AGENDA
FLORIDA DEPARTMENT OF REVENUE
Meeting Material Available on the web at:
http://dor.myflorida.com/dor/opengovt/meetings.html

MEMBERS
Governor Rick Scott
Attorney General Pam Bondi
Chief Financial Officer Jeff Atwater
Commissioner Adam H. Putnam

November 12, 2014

Contacts: Vincent Aldridge, Chief of Staff, (850) 617-8324
MaryAnn Murphy, Executive Asst. II
(850) 717-7138
9:00 A.M.
LL-03, The Capitol
Tallahassee, Florida

ITEM                      SUBJECT                                                        RECOMMENDATION

1. Respectfully request approval of the minutes of the September 23, 2014, cabinet meeting.

   (ATTACHMENT 1) RECOMMEND APPROVAL

2. Respectfully request approval and authority to publish Notices of Proposed Rule in the Florida Administrative Register for the following rules:

   Updates to Veterinary Sales and Services Rule:

   The proposed rule amendments conform the rule for veterinary sales and services with a law change in Section 9, Chapter 2014-38, L.O.F., that provides a new sales tax exemption for certain therapeutic veterinary diets. (Rule 12A-1.0215, F.A.C.)

   Updates to Rules Related to the Taxation of Electricity:

   The proposed rule amendments conform several sales tax and gross receipts tax rules to the legislative change in the taxation of electricity found in Sections 2, 4, 5 and 6, Chapter 2014-38, L.O.F. (Rules 12A-1.022, 12A-1.053, 12B-6.001, 12B-6.0015, and 12B-6.005, F.A.C.)
Updates to Rule Chapter Relating to Payment of Taxes and Submission of Returns by Electronic Means:

The proposed rule amendments address when the prepaid wireless E911 fee must be reported and remitted to the Department by electronic means consistent with changes made in Section 1, Chapter 2014-196, L.O.F. The proposed rule amendments also remove obsolete language and make technical clarifications. (Rule Chapter 12-24, F.A.C.)

(ATTACHMENT 2) RECOMMEND APPROVAL

3. Respectfully request approval and authority to publish Notices of Proposed Rule in the Florida Administrative Register for rules relating to the recent development and deployment of a mobile application that allows dealers to verify whether a purchaser is registered dealer or tax-exempt entity to determine whether the dealer is required to collect sales tax from the purchaser. The proposed rule amendments also remove obsolete language and make technical clarifications. (Rules 12A-1.038, 12A-1.039, and 12A-19.060, F.A.C.)

(ATTACHMENT 3) RECOMMEND APPROVAL
ATTACHMENT 1
IN RE: MEETING OF THE GOVERNOR AND CABINET

CABINET MEMBERS: GOVERNOR RICK SCOTT
ATTORNEY GENERAL PAM BONDI
CHIEF FINANCIAL OFFICER JEFF ATWATER
COMMISSIONER OF AGRICULTURE ADAM PUTNAM

DATE: TUESDAY, SEPTEMBER 23, 2014

LOCATION: CABINET MEETING ROOM
LOWER LEVEL, THE CAPITOL
TALLAHASSEE, FLORIDA

REPORTED BY: NANCY S. METZKE, RPR, FPR
COURT REPORTER
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* * * * *
GOVERNOR SCOTT: Now I'd like to recognize Marshall Stranburg, the Executive Director of the Department of Revenue, to present his agenda.

Good morning.

EXECUTIVE DIRECTOR STRANBURG: Good morning Governor Scott, General Bondi, CFO Atwater, and Commissioner Putnam.

The first item on our agenda is we respectfully request approval of the minutes of the June 17, 2014, meeting.

GOVERNOR SCOTT: Is there a motion to approve?

ATTORNEY GENERAL BONDI: So moved.

GOVERNOR SCOTT: Is there a second?

CFO ATWATER: Second.

GOVERNOR SCOTT: Moved and seconded, show the minutes approved without objection.

EXECUTIVE DIRECTOR STRANBURG: Thank you.

Our second item is the Department respectfully requests permission to publish in the Florida Administrative Register proposed Rule Amendments relating to general tax administration. The proposed Rule Amendments address areas relating to protest procedures, delegation of compromise
authority, and updates to the admissions rule.

GOVERNOR SCOTT: Is there a motion to approve?

ATTORNEY GENERAL BONDI: So moved.

GOVERNOR SCOTT: Is there a second?

COMMISSIONER PUTNAM: Second.

GOVERNOR SCOTT: Any comments or objections?

(NO RESPONSE).

GOVERNOR SCOTT: Hearing none, the motion carries.

EXECUTIVE DIRECTOR STRANBURG: Thank you.

And our third item is the Department respectfully requesting permission to publish in the Florida Administrative Register proposed Rule Amendments relating to general tax administration. These proposed amendments reflect 2004 law changes. It is our annual form update promulgation, and we also have a couple of technical clarifications in cleaning up our forms.

GOVERNOR SCOTT: Is there a motion to approve?

ATTORNEY GENERAL BONDI: So move.

GOVERNOR SCOTT: Is there a second?

CFO ATWATER: Second.

GOVERNOR SCOTT: Any comments or objections?

(NO RESPONSE).

GOVERNOR SCOTT: Hearing none, the motion
carries.

EXECUTIVE DIRECTOR STRANBURG: Thank you.

GOVERNOR SCOTT: Thanks, Marshall.

* * * * *
ATTACHMENT 2
November 12, 2014

MEMORANDUM

TO: The Honorable Rick Scott, Governor
    Attention: Karl Rasmussen, Director of Cabinet Affairs
    Megan Demartini, Deputy Director of Cabinet Affairs
    Kristin Olson, Cabinet Aide

    The Honorable Jeff Atwater, Chief Financial Officer
    Attention: Robert Tornillo, Director of Cabinet Affairs
    Erica Atalla, Senior Cabinet Aide

    The Honorable Pam Bondi, Attorney General
    Attention: Kent Perez, Associate Deputy Attorney General
    Rob Johnson, Director of Legislative and Cabinet Affairs
    Erin Sumpter, Deputy Director of Cabinet Affairs
    Andrew Fay, Deputy Director of Legislative Affairs

    The Honorable Adam Putnam, Commissioner of Agriculture and Consumer Services
    Attention: Brooke McKnight, Director of Cabinet Affairs
    Jessica Field, Deputy Cabinet Affairs Director

THRU: Marshall Stranburg, Executive Director

FROM: Vince Aldridge, Chief of Staff

SUBJECT: Requesting Approval to Hold a Public Hearing on Proposed Rules –
Therapeutic Veterinary Diets (Rule 12A-1.0215, F.A.C.)
Electricity (Rules 12A-1.022, 12A-1.053, 12B-6.001, 12B-6.0015, and 12B-6.005, F.A.C.)
Prepaid Wireless E911 Fee (Rule Chapter 12-24, F.A.C.)

Statement of Sections 120.54(3)(b) and 120.541, F.S. Impact: No impact.
The Department has reviewed the proposed rules for compliance with Sections 120.54(3)(b) and
120.541, F.S. The proposed rules will not likely have an adverse impact on small business, small
counties, or small cities, and they are not likely to have an increased regulatory cost in excess of
$200,000 within 1 year. Additionally, the proposed rules are not likely to have an adverse impact or increased regulatory costs in excess of $1,000,000 within 5 years.

**What is the Department requesting?** Section 120.54(3)(a), F.S., requires the Department to obtain Cabinet approval to hold public hearings for the development of proposed rules. The Department therefore requests approval to publish a Notice of Proposed Rule in the *Florida Administrative Register* for the following proposed rules:

**THERAPEUTIC VETERINARY DIETS**

*Why is the proposed rule necessary?* This rule change is necessary to update Rule 12A-1.0215, F.A.C., to incorporate a new sales tax exemption provided by the 2014 Legislature.

*What does the proposed rule do?* The proposed amendment provides additional guidance on how a taxpayer may receive the new exemption for qualifying therapeutic diets provided in Section 212.08(2), F.S., by Section 9, Chapter 2014-38, L.O.F.

*Were comments received from external parties?* No. A rule workshop was scheduled to be held on October 30, 2014, if requested in writing. No request was received and no workshop held.

**ELECTRICITY**

*Why are the proposed rules necessary?* These rule changes are necessary to update Rule 12A-1.022, 12A-1.053, 12B-6.001, 12B-6.0015, and 12B-6.005, F.A.C., to incorporate statutory changes made by the 2014 Legislature.

*What do the proposed rules do?* The proposed amendments update provisions regarding the imposition of sales and use tax and gross receipts tax to the sale of electricity, based on changes to Sections 212.05 and 203.01, F.S., by Sections 2 and 4, Chapter 2014-38, L.O.F., respectively.

*Were comments received from external parties?* No. A rule workshop was scheduled to be held on October 30, 2014, if requested in writing. No request was received and no workshop held.

**PREPAID WIRELESS E911 FEE**

*Why are the proposed rules necessary?* These rule changes are necessary to update Rule Chapter 12-24, F.A.C., to incorporate statutory changes made by the 2014 Legislature.

*What do the proposed rules do?* The proposed amendments clarify when prepaid wireless E911 fees must be reported and remitted electronically. The proposed amendments also remove the requirement that taxpayers who wish to file returns or remit taxes must first enroll for the Department’s E-Services; remove the requirement that taxpayers must receive permission from the Department to use the ACH credit remittance method; and replaces the term “unemployment” with “reemployment”.

Were comments received from external parties? No. A rule workshop was scheduled to be held on October 30, 2014, if requested in writing. No request was received and no workshop held.

Attached are copies of:

- Summaries of the proposed rules, which include:
  - Statements of facts and circumstances justifying the rules;
  - Federal comparison statements; and
  - Summaries of the workshops
- Rule text
The proposed amendment to Rule 12A-1.0215, F.A.C. (Veterinary Sales and Services), modifies the rule to add provisions for the new sales and use tax exemption for certain therapeutic veterinary diets.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULE

Section 9, Chapter 2014-38, L.O.F., amended Section 212.08(2), F.S., to provide an exemption from sales and use tax for sales of therapeutic veterinary diets specifically formulated to aid in the management of illness and disease of a diagnosed health disorder in an animal, and which are only available from a licensed veterinarian. The proposed amendment to Rule 12A-1.0215, F.A.C. (Veterinary Sales and Services), is necessary to make the rule consistent with the statutory change.

