration under s. 215.619, F.S.

➤ **Employee Relocation Services**

Effective Date: May 1, 2002

Statute Reference: s. 201.02(8), F.S.

Chapter Law: s. 8, 2002-218 (CS/SB 426)

Exempts a contract, or documents related to a contract, to sell the residence of an employee relocating at the direction of the employer, if the contract is between the employee and employer, or between the employee and a person in the business of providing employee relocation services. Tax applies to this transaction only when the residence is transferred by deed that vests title in a named grantee.

➤ **Recordation of Documents – Clerk’s Initials**

Effective Date: March 14, 2002

Statute Reference: s. 201.132(1)(a), F.S.

Chapter Law: s. 2, 2002-8 (HB 173)

States that the required notation (indicating the tax paid and the county where paid) on a recorded document can be initialed by, or stamped with the name or initials of the county comptroller, the clerk of court, or his/her designated agent.

➤ **Tax on Stock Certificates**

Effective Date: May 1, 2002

Statute Reference: s. 201.05, F.S.

Chapter Law: s. 60, 2002-218 (CS/SB 426)

Repeals the Florida law that imposed a documentary stamp tax on each original issue of certificates of stock or shares issued in this state.

➤ **Unsecured Notes – Maximum Tax Due**

Effective Date: July 1, 2002

Statute Reference: 201.08(1) and (2), F.S.

Chapter Law: s. 9, 2002-218 (CS/SB 426)
s. 1, 2002-26 (CS/SB 462)

Limits the documentary stamp tax imposed on unsecured notes, including notes issued in connection with sales made under retail charge services to a maximum of \$2,450 (i.e., unsecured notes larger than \$700,000 will only pay the maximum tax of \$2,450). If a mortgage is subsequently filed securing a note upon which the maximum tax was paid, the amount of indebtedness secured by the mortgage that exceeds \$700,000 is subject to documentary stamp tax at the time of recording the mortgage.

ECONOMIC DEVELOPMENT

➤ **Definitions (CIT)**

Effective Date: May 1, 2002

Statute Reference: ss. 220.03(1)(q) and (gg), F.S.

Chapter Law: s. 39, 2002-218 (CS/SB 426)

Revises the definitions of “new employee” and “jobs” and corrects technical issues.

➤ **Enterprise Zone Jobs Credit (CIT)**

Effective Date: May 1, 2002

Statute Reference: s. 220.181(1)(a), F.S.

Chapter Law: s. 41, 2002-218 (CS/SB 426)

Corrects technical issues in the statute.

➤ **Enterprise Zones – Areas Unsuitable for Development**

Effective Date: May 1, 2002

Statute Reference: s. 290.0065(9), F.S.

Chapter Law: s. 1, 2002-224 (SB 1794)

Authorizes the governing bodies of counties in which an enterprise zone had previously been designated to amend the boundaries of the enterprise zone to replace areas unsuitable for development. Subject to Office of Tourism, Trade, and Economic Development (OTTED) approval.

➤ **Enterprise Zones – Boundary Changes for Specified Zones; Designation of New Zones**

Effective Date: May 31, 2002

Statute Reference: None

Chapter Law: ss. 43 through 48, 2002-296 (CS/SBs 1906 and 550)

Provides for the amendment of existing enterprise zones based on a high concentration of Haitian immigrants or identification of a revitalization area targeted for assistance by the Miami River Commission. Also authorizes new enterprise zones to be designated in Brevard County, Leon County, and the City of Pensacola. Subject to OTTED's approval.

➤ **Qualified Defense Contractor Tax Refund Program; Economic Stimulus Exemption**

Effective Date: May 30, 2002

Statute Reference: s. 288.1045(4)(b), F.S.

Chapter Law: s. 3, 2002-392 (SB 40-E)

Authorizes a qualified applicant to request an economic stimulus exemption in cases where the applicant has failed to comply with the terms of a qualified defense contractor tax refund agreement. This exemption is granted only if OTTED determines that negative economic conditions in the requesting qualified applicant's industry, or specific acts of terrorism, have prevented such compliance.

➤ **Qualified Target Industry Tax Refund Program; Economic Stimulus Exemption**

Effective Date: May 30, 2002

Statute Reference: s. 288.106(4)(b), F.S.

Chapter Law: s. 4, 2002-392 (SB 40-E)

Authorizes a qualified applicant to request an economic stimulus exemption in cases where the applicant has failed to comply with the terms of a qualified target industry tax refund agreement. This exemption is granted only if OTTED determines that negative economic conditions in the requesting qualified applicant's industry, or specific acts of terrorism, have prevented such compliance.

➤ **Rural Enterprise Zones – Special Qualifications**

Effective Date: May 1, 2002

Statute Reference: s. 290.0067(2), F.S.

Chapter Law: s. 46, 2002-218 (CS/SB 426)

Technical change to correct a statute reference.

FUEL TAX

➤ Aviation Fuel Tax Refund

Effective Date: May 1, 2002

Statute Reference: s. 206.9825(1)(b), F.S.

Chapter Law: s. 10, 2002-218 (CS/SB 426)

Reinstates the aviation fuel tax credit by removing the July 1, 2001, expiration date.

➤ Increase in State Transportation Trust Fund (STTF) Cap

Effective Date: July 1, 2002

Statute Reference: s. 206.46(2), F.S.

Chapter Law: s. 2, 2002-20 (CS/HB 261)

Increases the cap on annual transfers from the STTF to the Right-of-Way Acquisition and Bridge Construction Trust Fund from \$135 million each year to \$200 million.

➤ Local Option Fuel Taxes – Imposition and Repeal

Effective Date: May 1, 2002

Statute Reference: ss. 336.021(5) and 336.025(5)(a), F.S.

Chapter Law: ss. 47 and 48, 2002-218 (CS/SB 426)

Requires that the levy of any local ninth cent fuel tax or local option fuel tax take effect on January 1 of any year and be repealed effective December 31 of any year.

GROSS RECEIPTS TAX ON DRYCLEANING FACILITIES

➤ Registration Fee

Effective Date: May 1, 2002

Statute Reference: s. 376.70(2), F.S.

Chapter Law: s. 49, 2002-218 (CS/SB 426)

Authorizes DOR to waive the registration fee for those persons who register online.

INSURANCE PREMIUM TAX

➤ Certified Capital Company Act (CAPCO)

Effective Date: June 12, 2002

Statute Reference: s. 288.99, F.S.

Chapter Law: ss. 10 and 11, 2002-404 (HB 3-E)

Creates a second CAPCO program, which operates in a manner similar to the initial CAPCO program. However, the changes to s. 288.99, F.S., only affect the second program and do not affect the current program unless specifically stated. The total amount of insurance premium tax credits available through this second program is \$150 million. The credits are limited to 10 percent of the insurer's investment, per year. At the earliest, subject to the notification required from the Revenue Estimating Conference, credits for this second program may be claimed on the 2003 insurance premium tax return, which is due by March 1, 2004.

➤ Citizen's Property Insurance Corporation

Effective Date: May 10, 2002

Statute Reference: ss. 627.351 and 627.3517, F.S.

Chapter Law: ss. 2 and 3, 2002-240 (CS/SB 1418)

Renames the Residential Property and Casualty Joint Underwriting Association as the Citizen's Property Insurance Corporation (the Corporation) and provides that the Corporation is subject to insurance premium tax, but exempt from corporate income tax and intangible personal property tax. Also transfers the Florida Windstorm Underwriting Association (the Association) to the Corporation and states that the Association is exempt from corporate income tax and intangible personal property tax.

➤ Confidentiality – Information Sharing with OTTED

Effective Date: April 22, 2002

Statute Reference: ss. 213.053(7)(d) and 443.1715, F.S.

Chapter Law: s. 2, 2002-68 (CS/HB 777)

Authorizes DOR to share insurance premium tax information with OTTED, if such information relates to the tax refund program for qualified defense contractors or for qualified target industry businesses.

➤ **Consolidated Governments – Municipal Firefighters’ Pension Trust Fund**

Effective Date: April 16, 2002

Statute Reference: ss. 175.041(3) and 175.101, F.S.

Chapter Law: ss. 1 and 2, 2002-29 (CS/SB 1058)

Allows consolidated governments to participate in the Firefighters’ Pension Trust Fund. States that a consolidated government with an interlocal agreement to provide fire services to a municipality within its boundaries may impose the excise tax on policies written within that municipality.

