

POST-Legislative

REVIEW



DEPARTMENT OF REVENUE

FLORIDA

2015

Changes to Florida Tax Laws



**Executive
Director**

Marshall Stranburg

Child Support

Ann Coffin
Director

**General Tax
Administration**

Maria Johnson
Director

**Property Tax
Oversight**

Dr. Maurice Gogarty
Director

**Information
Services**

Damu Kuttikrishnan
Director

The Florida Department of Revenue (Department) compiled this Post-Legislative Review to provide information about general laws enacted by the Florida Legislature during the 2015 Legislative Session and 2015 Special Session "A."

Use this booklet for reference only. The discussion of each item is brief and may not include every detail of the law that could affect a particular taxpayer. Before applying the changes to a specific decision on taxes, please review the applicable statute or Department rule. For current statutes, please visit the Florida Legislature's website at www.leg.state.fl.us.

If you have questions about tax issues, you may call Taxpayer Services at (800) 352-3671, or you may request a written response to a tax question by writing to Taxpayer Services, Florida Department of Revenue, 5050 West Tennessee Street, Tallahassee, Florida 32399-0112.

For additional information about the Department, please visit our website at www.myflorida.com/dor.

We hope you find this information useful. We welcome your comments and suggestions. Please write to our Office of Legislative and Cabinet Services at Post Office Box 5906, Tallahassee, Florida 32314-5906, or email peatej@dor.state.fl.us.

TABLE OF CONTENTS

Electronic version offers active content links

COMMUNICATIONS SERVICES TAX	1
Alternative-period Basis Reporting	1
Collection Allowance	1
Distribution Adjustment	1
Rate Changes	1
CORPORATE INCOME TAX	2
Adoption of the 2015 U.S. Internal Revenue Code	2
Community Contribution Tax Credits	3
Contaminated Site Rehabilitation Tax Credit	3
Limited Liability Companies	3
Modified Enterprise Zone Program	4
Research and Development Tax Credit	4
DOCUMENTARY STAMP TAX	4
Implementation of the Water and Land Conservation Constitutional Amendment	4
FUEL TAX	5
Aviation Fuel Tax Exemption	5
INSURANCE PREMIUM TAX	5
Insurance Premium Tax – Title Insurance	5
Florida Insurance Guaranty Association	6
LOCAL GOVERNMENT	6
City of Panacea, Wakulla County	6
Emergency Fire Rescue Services and Facilities Surtax	7
Village of Estero, Lee County	7
PROPERTY TAX	8
Downtown Development Districts	8
Military Housing Ad Valorem Tax Exemptions	8
Property Appraisers	9
Public Records; Email Addresses; Tax Notices	9
Surveillance by a Drone	9
Taxation	11
Value Adjustment Board Proceedings	11
Value Adjustment Board Petitions	11
SALES AND USE TAX	12
Community Contribution Tax Credits	12
Definition of Livestock	12
Distribution Adjustment	12
Exemptions	13
Admissions Tax – Gun Clubs	13
Clothing, School Supplies, and Personal Computers and Related Accessories (Back-to-School Sales Tax Holiday)	13
College Textbooks	14
Farming	14
Motor Vehicles Owned by Members of the Armed Forces	15
Prepaid College Meal Plans	15

Modified Enterprise Zone Program.....	15
Sales by School Support Organizations	15
Tax Cap – Boat Repairs	15
SEVERANCE TAXES.....	16
Miami-Dade County Lake Belt Area	16
TAX ADMINISTRATION.....	16
Florida Business Information Portal.....	16
General Appropriations Act – Distribution of Funds – State Juvenile Detention Trust Fund	17
Publication of Maximum Value of Prizes	17

Abbreviations used in this publication:

Ch. – Chapter	F.S. – Florida Statutes
Chs. – Chapters	HB – House Bill
Clerk – Clerk of the Court	SB – Senate Bill
CS – Committee Substitute	s. – section
Eng. – Engrossed	ss. – sections

COMMUNICATIONS SERVICES TAX

➤ **Alternative-period Basis Reporting**

Effective Date: October 1, 2015

Statute Reference: Section 202.27, F.S.

Chapter Law: Section 5, 2015-221 (HB 33A, 2nd Eng.)

Allows dealers to elect to use an alternative-period basis to report communications services tax (CST) to the Department. A dealer who wishes to use an alternative-period basis will need to file an election on a form furnished by the Department. The period chosen must be used for a minimum of 12 months. All taxes collected in an alternative-period must still be reported and remitted on or before the 20th day of the subsequent month. These changes are remedial and apply retroactively, but do not allow for an assessment, refund, or credit. CST returns filed on an alternative-period basis before October 1, 2015, are deemed to have been filed as though the election was made.

➤ **Collection Allowance**

Effective Date: October 1, 2015

Statute Reference: Section 202.28, F.S.

Chapter Law: Sections 6 and 7, 2015-221 (HB 33A, 2nd Eng.)

Provides that if a collection allowance is disallowed only because a communications services tax (CST) payment is late, then the amount that is disallowed is limited to the percentage of the total tax due that is late. If the percentage is not readily evident, the dealer has the burden to demonstrate the percentage of the payment that was not late. The requirement to timely file the tax return in order to receive the collection allowance has not changed. A collection allowance will continue to be disallowed in full if the tax return is not filed by the required due date. These changes are remedial and apply retroactively, but do not allow for an assessment, refund, or credit.