FEDERAL COMPARISON STATEMENT

The provisions contained in these rules do not conflict with comparable federal laws, policies, or standards.
SUMMARY OF RULE DEVELOPMENT WORKSHOP

OCTOBER 30, 2014

A Notice of Proposed Rule Development was published in the Florida Administrative Register on October 15, 2014 (Vol. 40, No. 201, pp. 4528-4529), to advise the public of the proposed changes to Rule 12A-1.0215, F.A.C. (Veterinary Sales and Services), and to provide that, if requested in writing, a rule development workshop would be held on October 30, 2014. No request was received by the Department. No written comments were received by the Department.
NOTICE OF RULE DEVELOPMENT

DEPARTMENT OF REVENUE
SALES AND USE TAX

RULE NO: RULE TITLE:
12A-1.0215 Veterinary Sales and Services

PURPOSE AND EFFECT: Section 9, Chapter 2014-38, L.O.F., amended Section. 212.08(2), F.S., to provide an exemption from sales and use tax for sales of therapeutic veterinary diets specifically formulated to aid in the management of illness and disease of a diagnosed health disorder in an animal, and which are only available from a licensed veterinarian. The purpose of the proposed amendment to Rule 12A-1.0215, F.A.C. (Veterinary Sales and Services), is to make the rule consistent with the statutory provision.

SUBJECT AREA TO BE ADDRESSED: The subject area of the rule development workshop is the modification of the rule to add provisions for the new sales and use tax exemption for certain therapeutic veterinary diets.

RULEMAKING AUTHORITY: 212.17(6), 212.18(2), 213.06(1) FS.

LAW IMPLEMENTED: 212.02(14), (19), 212.05, 212.07(1), 212.08(2), 212.085, 212.12(6)(a), 212.18(3), 465.186, 465.187 FS.

IF REQUESTED IN WRITING AND NOT DEEMED UNNECESSARY BY THE AGENCY HEAD, A RULE DEVELOPMENT WORKSHOP WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW.

DATE AND TIME: October 30, 2014, 9:00, a.m.

PLACE: 2450 Shumard Oak Boulevard, Building One, Room 1220, Tallahassee, Florida
NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such proceeding by contacting Tonya Fulford at (850) 617-8347. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT IS: Tammy Miller, Deputy Director, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 717-6309.

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS: Published on the Department’s Internet site at myflorida.com/dor/rules.
12A-1.0215 Veterinary Sales and Services.

(1) – (3) No change.

(4) ITEMS PURCHASED FOR TREATMENT

(a) – (d) No change.

(e) 1. Commonly recognized substances possessing curative or remedial properties are exempt when:

   a. Purchased by a licensed veterinarian who orders and dispenses the substance as treatment for a diagnosed health disorder of an animal; and

   b. The substance is applied to, or consumed by, animals for the alleviation of pain or the cure or prevention of sickness, disease, or suffering.

   2. Charges to a client by a veterinarian for substances possessing curative or remedial properties that are not required by federal or state law to be dispensed only by a prescription, other than therapeutic veterinary diets, are subject to tax.

   3. Examples: Transdermal medications, sprays, or powders designed to prevent or treat flea or tick infestation are exempt when they are purchased by and ordered and dispensed by a licensed veterinarian as part of treatment of a diagnosed health disorder of an animal.
4. Pet foods that are not required by federal or state law to be dispensed only by a prescription are subject to tax.

5. Commonly recognized substances possessing curative or remedial properties may be purchased exempt from tax when the licensed veterinarian, or an authorized representative of the licensed veterinarian, extends an exemption certificate to the selling dealer certifying that the purchased substance possessing curative or remedial properties will be ordered and dispensed and applied to, or consumed by, an animal(s) for the alleviation of pain or the cure or prevention of sickness, disease, or suffering of an animal(s). A suggested exemption certificate is provided in paragraph (4)(f).

(f) No change.

(5) No change.

(6) PET FOOD SOLD TO CONSUMERS

(a) Pet foods that are required by federal or state law to be dispensed only by a prescription are exempt from tax.

(b) Pet foods which are therapeutic veterinary diets are exempt from tax. For the purpose of this rule, “therapeutic veterinary diets” means those pet foods that are specifically formulated to aid in the management of illness and disease of a diagnosed health disorder in an animal and which are only available from a licensed veterinarian.

(c) Even when sold by a veterinarian, pet foods which are not required by federal or state law to be dispensed only by a prescription and pet foods that are not therapeutic veterinary diets are subject to tax.

(6) renumbered (7) No change.
Rulemaking Authority: 212.17(6), 212.18(2), 213.06(1) FS. Law Implemented 212.02(14), (19), 212.05, 212.07(1), 212.08(2), 212.085, 212.12(6)(a), 212.18(3), 465.186, 465.187 FS. History–New 7-12-10, Amended ___.

STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12A-1, FLORIDA ADMINISTRATIVE CODE
SALES AND USE TAX
AMENDING RULES 12A-1.022 AND 12A-1.053

SUMMARY OF PROPOSED RULES

The proposed amendments to Rule 12A-1.022, F.A.C. (Federal Excise Taxes, Gross Receipts Tax, and Other Fees), clarify when gross receipts tax imposed under Chapter 203, F.S., is included in the taxable charges for electrical power or energy for the purposes of imposing sales and use tax under Chapter 212, F.S.

The proposed amendments to 12A-1.053, F.A.C. (Electric Power and Energy), clarify when sales of electrical power or energy are exempt from sales and use tax.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

The proposed amendment to Rule 12A-1.022, F.A.C. (Federal Excise Taxes, Gross Receipts Tax, and Other Fees), is necessary to clarify that taxable charges for electrical power or energy include the gross receipts tax imposed under subparagraph 203.01(1)(a)1., F.S., but do not include the gross receipts tax imposed under subparagraph 203.01(1)(a)3., F.S., as provided in Section 4, Chapter 2014-38, L.O.F.

The proposed amendment to Rule 12A-1.053, F.A.C., is necessary to implement the provision of Section 4, Chapter 2014-38, L.O.F., which provides that sales of electric power or energy for use in residential households by utilities who are required to pay the gross receipts tax
imposed under subparagraph 203.01(1)(a)1., F.S., are exempt. The payment of the gross receipts tax imposed under subparagraph 203.01(1)(a)3., F.S., has no effect on the residential sales tax exemption.

FEDERAL COMPARISON STATEMENT

The provisions contained in these rules do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

OCTOBER 30, 2014

A Notice of Proposed Rule Development was published in the Florida Administrative Register on October 15, 2014 (Vol. 40, No. 201, p. 4529), to advise the public of the proposed amendments to Rule 12A-1.022, F.A.C. (Federal Excise Taxes, Gross Receipts Tax, and Other Fees) and 12A-1.053, F.A.C. (Electric Power and Energy), and to provide that, if requested in writing, a rule development workshop would be held on October 30, 2014. No request was received by the Department. No written comments were received by the Department.
NOTICE OF RULE DEVELOPMENT

DEPARTMENT OF REVENUE

SALES AND USE TAX

RULE NO:  RULE TITLE:

12A-1.022  Federal Excise Taxes, Gross Receipts Tax, and Other Fees
12A-1.053  Electric Power and Energy

PURPOSE AND EFFECT: The purpose of the proposed amendment to Rule 12A-1.022, F.A.C. (Federal Excise Taxes, Gross Receipts Tax, and Other Fees), is to clarify that taxable charges for electrical power or energy include the gross receipts tax imposed under subparagraph 203.01(1)(a)1., F.S., but do not include the gross receipts tax imposed under subparagraph 203.01(1)(a)3., F.S.

The purpose of the proposed amendment to Rule 12A-1.053, F.S., is to clarify that sales of electric power or energy for use in residential households by utilities who are required to pay the gross receipts tax imposed under subparagraph 203.01(1)(a)1., F.S., are exempt. The payment of the gross receipts tax imposed under subparagraph 203.01(1)(a)3., F.S., has no effect on the residential sales tax exemption.

SUBJECT AREAS TO BE ADDRESSED: The first subject area of the rule development workshop is clarification that charges for electrical power or energy do not include the gross receipts tax imposed by Section 203.01(1)(a)3., F.S. The second subject area of the rule development workshop is clarification that a utility is required to pay the gross receipts tax imposed by subparagraph 203.01(1)(a)1., F.S., in order for the sale of the electric power or energy for use in a residential household to qualify for exemption.

RULEMAKING AUTHORITY: 212.17(6), 212.18(2), 213.06(1) FS.
LAW IMPLEMENTED: 166.231(1)(a), 166.232(1), 203.01(4), 212.02(2), (16), (19),
212.05(1)(a)1.a., (1)(e), 212.06(1)(a), (b), 212.0606, 212.08(4), (5)(e)2., (7)(j), 212.18(2),
403.718, 403.7085, 681.117(2) FS.

IF REQUESTED IN WRITING AND NOT DEEMED UNNECESSARY BY THE AGENCY
HEAD, A RULE DEVELOPMENT WORKSHOP WILL BE HELD AT THE DATE, TIME,
AND PLACE SHOWN BELOW.

DATE AND TIME: October 30, 2014, 9:00 a.m.
PLACE: 2450 Shumard Oak Boulevard, Building One, Room 1220, Tallahassee, Florida

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring
special accommodations to participate in any rulemaking proceeding before Technical
Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before
such proceeding by contacting Tonya Fulford at (850) 717-6799. Persons with hearing or speech
impairments may contact the Department by using the Florida Relay Service, which can be
reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE
DEVELOPMENT IS: Tammy Miller, Technical Assistance and Dispute Resolution, Department
of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 717-6309.

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS: Published on
the Department’s Internet site at myflorida.com/dor/rules.
12A-1.022 Federal Excise Taxes, Gross Receipts Tax, and Other Fees.

(1) No change.

(2) TAXES AND FEES IMPOSED BY THE STATE OF FLORIDA.

(a)1. The gross receipts tax imposed under the provisions of subparagraph 203.01(1)(a)1. of Chapter 203, F.S., on the provider of electricity or natural or manufactured gas is included in the charge upon which sales and use tax is computed when the gross receipts tax is passed on to the customer and wholly or partially separately itemized on a customer’s bill, invoice, statement, or other tangible evidence of sale.

2. The gross receipts tax imposed under the provisions of subparagraph 203.01(1)(a)3., F.S., is administered in the same manner as sales and use tax and is not included in the charge upon which sales and use tax is computed.