➤ **Exemption For Monoline Flood Insurance Premiums**

Effective Date: July 1, 2002

Statute Reference: s. 624.509(10), F.S.

Chapter Law: s. 60, 2002-218 (CS/SB 426)

Removes the exemption from the insurance premium tax for monoline flood premiums received by insurers for flood policies that are not subsidized by the federal government or an agency thereof.

➤ **Interest on Refunds**

Effective Date: May 1, 2002

Statute Reference: s. 213.255(4), F.S.

Chapter Law: s. 35, 2002-218 (CS/SB 426)

Provides that if there is a prohibition against refunding a tax overpayment before the first day of the state fiscal year, interest on the tax overpayment shall not commence until August 1 of the year the tax was due.

➤ **Minority-Owned Insurers Exemption**

Effective Date: July 1, 2002

Statute Reference: s. 624.4072, F.S.

Chapter Law: s. 1, 2002-282 (CS/HB 385)
(CS/SB 1822 Vetoed by Governor)

Provides that the maximum period for which the exemption applies is increased from 5 to 10 years after the date the minority business receives its certificate of authority. States that a minority-owned insurer must have been issued its certificate of authority after May 1, 1998, and before January 1, 2002, to qualify for the extension of this exemption.

➤ **Public Records – Insurer’s Workpapers**

Effective Date: April 25, 2002

Statute Reference: s. 624.319, F.S.

Chapter Law: ss. 1 and 2, 2002-185 (CS/HB 1355)

Provides that workpapers and other information regarding examination or investigation reports that the Department of Insurance might provide to the National Association of Insurance Commissioners or other governmental entity (such as DOR), are confidential information.

INTANGIBLE PERSONAL PROPERTY TAX

➤ **Annual Tax Information Reports**

Effective Date: May 1, 2002

Statute Reference: ss. 199.062(1) and (2), F.S.

Chapter Law: ss. 6, 7, and 60, 2002-218 (CS/SB 426)

Eliminates the requirement that corporations file annual information returns regarding stock value and deletes the related record keeping and penalty provisions.

➤ **Annual Tax Returns; Payment of Annual Tax; Books and Records; and Penalties**

Effective Date: May 1, 2002

Statute Reference: ss. 199.052(2), 199.218(2), and 199.282(6), F.S.

Chapter Law: s. 5, 2002-218 (CS/SB 426)

Eliminates the requirement that corporations file an annual intangible tax return when their tax due is less than \$60.

LEMON LAW FEE

➤ **Lemon Law Fee – Payment by Non-Residents**

Effective Date: July 1, 2002

Statute Reference: s. 681.117, F.S.

Chapter Law: s. 54, 2002-218 (CS/SB 426)

Allows motor vehicle dealers to remit the \$2.00 lemon law fee imposed on vehicles registered and titled outside Florida directly to DOR.

LOCAL GOVERNMENT

➤ Charter County Transit System Surtax – Authorization to Levy

Effective Date: July 1, 2002

Statute Reference: s. 212.055(1)(a), F.S.

Chapter Law: s. 100, 2002-20 (CS/HB 261)

States that only counties that adopted a charter before January 1, 1984 (instead of June 1, 1976), are authorized to levy this surtax. This change adds Hillsborough and Pinellas counties to the group that are qualified to impose this tax.

➤ City of Anna Maria Island – Boundary Change

Effective Date: May 1, 2002

Statute Reference: None

Chapter Law: ss. 1, 2, and 3, 2002-384 (HB 1783)

Includes in the city's boundaries naturally accreted or artificially added lands, including those added by beach nourishment.

➤ City of Coral Springs; City of Coconut Creek; City of Margate – Boundary Changes

Effective Date: April 24, 2002

Statute Reference: None

Chapter Law: ss. 1, 2, and 3, 2002-364 (HB 995)

Revises the corporate limits of the cities of Coral Springs, Coconut Creek, and Margate in Broward County, to clarify which municipalities will provide police, fire, and emergency services.

➤ City of South Daytona and City of Port Orange – Boundary Changes

Effective Date: October 1, 2002

Statute Reference: None

Chapter Law: ss. 1, 2, and 3, 2002-353 (HB 959)

Extends the corporate limits of the City of South Daytona and the City of Port Orange in Volusia County.

➤ **Jacksonville Seaport Authority – Expansion of Foreign Trade Zone**

Effective Date: May 6, 2002

Statute Reference: None

Chapter Law: s. 1, 2002-349 (HB 945)

Amends the Jacksonville Seaport Authority's charter to allow it to seek to expand its foreign trade zone boundaries outside Duval County.

➤ **Lauderdale-By-The-Sea – Boundary Changes**

Effective Date: April 23, 2002

Statute Reference: None

Chapter Law: s. 1, 2002-357 (HB 967)

Extends the boundaries of the Town of Lauderdale-By-The-Sea by including an unincorporated portion of Broward County in the town.

➤ **Lee County; City of Cape Coral – Boundary Changes**

Effective Date: May 13, 2002

Statute Reference: None

Chapter Law: s. 1, 2002-370 (HB 1039)

Extends the boundaries of the City of Cape Coral by including unincorporated areas of Lee County in the city.

➤ **Lee County; City of Fort Myers – Special Election**

Effective Date: April 24, 2002

Statute Reference: None

Chapter Law: s. 1, 2002-381 (HB 1183)

Authorizes the City of Fort Myers to hold a special election to approve an interlocal agreement for annexation of specified areas in the unincorporated portion of Lee County.

➤ **Municipal Revenue Sharing Program**

Effective Date: May 1, 2002

Statute Reference: None

Chapter Law: s. 57, 2002-218 (CS/SB 426)

Reenacts language first enacted in the Fall 2001 "C" Special Session regarding the municipal revenue sharing calculations for Metro-Dade County's annual growth increase.

➤ **Port St. John – Proposed Municipal Charter**

Effective Date: Contingent on approval by affected voters in a referendum

Statute Reference: None

Chapter Law: ss. 1 through 13, 2002-376 (CS/HB 1071)

Establishes a proposed charter for the City of Port St. John to be approved by referendum on November 5, 2002. Provides that revenue sharing will begin on the first day of the month after the initial meeting of the city council and states that the city is entitled to receive local option gas tax revenues beginning January 1, 2003, in accordance with an interlocal agreement.

➤ **Town of Davie and Town of Southwest Ranches – Boundary Changes**

Effective Date: April 24, 2002

Statute Reference: None

Chapter Law: ss. 1, 2, and 3, 2002-356 (HB 965)

Provides for deannexation of a portion of the Town of Davie and annexation of that territory by the Town of Southwest Ranches in Broward County.

➤ **Tourist Development Tax – Use of Proceeds**

Effective Date: May 22, 2002

Statute Reference: s. 125.0104, F.S.

Chapter Law: s. 10, 2002-265 (CS/SB 1844)

Allows proceeds from the additional 1 percent tax to be spent on advertising and promoting tourism. Requires that if such proceeds are spent on an activity, service, event, or venue, such activity, service, event, or venue must have as its major purpose the attraction of tourists.

PROPERTY TAX

➤ Ad Valorem Tax; Disabled Ex-Service Member

Effective Date: January 1, 2003

Statute Reference: s. 196.24, F.S.

Chapter Law: s. 1, 2002-271 (HB 165)

Amends s. 196.24, F.S. Increases the exemption from \$500 to \$5,000 for disabled ex-service members.

➤ Additional Homestead Exemption; Persons 65 and Older

Effective Date: January 1, 2003

Statute Reference: s. 196.075, F.S.

Chapter Law: s. 1, 2002-52 (CS/SB 2014)

Adds any request for an extension of time to file IRS returns to the documentation to be submitted to the property appraiser. The taxpayer's statement of accuracy is to be a sworn statement and is required to grant permission to allow review of the documents by the property appraiser. After review, the documents are to be returned to the taxpayer or destroyed. Submission of supporting documentation is not required for renewal of the exemption, unless the property appraiser requests the documentation.

Provides for random audits of the taxpayers' sworn statements. Requires taxpayer selected for audit to execute IRS Forms 8821 or 4506 authorizing the IRS to release tax information to the property appraiser. Requires all audits to be completed by June 1. Provides that the property appraiser cannot grant or renew the exemption if the documentation is not provided.