➤ **Distribution Adjustment**

Effective Date: August 1, 2015

Statute Reference: Section 202.18, F.S.

Chapter Law: Section 4, 2015-221 (HB 33A, 2nd Eng.)

Decreases the percentage of remaining gross receipt taxes collected on communications services which are distributed to the state after certain distributions are made in accordance with the Constitution of the State of Florida. The amount of remaining funds going to the state to be distributed pursuant to s. 212.20(6), F.S., is reduced from 63% to 55.9%.

➤ **Rate Changes**

Effective Date: July 1, 2015

Statute Reference: Sections 202.12, 202.12001, 203.001, F.S.

Chapter Law: Sections 2, 3, 8, 9, and 17; 2015-221 (HB 33A, 2nd Eng.)

Reduces the state portion of the communications services tax (CST) from 6.65% to 4.92% on services other than direct-to-home satellite services. The combined rate for these CST services is now 5.07% (4.92% CST tax plus 0.15% gross receipts tax). The 2.37% gross receipts tax, which is reported separately, remains unchanged.

The direct-to-home satellite rate is reduced from 10.8% to 9.07%. The 2.37% gross receipts tax remains unchanged. The new total Florida communications services tax rate for sales of direct-to-home satellite services is 11.44%.

The reduced tax rates apply to taxable communications services transactions included on bills dated on or after July 1, 2015. Items on the bill that are only subject to sales or other taxes are not affected by this change.

Dealers unable to implement the rate reduction by July 1, 2015, must:

- Remit all taxes collected at the previous rates during the implementation period;
- Begin collecting tax at the reduced rates by October 1, 2015; and
- Credit each customer the amount of taxes collected in excess of the tax due by March 1, 2016. If a dealer cannot provide a credit to a customer due to a customer's termination of service, this will not create a cause of action against the dealer.

Once a dealer has remitted a tax amount collected to the Department and issued a credit to a customer, the dealer may take a credit on its communications services tax return for the amount credited to the customer. Credits must be reported on either Schedule III (Direct-to-Home Satellite Services Adjustments) or Schedule IV (Adjustments) of the communications services tax return, Form DR-700016.

CORPORATE INCOME TAX

➤ Adoption of the 2015 U.S. Internal Revenue Code

Effective Date: May 14, 2015 (Retroactive to January 1, 2015)

Statute Reference: Sections 220.03(1)(n) and (2)(c), 220.13, and 1009.97, F.S.

Chapter Law: 2015-035 (HB 7009)

Updates the references in the Florida Income Tax Code to conform to the United States Internal Revenue Code (IRC) in effect on January 1, 2015.

Amends s. 220.13(1)(e), F.S., to require that deductions pursuant to the Tax Increase Prevention Act of 2014 also be added back for bonus depreciation (ss. 167 and 168(k), IRC) (property placed in service after December 31, 2007, and before January 1, 2015) and excess deduction (s. 179, IRC) (tax years beginning after December 31, 2007, and before January 1, 2015). The addback will be for 100% of any amount in excess of \$128,000 deducted for federal income tax purposes for s. 179, IRC, deductions, with the exception of \$250,000 for tax year beginning in 2010. The two additions will be subtracted over a seven-year period, including the year in which the additions were made.

➤ **Community Contribution Tax Credits**

Effective Date: July 1, 2015

Statute Reference: Sections 220.03 and 624.5105, F.S.

Chapter Law: Sections 18, 19, and 24; 2015-221 (HB 33A, 2nd Eng.)

Modifies the total amount of awards for the community contribution tax credit program to \$18.4 million in fiscal year 2015-2016 and to \$21.4 million in fiscal years 2016-2017 and 2017-2018 for projects that provide housing opportunities for persons with special needs or provide homeownership opportunities for low-income households. No funds are allocated for awards after fiscal year 2017-2018.

Other changes include:

- The date on which the community contributions tax credit program expires is extended to June 30, 2018.
- Revises the expiration for the definition of “community contribution” to June 30, 2018.
- Revises references to communities with “enterprise zones” to communities “which had an enterprise zone designated pursuant to s. 290.0065 as of May 1, 2015.”
- The definition of “project” is expanded to include activities designed to provide housing opportunities for persons with special needs as defined in s. 420.0004, F.S.
- The expiration date of the definition for “project” is also extended to June 30, 2018.

➤ **Contaminated Site Rehabilitation Tax Credit**

Effective Date: July 1, 2015

Statute Reference: Sections 220.1845 and 376.30781, F.S.

Chapter Law: Sections 20 and 22, 2015-221 (HB 33A, 2nd Eng.)

Provides a one-time increased allowance for tax credits under the brownfield clean-up program provided under s. 220.1845, F.S. The increased cap is \$21.6 million in fiscal year 2015-2016. After this year, the allowance is returned to \$5 million annually.

➤ **Limited Liability Companies**

Effective Date: July 1, 2015

Statute Reference: Chapter 220, F.S., and Section 213.758, F.S.

Chapter Law: Sections 14-17, 2015-148 (CS/CS/CS/HB 531, 1st Eng.)

Corrects within Ch. 220, F.S., the cross references to Ch. 608, F.S., so that the references now apply to the appropriate statute in Ch. 605, F.S.