(b) through (c) No change.

(3) No change.

Rulemaking Authority 212.17(6), 212.18(2), 213.06(1) FS. Law Implemented 166.231(1)(a), 166.232(1), 203.01(4), 212.02(16), 212.05(1)(a)1.a. (e)1.c., (3), 212.0606, 403.718, 403.7085, 681.117(2) FS. History–Revised 10-7-68, 6-16-72, Formerly 12A-1.22, Amended 4-17-03.
12A-1.053 Electric Power and Energy.

(1)(a) The sale of electric power or energy by an electric utility is taxable. The sale of electric power or energy for use in residential households, to owners of residential models, or to licensed family day care homes by utilities who are required to pay the gross receipts tax imposed by subparagraph 203.01(1)(a)1. Chapter 203, F.S., is exempt. Also exempt is electric power or energy sold by such utilities and used in the common areas of apartment houses, cooperatives, and condominiums, in residential facilities enumerated in Chapters 400 and 429, F.S., and in other residential facilities. However, if any part of the electric power or energy is used for a non-exempt purpose, the entire sale is subject to tax.

(1)(b) – (4) No change.

Rulemaking Authority 212.17(6), 212.18(2), 213.06(1) FS. Law Implemented 212.02(2), (19), 212.05(1)(e), 212.06(1)(a), (b), 212.08(4), (5)(e)2., (7)(j), 212.18(2) FS. History–Revised 10-7-68, 6-16-72, Amended 12-11-74, 10-18-78, 6-3-80, 12-23-80, 7-20-82, Formerly 12A-1.53, Amended 10-2-01, 4-17-03, 9-15-08.
STATE OF FLORIDA
DEPARTMENT OF REVENUE
CHAPTER 12B-6, FLORIDA ADMINISTRATIVE CODE
GROSS RECEIPTS TAX
AMENDING RULES 12B-6.001, 12B-6.0015, AND 12B-6.005

SUMMARY OF PROPOSED RULES
The proposed amendments to Rule Chapter 12B-6, F.A.C. (Gross Receipts Tax), clarify that the rules apply only to the 2.5 percent tax imposed by subparagraph 203.01(1)(a)1., F.S., and administered under the provisions of Chapter 203, F.S. A technical change to Rule 12B-6.005(2), F.A.C. (Payment of Tax; Reports; Public Use Forms), is also being made to correct the title of certain Department personnel.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES
The proposed amendments to Rule Chapter 12B-6, F.A.C. (Gross Receipts Tax), are necessary to clarify that the rules apply only to the tax imposed by subparagraph 203.01(1)(a)1., F.S., as amended by Section 4, Chapter 2014-38, L.O.F.

FEDERAL COMPARISON STATEMENT
The provisions contained in these rules do not conflict with comparable federal laws, policies, or standards.
SUMMARY OF RULE DEVELOPMENT WORKSHOP

OCTOBER 30, 2014

A Notice of Proposed Rule Development was published in the Florida Administrative Register on October 15, 2014 (Vol. 40, No. 201, p. 4531), to advise the public of the proposed amendments to Rule Chapter 12B-6, F.A.C. (Gross Receipts Tax), and to provide that, if requested in writing, a rule development workshop would be held on October 30, 2014. No request was received by the Department. No written comments were received by the Department.
NOTICE OF RULE DEVELOPMENT

DEPARTMENT OF REVENUE

GROSS RECEIPTS TAX

RULE NO: RULE TITLE:
12B-6.001 Scope; Definitions; Index Price
12B-6.0015 Imposition of the Gross Receipts Tax
12B-6.005 Payment of Tax; Reports; Public Use Forms

PURPOSE AND EFFECT: The purpose of the proposed amendments to Rule Chapter 12B-6, F.A.C. (Gross Receipts Tax), is to clarify that the provisions of the rule chapter apply only to the 2.5 percent tax imposed by subparagraph 203.01(1)(a)1., F.S., and administered under the provisions of Chapter 203, F.S.

SUBJECT AREA TO BE ADDRESSED: The subject of the rule workshop is to clarify that the rule chapter applies only to the tax imposed by subparagraph 203.01(1)(a)1., F.S., as amended by Section 4, Chapter 2014-38, L.O.F. A technical change to Rule 12B-6.005(2), F.A.C., is also being made to correct the title of certain Department personnel.

RULEMAKING AUTHORITY: 203.01(1)(f), (3)(a)2., 213.06(1) FS.

LAW IMPLEMENTED: 203.01, 203.012, 203.02, 213.255(1), (2), (3), 213.37, 213.755, 215.26 FS.

IF REQUESTED IN WRITING AND NOT DEEMED UNNECESSARY BY THE AGENCY HEAD, A RULE DEVELOPMENT WORKSHOP WILL BE HELD AT THE TIME, DATE, AND PLACE SHOWN BELOW:

DATE AND TIME: October 30, 2014, 9:00 a.m.

PLACE: 2450 Shumard Oak Boulevard, Building One, Room 1220, Tallahassee, Florida
NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before the Technical Assistance and Dispute Resolution Office is asked to advise the Department at least 48 hours before such proceeding by contacting Tonya Fulford at (850) 717-6799. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT IS: Tammy Miller, Deputy Director, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 717-6309.

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS: Published on the Department’s Internet site at www.myflorida.com/dor/rules.
STATE OF FLORIDA
DEPARTMENT OF REVENUE

CHAPTER 12B-6, FLORIDA ADMINISTRATIVE CODE

GROSS RECEIPTS TAX

AMENDING RULES 12B-6.001, 12B-6.0015, AND 12B-6.005

12B-6.001 Scope; Definitions; Index Price.

(1) SCOPE. This rule chapter applies to the tax imposed by subparagraph 203.01(1)(a)1. Chapter 203, F.S., on utility services delivered to a retail consumer in Florida.

(2) No change.

(3)(a) No change.

(b) The electricity index prices only apply if the transportation of electricity is sold independent of the sale of the electricity itself. If electricity is sold to a retail consumer in Florida for a price that includes both a charge for the electricity and a charge for the transportation of the electricity, the tax imposed by subparagraph 203.01(1)(a)1. Chapter 203, F.S., is calculated by using the distribution company’s gross receipts multiplied by 2.5 percent, rather than through use of an index price.

(c) No change.

Rulemaking Authority 213.06(1) FS. Law Implemented 203.01, 203.012 FS. History—New 11-13-78, Amended 6-5-85, Formerly 12B-6.01, Amended 10-4-89, 1-8-90, 5-4-03, 9-18-08.

12B-6.0015 Imposition of the Gross Receipts Tax.

(1) through (3) No change.
(4) USE TAX.

(a) Gross receipts tax is levied upon a person’s cost price of electricity, or natural or manufactured gas, imported into this state or severed within this state for the person’s own use or consumption as a substitute for purchasing utility, transportation, or delivery services taxable under subparagraph 203.01(1)(a)1. Chapter 203, F.S., and who cannot demonstrate payment of the tax imposed by Chapter 203, F.S. The tax implemented pursuant to this paragraph is calculated by multiplying the cost price of the utility service by 2.5 percent.

(b) No change.

(5) SALES FOR RESALE.

(a) The sale, transportation, or delivery of utility services for resale is only exempt from the tax imposed under subparagraph 203.01(1)(a)1. Chapter 203, F.S., if the sale, transportation, or delivery is documented in strict compliance with this rule. Distribution companies must document sales for resale by obtaining resale certificates from customers who purchase transportation, delivery, or utility services for the purposes of resale. Resale certificates submitted during the protest period will be accepted by the Department as valid proof and documentation of the resale, but will not be accepted when submitted in any proceeding under Chapter 120, F.S., or any circuit court action instituted under Chapter 72, F.S.

(b) The distribution company is only required to obtain one certificate for sales made for the purposes of resale from each customer making purchases for the purposes of resale. The certificate must contain the purchaser’s name and address, the purchaser’s gross receipts tax registration number and its effective date, a statement that the purchases are for the purpose of resale, the signature of the purchaser or an authorized representative of the purchaser, and the date of issuance. The following is a suggested format of a resale certificate:
RESALE CERTIFICATE FOR GROSS RECEIPTS TAX ON UTILITY SERVICES

This is to certify that the electricity for light, heat, or power or the natural or manufactured gas for light, heat, or power purchased after _____ (date) from _____________________ (seller’s name) is purchased for the purpose of resale pursuant to Chapter 203, F.S.

I understand that if I fraudulently issue this certificate to evade the payment of gross receipts tax I will be liable for payment of the tax directly to the Department and subject to the penalties imposed under Section 203.03(2), F.S.

I understand that I must disclose to the seller, or remit tax on, any purchase not for resale when tax was not paid to the seller and/or distribution company.

Under penalties of perjury, I declare that I have read the foregoing certificate and the facts stated herein are true.

Purchaser’s

Name________________________________________________________________________
Purchaser’s Address_____________________________________________________________
Name and Title of Purchaser’s Authorized Signature ___________________________________
Certificate of Registration Number _________________________________________________
Effective Date of
Registration____________________________________________________________________
By ___________________________________________________________________________
(authorized signature)
Date __________

(6) RECORDKEEPING REQUIREMENTS. Distribution companies that sell, transport, or deliver utility services to retail consumers in Florida and taxpayers that import utility services
into Florida for their own use must maintain electrical interchange agreements or contracts, resale certificates, exemption certificates, and other documentation required under the provisions of this rule chapter in their books and records until tax imposed under subparagraph 203.01(1)(a)1. Chapter 203, F.S., may no longer be determined and assessed under Section 95.091, F.S. Electronic storage of required documentation through the use of imaging, microfiche, or other electric storage media will satisfy compliance with recordkeeping requirements.

Rulemaking Authority 203.01(1)(f), (3)(a)2., 213.06(1) F.S. Law Implemented 203.01, 203.012, 203.02, 213.37 FS. History–New 9-18-08.

12B-6.005 Payment of Tax; Reports; Public Use Forms.