Requires the property appraiser serve notice of intent to record a notice of tax lien against any property of the taxpayer if the property appraiser determines that for any year within the immediately preceding 10 years, a person was not entitled to the additional homestead exemption, but was granted the exemption. Any property of the taxpayer will be subject to all taxes which would have been due, plus a penalty of 50 percent of the unpaid taxes, and 15 percent interest per annum. Provides that if the exemption was improperly granted due to a clerical mistake or omission by the property appraiser, the person improperly receiving the exemption will not be assessed any penalty and interest. Provides that before a lien is filed, the person will be given 30 days to pay the taxes, penalties, and interest.

➤ **Agricultural Lands; Classification and Assessment; Mandated Eradication or Quarantine Program**

Effective Date: January 1, 2003

Statute Reference: s. 193.461(3), F.S.

Chapter Law: s. 15, 2002-18 (CS/CS/SB 1360)

Provides land that has received agricultural classification based on agricultural use is entitled to the classification in subsequent years unless such agricultural use is discontinued, the land is diverted to nonagricultural use, or the land is reclassified as nonagricultural.

Requires the property appraiser, by January 15 of each subsequent year, to notify the owner of the entitlement to the agricultural classification.

Requires the owner certify to the property appraiser that neither the ownership nor use of the property has changed. Requires DOR to prescribe the form for notification/certification. Excludes property if the agricultural classification is the subject of current litigation.

➤ **Assessment Notice; Objections to Assessments**

Effective Date: January 1, 2003

Statute Reference: s. 194.011(3), (4) and (5), F.S.

Chapter Law: s. 2, 2002-18 (CS/CS/SB 1360)

Provides that a petition to the value adjustment board must be in substantially the form prescribed by DOR. Provides that a county officer must accept a petition form provided by DOR that a taxpayer chooses to use.

Provides that a petitioner is required to provide the property appraiser with a list and summary of evidence and copies of all documentation to be presented to the value adjustment board at least 10 days before the hearing. Requires the property appraiser to provide the petitioner with a list and summary of evidence and copies of all documentation to be presented to the value adjustment board no later than five days after the petitioner provides the required information.

Provides that DOR must prescribe rules for uniform procedures for hearings to include:

- Procedures for information and evidence exchange between the petitioner and the property appraiser consistent with s. 194.032, F.S.
- That the value adjustment board hold an organizational meeting and that it must make the uniform procedures available to petitioners.

➤ **Assessment of Property for Back Taxes**

Effective Date: January 1, 2003

Statute Reference: s. 193.092(1), F.S.

Chapter Law: s. 9, 2002-18 (CS/CS/SB 1360)

Provides that property acquired by a bona fide purchaser who is unaware of escaped taxes is not subject to assessment for taxes prior to the time of purchase.

Requires the property appraiser making the back assessment to serve the previous owner with a notice of intent to record a tax lien against property owned by that person in the county. Provides any property of the previous owner located in this state is subject to the lien in the same manner as a recorded judgment.

Provides that the previous owner must be given 30 days to pay the tax, penalty, and interest before the lien is recorded. Provides that once the lien is recorded, it may be recorded in any county and constitutes a lien in the same manner as a recorded judgment and may be enforced by the tax collector using all remedies. Provides the definition of "bona fide purchaser" to mean a purchaser for value, in good faith, before the back assessment is certified to the tax collector for collection.

➤ **Certain Special District Tax Levies; Taxpayer Rights**

Effective Date: January 1, 2003

Statute Reference: s. 192.0105(1)(k), F.S.

Chapter Law: s. 1, 2002-18 (CS/CS/SB 1360)

Amends s. 192.0105(1)(k), F.S., to reference an additional right to know the amount of special district taxes by having certain special district tax levies individually stated on the Notice of Proposed Property Taxes and Proposed or Adopted Non-Ad Valorem Assessments (DR-474).

➤ **Community Redevelopment Trust Fund**

Effective Date: January 1, 2003

Statute Reference: s. 163.387, F.S.

Chapter Law: s. 8, 2002-18 (CS/CS/SB 1360)

Amends s. 163.387, F.S., to revise the list of entities exempt from making payments to a redevelopment trust fund.

➤ **DOR to Pass Upon and Order Refunds**

Effective Date: January 1, 2003

Statute Reference: s. 197.182(1), F.S.

Chapter Law: s. 6, 2002-18 (CS/CS/SB 1360)

Provides entitlement to a decision on a refund within 100 days after claim is made, unless the tax collector, property appraiser, or DOR states good cause for decision on the refund at a later date. Upon such statement of good cause, the time period for issuing a refund may be extended a maximum of 60 days. The provisions of the bill are as follows:

Requires the tax collector to advise and forward to the property appraiser a refund application within 30 days after receipt where a correction to the tax roll is required.

- Requires the tax collector to advise and forward to the property appraiser a refund application within 30 days after receipt where a correction to the tax roll is required.
- Requires the property appraiser to refer a taxpayer to the tax collector where the taxpayer initially contacts the property appraiser regarding a refund. Provides for correction of the tax roll within 30 days after receipt of the roll correction request form from the tax collector, if lawfully permissible. After 30 days, requires the property appraiser to advise the tax collector whether or not the roll has been corrected and the reason.
- Requires the tax collector to forward refund claims to DOR for which approval is required upon receipt of the tax roll correction or 30 days after receiving a refund claim, whichever occurs first. Provides that the tax collector make refunds of less than \$400 directly from undistributed funds without approval from the Department or the various taxing authorities.
- Requires DOR to approve or deny refunds within 30 days after receipt unless good cause is shown.
- Provides that a contest of a denial may not be brought later than 60 days after the tax collector issues a denial by certified mail, or 4 years after January 1 of the year for which the taxes were paid, whichever is later.
- Extends the time periods to the next working day if a date falls on a Saturday, Sunday, or legal holiday.

➤ **Erroneous Homestead Exemption**

Effective Date: January 1, 2003

Statute Reference: s. 196.161(1)(b), F.S.

Chapter Law: s. 10, 2002-18 (CS/CS/SB 1360)

Reviser's bill to section providing a waiver of penalty and interest in specified instances in which a taxpayer erroneously receives a homestead tax exemption. No substantive change.

➤ **Hearing Purposes; Timetable**

Effective Date: January 1, 2003

Statute Reference: s. 194.032(2), F.S.

Chapter Law: s. 3, 2002-18 (CS/CS/SB 1360)

Amends s. 194.032(2), F.S., to require notice 20 days prior to the scheduled hearing. Provides that a petitioner may reschedule the hearing one time by written request to the clerk of the governing board of the county no less than five days before the scheduled hearing under certain circumstances.

➤ **Homestead Exemption; Elderly Housing**

Effective Date: *Contingent upon the effective date of an amendment (See CS/HJR 317) to S. 4 of Article VII of the State Constitution which allows counties to provide for a reduction in assessed value of living quarters constructed for parents or grandparents.*

Statute Reference: *Creates s. 193.703, F.S.*

Chapter Law: *s. 1, 2002-226 (CS/CS/HB 313)*

Provides for a reduction in an assessment for constructed or reconstructed living quarters for parents or grandparents of homestead property owners or of their spouses. Provides limitations and for application procedures. Provides penalties. Provides for adjustment of assessed value when the property owner is no longer eligible for the reduction.

➤ **Homestead Property; Elderly Housing**

Effective Date: *This proposed constitutional amendment will take effect if approved by a majority of voters in a statewide general election.*

Statute Reference: *s. 4, Art. VII*

Chapter Law: *N/A*

Proposed constitutional amendment to allow counties to exempt from taxation the increase in assessed value of homestead property resulting from constructing living quarters for a parent or grandparent of the property owner, or the owner's spouse, who is 62 years old or older. Limits the amount of the exemption to the increase in assessed value resulting from the construction or 20 percent of the total assessed value of the property as improved, whichever is less.

➤ **Manual of Instructions**

Effective Date: January 1, 2003

Statute Reference: s. 195.062(1)(c), F.S.

Chapter Law: s. 5, 2002-18 (CS/CS/SB 1360)

Provides that guidelines may be updated annually to incorporate new market data tables with the approval of the executive director after first being publicly noticed in conformity with s. 120.54, F.S. Provides that if there are no objections within 45 days after the notice, the guidelines may be adopted without conformity to procedures in s. 120.54, F.S.

➤ **Method of Fixing Millage**

Effective Date: January 1, 2003

Statute Reference: s. 200.065(13)(a), F.S.