Deletes “a managing member of,” from s. 213.785(1)(c), F.S. to make it consistent with the language in Ch. 605, F.S.

Provides a retroactive effective date of January 1, 2015, for these sections.

➤ **Modified Enterprise Zone Program**

Effective Date: January 1, 2016

Statute Reference: N/A

Chapter Law: Section 30, 2015-221 (HB 33A, 2nd Eng.)

Authorizes the Department of Economic Opportunity to administer certain incentives from January 1, 2016 through December 31, 2018, for businesses within the boundaries of an enterprise zone as of May 1, 2015. The Department will receive a list of qualifying businesses from the Department of Economic Opportunity by December 31, 2015, and will continue to apply tax credits to qualifying businesses as applicable. The Department of Economic Opportunity will also provide notice to the Department of any contracts that expire or are terminated.

➤ **Research and Development Tax Credit**

Effective Date: July 1, 2015

Statute Reference: Section 220.196, F.S.

Chapter Law: Section 21, 2015-221 (HB 33A, 2nd Eng.)

Limits businesses that qualify for the tax credit to those in a target industry as defined in s. 288.106(2)(n), F.S. This limitation is further narrowed to businesses in the following fields: manufacturing; life sciences; information technology; aviation and aerospace; homeland security and defense; cloud information technology; marine sciences; materials science; and nanotechnology industries. Requires that a business applying to the Department for a credit must include a letter from the Department of Economic Opportunity certifying that the business is in a qualifying target industry.

Subsection 220.196(2), F.S., is revised to increase the amount of credit available to \$23 million during calendar year 2016. Provides that applications must be filed between March 20 and March 27, 2016 for qualified research expenses incurred within the preceding calendar year. Provides that if the total credits for all applicants exceed the maximum amount allowed for that year, the credits will be allocated on a prorated basis. In subsequent years, the amount of credit available will be \$9 million. The application period will be March 20 through 26 of each year, and the credit will be allocated on a prorated basis, if needed.

Removes the reference to the nonexistent paragraph s. 220.196(2)(e), F.S.

DOCUMENTARY STAMP TAX

➤ **Implementation of the Water and Land Conservation Constitutional Amendment**

Effective Date: July 1, 2015

Statute Reference: Section 201.15, F.S.

Chapter Law: Section 9, 2015-229 (SB 2516A, 1st Eng.)

Implements changes required by the Water and Land Conservation Constitutional Amendment to the documentary stamp tax distribution formula. Removes several of the current recipient funds.

The new formula provides that:

- 33% of net funds are distributed to the Department of Environmental Protection's Land Acquisition Trust Fund (which includes amounts needed for debt service on bonds);
- Up to 24.18442% (or \$541.75 million) to the Florida State Treasury's State Transportation Trust Fund;
- Up to 0.1456% (or \$3.25 million) to the Department of Economic Opportunity's Grants and Donations Trust Fund;
- 24.17% to the State Treasury's State Housing Trust Fund; and
- Up to 0.017% (or \$300 million) to the General Inspection Trust Fund.

Any remainder is to be transferred to the General Revenue Fund.

The phosphate rock distribution formula is revised, replacing distributions to the Conservation and Recreation Lands Trust Fund with transfers to the State Park Trust Fund.

FUEL TAX

➤ **Aviation Fuel Tax Exemption**

Effective Date: July 1, 2015

Statute Reference: Section 206.9825, F.S.

Chapter Law: Section 10, 2015-221 (HB 33A, 2nd Eng.)

Provides an exemption for aviation fuel used in flight training by a school of aeronautics or college of aviation, if such school or college is part of a 501(c)(3) college based in Florida or a university in Florida. If a licensed wholesaler or terminal supplier sells aviation fuel tax exempt to a qualified school, it is eligible for an ultimate vendor credit for tax previously paid. If a qualifying school purchases aviation fuel and pays tax, it may apply for a refund directly from the Department.

INSURANCE PREMIUM TAX

➤ **Insurance Premium Tax – Title Insurance**

Effective Date: July 1, 2015

Statute Reference: Section 624.509, F.S.

Chapter Law: Section 23, 2015-221 (HB 33A, 2nd Eng.)

Makes the title insurance exemption in s. 624.509, F.S., permanent if the industry adds at least 600 Florida-based, full-time equivalent positions between July 1, 2014, and July 1, 2017. This determination will be made by the Department of Economic Opportunity, who will submit the determination to the President of the Senate, the Speaker of the House, and the Department by October 1, 2017.

➤ **Florida Insurance Guaranty Association**

Effective Date: July 1, 2015

Statute Reference: Sections 631.57 and 631.64, F.S.

Chapter Law: Sections 2 and 3, 2015-65 (CS/SB 836)

Section 631.57(3), F.S., is amended to allow the Office of Insurance Regulation a second method of collecting regular assessments from insurers. The Office of Insurance Regulation is permitted to collect the levied amount of regular assessment from insurers through monthly installments when the Florida Insurance Guaranty Association (FIGA) determines it has sufficient cash flow to pay anticipated claims for at least six months. The monthly installments paid by the insurer will be the monthly amount recouped from policyholders for the assessment.

All regular and emergency assessments authorized by s. 631.57(3), F.S., are no longer premiums for premium tax purposes, whether collected through an initial payment or by monthly payments; such assessments are not subject to premium tax or to any fees.