(1)(a) Except as provided in Rule Chapter 12-24, F.A.C., and paragraph (c) below, all taxes imposed by subparagraph 203.01(1)(a)1. Chapter 203, F.S., on utility services are due to the Department on or before the 20th day of the month following the date of the sale or transaction. The payment and return must either reach the office of the Department or be postmarked on or before the 20th day of the month for receipts for utility services received in the preceding calendar month for a taxpayer to avoid penalty and interest for late filing. When the 20th day of the month falls on Saturday, a Sunday, or a legal holiday, payments accompanied by returns will be accepted as timely filed if postmarked or delivered to the Department on the next succeeding day that is not a Saturday, a Sunday, or a legal holiday. A tax return is required to be filed on or before the 20th day of each month even when no tax is due. The report is required to be signed by an officer or a representative duly authorized to act by the taxpayer. For this purpose, a legal holiday means a holiday that is observed by federal or state agencies as a legal holiday.
holiday as this term is defined in Chapter 683, F.S., and Section 7503 of the 1986 Internal Revenue Code, as amended. A “legal holiday” pursuant to Section 7503 of the Internal Revenue Code of 1986, as amended, means a legal holiday in the District of Columbia or a statewide legal holiday at a location outside the District of Columbia but within an internal revenue district.

(b) through (e) No change.

(2) Persons who engage in the transportation of natural or manufactured gas must provide the Department with a list of customers to whom transportation services were provided in the prior year. A person may satisfy the customer-reporting requirement by: 1) providing a written list of customers to the Department; or 2) maintaining a publicly-accessible customer list on the person’s Internet web site. The person must provide the written list of customers or the Internet address of the publicly-accessible Internet web site by January 31 of each year to GTA Miscellaneous Tax Coordinator - Communications Services and Gross Receipts Taxes, c/o GTA Program Director, Florida Department of Revenue, 5050 W. Tennessee Street, Tallahassee, Florida 32399-0100. Persons who choose to satisfy the customer-reporting requirement by posting a list of customers on a publicly-accessible Internet web site must update the list by January 31 of each year. This reporting requirement does not apply to distribution companies. Any person required to furnish such a list may elect to identify only those customers who take direct delivery without purchasing interconnection services from a distribution company.

Rulemaking Authority 213.06(1) FS. Law Implemented 203.01, 203.012, 213.255(1), (2), (3), 213.37, 213.755, 215.26 FS. History–New 11-13-78, Amended 7-1-80, 8-26-81, Formerly 12B-6.05, Amended 10-4-89, 12-19-89, 5-4-03, 9-28-04, 9-18-08,_____.

5
The proposed amendments to Rule 12-24.003, F.A.C. (Requirements to File or to Pay Taxes by Electronic Means), clarify when the prepaid wireless E911 fees must be reported and remitted by dealers through electronic means.

The proposed amendments to Rule 12-24.004, F.A.C. (Enrollment), removes obsolete language regarding mandatory enrollment for filing returns or remitting payment by electronic means.

The proposed amendments to Rule 12-24.005, F.A.C., provide that taxpayers may elect to use either the ACH debit or the ACH credit method for electronic remittance of taxes. Language relating to the granting of permission to use the ACH credit method is also being removed from Rule 12-24.008, F.A.C.

The term “unemployment” is changed to “reemployment” throughout the Rule Chapter. The number given to one of the Department’s forms is also changed based on the statutory change of terms. Finally, technical changes have been made to an address used to receive written notifications from taxpayers and to the Department’s web address.
FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

The proposed amendments to Rule 12-24.003, F.A.C. (Requirements to File or to Pay Taxes by Electronic Means), are necessary due to an amendment made to Section 365.172, F.S., by Section 1, Chapter 2014-196, L.O.F. That amendment requires sellers to collect a prepaid wireless E911 fee on each sale of a prepaid wireless service. The law requires the fee to be reported and remitted to the Department of Revenue. The proposed rule amendments are necessary to clarify when the prepaid wireless E911 fee must be reported and remitted through electronic means.

The proposed amendments to Rule 12-24.004, F.A.C. (Enrollment), are necessary to remove obsolete requirements regarding mandatory enrollment for electronic reporting and remittance. The proposed amendments to Rule 12-24.005, F.A.C. (Methods of Payment by Electronic Means), are necessary to clarify that taxpayers may use either the ACH debit or ACH credit method for electronic remittance of taxes.

The term “unemployment” should be changed to “reemployment” throughout the Rule Chapter due to the term being changed through Chapter 443, F.S., by Chapter 2012-30, L.O.F.

FEDERAL COMPARISON STATEMENT

The provisions contained in these rules do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

OCTOBER 30, 2014

A Notice of Proposed Rule Development was published in the Florida Administrative
Register on October 15, 2014 (Vol. 40, No. 201, p. 4527), to advise the public of the proposed amendments to 12-24.001 (Scope of Rules), 12-24.002 (Definitions), 12-24.003 (Requirements to File or to Pay Taxes by Electronic Means), 12-24.004 (Enrollment), 12-24.005 (Methods of Payment by Electronic Means), 12-24.007 (Electronic Payment Transmission Errors), 12-24.008 (Procedures for Payment), 12-24.009 (Due Date; General Provisions), 12-24.010 (General Administrative Provisions; Voluntary Participation; Confidentiality; Granting of Waivers From Electronic Filing Requirements), and 12-24.011 (Public Use Forms), and to provide that, if requested in writing, a rule development workshop would be held on October 30, 2014. No request was received by the Department. No written comments were received by the Department.
NOTICE OF RULE DEVELOPMENT

DEPARTMENT OF REVENUE

PAYMENT OF TAXES AND SUBMISSION OF RETURNS BY ELECTRONIC MEANS;
TAXPAYER RECORDKEEPING AND RETENTION REQUIREMENTS

RULE NO: RULE TITLE:
12-24.001 Scope of Rules.
12-24.003 Requirements to File or to Pay Taxes by Electronic Means.
12-24.004 Enrollment.
12-24.005 Methods of Payment by Electronic Means.
12-24.007 Electronic Payment Transmission Errors.
12-24.008 Procedures for Payment.
12-24.009 Due Date; General Provisions.
12-24.010 General Administrative Provisions; Voluntary Participation; Confidentiality;
  Granting of Waivers From Electronic Filing Requirements.
12-24.011 Public Use Forms.

PURPOSE AND EFFECT: Section 1, Chapter 2014-196, L.O.F., amended Section 365.172,
F.S., to require a prepaid wireless E911 fee on each purchase of a prepaid wireless service. The
law requires the fee to be reported and remitted to the Department of Revenue. The purpose of
the proposed amendments to Rule Chapter 12-24, F.A.C. (Payment of Taxes and Submission of
Returns By Electronic Means; Taxpayer Recordkeeping and Retention Requirements), is to
clarify when the prepaid wireless E911 fees must be reported and remitted by dealers through
electronic means.
Taxpayers are no longer required to enroll prior to filing returns or remitting tax through electronic means. Rule 12-24.004, F.A.C., is amended to remove the obsolete language regarding mandatory enrollment. If taxpayers choose to enroll, they must do so either through the Department’s website or by submitting Form DR-600, Enrollment and Authorization for e-Services. Taxpayers must specifically authorize the Department to debit their bank accounts; therefore, the Department does not accept attempted enrollment through any means other than the two listed. As the specific information required for enrollment is found on the Department’s website or in Form DR-600, the list of information is being removed from the rule to avoid any confusion.

Taxpayers were previously required to obtain permission from the Department in order to use the ACH credit method to transfer funds. The Department has determined that this requirement provides no benefit to either taxpayers or the Department. Accordingly, Rule 12-24.005, F.A.C., is being amended to provide that taxpayers may elect to use either the ACH debit or the ACH credit method. Language relating to the granting of permission to use the ACH credit method is also being removed from Rule 12-24.008, F.A.C.

The term “unemployment” is changed to “reemployment” throughout the Rule Chapter due to the term being changed through Chapter 443, F.S., by Chapter 2012-30, L.O.F. The number given to one of the Department’s forms is also changed based on the statutory change of terms.

Technical changes have been made to an address used to receive written notifications from taxpayers and to the Department’s web address.

SUBJECT AREA TO BE ADDRESSED: The subject areas of the rule development workshop are the clarification of when prepaid wireless E911 fees must be reported and remitted
electronically; the removal of obsolete requirements and the clarification of the information required related to the use of electronic filing of returns and remitting of tax; the change of the term “unemployment” to “reemployment”; the change in numbering to one of the Department’s forms; and an address change.

RULEMAKING AUTHORITY: 202.26(3)(a), 206.485(1), 213.06(1), 213.755(8), (9), 220.21(2), (3), 443.163(1) FS.

Law Implemented 119.071(5), 202.28, 202.30, 206.485, 212.08(5)(q), 212.12, 213.755, 220.21(2), (3), 443.1317, 443.163 FS.

IF REQUESTED IN WRITING AND NOT DEEMED UNNECESSARY BY THE AGENCY HEAD, A RULE DEVELOPMENT WORKSHOP WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW.

DATE AND TIME: October 30, 2014, 9:00 a.m.

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

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such proceeding by contacting Tonya Fulford at (850) 617-8347. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT IS: Kimberly Bevis, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 617-8347.
THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS: Published on the Department’s Internet site at myflorida.com/dor/rules.
12-24.001 Scope of Rules.

Part I of this rule chapter sets forth the rules to be used by the Department of Revenue in the administration of Sections 202.30, 206.485, 213.755 and 220.21(2) and (3), F.S., authorizing the Executive Director to require taxpayers specified by statute or rule to pay taxes and fees and to file tax returns by electronic means. Part I of this rule chapter also sets forth the rules to be used by the Department in administering Section 443.163, F.S., authorizing the Executive Director to require reemployment unemployment tax agents specified by statute or rule to pay taxes and to file returns by electronic means.

Rulemaking Authority 202.26(3)(a), 206.485(1), 213.06(1), 213.755(8), (9), 220.21(2), (3), 443.163(1) FS. Law Implemented 202.30, 206.485, 213.755, 220.21(2), (3), 443.1317, 443.163 FS. History–New 12-19-89, Amended 10-24-96, 4-30-02, 10-5-03, 6-1-09,_____.

12-24.002 Definitions. For the purposes of Part I of this rule chapter, the terms and phrases used in these rules shall have the meanings prescribed in this section.
(1) – (5) No change.

(6) “Submission day” means the day on which a taxpayer or reemployment unemployment tax agent communicates payment or tax return information to the Data Collection Center.

(7) “Submission period” means:

(a) For the electronic submission of a payment and return together, or just a payment, the specified time interval in each submission day during which an electronic payment or electronically-filed tax return information received by the Data Collection Center is processed for transactions occurring on the next business day, or on a date specified by the taxpayer or reemployment unemployment tax agent. Electronic payment and electronically-filed tax return information must be communicated to the Data Collection Center and completed no later than 5:00 p.m., Eastern Time, on the submission day to clear the Automated Clearing House for deposit in the State Treasury on the next business day.