Chapter Law: s. 11, 2002-18 (CS/CS/SB 1360)

Provides that if an error on the TRIM notice involves only the date and time of the public hearings, the property appraiser, with permission of the taxing authority, may correct the error by advertising the corrected information in a newspaper of general circulation in the county.

➤ **Non-Ad Valorem Assessments; Emergency Medical Services**

Effective Date: April 16, 2002

Statute Reference: s. 125.271, F.S.

Chapter Law: s. 1, 2002-37 (CS/SB 2178)

Authorizes certain counties to levy special assessments to fund emergency medical services.

➤ **Notice of Property Taxes and Non-Ad Valorem Assessments**

Effective Date: January 1, 2003

Statute Reference: s. 200.069, F.S.

Chapter Law: s. 7, 2002-18 (CS/CS/SB 1360)

Permits the adjustment of spacing and placement of the required elements on the TRIM form. Provides that a county may use an alternative form that contains all the required elements with written permission from DOR and at its own expense.

➤ **Public Records Exemption for Social Security Numbers (SSNs)**

Effective Date: May 13, 2002

Statute Reference: Creates s. 119.072, F.S.

Chapter Law: s. 1, 2002-256 (CS/HB 1673)

Provides that, effective October 1, 2002, social security numbers (SSNs) held by a state agency or its agents, employees, or contractors are confidential and exempt from s. 119.07(1), F.S., and s. 24(a), Art. I of the State Constitution. The term “agency” includes property appraisers, tax collectors and clerks.

Provides that this new section does not supersede any other applicable public records exemptions existing prior to or created after the effective date of this act.

The exemption applies to all SSNs held by an agency and its agents, employees, or contractors before, on, or after the effective date of the exemption.

For SSNs that are obtained under a law which did not contain a public records exemption prior to the effective date of this law, provides a comprehensive rewrite of agency authority to obtain, maintain, and segregate social security numbers on a separate page from the rest of the record, “or as otherwise appropriate,” and share SSNs with commercial entities for legitimate business purposes.

Defines “legitimate business purpose” to include verification of the accuracy of personal information received in the normal course of business; use in a civil, criminal, or administrative proceeding; use for insurance purposes; use in law enforcement and investigation of crimes; use in identifying and preventing fraud; use in matching, verifying, or retrieving information; and use in research activities. Specifies that “legitimate business purpose” does not include the display or bulk sale of SSNs to the general public or their distribution “to any customer that is not identifiable by the distributor.”

➤ **Real Property Taxes; Limited Waiver of Mandatory Charge**

Effective Date: July 1, 2002, retroactive to January 1, 2002. (See SB 261, s. 38.)

Statute Reference: Creates s. 197.1722, F.S.

Chapter Law: s. 16, 2002-18 (CS/CS/SB 1360)

Provides for a program of tax relief for tax year 2001, where taxes for year 2001 exceed \$10,000 for tourism facilities or public lodging or restaurant facilities, and the taxpayer’s inability to pay is the result of a decrease in business income of 25 percent or more in the 6-month period commencing September 2001, as compared to the same period commencing September 2000. The program allows:

- The tax collector to extend the date of tax certificate sales by 30 days.
- A waiver of the 3-percent minimum mandatory charge for delinquent taxes that are paid prior to the sale of a tax certificate.
- A waiver of an additional 30 days interest under s. 197.172, F.S.
- Redemption of a tax certificate within 90 days after April 1 without the 3-percent minimum mandatory charge.
- Correction of tax certificates affected which were sold.

The taxpayer must make application on each affected property to the board of county commissioners to adopt an ordinance granting the relief on a form provided by DOR.

➤ **Special Assessments Levied on Facilities Regulated under Chapter 513**

Effective Date: January 1, 2003

Statute Reference: s. 166.223, F.S.

Chapter Law: s. 2, 2002-241 (CS/SB 460)

Creates s. 166.223, F.S., to provide that facilities regulated under Ch. 513, F.S., are required to be assessed as a commercial entity in the same manner as a hotel, motel, or other similar facility and special assessments may not be based on an assertion that the facility consists of residential units.

➤ **Special Assessments Levied on Recreational Vehicle Parks Regulated under Chapter 513**

Effective Date: January 1, 2003

Statute Reference: s. 125.0168, F.S.

Chapter Law: s. 1, 2002-241 (CS/SB 460)

Creates s. 125.0168, F.S., to provide that recreational vehicle parks regulated under Ch. 513, F.S., are required to be assessed as a commercial entity in the same manner as a hotel, motel, or other similar facility and special assessments may not be based on an assertion that the facility consists of residential units.

➤ **Special Master Expenses to Counties**

Effective Date: January 1, 2003

Statute Reference: N/A.

Chapter Law: s. 17, 2002-18 (CS/CS/SB 1360)

Appropriates \$45,000 from the General Revenue Fund to DOR for purposes of reimbursement of special master expenses to counties with a population of 75,000 or less as provided in SB 1360, s.4.

➤ **Special Masters; Property Evaluators**

Effective Date: January 1, 2003

Statute Reference: s. 194.035(1), F.S.

Chapter Law: s. 4, 2002-18 (CS/CS/SB 1360)

Amends s. 194.035(1), F.S., to require that the value adjustment board appoint special masters in counties with populations of more than 75,000. Provides that employees and elected or appointed officials of taxing jurisdictions, or of the state, may not serve as special masters.

Requires DOR to reimburse, subject to appropriation (provided in s. 17), counties with a population of 75,000 or less for payments made to special masters.

Requires DOR to establish a reasonable range for such payments based on payments in other counties. Provides that payments outside the range must be justified by the county and if all requests for reimbursement in any year exceed the appropriation available, the payments to these counties are to be prorated.

Requires a special master appointed to hear exemption and classification issues to be a member of the Florida Bar with no less than five years' experience in ad valorem taxation.

Requires a special master appointed to hear real property valuation issues to be a state certified real estate appraiser with no less than five years' experience in real property valuation.

Requires a special master appointed to hear tangible personal property valuation issues be a designated member of a nationally recognized appraiser's organization, with not less than five years experience in tangible personal property valuation.

Requires DOR to:

- Provide a list of qualified special masters to counties with populations of 75,000 or less.
- Reimburse, subject to appropriation (provided in s. 17), counties with a population of 75,000 or less, for payments made to special masters.
- Establish a reasonable range for such payments based on payments in other counties.

Payments outside the range must be justified by the county and if requests for reimbursement in any year exceed the appropriation available, payments are to be prorated.

➤ **State Housing Tax Credit Program; Allocation of the Low-Income Housing Tax Credit**

Effective Date: January 1, 2003

Statute Reference: ss. 420.5093 and 420.5099, F.S.

Chapter Law: ss. 12 and 13, 2002-18 (CS/CS/SB 1360)

Clarifies that actual rental income from rent-restricted units must be recognized by the property appraiser. Provides that costs paid for by tax credits or by additional financing proceeds received by property participating in the State Housing Tax Credit Program are not to be included in valuation of the property. Provides that extended low income housing agreements and amendments and supplements that are recorded in a county's official public records are deemed land use regulations during the term of the agreements.

➤ **Tax Deeds; Government Lien Satisfaction and Survival**

Effective Date: January 1, 2003

Statute Reference: s. 197.552, F.S.

Chapter Law: s. 14, 2002-18 (CS/CS/SB 1360)

Adds liens of record held by special districts and community development districts to the list of liens that are satisfied first from tax deed sale distributions and if not satisfied, then survive the issuance of tax deeds.

➤ **Transportation**

Effective Date: July 1, 2002

Statute Reference: s. 70.20, F.S.

Chapter Law: s. 1, 2002-13 (CS/HB 715)

Creates s. 70.20, F.S. Provides a process for governmental entities and sign owners to enter into certain agreements relative to outdoor advertising signs. It also requires OPPAGA, in consultation with property appraisers and affected private-sector parties, to conduct a comparison study of the ad valorem tax value of billboards in relation to other commercial properties in Florida and other states; complete the report by December 31, 2002; and submit the report to the speaker of the house and the senate president.

The bill also amends ss. 163.3180, 339.135, 344.044 and 479.25, F.S., which deal with local government comprehensive planning and land development regulations and the Department of Transportation (DOT).

➤ **Turnpike Authority Exemption; High Speed Rail System**

Effective Date: July 1, 2002

Statute Reference: s. 341.840, F.S.