Section 631.64, F.S., is amended to require that charges or recoupments for amounts paid to FIGA are to be separately stated on premium statements. In addition, the charges or recoupments for amounts paid to FIGA are no longer to be included in rate filings with the Office of Insurance Regulation. Since the rates charged for insurance are no longer increased through the FIGA recoupment process, the insurance premium tax receipts under s. 624.509, F.S., will no longer increase as a result of FIGA assessments. However, since FIGA assessments are specifically imposed on the insurer, the property portion of the assessment will continue to be included as a burden of the insurer on the Florida side of the retaliatory tax computation under s. 624.5091, F.S.

LOCAL GOVERNMENT

➤ **City of Panacea, Wakulla County**

Effective Date: Upon approval by a majority of electors residing in the proposed corporate limits of the proposed City of Panacea.

Update: Voters defeated the incorporation referendum on June 30, 2015.

Statute Reference: N/A

Chapter Law: 2015-182 (CS/HB 593)

Provides for the creation of the City of Panacea if certain administrative measures are taken. If the city is created, it will be entitled to participate in all shared revenue programs effective July 1, 2015. Provides that the provisions of s. 218.23(1), F.S., shall be waived from the date of incorporation through December 31, 2019, for the purpose of revenue-sharing eligibility.

Provides that the City of Panacea will be allocated a portion of the local option fuel tax collected on the sale of motor fuels within Wakulla County, beginning on October 1, 2015.

Implements a local communications services tax distribution method for the new City of Panacea. The local tax currently imposed and collected for unincorporated Wakulla County will be shared with the new City of Panacea. A proportion will be calculated, based on the population inside the city boundaries compared with the total population of unincorporated Wakulla County prior to the incorporation of the City of Panacea.

Provides that even if the City of Panacea is incorporated, the special taxing district will continue to operate as it currently does until the city adopts an ordinance to the contrary. Because the current Panacea area does not receive insurance premium taxes, this will continue to be the case after incorporation, unless the city passes an ordinance that would qualify it to participate in one of the trust funds.

➤ **Emergency Fire Rescue Services and Facilities Surtax**

Effective Date: July 1, 2015

Statute Reference: Section 212.055, F.S.

Chapter Law: 2015-169 (CS/CS/HB 209, 1st Eng.)

Allows local government entities to distribute surtax funds based on the proportion of each affected jurisdiction's ad valorem taxes and non-ad valorem assessments collected to pay for fire control and emergency rescue services. The requirement that these distributions be determined by an interlocal agreement is removed.

The surtax collected must be distributed by the county based on the average annual expenditures of ad valorem taxes and non-ad valorem assessments for fire control and emergency rescue services. This amount is based upon the five fiscal years prior to the surtax taking effect and will be proportional to the average annual total of expenditures for all recipients of the proceeds in the five fiscal years before the fiscal year for which the surtax takes effect. The county must update these proportions to reflect changes in service area among entities receiving the distribution.

If a county that receives a share of the surtax cannot reduce its ad valorem taxes since the millage is zero, then the funds must be applied to reduce any non-ad valorem assessments made for fire control and emergency rescue services. If no ad valorem or non-ad valorem reduction is possible, then the surplus of the surtax collected must return to the county. The county must reduce the county millage rates to offset the surplus.

➤ **Village of Estero, Lee County**

Effective Date: July 1, 2015

Statute Reference: N/A

Chapter Law: 2015-193 (CS/HB 983)

Provides that s. 218.23(1), F.S., shall be waived for the purpose of conducting audits and financial reporting "through the end of fiscal year 2016-2017;" and that for purposes of complying with s. 218.23(1), F.S., relating to ad valorem taxation, the existing provision permitting the indefinite use of the millage levied by special districts includes, but is not limited to, the millage levied by the Estero Fire Rescue District.

Allows the Village of Estero to be eligible for revenue sharing for fiscal year 2015-2016.

PROPERTY TAX

➤ Downtown Development Districts

Effective Date: July 1, 2015

Statute Reference: Section 189.056, F.S.

Chapter Law: Section 1, 2015-43 (CS/CS/SB 278)

This law creates a new statute, s. 189.056, F.S., which provides a statement of legislative intent, which states that the Legislature encourages the revitalization of downtown areas in large municipalities where the societal ills associated with urban blight are most prevalent. However, in recognition of the traditionally broad home rule power that charter counties exercise, the Legislature intends this law to apply only to certain counties.

This law states that the governing body of a municipality with a population of more than 400,000, as determined by the Office of Economic and Demographic Research, and located in a county as defined in s. 125.011(1), F.S., may, by ordinance, levy an ad valorem tax of up to 0.475 mill on the taxable value of all real and personal property in a downtown development district to finance the district's operation. The district's millage may not exceed 0.475 mill. Section 200.001(8)(d), F.S., limits this millage.

➤ Military Housing Ad Valorem Tax Exemptions

Effective Date: July 1, 2015

This law will apply retroactively to January 1, 2007.

Statute Reference: Subsection (1) of section 196.199, F.S.

Chapter Law: Sections 1 and 2, 2015-80 (CS/CS/HB 361, 1st Eng.)