(b) For the electronic submission of a return only, any business day on or before the due date.

(8) “Data Collection Center” means the Department, or a third party vendor, who, under contract with the Department, collects and processes electronic payments and electronically-filed tax return information from taxpayers or reemployment unemployment tax agents.

(9) No change.

(10) “Due date” means the date on or before which an electronic payment must be received or an electronically-filed tax return must be submitted by a taxpayer or reemployment unemployment tax agent under a revenue law of this state.

(11) – (14) No change.
“Reemployment unemployment tax agent” means a person that prepared and reported the Employer’s Quarterly Report (Form RT-6 UCT-6) for 100 or more employers in any calendar quarter in the preceding state fiscal year. For the purposes of this definition, “prepared and reported” means the completion of the Employer’s Quarterly Report (Form RT-6 UCT-6) and the submission of the completed report directly to the Data Collection Center. An reemployment unemployment tax agent is not required to pay taxes by electronic means, but if the agent voluntarily chooses to submit payment by electronic means, the payment must be submitted in accordance with these rules.

(16) – (19) No change.

(20) “Tax type” means a tax, surtax, surcharge, or fee that is subject to remittance of payments, and the submission of tax returns, information reports, or data, by electronic means to the Department. The tax types for which taxpayers or reemployment unemployment tax agents will be required to pay amounts due and/or submit tax returns, information reports, or data by electronic means are as follows:

(a) – (j) No change.

(k) Prepaid wireless E911 fee;

(l) Reemployment tax;

(m)(k) Rental car surcharge;

(n)(h) Sales and use tax, discretionary sales surtaxes, and any tourist development tax, tourist impact tax, or convention development tax administered by the Department;

(o)(m) Severance taxes and surcharges on gas and sulfur production, oil production, and solid mineral severance;

(p)(m) Solid waste fees, including the new tire fee (waste tire fee) and the new or
12-24.003 Requirements to File or to Pay Taxes by Electronic Means.

(1) No change.

(2) The following taxpayers must pay taxes, surtaxes, surcharges, and fees and file tax returns by electronic means during the succeeding calendar year when the taxpayer:

(a) Has paid any one of the following taxes, surtaxes, surcharges, or fees in the prior state fiscal year in an amount of $20,000 or more:

1. – 4. No change.

5. Prepaid wireless E911 fees in the aggregate amount of $20,000 or more for all business locations.

(b) Files a consolidated sales and use tax return (Forms DR-15CON and DR-7).

(c) Files a consolidated prepaid wireless E911 fee return.

(d) Files tax returns to report information for tracking movements of petroleum products on Form DR-309631 (Terminal Supplier Fuel Tax Return), Form DR-309632 (Wholesaler/Importer Fuel Tax Return), or Form DR-309635 (Blender/Retailer of Alternative Fuel Tax Return).

(e) Filed an Employer’s Quarterly Report (Form RT-6 UCT-6) for ten (10) or more
employees in any calendar quarter during the preceding state fiscal year.

(3) The following taxpayers must file tax returns by electronic means:

(a) – (b) No change.

(c) Any reemployment unemployment tax agent who prepared and reported Form RT-6 UCT-6 (Employer’s Quarterly Report) for 100 or more employers in any calendar quarter during the preceding state fiscal year.

(4) – (5)(a) No change.

(b) The Department will notify taxpayers and reemployment unemployment tax agents who initially meet the requirements to participate on the basis of prior state fiscal year tax payments at their last address of record. Once notified of this requirement, the taxpayer or reemployment unemployment tax agent must transmit by electronic means all payments and/or returns for that tax type as provided in this rule.

Rulemaking Authority 202.26(3)(a), 206.485(1), 213.06(1), 213.755(8), (9), 220.21(2), (3), 443.163(1) FS. Law Implemented 202.30, 206.485, 213.755, 220.21(2), (3), 443.1317, 443.163 FS. History–New 12-19-89, Amended 1-8-91, 11-17-93, 4-30-02, 10-5-03, 6-1-09, 6-28-10,

12-24.004 Enrollment.

(1)(a) On or before November 1 (January 1 for taxpayers remitting only reemployment unemployment tax), the Department will notify every taxpayer or reemployment unemployment tax agent required to pay a tax, surtax, surcharge, or fee, or to and/or file a tax return by electronic means in the upcoming calendar year when:

1. The taxpayer or reemployment unemployment tax agent is not currently enrolled to
pay that tax, surtax, surcharge, or fee or to file that tax return by electronic means; or,

2. The taxpayer or reemployment unemployment tax agent is voluntarily enrolled to pay or to and/or file by electronic means and will be required to pay that tax, surtax, surcharge, or fee or to file that tax return by electronic means in the upcoming calendar year.

(b) The notification by the Department will include:

1. Information on how to access and complete enrollment on the Department’s Internet site; and

2. An explanation of the options from which the taxpayer or reemployment unemployment tax agent must choose to pay taxes or fees or to and/or file tax returns by electronic means.

(2) Upon receipt of the enrollment package, the taxpayer or unemployment tax agent must, on or before December 1 (February 1 for taxpayers remitting only unemployment tax):

(a) Access and complete enrollment for all required tax types on the Department’s Internet site at myflorida.com/dor/eservices; or

(b) If the taxpayer or unemployment tax agent is unable to use the Department’s Internet site to enroll, complete a separate Form DR-600, Enrollment and Authorization for e-Services Program (incorporated by reference in Rule 12-24.011, F.A.C.), for each tax and return the form(s) to the Department, at the address indicated on the form.

(2)(3) Enrollment for the e-Services. Taxpayers who elect to enroll with the Department for purposes of paying a tax, surtax, surcharge, or fee, or filing a tax return by electronic means may do so using one of the following methods: Program requires the submission of the following information:

(a) Enrolling through the Department's website at www.myflorida.com/dor; or The
taxpayer’s or unemployment tax agent’s business entity name;

(b) Filing Form DR-600, Enrollment and Authorization for e-Services (incorporated by reference in Rule 12-24.011, F.A.C.), for each tax, surtax, surcharge, or fee. The taxpayer’s or unemployment tax agent’s tax identification numbers assigned by the federal government and the Department, including tax account number if different from the tax identification numbers.

Social Security Numbers are used by the Department as unique identifiers for the administration of Florida’s taxes. Social Security Numbers obtained for tax administration purposes are confidential under Sections 213.053 and 119.071, F.S., and not subject to disclosure as public records.

(e) Tax-type;

(d) The name, mailing address, telephone number, fax number, and e-mail address of a contact person who is responsible for electronic payments and/or electronic filing of returns for the taxpayer’s or unemployment tax agent’s business;

(e) Whether the contact person is an employee of the business or an independent tax preparer;

(f) If completed by an independent tax preparer or an unemployment tax agent, the preparer’s taxpayer identification number or unemployment tax agent number;

(g) The tax and/or fee type(s) for which the taxpayer or unemployment tax agent is enrolling;

(h) The filing and payment method the taxpayer or unemployment tax agent requests;

(i) The taxpayer’s banking information, including the taxpayer’s bank name, the bank routing number(s), the taxpayer’s bank account number(s), and information stating whether the account is a savings or checking account and whether the account is a business account or a
By completing and submitting the enrollment information, the taxpayer or reemployment unemployment tax agent is applying to file tax returns and reports and make tax and fee payments to the Department electronically. In addition, by completing and submitting this enrollment request, the taxpayer or reemployment unemployment tax agent and the Department agree that:

(a) The same statute and rule sections that pertain to all paper documents filed by the taxpayer or reemployment unemployment tax agent govern an electronic return, report, or payment initiated electronically.

(b) The taxpayer’s or reemployment unemployment tax agent’s electronic transmission of such reports, returns, and payments must be made in a manner compatible with the Department’s software, equipment, and facilities. Any failure to comply with this term will result in the taxpayer or reemployment unemployment tax agent being deemed to have failed to file a return or payment.

(c) Each tax return or payment or other remittance communicated electronically will be considered to be “in writing” and “written” to an extent no less than as if in paper, to be “signed,” and to be an original.

(d) By typing his or her name on the signature line of an electronically-submitted enrollment and authorization agreement for the e-Services Program, the taxpayer or reemployment unemployment tax agent is declaring, under penalties of perjury, that he or she is authorized to sign on behalf of the applicant entity, and that he or she has personally reviewed the information provided, and that the facts stated are true.
2. The typed name of the taxpayer or reemployment unemployment tax agent or its authorized agent(s) affixed to a completed and properly submitted enrollment and authorization agreement for the e-Services Program will be deemed to appear on electronically filed tax returns, as if actually so appearing.

(e) The taxpayer or reemployment unemployment tax agent must notify the Department of any changes by accessing and completing a change request on the Department’s Internet site, or completing and submitting a new Form DR-600, no later than 30 consecutive calendar days before the changes are intended to take effect.

(4)(5) Upon receipt of enrollment information, the Department will assign confidential user information directly to the taxpayer or reemployment unemployment tax agent enrolling. Rulemaking Authority 202.26(3)(a), 206.485(1), 213.06(1), 213.755(8), (9), 220.21(2), (3), 443.163(1) FS. Law Implemented 119.071(5), 202.30, 206.485, 213.755, 220.21(2), (3), 443.1317, 443.163 FS. History–New 12-19-89, Amended 1-8-91, 11-17-93, 4-30-02, 10-5-03, 6-1-09,_____

12-24.005 Methods of Payment by Electronic Means.

(1) Taxpayers may The Department will utilize either the ACH debit or ACH credit transfer as the method by which taxpayers subject to electronic payment requirements shall remit taxes and fees by electronic means.

(2) However, the Executive Director or the Executive Director’s designee will grant taxpayers permission to use the ACH-credit method on a case by case basis, as an exception to the required use of the ACH-debit method.

(a) A taxpayer who requests permission to use the ACH credit method must submit a
written request to the Department, by December 1 (February 1 for taxpayers remitting only unemployment tax), which demonstrates that the taxpayer is currently using the ACH credit method for other financial purposes on a regular basis.