Chapter Law: ss. 20, 21, 30, 48, 2002-20 (HB 261)

Section 48 creates new s. 341.840, F.S. to exempt from taxation the turnpike authority (which is under DOT), its agents, or the owner of the system. Provides that the authority, its agents, or the owner of the system is not liable for taxes of any kind. Only property tax and income tax are specifically referenced. This includes rest areas. Section 21 amends s. 338.234, F.S., to allow additional concessions on the turnpike, and the turnpike enterprise is allowed to sell services, products, or business opportunities on the turnpike system that benefit the traveling public or add additional revenue to the turnpike system. Additional activities authorized include lodging, meeting room space, amusement games (games of skill only), lottery tickets, Florida citrus, ticket and travel information, tickets, advertising, and promotional opportunities consistent with the dignity of the system, other Florida-made products, and other business opportunities. Eminent domain cannot solely be used for lodging, meeting room space, or business opportunities.

The exemption is for taxes “in respect to the system or any property acquired or used by the authority, its agent, or such owner....”

The bill evidences the intent to promote joint public private development of rail system property. Section 30 describes the purposes of the “rail system” and includes “associated development” and any other facilities or equipment used or useful for the purposes of high-speed rail system design, construction, operation, maintenance, or the financing of the high-speed rail system. “Associated development” includes retail establishments, restaurants, hotels, etc.

RENTAL CAR SURCHARGE

➤ **Rental Car Surcharge – Distribution of Funds**

Effective Date: July 1, 2002 (starts in state FY 2007-2008)

Statute Reference: s. 212.0606, F.S.

Chapter Law: s. 60, 2002-20 (CS/HB 261)

Requires that rental car surcharge proceeds deposited in the State Transportation Trust Fund (STTF) be budgeted, beginning in state FY 2007-2008, on an annual basis in the DOT’s work program to each DOT district, based on the proceeds collected from the counties within each district.

SALES AND USE TAX (SUT)

➤ Brackets – Failure to Use

Effective Date: July 1, 2002

Statute Reference: s. 212.12(14), F.S.

Chapter Law: ss. 26 and 27, 2002-218 (CS/SB 426)

Provides that a dealer who has failed to collect the appropriate tax by applying the tax brackets required by law will not be held liable for additional tax, penalties, and interest if certain conditions are met.

Applies the bracket system provisions to all pending SUT audits, protests, litigation, or other actions or inquiries. Clarifies that these provisions do not establish a right to a refund for taxes previously assessed and paid on actions that are no longer pending.

➤ Distribution of Funds – Solid Waste Management Trust Fund

Effective Date: July 1, 2003

Statute Reference: s. 212.20(6)(d)2., F.S.

Chapter Law: s. 1, 2002-291 (CS/HB 851)

Changes the distribution of funds made pursuant to s. 212.20(6)(d)2., F.S., from the Solid Waste Management Trust Fund to the Ecosystem Management and Restoration Trust Fund.

➤ Electricity and Steam – Affidavits Filed with Suppliers

Effective Date: July 1, 2002

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

Chapter Law: s. 17, 2002-218 (CS/SB 426)

Requires a purchaser to file the affidavit stating the exempt nature of the purchase with the selling vendor instead of with DOR. Makes this change retroactive to July 1, 1996.

➤ Electricity – WAGES “Glitch” Issues

Effective Date: July 1, 2002

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

Chapter Law: ss. 20, 21, 2002-218 (CS/SB 426)

Eliminates the obsolete reference to the WAGES registration requirement for manufacturers to qualify for the electricity and steam exemption, retroactive to July 1, 2000.

➤ **Enterprise Zone Jobs Credit**

Effective Date: May 1, 2002

Statute Reference: ss. 212.096(1)(a) and (d), (3)(i), F.S.

Chapter Law: s. 24, 2002-218 (CS/SB 426)

Revises the definition of “eligible business,” corrects technical issues, and extends the application deadline for leased employees to seven months from the date of hire.

➤ **Enterprise Zone Jobs Credit/Rural Jobs Tax Credit—Definitions and Cross Referencing**

Effective Date: July 1, 2002

Statute Reference: ss. 212.096(1)(a), (d), 212.096(3)(i), 212.098(2), (3), and (6)(d), F.S.

Chapter Law: ss. 23, 24, 39, 41, and 46, 2002-218 (CS/SB 426)

Corrects technical issues related to statute cross-referencing and revises the definitions of the terms “eligible business,” “new employee,” and “jobs” to clarify the implementation of the tax incentive provisions.

➤ **Exempt 501(c)(3) Organizations – Technical and “Glitch” Issues**

Effective Date: July 1, 2002

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

Chapter Law: ss. 20, 21, 2002-218 (CS/SB 426)

Revises language related to the sales tax exemption for 501(c)(3) tax-exempt organizations. Eliminates the specific exemptions for crime prevention, drunk driving prevention, and juvenile delinquency groups. States that these exemptions do not apply to any transaction taxed by Ch. 212, F.S., unless the entity has obtained a sales tax exemption certificate from DOR, or provides other required documentation to DOR. Requires that eligible purchases made with a sales tax exemption certificate must comply with s. 212.08(7), F.S., and applicable DOR rules, retroactive to January 1, 2001.

➤ **Fee Waiver/Online Registration**

Effective Date: July 1, 2002

Statute Reference: s. 212.18(3)(a), F.S.

Chapter Law: s. 29, 2002-218 (CS/SB 426)

Authorizes DOR to waive the \$5.00 registration fee for persons who register online.

➤ **Fixtures – Machinery and Equipment Exclusion**

Effective Date: July 1, 2002

Statute Reference: s. 212.06(14)(b), F.S.

Chapter Law: ss. 13, 14, 2002-218 (CS/SB 426)

Clarifies the definition of “fixtures” to provide guidance on the treatment of industrial machinery and equipment that is used in the manufacturing, processing, compounding, or production of tangible personal property, and eliminates a reference to the undefined term “trade fixture.” States that the language is remedial and only clarifies existing law.

➤ **Interstate Commerce – Vessels, Railroads and Motor Vehicles**

Effective Date: July 1, 2002

Statute Reference: s. 212.08(8) and (9), F.S.

Chapter Law: s. 22, 2002-218 (CS/SB 426)

Provides consistent treatment for vessels, railroads, and motor vehicles in that tax applies to Florida taxable purchases and would apply even if the vessel, railroad, or motor carrier has operated for less than a fiscal year. Updates the statute to replace references to the Interstate Commerce Commission with the Surface Transportation Board.

➤ **Lease, Rental, or License of Real Property – Admissions and Concession Leases**

Effective Date: May 1, 2002

Statute Reference: s. 212.031, F.S.

Chapter Law: s. 55, 2002-218 (CS/SB 426)

Extends ss. 3 and 4 of Ch. 2000-345, Laws of Florida (L.O.F.), from July 1, 2003, to July 1, 2006. This delays the previously-scheduled expiration of exemptions that had been granted to specified concession leases, to certain lessees who assume 100 percent of the risk of the event being held, and to ticket service charges that are added to the ticket price.

➤ **Lease, Rental, or License of Real Property – Regional Transmission Organizations**

Effective Date: July 1, 2002

Statute Reference: s. 212.02(10)(g), F.S.

Chapter Law: s. 12, 2002-218 (CS/SB 426)

Provides that the terms “lease,” “let,” “rental,” and “license” do not include payments by a regional transmission organization operating under the jurisdiction of the Federal Energy Regulatory Commission to an electric utility in connection with the regional transmission organization use or control of the utility’s high-voltage bulk transmission facilities.

➤ **Nonprofit Charitable Institutions – Temporary Exemption Certificates**

Effective Date: July 1, 2002

Statute Reference: s. 212.084(6), F.S.

Chapter Law: s. 60, 2002-218 (CS/SB 426)

Repeals obsolete language authorizing the issuance of temporary exemption certificates to nonprofit charitable institutions.

➤ **Off-Highway Vehicles – Occasional Sales**

Effective Date: July 1, 2002

Statute Reference: None

Chapter Law: ss. 55-67, 2002-295 (CS/HB 1681)

Provides that any off-highway vehicle purchased by a resident of this state, or owned by a resident of this state, and operated on the public lands of this state, must be titled by the Department of Highway Safety and Motor Vehicles. These new titling requirements subject the sale or transfer of ownership of such vehicles to SUT.