To recognize federal government immunity, this law expands the exemption for United States government-owned property to include any leasehold interest of and improvements affixed to land owned by the United States, any branch of the United States Armed Forces, or any agency or quasi-governmental agency of the United States if the leasehold interest and improvements are used to provide housing according to the Military Housing Privatization Initiative of 1996.

This law defines "improvements" to include actual housing units and any facilities, including several support facilities, that are directly related to the housing units acquired or constructed and used under the federal initiative.

This law does not require an exemption application or the property appraiser's approval under s. 196.199(5), F.S., for this ad valorem exemption.

The exemption provided by this law does not apply to transient public lodging establishments defined in s. 509.013, F.S., from the exemption. Section 509.013(4)(a)1, F.S., defines "transient public lodging establishment" to mean any unit, group of units, dwelling, building, or group of buildings within a single complex of buildings which is rented to guests more than three times in a calendar year for periods of less than 30 days or one calendar month, whichever is less, or which is advertised or held out to the public as a place regularly rented to guests.

➤ **Property Appraisers**

Effective Date: July 1, 2015

Statute Reference: Subsection (1) of section 195.087, F.S.

Chapter Law: Section 1, 2015-87 (HB 213)

This law provides that, once the Department makes its final budget amendments, a property appraiser's budget is final and the county commission will fund it under s. 192.091, F.S., which specifies how property appraisers' and tax collectors' budgets are funded.

This law amends s. 195.087(1)(b), F.S., to require the county commission to fund the property appraiser's final budget during an appeal to the Administration Commission, which consists of the Governor and Cabinet.

➤ **Public Records; Email Addresses; Tax Notices**

Effective Date: July 1, 2015

Statute Reference: Section 197.3225, F.S.

Chapter Law: Sections 1 and 2, 2015-13 (CS/SB 200)

This law creates a new statute, s. 197.3225, F.S., which states that when a tax collector holds a taxpayer's email address for any of the following purposes, it is exempt from s. 119.07(1), F.S., and s. 24(a), Article I of the Constitution of the State of Florida:

- Sending a quarterly tax notice for prepayment of estimated taxes under s. 197.222(3), F.S.;
- Obtaining the taxpayer's consent to send the tax notice described in s. 197.322(3), F.S.;
- Sending an additional tax notice or delinquent tax notice to the taxpayer under s. 197.343, F.S.; and
- Sending a tax notice to a designated third party, mortgagee, or vendee under s. 197.344(1), F.S.

This law is subject to the Open Government Sunset Review Act under s. 119.15, F.S., and will repeal on October 2, 2020, unless the Legislature reenacts it.

➤ **Surveillance by a Drone**

Effective Date: July 1, 2015

Statute Reference: Section 934.50, F.S.

Chapter Law: Section 1, 2015-26 (CS/CS/SB 766, 1st Eng.)

This law defines "image" as a record of thermal, infrared, ultraviolet, visible light, or other electromagnetic waves; sound waves; odors; or other physical phenomena, which captures conditions existing on or about real property or an individual located on that property.

This law defines "imaging device" as a mechanical, digital, or electronic viewing device; still camera; camcorder; motion picture camera; or any other instrument, equipment, or format capable of recording, storing, or transmitting an image.

This law defines "surveillance" as observation with sufficient visual clarity to be able to obtain information about the identity, habits, conduct, movements, or whereabouts of an owner, tenant,

occupant, invitee, or licensee of privately-owned real property. With respect to privately-owned real property, “surveillance” is observation of the property’s physical improvements with sufficient visual clarity to be able to determine unique identifying features or occupancy by one or more persons.

This law prohibits a person, state agency, or political subdivision from using a drone equipped with an imaging device to record an image of privately-owned real property or an image of the owner, tenant, occupant, invitee, or licensee of the property with the intent to conduct surveillance on the individual or property, violating the person's reasonable expectation of privacy without his or her written consent. A person has a reasonable expectation of privacy on his or her privately-owned real property if persons at ground level in a place where they have a legal right to be could not observe the person, regardless of whether a drone could observe him or her from the air.

This law adds an exception to the prohibition of the use of a drone by a person or entity engaged in a business or profession licensed by the state, or by its agent, employee, or contractor, if the person or entity uses the drone only to perform reasonable tasks within the scope of practice or activities that the person’s or entity’s license permits. However, this exception does not apply to a profession in which the licensee’s authorized scope of practice includes obtaining information about the identity, habits, conduct, movements, whereabouts, affiliations, associations, transactions, reputation, or character of any society, person, or group of persons.

This law also adds an exception for a property appraiser’s employee or contractor who uses a drone solely to assess property for ad valorem taxation.

This law adds an exception to the prohibition of the use of a drone to capture images by or for an electric, water, or natural gas utility for the following reasons:

- Operations and maintenance of utility facilities, including facilities used in the generation, transmission, or distribution of electricity, gas, or water, to maintain utility system reliability and integrity;
- Inspecting utility facilities, including pipelines, to determine construction, repair, maintenance, or replacement needs before, during, and after construction of the facilities;
- Assessing vegetation growth to maintain clearances on utility rights-of-way;
- Utility routing, siting, and permitting to construct utility facilities or provide utility service; and
- Conducting environmental monitoring, as provided by federal, state, or local law, rule, or permit.