(b) The written request to use the ACH credit method shall be filed with the e-Services Unit, Florida Department of Revenue, P.O. Box 5885, Tallahassee, Florida 32314-5885, by December 1 (February 1 for taxpayers remitting only unemployment tax). The Department will accept facsimile transmissions of requests at telephone number (850) 922-5088. Taxpayers will be notified of the Department’s decision.

(c) The Department reserves the right to revoke the ACH credit method payment privilege of any taxpayer who does not consistently transmit error-free payments; or substantially varies from the requirements and specifications of these rules; or repeatedly fails to make timely electronic payments or timely provide payment information; or, repeatedly fails to provide the required addenda record with the electronic payment.

(d) 1. Taxpayers using the ACH credit method may continue to use the ACH credit method unless and until such time as the Department revokes the taxpayer’s right to do so pursuant to paragraph (c).

2. Nothing in this rule shall be construed to prohibit the use of the ACH credit method by a business that is currently not licensed to do business in Florida, unless such business does not qualify as discussed in paragraph (a).

Rulemaking Authority 202.26(3)(a), 206.485(1), 213.06(1), 213.755(8), (9), 220.21(2), (3), 443.163(1) FS. Law Implemented 202.30, 206.485, 213.755, 220.21(2), (3), 443.1317, 443.163 FS. History–New 12-19-89, Amended 1-8-91, 11-17-93, 4-30-02, 10-5-03, 6-1-09, ______.
12-24.007 Electronic Payment Transmission Errors.

(1) If a taxpayer makes an error on an electronic payment for a particular period, the taxpayer must, on the nearest business day after the date on which the error is discovered, contact the Department, Monday through Friday, 8:00 a.m. to 7:00 p.m., Eastern Time, at the telephone number for general taxes at (800) 352-3671 or, for reemployment unemployment tax at (800) 482-8293, or at the Department’s Internet address at myflorida.com/dor/e-services for specific instructions. Persons with hearing or speech impairments may call the Florida Relay Service at (800) 955-8770 (Voice) and (800) 955-8771 (TTY).

(a) – (b) No change.

(2) – (3) No change.

Rulemaking Authority 202.26(3)(a), 206.485(1), 213.06(1), 213.755(8), (9), 220.21(2), (3), 443.163(1) FS. Law Implemented 202.30, 206.485, 213.755, 220.21(2), (3), 443.1317, 443.163 FS. History–New 12-19-89, Amended 1-8-91, 11-17-93, 4-30-02, 10-5-03, 6-1-09.

12-24.008 Procedures for Payment.

(1) No change.

(2)(a) ACH Credit Method. Taxpayers who have been granted permission to use the ACH credit method must contact their own financial institutions and make the arrangements to transfer the tax payment to the State Treasury account using an ACH credit transfer. The Department will not bear the costs for taxpayers to use the ACH credit method.

(b) – (e) No change.

(3) No change.

(a) Prior to initiating the transmission, the taxpayer must fax a written explanation of the
emergency situation that prevents timely compliance under either the ACH-debit method or ACH credit method and must request written approval to wire transfer the tax payment in question to the State Treasury account. The e-Services fax number is (850) 922-5088. The written request must include the information discussed in sub-subparagraphs (3)(b)1.a. through f.

(b) – (c) No change.

Rulemaking Authority 202.26(3)(a), 206.485(1), 213.06(1), 213.755(8), (9), 220.21(2), (3), 443.163(1) FS. Law Implemented 202.30(1), 206.485, 213.755, 220.21(2), (3), 443.1317, 443.163 FS. History–New 12-19-89, Amended 1-8-91, 11-17-93, 4-30-02, 10-5-03, 6-1-09, 12-24.009 Due Date; General Provisions.

(1)(a) No change.

(b) To assist the taxpayer in complying with all statutory requirements for timely electronic payment of taxes, surtaxes, surcharges, and fees due and the timely filing of tax returns, the Department will provide an annual calendar of dates by which the initiation of a return with payment, or payment only, must be completed. The annual calendar of dates is posted on the Department’s website at myflorida.com/dor/e-services and may also be obtained by calling the Department toll-free at (800)352-3671. Persons with hearing or speech impairments may call Florida Relay Service at (800) 955-8770 (Voice) and (800) 955-8771 (TTY).

(2) No change.

(3) The provisions of Section 213.21, F.S. (Section 443.141(1), F.S., for reemployment unemployment tax), govern the compromise and settlement of any tax, interest, or penalty assessed due to the late payment of an electronically filed payment, except as provided in these rules.
(a) No change.

(b) 1. A taxpayer who is required to remit payments under the electronic payment program and who is unable to make a timely payment because of system failures within the banking system/ACH interface that are beyond the taxpayer’s control are not subject to penalty or interest for late payment or loss of collection allowance or discount. The taxpayer must provide a written explanation and supporting documentation concerning any system failure within the banking system/ACH interface to: Taxpayer Services e-Services, Florida Department of Revenue, 5050 W. Tennessee Street P.O. Box 5885, Tallahassee, Florida 32399-011232314-5885.

2. Taxpayers must ensure that they use reasonable and prudent judgment when selecting a banking system or ACH interface to handle their electronic payment transactions.

(c) No change.

(4) No change.

Rulemaking Authority 202.26(3)(a), 206.485(1), 213.06, 213.755(8), (9), 220.21(2), (3), 443.163(1) FS. Law Implemented 202.28, 202.30, 206.485, 212.12, 213.755, 220.21(2), (3), 443.1317, 443.163 FS. History–New 12-19-89, Amended 4-30-02, 10-5-03, 6-1-09, 12-24.010 General Administrative Provisions; Voluntary Participation; Confidentiality; Granting of Waivers From Electronic Filing Requirements.

(1) Taxpayers or reemployment unemployment tax agents who need general information concerning the Department’s e-Services programs can contact the Department toll-free at (800)352-3671 or for reemployment unemployment tax toll-free at (800) 482-8293, or at the Department’s Internet address at www.myflorida.com/dor. Persons with hearing or speech
impairments may call the Florida Relay Service at (800) 955-8770 (Voice) and (800) 955-8771 (TTY).

(2) Voluntary inclusion in the electronic payment program. Any taxpayer or reemployment unemployment tax agent may voluntarily participate in the Department’s e-Services program. See Rule 12-24.004, F.A.C., Enrollment. Taxpayers may terminate voluntary participation by filing a written notice of termination with Account Management the e-Services Unit at least 60 days prior to the due date of the last electronic payment. Termination requests must be directed to the Taxpayer Services e-Services Program, Florida Department of Revenue, 5050 W. Tennessee Street P.O. Box 5885, Tallahassee, Florida 32399-0160 32314-5885.

(3) No change.

(4)(a) The Department is authorized to waive the requirement that a taxpayer or reemployment unemployment tax agent submit tax returns by electronic means, if the taxpayer or reemployment unemployment tax agent can establish that he or she is unable to comply with e-filing requirements. To request a waiver the taxpayer or reemployment unemployment tax agent must complete and submit form DR-654, Request for Waiver From Electronic Filing (incorporated by reference in Rule 12-24.011, F.A.C.) to establish in writing the basis under which such waiver is requested. The Department will verify the information submitted on the form and will respond in writing to the taxpayer after reviewing the form.

(b) Grounds for approving a waiver include, but are not limited to:

1. Any of the circumstances specified in Sections 202.30(2)(b), 213.755(9)(a) and (b), 220.21(2) or 443.163(3), F.S.; or

2. The taxpayer or reemployment unemployment tax agent does not have a modem; or

3. The taxpayer or reemployment unemployment tax agent does not have access to the
(c) A waiver shall be valid for up to two years, and the issuance of a subsequent waiver will be contingent on the taxpayer or reemployment unemployment tax agent working with the Department during the current waiver period to address the issues that originally necessitated the issuance of the waiver. The requirement to work with the Department to address the issues that necessitated a waiver means the taxpayer or reemployment unemployment tax agent will: discuss existing computer capabilities with the Department; consider any assistance, recommendations, or training the Department offers; and implement any Department recommendation that enables the taxpayer or reemployment unemployment tax agent to submit returns by electronic means, unless the taxpayer or reemployment unemployment tax agent can establish that the circumstances or reasons as set forth in Sections 202.30(2)(b), 213.755(9)(a) and (b), 220.21(2), or 443.163(3), F.S., continue to apply.

Rulemaking Authority 202.26(3)(a), 206.485(1), 213.06(1), 213.755(8), (9), 220.21(2), (3), 443.163(1) FS. Law Implemented 202.30, 206.485, 213.755, 220.21(2), (3), 443.1317, 443.163 FS. History–New 12-19-89, Amended 1-8-91, 11-17-93, 4-30-02, 10-5-03, 6-1-09._____.

12-24.011 Public Use Forms.

(1)(a) The following public use forms and instructions are utilized by the Department for the purposes of the Department’s e-Services Program and are hereby incorporated by reference in this rule.

(b) No change.

<table>
<thead>
<tr>
<th>Form Number</th>
<th>Title</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2) DR-600</td>
<td>Enrollment and Authorization for</td>
<td></td>
</tr>
</tbody>
</table>
(3) No change.

Rulemaking Authority 202.26(3)(a), 206.485(1), 213.06(1), 213.755(8), (9), 220.21(2), (3),
443.163(1) FS. Law Implemented 119.071(5), 202.30, 206.485, 212.08(5)(q), 213.755,
220.21(2), (3), 443.1317, 443.163 FS. History–New 6-1-09, Amended 6-28-10, 6-6-11, 5-9-13._____.