➤ **Parent Teacher Associations and Parent Teacher Organizations**

Effective Date: July 1, 2002

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

Chapter Law: ss. 20, 21, 2002-218 (CS/SB 426)

Provides that taxes imposed by Ch. 212, F.S., on transactions exempt for PTAs and PTOs that were not actually paid or collected by PTAs and PTOs prior to the effective date are not due from such entities. States that any taxes paid or collected must be remitted to DOR and that no refund of previously paid taxes by such entities can be made by DOR. Taxpayers must obtain a sales tax exemption certificate from DOR to secure the exemption granted to PTOs and PTAs.

➤ **Refunds – Sampling**

Effective Date: January 1, 2003

Statute Reference: s. 212.12(6)(c), F.S.

Chapter Law: s. 28, 2002-218 (CS/SB 426)

Provides that a taxpayer whose records are adequate but voluminous can establish an overpayment, other than fixed assets, through a statistical sample, regardless of whether the overpayment is in connection with a compliance audit or a refund application. States that a taxpayer whose records are adequate but voluminous is also entitled to establish an overpayment, other than fixed assets, using any other sampling method, as long as the taxpayer and DOR agree upon the method.

Provides that the completed sample must reflect both overpayments and underpayments of taxes due, regardless of whether done through statistical sampling or another sampling method agreed upon by the taxpayer and DOR. Requires DOR to prescribe by rule procedures for each sampling method.

➤ **Review of Tax Exemptions and Exclusions**

Effective Date: Upon approval by a majority of voters participating in a statewide general election

Statute Reference: Subsection (f) of S. 3 of Article VII of the Florida Constitution

Chapter Law: N/A (CS/CS/HJR 833)

Establishes a joint committee composed of members of the Legislature that will review all exemptions from the tax on sales, use, and other transactions imposed by Ch. 212, F.S., and all exclusions of sales of services from such tax.

➤ **Rural Job Tax Credit Program**

Effective Date: May 1, 2002

Statute Reference: ss. 212.098(2), (3), and (6), F.S.

Chapter Law: s. 24, 2002-218 (CS/SB 426)

Corrects technical issues in the statute.

➤ **Sales for Resale – Annual Verification Exemption**

Effective Date: July 1, 2002

Statute Reference: s. 212.07(1)(b), (9), F.S.

Chapter Law: s. 15, 2002-218 (CS/SB 426)

Deletes a requirement that DOR adopt rules to allow dealers to sell to customers who buy on account on a continual basis without obtaining annual verification of the customers' qualification to buy for resale. Adds language providing that annual verification is not required when a dealer makes "recurring sales to a purchaser in the normal course of business" "on a continual basis." "Recurring sales to a purchaser in the normal course of business" is defined to mean sales in which the dealer extends credit to the purchaser and records the debt as an account receivable or sells to a buyer with an established cash or cash on delivery account that is similar to an open credit account. "On a continual basis" is defined to mean that the dealer in the normal course of business makes sales to the purchaser at least once in every 12-month period.

Provides relief from tax, penalty, and interest to an exempt organization or a purchaser who is not registered as a dealer, if certain conditions are met.

➤ **Sales of Vehicles – Nonresidents**

Effective Date: July 1, 2002

Statute Reference: s. 212.08(10), F.S.

Chapter Law: ss. 20 and 21, 2002-218 (CS/SB 426)

Imposes requirements on the removal of a vehicle from this state, similar to those currently required for the purchase of a boat or aircraft. Also addresses the effect of residency of corporate officers and stockholders on the taxable status of sales of vehicles.

➤ **Saltwater Fish – Taking or Possessing of Marine Fish**

Effective Date: July 1, 2002

Statute Reference: s. 212.06(8)(b), F.S.

Chapter Law: s. 1, 2002-46 (CS/HB 1085)

Changes a term in s. 212.06(8)(b), F.S., from "any marine fish" to "any saltwater fish."

➤ **Section 38 Property**

Effective Date: July 1, 2002

Statute Reference: s. 212.08(5)(b), (d), and (f), F.S.

Chapter Law: ss. 18, 19, 2002-218 (CS/SB 426)

Replaces the current definition of “Section 38 property” with a definition that is consistent with the past federal explanation of that term. States the Legislature’s intent to provide guidance concerning Florida laws that reference the obsolete IRC language on “Section 38 property.” Clarifies that the new language has the same meaning (without limitation) as the former IRC provisions concerning Section 38 property.

➤ **Substance Abuse Services**

Effective Date: July 1, 2002

Statute Reference: s. 212.055, F.S.

Chapter Law: s. 7, 2002-196 (CS/SB 682)

Technical change to conform this statute to other changes in this act.

➤ **Substitute Telecommunications Systems**

Effective Date: April 16, 2002

Statute Reference: s. 212.05(1)(g), F.S.

Chapter Law: ss. 8, 9, 10, 11, 12, 15, 2002-48 (CS/HB 1511)

Repeals the sales tax on substitute telephone and telecommunications systems that was inadvertently left in place when the taxation of communications services was moved to Ch. 202, F.S., which eliminates the double taxation of substitute communications systems. States that this change is remedial in nature and clarifies existing law.

Changes in ss. 8, 9, 10, 11, and 12 conform statutory citations in various laws to the repeal of the sales tax on substitute communications systems by s. 15 of this act.

➤ **Verification of Entitlement to Credit**

Effective Date: July 1, 2002

Statute Reference: s. 212.11(5), F.S.

Chapter Law: s. 24, 2002-218 (CS/SB 426)

Authorizes DOR to require taxpayers to submit, upon request, documentation to verify the dealer’s entitlement to any credits claimed against that dealer’s SUT liabilities. Allows DOR to disallow credits not supported by the documentation. States that the disallowed credit (or any disallowed portion) is subject to a mandatory 25 percent penalty and the imposition of applicable interest. Credits authorized by s. 212.17, F.S., are excluded.

SEVERANCE TAX

➤ Distribution of Tax on Phosphate Rock

Effective Date: May 1, 2002

Statute Reference: s. 211.3103(2), F.S.

Chapter Law: s. 11, 2002-218 (CS/SB 426)

Requires DOR to distribute 10 percent of the proceeds of the severance tax on the production of phosphate rock to the county where the phosphate rock production occurred. The distribution must be based on the production information reported by producers on their annual returns for the taxable year. Tax distributions received by a county are to be used only for phosphate-related expenses.

TAX ADMINISTRATION

➤ Abatement of Interest – Certified Audit Program

Effective Date: May 1, 2002 (CS/SB 426)
July 1, 2002 (SB 1104)

Statute Reference: s. 213.21(8), F.S.

Chapter Law: s. 33, 2002-218 (CS/SB 426)
s. 2, 2002-171 (SB 1104)

Extends the scheduled repeal date from July 1, 2002, to July 1, 2006, for the certified audit program's interest abatement authority.

➤ Boating Under the Influence – Additional Court Cost

Effective Date: July 1, 2002

Statute Reference: s. 938.07, F.S.

Chapter Law: s. 11, 2002-263 (CS/HB 1057)

Provides that the \$135 court cost that is imposed on driving under the influence must also be imposed on boating under the influence. Requires clerks of the court to remit this \$135 court cost to DOR.

➤ **Certified Audit – Extension of Program**

Effective Date: May 1, 2002
Statute Reference: s. 213.285(2)(c), F.S.
Chapter Law: s. 36, 2002-218 (CS/SB 426)
s. 3, 2002-171 (SB 1104)

Extends the certified audit program to July 1, 2006 (this program was scheduled to end on July 1, 2002).

➤ **Compromise or Settlement of Penalties – Taxpayer’s Compliance History**

Effective Date: January 1, 2003
Statute Reference: s. 213.21(10), F.S.
Chapter Law: s. 33, 2002-218 (CS/SB 426)

Provides that, for taxes imposed by Ch. 212, F.S., DOR must settle or compromise penalties without requiring a taxpayer to submit a written request, based on whether the taxpayer has had none or one noncompliant filing events in the immediately preceding 12 months. States that, except for “extraordinary circumstances,” the normal penalties will be imposed if the taxpayer has had two or more noncompliant filing events in the immediately preceding 12 months. Defines the terms “noncompliant filing event” and “extraordinary circumstances.”

➤ **Compromise or Settlement of Penalties – Taxpayer’s Good Faith Belief**

Effective Date: May 1, 2002
Statute Reference: s. 213.21(9), F.S.
Chapter Law: s. 33, 2002-218 (CS/SB 426)

Requires DOR to compromise or settle penalties imposed on unpaid sales and use tax when the taxpayer failed to collect the correct tax from the customer based on a “good-faith” belief that the transaction was not taxable, and the taxpayer is no longer able to collect the correct tax from the customer.