This law also adds exceptions for aerial mapping, if the person or entity using a drone for this purpose is operating in compliance with Federal Aviation Administration regulations; to deliver cargo, if the person or entity using a drone for this purpose is operating in compliance with Federal Aviation Administration regulations; and to capture images necessary for the safe operation or navigation of a drone that is being used for a purpose allowed under federal or Florida law.

This law states that the owner, tenant, occupant, invitee, or licensee of privately-owned or occupied real property may initiate a civil action for compensatory damages against a person, state agency, or political subdivision that violates this section. He or she may also seek injunctive relief to prevent future violations of this section. The prevailing party can recover reasonable attorney fees from the non-prevailing party based on the actual and reasonable time his or her attorney spent, billed at an appropriate hourly rate, and in cases in which the fee payment depends on the outcome, without a multiplier, unless the action is tied to the verdict, in which case the trial court may award a multiplier of up to twice the actual value of the time expended. The owner, tenant, occupant, invitee, or licensee may also seek punitive damages against a person who violates this section.

This law also specifies that the remedies provided for violating this section and other existing remedies are cumulative.

➤ **Taxation**

Effective Date: July 1, 2015

Statute Reference: Subsection (2) of section 193.0235, F.S.

Chapter Law: Section 1, 2015-221 (HB 33A, 2nd Eng.)

This law amends s. 193.0235, F.S., to provide that property located within the same county as a subdivision and used for at least 10 years exclusively for the benefit of lot owners within the subdivision is included in the definition of “common element.”

➤ **Value Adjustment Board Proceedings**

Effective Date: July 1, 2015

Statute Reference: Subsections (3) and (4) of section 194.011, and Subsections (6) and (8) of section 196.011, F.S.

Chapter Law: Sections 1 and 3, 2015-115 (CS/HB 489, 1st Eng.)

This law adds a requirement for the value adjustment board clerk to have petition forms available for distribution.

This law creates paragraph 194.011(3)(g), F.S., which states that an owner of multiple tangible personal property accounts may file a single joint petition with the value adjustment board if the property appraiser determines that the tangible personal property accounts are substantially similar in nature.

This law requires the property appraiser to include the property record card in the evidence list for a value adjustment board hearing.

This law reenacts ss. 196.011(6)(a) and (8), F.S., to incorporate the bill's amendments in s. 194.011, F.S.

➤ **Value Adjustment Board Petitions**

Effective Date: July 1, 2015

Statute Reference: Subsection (1) of section 194.013, F.S.

Chapter Law: Section 2, 2015-115 (CS/HB 489, 1st Eng.)

This law amends s. 194.013, F.S., to include tangible personal property accounts when submitting a petition to the value adjustment board with the \$15 filing fee. It also includes a reference to the newly created paragraph 194.011(3)(g), F.S.

SALES AND USE TAX

➤ Community Contribution Tax Credits

Effective Date: July 1, 2015

Statute Reference: Section 212.08, F.S.

Chapter Law: Section 14, 2015-221 (HB 33A, 2nd Eng.)

Modifies the total amount of awards for the community contribution tax credit program to \$18.4 million in fiscal year 2015-2016 and to \$21.4 million in fiscal years 2016-2017 and 2017-2018 for projects that provide housing opportunities for persons with special needs or provide homeownership opportunities for low-income households. No funds are allocated for awards after fiscal year 2017-2018. The date on which the program expires is extended to June 30, 2018.

Revises references to communities with “enterprise zones” to communities “which had an enterprise zone designated pursuant to Ch. 290, F.S., as of May 1, 2015.”

➤ Definition of Livestock

Effective Date: July 1, 2015

Statute Reference: Section 212.02, F.S.

Chapter Law: Section 11, 2015-221 (HB 33A, 2nd Eng.)

Amends the definition of livestock to include all aquaculture products, as defined in s. 597.0015, F.S., and identified by the Department of Agriculture and Consumer Services pursuant to s. 597.003, F.S.

Adds storage of raw products on the farm to the definition of agriculture production.

➤ Distribution Adjustment

Effective Date: September 1, 2015

Statute Reference: Section 212.20, F.S.

Chapter Law: Section 16, 2015-221 (HB 33A, 2nd Eng.)

Modifies the distribution of funds pursuant to s. 212.20(6), F.S. The distribution is adjusted as follows:

- The amount remitted by a sales tax dealer located within a participating county and transferred to the Local Government Half-cent Sales Tax Clearing Trust Fund is adjusted from 8.8854% to 8.99744%.
- The amount transferred to the Local Government Half-cent Sales Tax Clearing Trust Fund is adjusted from 0.0956% to 0.966%.
- The amount transferred monthly to the Revenue Sharing Trust Fund for Counties is adjusted from 2.0603% to 2.0810%.
- The amount transferred monthly to the Revenue Sharing Trust Fund for Municipalities is adjusted from 1.3517% to 1.3653%.

Beginning December 1, 2015, and ending June 30, 2016, the Department is to distribute \$26,286 monthly to the State Transportation Trust Fund. Beginning July 1, 2016, the amount of monthly distributions is reduced to \$15,333.

➤ **Exemptions**

▪ **Admissions Tax – Gun Clubs**

Effective Date: July 1, 2015

Statute Reference: Section 212.04, F.S.

Chapter Law: Section 12, 2015-221 (HB 33A, 2nd Eng.)

Provides that sales tax may not be levied on admissions and membership fees for gun clubs whose primary purpose is to offer members access to one or more shooting ranges for target or skeet shooting.