(http://www.flrules.org/Gateway/reference.asp?No=Ref-___02539)
ATTACHMENT 3
November 12, 2014

MEMORANDUM

TO: The Honorable Rick Scott, Governor
Attention: Karl Rasmussen, Director of Cabinet Affairs
Megan Demartini, Deputy Director of Cabinet Affairs
Kristin Olson, Cabinet Aide

The Honorable Jeff Atwater, Chief Financial Officer
Attention: Robert Tornillo, Director of Cabinet Affairs
Erica Atalla, Senior Cabinet Aide

The Honorable Pam Bondi, Attorney General
Attention: Kent Perez, Associate Deputy Attorney General
Rob Johnson, Director of Legislative and Cabinet Affairs
Erin Sumpter, Deputy Director of Cabinet Affairs
Andrew Fay, Deputy Director of Legislative Affairs

The Honorable Adam Putnam, Commissioner of Agriculture and Consumer Services
Attention: Brooke McKnight, Director of Cabinet Affairs
Jessica Field, Deputy Cabinet Affairs Director

THRU: Marshall Stranburg, Executive Director

FROM: Vince Aldridge, Chief of Staff


Statement of Sections 120.54(3)(b) and 120.541, F.S. Impact: No impact. The Department has reviewed the proposed rules for compliance with Sections 120.54(3)(b) and 120.541, F.S. The proposed rules will not likely have an adverse impact on small business, small counties, or small cities, and they are not likely to have an increased regulatory cost in excess of $200,000 within 1 year. Additionally, the proposed rules are not likely to have an adverse impact or increased regulatory costs in excess of $1,000,000 within 5 years.
**What is the Department requesting?** Section 120.54(3)(a), F.S., requires the Department to obtain Cabinet approval to hold public hearings for the development of proposed rules. The Department therefore requests approval to publish a Notice of Proposed Rule in the *Florida Administrative Register* for the following proposed rules:

**EXEMPT SALES**

**Why are the proposed rules necessary?** The proposed amendments to Rule 12A-1.038 and Rule 12A-1.039, F.A.C., are necessary to inform taxpayers of the availability and use of new technology designed by the Department to assist them in documenting exempt sales. Amendments are also proposed to Rule 12A-1.039 and 12A-19.060, F.A.C., to allow taxpayers to receive copies of their Annual Resale Certificates through a secure link on the Department’s website and to remove unnecessary and obsolete requirements for documenting a tax-exempt sale.

**What do the proposed rules do?** The Department has developed a new mobile application to allow taxpayers to more easily verify and document a potential customer’s tax-exempt status for the purposes of sales and use tax. The proposed amendments to Rule 12A-1.038 and 12A-1.039, F.A.C., provide information as to the availability and use of this application.

To make it easier for taxpayers using modern technology to receive a copy of their Annual Resale Certificate and to reduce costs to the state, the Department will provide those certificates through a secure link on its website beginning in January, 2015. The proposed amendments to Rule 12A-1.039, F.A.C., provide information as to this availability.

Amendments are also proposed to Rule 12A-1.039, and 12A-19.060, F.A.C., to remove unnecessary and obsolete requirements for documenting a tax-exempt sale.

**Were comments received from external parties?** No. A rule workshop was scheduled to be held on October 30, 2014, if requested in writing. No request was received and no workshop held.

Attached are copies of:

- Summaries of the proposed rules, which include:
  - Statements of facts and circumstances justifying the rules;
  - Federal comparison statement; and
  - Summary of the workshop

- Rule text
SUMMARY OF PROPOSED RULES

The proposed amendments to Rule 12A-1.038, F.A.C. (Consumer’s Certificate of Exemption; Exemption Certificates) and Rule 12A-1.039, F.A.C. (Sales for Resale), provide information regarding the availability and use of the Department’s new mobile application to confirm a customer’s status as a tax-exempt entity or a registered dealer. The proposed amendments to Rule 12A-1.039, F.A.C. (Sales for Resale), also remove unnecessary provisions and provide information as to how taxpayers may obtain a copy of their Annual Resale Certificate through a secure link on the Department’s website. Finally, technical changes are made to both rules for Departmental addresses and to the time period during which Department operators are available.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES

Rule 12A-1.038, F.A.C. (Consumer’s Certificate of Exemption; Exemption Certificates), provides, in part, guidance as to how a dealer may document a sale made to a nongovernmental tax-exempt entity. Rule 12A-1.039, F.A.C., provides similar guidance for sales made to registered dealers for the purposes of resale. In an effort to assist taxpayers using modern technology, the Department has developed a mobile application that can be used to confirm a
customer’s status as a tax-exempt entity or a registered dealer. The proposed amendments to Rule 12A-1.038, F.A.C. (Consumer’s Certificate of Exemption; Exemption Certificates) and Rule 12A-1.039, F.A.C. (Sales for Resale), are necessary to provide taxpayers with information regarding the availability and use of this new method.

To make it easier for taxpayers using modern technology to receive a copy of their Annual Resale Certificate and to reduce costs to the state, the Department will provide those certificates through a secure link on its website beginning in January, 2015. The proposed amendments to Rule 12A-1.039, F.A.C. (Sales for Resale), are necessary to provide information as to this availability.

The Department has determined that three provisions of Rule 12A-1.039, F.A.C. (Sales for Resale), are unnecessary and provide no benefit to either the taxpayer or the Department. Those provisions are 1) including a taxpayer’s registration effective date on the Annual Resale Certificate issued by the Department, as the certificates are issued each year and are clearly labeled with each year’s date; 2) the requirement that a taxpayer sign his or her Annual Resale Certificate; and 3) the requirement of a signed statement by the purchaser on a sales invoice, purchase order, or separate form documenting the sale. The proposed amendments to Rule 12A-1.038, F.A.C. (Consumer’s Certificate of Exemption; Exemption Certificates) and Rule 12A-1.039, F.A.C. (Sales for Resale), are necessary to remove these unnecessary provisions.

FEDERAL COMPARISON STATEMENT

The provisions contained in these rules do not conflict with comparable federal laws, policies, or standards.
SUMMARY OF RULE DEVELOPMENT WORKSHOP

OCTOBER 30, 2014

A Notice of Proposed Rule Development was published in the Florida Administrative Register on October 15, 2014 (Vol. 40, No. 201, p. 4529 – 4530), to advise the public of the proposed amendments to Rule 12A-1.038, F.A.C. (Consumer’s Certificate of Exemption; Exemption Certificates) and Rule 12A-1.039, F.A.C. (Sales for Resale), and to provide that, if requested in writing, a rule development workshop would be held on October 30, 2014. No request was received by the Department. No written comments were received by the Department.
NOTICE OF RULE DEVELOPMENT

DEPARTMENT OF REVENUE
SALES AND USE TAX

RULE NO:  RULE TITLE:
12A-1.038 Consumer’s Certificate of Exemption; Exemption Certificates
12A-1.039 Sales for Resale

PURPOSE AND EFFECT: Rule 12A-1.038, F.A.C., provides, in part, guidance as to how a
dealer may document a sale made to a nongovernmental tax-exempt entity. Rule 12A-1.039,
F.A.C., provides similar guidance for sales made to registered dealers for the purposes of resale.
In an effort to assist taxpayers using modern technology, the Department has developed a mobile
application that can be used to confirm a customer’s status as a tax-exempt entity or a registered
dealer. The purpose of a portion of the proposed changes to the two rules is to include
information regarding the availability and use of this new method.

To make it easier for taxpayers using modern technology to receive a copy of their
Annual Resale Certificate and to reduce costs to the state, the Department will provide those
certificates through a secure link on its website beginning in January, 2015. A change is being
proposed to Rule 12A-1.039, F.A.C., to provide information as to this availability.

The Department has determined that three provisions of Rule 12A-1.039, F.A.C., are
unnecessary and provide no benefit to either the taxpayer or the Department. Those provisions
are 1) including a taxpayer’s registration effective date on the Annual Resale Certificate issued
by the Department, as the certificates are issued each year and are clearly labeled with each
year’s date; 2) the requirement that a taxpayer sign his or her Annual Resale Certificate; and 3)
the requirement of a signed statement by the purchaser on a sales invoice, purchase order, or
separate form documenting the sale. Accordingly, the Department is proposing that these provisions be stricken from the rule.

Finally, technical changes are made to both rules for Departmental addresses and to the time period during which Department operators are available.

SUBJECT AREA TO BE ADDRESSED: The subject areas of the rule development workshop are the availability and use of the Department’s FL Tax mobile application; the availability of the Annual Resale Certificate through a secure link on the Department’s website; the removal of the requirement that a taxpayer must sign his or her Annual Resale Certificate; the removal of the registration effective date from the information that will included on the Annual Resale Certificate; the removal of the requirement of obtaining a signed statement on a written proof of sale; and technical changes for Departmental addresses and to the time period in which Department operators are available.

RULEMAKING AUTHORITY: 212.07(1)(b), 212.17(6), 212.18(2), 213.06(1) FS.

LAW IMPLEMENTED: 95.091(3), 212.02(4)(14), 212.05(1)(b), (i), (j), 212.06(1)(c), (16), 212.0601, 212.07(1), 212.08(5)(m), (6), (7), 212.085, 212.13(5)(c), (d), 212.17(6), 212.18(2), (3), 218.186, 212.21(2), 213.053(10), 218.186

IF REQUESTED IN WRITING AND NOT DEEMED UNNECESSARY BY THE AGENCY HEAD, A RULE DEVELOPMENT WORKSHOP WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW.

DATE AND TIME: October 30, 2014, 9:00 a.m.

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

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical
Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such proceeding by contacting Tonya Fulford at (850) 617-8347. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT IS: Kimberly Bevis, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 617-8347.

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS: Published on the Department’s Internet site at myflorida.com/dor/rules.
12A-1.038 Consumer’s Certificate of Exemption; Exemption Certificates.

(1) – (2) No change.

(3) SALES MADE TO EXEMPT ENTITIES OTHER THAN GOVERNMENTAL UNITS

(a) – (e) No change.

(f) The validity of a Florida Consumer’s Certificate of Exemption may be verified by using the Department’s on-line Certificate Verification System at http://www.myflorida.com/dor/gta.html, by using the Department’s FL Tax mobile application, or by calling the Department’s automated nationwide toll-free verification system at 1(877)357-3725. Persons with hearing or speech impairments may call the Florida Relay Service at 1(800)955-8770 (Voice) and 1(800)955-8771 (TTY).

(g)1. TRANSACTION AUTHORIZATION NUMBER ISSUED PRIOR TO OR AT THE POINT-OF-SALE – VALID FOR A SINGLE TRANSACTION ONLY. In lieu of obtaining a copy of the exempt entity’s valid Consumer’s Certificate of Exemption for each sale, the selling dealer may obtain a Transaction Authorization Number or a Vendor Authorization Number from the Department when making a tax-exempt sale to the exempt entity or its authorized representative.