➤ **Confidentiality – Certified Audit Program**

Effective Date: May 1, 2002 (CS/SB 426)
July 1, 2002 (SB 1104)
Statute Reference: s. 213.053(7)(n), F.S.
Chapter Law: s. 31, 2002-218 (CS/SB 426)
s. 1, 2002-171 (SB 1104)

Extends the scheduled repeal date from July 1, 2002, to July 1, 2006, for this information sharing authority for the certified audit program.

➤ **Confidentiality – Debit, Credit, and Charge Card Information**

Effective Date: May 13, 2002

Statute Reference: s. 119.07, F.S.

Chapter Law: s. 1, 2002-257 (HB 1675)

States that charge card, credit card, debit card, and bank account numbers possessed by an agency are exempt from the public records disclosure requirements of Florida law.

➤ **Confidentiality – Information DOR Provides to the Agency for Workforce Innovation (AWI)**

Effective Date: May 1, 2002

Statute Reference: s. 213.053(7)(w), F.S.

Chapter Law: s. 31, 2002-218 (CS/SB 426)

Permits DOR to release confidential tax registration information to AWI.

➤ **Confidentiality – Information DOR Shares with Payroll Service Providers**

Effective Date: May 1, 2002

Statute Reference: s. 213.053(3), F.S.

Chapter Law: s. 31, 2002-218 (CS/SB 426)

Authorizes DOR to release Unemployment Compensation Tax (UCT) rate information to certain payroll service providers, subject to specified conditions.

➤ **Confidentiality – Insurer Reporting for the Firefighter and Municipal Police Officer Pension Trust Fund**

Effective Date: May 1, 2002

Statute Reference: s. 213.053(7)(r), F.S.

Chapter Law: s. 31, 2002-218 (CS/SB 426)

Authorizes Department of Management Services (DMS) to disclose insurer reporting information relating to the Firefighter and Municipal Police Officer Pension Trust Fund to other governmental agencies.

➤ **Confidentiality – Social Security Numbers**

Effective Date: May 13, 2002

Statute Reference: s. 119.072, F.S.

Chapter Law: s. 1, 2002-256 (CS/HB 1673)

States that all social security numbers held by an agency, or its employees, agents, or contractors are confidential and exempt from public records disclosure requirements. Specifies an exemption from this confidentiality provision for certain commercial uses.

➤ **De Novo Review – Reasonable Cause Basis for Assessing Penalties**

Effective Date: May 1, 2002

Statute Reference: s. 213.21(3)(a), F.S.

Chapter Law: s. 33, 2002-218 (CS/SB 426)

States that the facts and circumstances that DOR uses to determine the “reasonable cause” basis under which penalty is assessed for nonpayment of tax are subject to *de novo* review (meaning trying the matter anew as if it had not been heard before) during an administrative or judicial procedure challenging the assessment.

➤ **Deficiency Billing Costs – Automated Refunds**

Effective Date: May 1, 2002

Statute Reference: s. 213.34(2), F.S.

Chapter Law: s. 34, 2002-218 (CS/SB 426)

Limits the amount for which automated refunds are issued to no less than the cost of processing the automated refund. Provides that such processing cost is determined every 3 years by a study conducted by DOR’s inspector general.

➤ **Definition of “Electronic Means”**

Effective Date: January 1, 2003

Statute Reference: s. 213.755, F.S.

Chapter Law: s. 38, 2002-218 (CS/SB 426)

Defines the term “electronic means” to include electronic data interchange, electronic funds transfer, or use of the Internet, telephone, or other technology specified by DOR.

➤ **Domestic Violence Program – Additional Court Cost**

Effective Date: July 1, 2002

Statute Reference: s. 938.01, F.S.

Chapter Law: s. 18, 2002-55 (SB 716)

Directs that the additional \$3.00 cost from every bond estreature or forfeited bail bond must be submitted to DOR, instead of to the state treasurer.

➤ **Electronic Filing – Consolidated Filers**

Effective Date: January 1, 2003

Statute Reference: s. 213.755, F.S.

Chapter Law: s. 38, 2002-218 (CS/SB 426)

Requires all consolidated filers to file and pay electronically, regardless of whether they meet the electronic filing threshold.

➤ **Electronic Filing – Development of Standards**

Effective Date: January 1, 2003

Statute Reference: s. 213.755, F.S.

Chapter Law: s. 38, 2002-218 (CS/SB 426)

Requires DOR to develop standards for encryption and taxpayer authentication based on American National Standards Institute formats. Directs DOR to provide several options for filing and remitting by electronic means.

➤ **Electronic Filing – Operation of Two or More Businesses**

Effective Date: January 1, 2003

Statute Reference: s. 213.755, F.S.

Chapter Law: s. 38, 2002-218 (CS/SB 426)

Requires a taxpayer who operates two or more businesses for which returns are due to combine the tax payments for all such businesses to determine if he or she is subject to electronic filing requirements.

➤ **Electronic Filing – Penalty for Failure to File Electronically**

Effective Date: January 1, 2003

Statute Reference: s. 213.755, F.S.

Chapter Law: s. 38, 2002-218 (CS/SB 426)

Provides that a taxpayer who is required to file returns electronically and who fails to file in such manner is liable for a \$10 penalty for each return submitted (in addition to any other penalty imposed), unless DOR has granted the taxpayer a waiver.

➤ **Electronic Filing – Penalty for Failure to Pay Electronically**

Effective Date: January 1, 2003

Statute Reference: s. 213.755, F.S.

Chapter Law: s. 38, 2002-218 (CS/SB 426)

Provides that a taxpayer who is required to remit payments electronically and who fails to remit payments in such manner is liable for a \$10 penalty for each remittance submitted (in addition to any other penalty imposed).

➤ **Electronic Filing – Threshold Lowered**

Effective Date: January 1, 2003

Statute Reference: s. 213.755, F.S.

Chapter Law: s. 38, 2002-218 (CS/SB 426)

Lowers from \$50,000 to \$30,000 the threshold used to determine who is required to file returns and pay tax electronically. This threshold is based on taxes paid in the previous state fiscal year.

➤ **Electronic Filing – Waiver of Return Filing Requirement**

Effective Date: January 1, 2003

Statute Reference: s. 213.755, F.S.

Chapter Law: s. 38, 2002-218 (CS/SB 426)

Allows DOR to waive the requirements to file a return electronically for taxpayers who are unable to comply (despite good faith efforts), due to circumstances beyond the taxpayer's control. Specifies the conditions under which a taxpayer may qualify for such waiver.

➤ **Electronic Filing – Zero Returns**

Effective Date: January 1, 2003

Statute Reference: s. 213.755, F.S.

Chapter Law: s. 38, 2002-218 (CS/SB 426)

Authorizes DOR's executive director to require that zero returns for all taxes be filed by electronic means.

➤ **Florida High-Speed Rail Authority – Tax Exemption**

Effective Date: July 1, 2002

Statute Reference: s. 341.840, F.S.

Chapter Law: s. 48, 2002-20 (CS/HB 261)

Provides that the High-Speed Rail Authority, its agent, and the owner are not required to pay any taxes or assessments imposed by the state or any local government on or in respect to the high-speed rail system or any property acquired or used by the Authority, its agent, or such owner.

➤ **Inadvertent Registration Errors – Reduced Penalty**

Effective Date: July 1, 2002

Statute Reference: s. 212.07(9), F.S.

Chapter Law: ss. 15 and 16, 2002-218 (CS/SB 426)

Provides a penalty structure that limits liability for inadvertent SUT registration errors and encourages voluntary self-disclosure.

Explains that the sale for resale provisions apply to all pending SUT audits, protests, litigation, or other actions or inquiries. Provides that taxpayers have until either the date in paragraph (9)(b) of s. 212.07, F.S., or 90 days after the act takes effect, to apply for the subject penalty treatment.

Clarifies that the resale provisions do not establish a right to a refund for taxes previously assessed and paid on actions that are no longer pending.

➤ **Jurisdiction of Circuit Court**

Effective Date: January 1, 2003

Statute Reference: s. 72.011(4) and (5), F.S.

Chapter Law: s. 4, 2002-218 (CS/SB 426)

States that actions contesting the legality of any assessment or denial of any refund of the taxes, fees, surcharges, permits, interest, or penalties listed in s. 72.011, F.S., may also be initiated in the circuit court of the county where the taxpayer regularly maintains its books and records, in addition to other choices allowed by the statute.