▪ **Clothing, School Supplies, and Personal Computers and Related Accessories (Back-to-School Sales Tax Holiday)**

Effective Date: July 1, 2015

Statute Reference: N/A

Chapter Law: Section 28, 2015-221 (HB 33A, 2nd Eng.)

Exempts, during the period from 12:01 a.m., August 7, 2015, through 11:59 p.m., August 16, 2015:

- Sales of clothing, wallets, or bags having a selling price of \$100 or less per item;
- Sales of school supplies having a selling price of \$15 per item or less; and
- The first \$750 of the sales of personal computers and related accessories purchased for noncommercial home or personal use.

“Clothing” is defined as any article of wearing apparel, including all footwear except skis, swim fins, roller blades, and skates, intended to be worn on or about the human body. Excludes watches, watchbands, jewelry, umbrellas, and handkerchiefs.

“School supplies” is defined as pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, binders, lunch boxes, construction paper, markers, folders, poster board, composition books, poster paper, scissors, cellophane tape, glue or paste, rulers, computer disks, protractors, compasses, and calculators.

“Personal computer” is defined as an electronic device that accepts information in digital or similar form and manipulates such information for a result based on a sequence of instructions. The term includes any electronic book reader, laptop, desktop, handheld, tablet, or tower computer. The term does not include cellular telephones, video game consoles, digital media receivers, or devices that are not primarily designed to process data.

“Related accessories” includes keyboards, mice, personal digital assistants, monitors (does not include a device with a television tuner), other peripheral devices, modems, routers, and nonrecreational software, regardless of whether the accessories are used in association with a personal computer base unit.

Excludes furniture or any systems, devices, software, or peripherals designed or intended primarily for recreational use.

These exemptions do not apply to sales made within a theme park or entertainment complex, a public lodging establishment, or an airport.

Authorizes the Department to adopt emergency rules to administer the sales tax holiday.

▪ **College Textbooks**

Effective Date: July 1, 2015

Statute Reference: N/A

Chapter Law: Section 29, 2015-221 (HB 33A, 2nd Eng.)

Creates a one-year sales and use tax exemption for college textbooks and instructional materials that are required or recommended for use in a course offered by a college or university in the state. To qualify for the exemption, a student must provide to a vendor a copy of the student's school identification number and a course syllabus or list of textbooks and instructional materials provided by the school. Vendors are required to maintain documentation of each exempt sale.

These exemptions do not apply to sales made within a theme park or entertainment complex, a public lodging establishment, or an airport.

Authorizes the Department to adopt emergency rules to administer the college textbook exemption.

▪ **Farming**

Effective Date: July 1, 2015

Statute Reference: Section 212.08, F.S.

Chapter Law: Section 14, 2015-221 (HB 33A, 2nd Eng.)

Adds repairs of power farm equipment to the exemption provided in s. 212.08(3), F.S.

Adds an exemption for the sale, rental, lease, use, consumption, repair, or storage of irrigation equipment. Replacement parts and accessories for both power farm equipment and irrigation equipment are also specifically exempt from tax. This exemption is only allowed if a purchaser signs a certificate stating that the equipment is to be used exclusively as required by the statutory language granting the exemption.

Adds an exemption for the portion of the sales price below \$20,000 of a trailer weighing 12,000 pounds or less and purchased by a farmer for exclusive use in agricultural production or to transport farm products. The exemption is specifically limited to the sale of a trailer, and does not include the lease or rental. This exemption is only allowed if a purchaser signs a certificate stating that the equipment is to be used exclusively as required by the statutory language granting the exemption.

Adds an exemption for stakes used by a farmer to support plants during agricultural production.

- **Motor Vehicles Owned by Members of the Armed Forces**

Effective Date: July 1, 2015

Statute Reference: Section 212.08, F.S.

Chapter Law: Section 14, 2015-221 (HB 33A, 2nd Eng.)

Motor vehicles purchased outside the United States and imported into Florida after at least six months of use outside the United States are exempt from use tax if the vehicle is owned by an active member of the United States Armed Forces or a spouse of such a member.

- **Prepaid College Meal Plans**

Effective Date: July 1, 2015

Statute Reference: Section 212.08, F.S.

Chapter Law: Section 14, 2015-221 (HB 33A, 2nd Eng.)

Provides technical changes to clarify the application of the sales tax exemption for certain prepaid college meal plans.

- **Modified Enterprise Zone Program**

Effective Date: January 1, 2016

Statute Reference: N/A

Chapter Law: Section 30, 2015-221 (HB 33A, 2nd Eng.)

Authorizes the Department of Economic Opportunity to administer certain incentives from January 1, 2016, through December 31, 2018, for businesses within boundaries of an enterprise zone as of May 1, 2015. The Department will receive a list of qualifying businesses from the Department of Economic Opportunity by December 31, 2015, and will continue to apply tax credits to qualifying businesses as applicable. The Department of Economic Opportunity will also provide notice to the Department of any contracts that expire or are terminated.

- **Sales by School Support Organizations**

Effective Date: July 1, 2015

Statute Reference: Section 212.08, F.S.

Chapter Law: Section 14, 2015-221 (HB 33A, 2nd Eng.)

School support organizations who sell concessions to raise money for extracurricular activities at K-12 schools may now choose to pay tax on their purchase of items for resale. If they do pay tax, then they do not need to collect and remit sales tax when they later sell the concessions. This means they are not required to register with the Department or remit taxes and returns.

- **Tax Cap – Boat Repairs**

Effective Date: July 1, 2015

Statute Reference: Section 212.05, F.S.

Chapter Law: *Section 13, 2015-221 (HB 33A, 2nd Eng.)*

Provides that sales tax on the repair of a boat in this state may not exceed \$60,000.

SEVERANCE TAXES

➤ **Miami-Dade County Lake Belt Area**

Effective Date: *July 1, 2015*

Statute Reference: *Sections 373.4149, 373.41492, and 373.41495, F.S.*

Chapter Law: *2015-141 (CS/HB 359, 1st Eng.)*

Section 373.41492, F.S., is amended to reduce the mitigation fee from 45 cents per ton to 25 cents per ton beginning January 1, 2016; 15 cents per ton beginning January 1, 2017; and 5 cents per ton beginning January 1, 2018, and thereafter.

Effective July 1, 2015, the water treatment plant upgrade fee of 15 cents per ton on the sale of limerock or sand mined within the Miami-Dade County Lake Belt area is reduced to 6 cents per ton. The water treatment plant upgrade fee imposed by this section expires on the earliest of July 1, 2018, or when the total actual moneys necessary to design and construct the water treatment plant upgrade, as determined in an open, public solicitation process, is collected.

Effective July 1, 2015, the Department will transfer the proceeds of the water treatment plant upgrade fee, less administrative costs, and less two cents per ton, not to exceed \$300,000, to a trust fund established by Miami-Dade County. Until December 1, 2016, the two cents per ton, not to exceed \$300,000, is to be transferred, pursuant to the newly created s. 373.414952(3), F.S., to the State Fire Marshal to be used to fund the study required under s. 552.30, F.S.

TAX ADMINISTRATION

➤ **Florida Business Information Portal**

Effective Date: *July 1, 2015*

Statute Reference: *Sections 212.08, 212.084, and Chapter 496, F.S.*

Chapter Law: *2015-224 (SB 2506A, 1st Eng.)*

Replaces the One-Stop Business Registration Portal in s. 288.109, F.S., with the Florida Business Information Portal in s. 20.166, F.S. The new portal is established within the Department of Business and Professional Regulation. The Florida Business Information Portal is to provide the information needed to start and operate a business in Florida, including information regarding licenses, permits, or registrations that must be issued by certain specified state agencies. The new statute identifies certain types of information that must, at a minimum, be included in the Florida Business Information Portal. The Florida Business Information Portal is an information portal, not a one-stop registration portal.

Requires certain agencies, including the Department of Revenue, to cooperate with the Department of Business and Professional Regulation in the development, implementation, and ongoing content updates of the Florida Business Information Portal.

Terminates the One-Stop Business Registration Portal Clearing Trust Fund within the Department. Provides that the Chief Financial Officer shall close out and remove the terminated trust fund from the various state accounting systems using generally accepted accounting principles concerning outstanding warrants, assets, and liabilities.

➤ **General Appropriations Act – Distribution of Funds – State Juvenile Detention Trust Fund**

Effective Date: July 1, 2015

Statute Reference: N/A

Chapter Law: 2015-222 (SB 2502A, 1st Eng.)

The Department of Juvenile Justice is required to review county juvenile detention payments for the purpose of ensuring that counties fulfill their financial responsibilities required in s. 985.686, F.S. If the Department of Juvenile Justice determines that a county has not met its obligations, it will direct the Department to deduct the amount owed to the Department of Juvenile Justice from the funds provided to the county under s. 218.23, F.S. The Department will transfer the withheld funds to the Shared County/State Juvenile Detention Trust Fund. Amounts due for bond issues are not eligible for transfer.

➤ **Publication of Maximum Value of Prizes**

Effective Date: July 1, 2015

Statute Reference: Section 546.002, F.S.

Chapter Law: 2015-93 (CS/HB 641, 1st Eng.)

Creates s. 546.10, F.S., titled “Amusement games or machines.” Authorizes amusement machines to be replayed by individuals up to 15 times without additional payment. Authorizes an individual who plays an amusement game or machine to receive merchandise directly from the machine or to receive points or coupons redeemable onsite for merchandise under certain circumstances.

Creates an introductory “maximum value” of \$5.25 to be applied in calculating the redemption value of coupons, points, and merchandise awarded by “Type B” and “Type C” amusement games or machines.

The Department shall annually calculate a maximum value for points or coupons beginning September 30, 2017. The maximum value must be increased by multiplying the prior year’s maximum value by the percentage change in the Consumer Price Index for all Urban Consumers, U.S. City Average, or a successor index as reported by the U.S. Department of Labor, for the most recent 12-month period ending October 31. The increase shall be added to the prior maximum value and rounded to the nearest 5 cents. Each adjusted maximum value shall take effect on the following January 1, with the initial adjusted maximum value to take effect on January 1, 2018.

Beginning October 15, 2017, the Department must annually publish the adjusted maximum value in a brochure accessible from its website. If the release of the August Consumer Price Index for All Urban Consumers occurs after September 15, in any given year, the Department shall publish the adjusted maximum value within 30 calendar days after the release date.