➤ **Limited Liability Companies – Tax Treatment**

Effective Date: January 1, 2003

Statute Reference: s. 608.471(3), F.S.

Chapter Law: s. 53, 2002-218 (CS/SB 426)

Provides that single-member limited liability companies and other entities that are disregarded for federal income tax purposes must be treated as separate legal entities for non-income-tax purposes. With respect to single-member disregarded entities, DOR must adopt rules for reporting and accounting for income, employment, and other taxes under the tax identification number of the owner of the single-member entity.

➤ **Personal Care Attendant Pilot Program**

Effective Date: July 1, 2002

Statute Reference: s. 413.402, F.S.

Chapter Law: ss. 1 and 2, 2002-286 (CS/CS/HB 295)

Establishes a “personal care attendant pilot program.” Provides that funds for the pilot must be generated from a tax collection diversion program that collects revenue from individuals who have not remitted their collected sales tax. States that, notwithstanding s. 212.20, F.S., 25 percent of the diversion program revenues collected must be deposited in a trust fund for this pilot program.

➤ **Registration Information Sharing and Exchange Program**

Effective Date: July 1, 2002

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

Chapter Law: s. 32, 2002-218 (CS/SB 426)

Allows “level two” counties participating in the RISE program to share confidential information with other participating counties. Requires the participant that provides the information to maintain records of such disclosure, which are subject to DOR review for five years after disclosure.

➤ **Reward Program – Sole Means of Compensation**

Effective Date: May 1, 2002

Statute Reference: s. 213.30(3), F.S.

Chapter Law: s. 37, 2002-218 (CS/SB 426)

Clarifies that the Reward Program is the only means available to obtain compensation for information regarding another person’s failure to comply with the state’s tax laws.

TAXPAYER BILL OF RIGHTS

➤ Automated/Electronic Business Procedures

Effective Date: May 1, 2002

Statute Reference: s. 213.015(17), F.S.

Chapter Law: s. 30, 2002-218 (CS/SB 426)

Guarantees Florida taxpayers the right to have DOR actively investigate, review, and implement (when appropriate) automated or electronic business procedures that help the Department operate more efficiently and effectively.

➤ Fair and Consistent Application of the Tax Laws

Effective Date: May 1, 2002

Statute Reference: s. 213.015(21), F.S.

Chapter Law: s. 30, 2002-218 (CS/SB 426)

Guarantees Florida taxpayers that DOR will fairly and consistently apply the tax laws to them.

➤ Free Educational Activities

Effective Date: May 1, 2002

Statute Reference: s. 213.015(19), F.S.

Chapter Law: s. 30, 2002-218 (CS/SB 426)

Guarantees to Florida taxpayers the right to participate in free educational activities that help the taxpayer comply with the state's revenue laws.

➤ Reinstatement of Exemption

Effective Date: May 1, 2002

Statute Reference: s. 213.015(20), F.S.

Chapter Law: s. 30, 2002-218 (CS/SB 426)

Guarantees to Florida taxpayers the right to pay a reasonable fine or percent of the tax due, to reinstate an exemption that the taxpayer lost due to failure to register properly or failure to obtain the required certificate.

➤ **Review of Multi-State Proposals**

Effective Date: May 1, 2002

Statute Reference: s. 213.015(16), F.S.

Chapter Law: s. 30, 2002-218 (CS/SB 426)

Guarantees to Florida taxpayers the right to have DOR identify and review multi-state proposals that offer more efficient and effective methods of tax administration.

➤ **Waiver of Accrued Interest—DOR Error or Delay**

Effective Date: May 1, 2002

Statute Reference: s. 213.015(18), F.S.

Chapter Law: s. 30, 2002-218 (CS/SB 426)

Guarantees to Florida taxpayers the right to a waiver of accrued interest if such interest results from an error or delay by DOR.

UNEMPLOYMENT COMPENSATION TAX (UCT)

➤ **Administrative Responsibilities**

Effective Date: May 1, 2002

Statute Reference: s. 11, Ch. 2000-165, L.O.F.

Chapter Law: s. 56, 2002-218 (CS/SB 426)

States that DOR is administering a state revenue law when it provides UCT collection services to AWI, pursuant to the contractual agreement between DOR and AWI. Makes certain provisions of Ch. 213, F.S., applicable to UCT.

➤ **Domestic Service Employees – Annual Filing**

Effective Date: May 1, 2002

Statute Reference: s. 443.131(1), F.S.

Chapter Law: s. 50, 2002-218 (CS/SB 426)

Allows most employers of domestic employees to file annually by removing some exceptions in current statutes. Also changes the due date for annual filing from April 1 to January 1 and changes the delinquency date from April 30 to February 1.

➤ **Filing Reports and Remitting Taxes by Electronic Means**

Effective Date: January 1, 2003

Statute Reference: s. 443.163, F.S.

Chapter Law: s. 52, 2002-218 (CS/SB 426)

Permits employers to remit taxes and file reports by electronic means. Authorizes DOR to waive the requirement to file returns by electronic means for taxpayers who file by telefile and who are unable to comply despite good-faith efforts, or due to circumstances beyond the taxpayer's reasonable control. Defines the term "electronic means." Specifies the conditions under which a taxpayer may qualify for a waiver from the electronic reporting requirements.

➤ **Filing Reports by Electronic Means – Employers and Persons**

Effective Date: January 1, 2003

Statute Reference: s. 443.163, F.S.

Chapter Law: s. 52, 2002-218 (CS/SB 426)

Requires employers that reported ten or more employees in any calendar quarter in the preceding state fiscal year to file the quarterly unemployment reports for the subsequent year by electronic means. Also requires any person filing quarterly reports for five or more employers to submit information by electronic means. Imposes a penalty of 10 percent of the tax due, but not less than \$10 per report (in addition to any other lawful penalty), for failing to file the Employers Quarterly Report by electronic means. Provides that a taxpayer who must remit payments electronically and who fails to remit payments in such manner is liable for a \$10 penalty for each remittance submitted (in addition to any other penalty imposed).

➤ **Participation in Disbursement of Proceeds – Funds in the Court Registry**

Effective Date: May 1, 2002

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

Chapter Law: s. 3, 2002-218 (CS/SB 426)

Authorizes DOR to participate in the disbursement of any funds remaining in the registry of the court after the distribution of sale proceeds pursuant to s. 45.031, F.S., if DOR has an interest in a UCT lien, even if DOR has been defaulted in the proceedings.

➤ **Release of Confidential UT Rate Information to Employers' Agents through a Memorandum of Understanding (MOU)**

Effective Date: May 1, 2002

Statute Reference: s. 213.053(3), F.S.

Chapter Law: s. 31, 2002-218 (CS/SB 426)

Allows DOR to release confidential unemployment tax rate information to certain agents of employers, if that agent has signed an MOU with DOR.

➤ **Surplus Proceeds from Liens – Notification to DOR**

Effective Date: May 1, 2002

Statute Reference: s. 55.202(5), F.S.

Chapter Law: s. 2, 2002-218 (CS/SB 426)

Enables designees of DOR to enter lien information into the Department of State's central lien database without incurring the \$20 fee.

➤ **Tax Rate Triggering Provisions**

Effective Date: May 1, 2002

Statute Reference: s. 443.131(3)(e), F.S.

Chapter Law: s. 50, 2002-218 (CS/SB 426)

Decreases from 5.0 to 4.7 percent the upper threshold amount that triggers a reduction in the tax rate, which occurs when the balance in the unemployment compensation trust fund is excessive. Also reduces from 4.0 to 3.7 percent the lower threshold amount that triggers an increase in the tax rate, which occurs when the balance in the unemployment compensation trust fund is too low.

➤ **Treatment of Indian Tribes**

Effective Date: May 1, 2002 (retroactive to December 21, 2000)

Statute Reference: s. 443.1315, F.S.

Chapter Law: s. 51, 2002-218 (CS/SB 426)

Grants Indian tribes the right to be treated as a reimbursable employer for UCT purposes.

WASTE TIRE FEES

➤ Waste Tire Fees – Deposit of Proceeds

Effective Date: July 1, 2002

Statute Reference: s. 403.718, F.S.

Chapter Law: s. 10, 2002-291 (CS/HB 851)

Directs that proceeds from waste tire fees be deposited into the Solid Waste Management Trust Fund without any specific account designation, instead of being designated for the waste tire account.