2. The selling dealer may obtain a transaction authorization number prior to or at the point-
of-sale by using the Department’s on-line Certificate Verification System at http://www.myflorida.com/dor/gta.html, by using the Department’s FL Tax mobile application, or by calling the Department’s automated nationwide toll-free verification system at 1(877)357-3725. When using the Department’s on-line Certificate Verification System, the dealer may key up to five Florida Consumer’s Certificate of Exemption numbers into the system. When using the Department’s FL Tax mobile application or the Department’s automated nationwide toll-free verification system, the selling dealer is prompted to key in a single Florida Consumer’s Certificate of Exemption number. Each verification system will issue a 13-digit transaction authorization number or alert the selling dealer that the purchaser does not have a valid Florida Consumer’s Certificate of Exemption. Selling dealers using the automated telephone verification system who do not have a touch-tone telephone will be connected to a live operator during the hours of 8:00 a.m. to 5:00 p.m. (Eastern Time), Monday through Friday. Persons with hearing or speech impairments may call the Florida Relay Service at 1(800)955-8770 (Voice) and 1(800)955-8771 (TTY).

3. The selling dealer must document the transaction authorization number on the sales invoice, purchase order, or other document that is prepared by the purchaser or the selling dealer to document the tax exempt purchase by the exempt entity.

4. A transaction authorization number is valid for a single sales transaction and is not valid to properly document subsequent sales made to the same entity. The selling dealer must obtain a new vendor authorization number for subsequent tax exempt transactions.

(h)1. VENDOR AUTHORIZATION NUMBER FOR REGULAR CUSTOMERS – VALID FOR CALENDAR YEAR ISSUE. In lieu of obtaining a copy of the exempt entity’s valid Florida Consumer’s Certificate of Exemption or a Transaction Authorization Number from the
Department for each sale to the entity, the selling dealer may obtain a Vendor Authorization Number for that entity. This option is available to selling dealers throughout the calendar year without limitation. The selling dealer must maintain a copy of the exempt entity’s Florida Consumer’s Certificate of Exemption in its books and records.

2. The “vendor authorization number” is a customer-specific authorization number that will be valid for all sales made to an exempt entity during the calendar year.

3. To obtain vendor authorization numbers, the selling dealer may use the Department’s online Certificate Verification System at http://www.myflorida.com/dor/gta.html or send a written request to the Department. Dealers obtaining authorization numbers by submitting a written request to the Department may obtain the electronic format for sending the customer data from the Department’s web site at www.myflorida.com/dor or call the Department at (850) 488-3516 to obtain the electronic format.

   a. The written request should be forwarded to the Florida Department of Revenue, Account Management MS 1-5730, Florida Department of Revenue, 5050 W Tennessee Street Production Management, 5040 West Tharpe Street, Suite 202, Tallahassee, Florida 32399-016032303-7836, along with an electronic file containing a list of the dealer’s regular customers for which the dealer has a Florida Consumer’s Certificate of Exemption number on file. In response to the request, the Department will issue to the selling dealer, using the same electronic medium, a list containing a unique vendor authorization number for each exempt entity who is a holder of a valid Florida Consumer’s Certificate of Exemption.

   b. The Department’s on-line Certificate Verification System allows the user to verify up to five Florida Consumer’s Certificate numbers and to obtain a transaction authorization number for single sales made to each exempt entity at once. The system also allows the user to upload a
batch file of up to 50,000 accounts for verification of a Florida Consumer’s Certificate of Exemption and, 24 hours later, retrieve the file containing the vendor authorization numbers for all sales made to an exempt entity during the calendar year.

4. The selling dealer may make tax-exempt sales to the exempt entity during the period in which the vendor authorization number for that entity is valid. Vendor authorization numbers are valid for the remainder of the calendar year during which they are issued. However, vendor authorization numbers issued by the Department in November or December are valid for the remainder of that calendar year and the next calendar year.

(4) – (6) No change.

Rulemaking Authority 212.17(6), 212.18(2), 213.06(1) FS. Law Implemented 95.091(3), 212.02(4), (14)(c), 212.05(1)(j), 212.06(1)(c), (16), 212.0601, 212.07(1), 212.08(5)(m), (6), (7), 212.085, 212.18(2), (3), 212.21(2) FS. History–Revised 10-7-68, Amended 6-16-72, 9-28-78, 7-20-82, 4-29-85, Formerly 12A-1.38, Amended 8-10-92, 3-17-93, 9-14-93, 12-13-94, 10-2-01, 6-12-03, 7-31-03, 6-28-04, 11-6-07, 9-1-09, 5-9-13,_____.

12A-1.039 Sales for Resale.

(1) No change.

(2) ANNUAL RESALE CERTIFICATES ISSUED BY THE DEPARTMENT.

(a) For each calendar year, the Department of Revenue will issue to each active registered dealer an Annual Resale Certificate (Form DR-13). A newly registered dealer will receive a Sales and Use Tax Certificate of Registration (Form DR-11) and an Annual Resale Certificate. The business name and location address, the registration effective date, and the certificate number will be indicated on the Annual Resale Certificate.
(b) Dealers may obtain a copy of their Annual Resale Certificate through a secure link on the Department’s website at www.myflorida.com or may request a replacement by contacting the Department at (800) 352-3671. Persons with hearing or speech impairments may call the Florida Relay Service at 1(800)955-8770 (Voice) and 1(800)955-8771 (TTY). Written requests should be addressed to Account Management, MS1-5730 Central Registration, Florida Department of Revenue, 5050 West Tennessee Street, Tallahassee, Florida 32399-0160 0100.

(3) Except as provided in subsection (4), a dealer making a sale for resale is required to document the exempt sale by CHOOSING ONE of the following three methods:

(a) COPIES OF ANNUAL RESALE CERTIFICATES OBTAINED BY THE SELLING DEALER. The selling dealer who makes a tax exempt sale for the purposes of resale must obtain a copy of the purchaser’s current Annual Resale Certificate, or a Transaction Resale Authorization Number or Vendor Resale Authorization Number issued by the Department.

1. The copy of the Annual Resale Certificate must be signed by the purchaser or the purchaser’s authorized representative.

2. A selling dealer may make sales for resale to a purchaser whose current Annual Resale Certificate is on file without seeking a new Annual Resale Certificate for each subsequent transaction during that calendar year. A new Annual Resale Certificate must be obtained each calendar year. Except for sales made to purchasers who purchase on account from the dealer on a continual basis, a selling dealer may only make exempt sales for resale to purchasers during the calendar year for which the purchaser’s Annual Resale Certificate appears valid on its face.

2.3. For sales made to purchasers who purchase on account from a dealer on a continual basis, the selling dealer may rely upon the Annual Resale Certificate beyond the expiration date of the certificate and is not required to obtain a new Annual Resale Certificate each calendar
year. For purposes of this paragraph, the phrase “purchase on account from a dealer on a continual basis” means that the selling dealer has a continuing business relationship with a purchaser and makes recurring sales on account to that purchaser in the normal course of business. For purposes of this paragraph, a sale “on account” refers to a sale where the dealer extends credit to the purchaser and records the debt as an account receivable, or where the dealer sells to a purchaser who has an established cash or C.O.D. account, similar to an “open credit account.” For purposes of this paragraph, purchases are made from a selling dealer on a “continual basis” if the selling dealer makes sales to the purchaser no less frequently than once in every twelve month period in the normal course of business.

(b) TRANSACTION RESALE AUTHORIZATION NUMBER ISSUED PRIOR TO OR AT THE POINT-OF-SALE – VALID FOR SINGLE TRANSACTION ONLY. In lieu of obtaining a copy of the purchaser’s Annual Resale Certificate for each tax-exempt sale made for the purposes of resale, the selling dealer may obtain a Transaction Resale Authorization Number or a Vendor Resale Authorization Number from the Department.

1. A “transaction resale authorization number” must be obtained by the selling dealer prior to or at the point-of-sale:
   a. By using the Department’s on-line Certificate Verification System at http://www.myflorida.com/dor/gta.html;
   b. By using the Department’s FL Tax mobile application; or
   c. By calling the Department’s automated nationwide toll-free telephone verification system at 1(877)357-3725.

2. When using the Department’s on-line Certificate Verification System, the dealer may key up to five (5) purchaser’s sales tax certificate of registration numbers into the system. When
using the Department’s FL Tax mobile application or the Department’s automated nationwide toll-free verification system, the selling dealer is prompted to key in a single purchaser’s sales tax certificate of registration number. Each The system will either issue a 13-digit transaction resale authorization number or alert the selling dealer that the purchaser does not have a valid resale certificate. Selling dealers using the automated telephone verification system who do not have a touch-tone phone will be connected to a live operator during the hours of 8:00 a.m. to 5:00 p.m. (Eastern Time), Monday through Friday. Persons with hearing or speech impairments may call the Florida Relay Service at 1(800)955-8770 (Voice) and 1(800)955-8771 (TTY).

3. A transaction resale authorization number is not valid to exempt subsequent resale purchases or rentals made by the same purchaser. A selling dealer must obtain a new transaction resale authorization number for each and every resale transaction.

4. The selling dealer must document the transaction resale authorization number on the sales invoice, purchase order, or a separate form that is prepared by either the purchaser or the selling dealer. The sales invoice, purchase order, or separate form must contain the following statement: “The purchaser hereby certifies that the property or services being purchased or rented are for resale.” This statement must be followed by the signature of the purchaser. The signature may be obtained by the selling dealer through use of an electronic signature pad or other electronic method.

5. Alternatively, in lieu of meeting the requirements of subparagraph 4., the transaction resale authorization number may be documented on a properly completed Uniform Sales and Use Tax Certificate-Multijurisdiction, as provided in subsection (8) of this rule.

(3)(c) – (8) No change.

Rulemaking Authority 212.07(1)(b), 212.17(6), 212.18(2), 213.06(1) FS. Law Implemented
95.091(3), 212.02(14), 212.05(1)(b), (i), 212.07(1), 212.085, 212.13(5)(c), (d), 212.17(6), 212.18(2), (3), 218.186, 212.21(2), 213.053(10), 218.186 FS. History–Revised 10-7-68, Amended 1-7-70, 6-16-72, 9-26-77, 7-20-82, 4-12-84, Formerly 12A-1.39, Amended 1-2-89, 9-14-93, 12-13-94, 10-2-01, 6-12-03, 11-6-07, 9-1-09, 5-9-13.
STATE OF FLORIDA  
DEPARTMENT OF REVENUE  
CHAPTER 12A-19, FLORIDA ADMINISTRATIVE CODE  
COMMUNICATIONS SERVICES TAX  
AMENDING RULE 12A-19.060  

SUMMARY OF PROPOSED RULES  
The proposed amendments to Rule 12A-19.060, F.A.C. (Sales for the Purpose of Resale), remove unnecessary provisions, provide information as to how taxpayers may obtain a copy of their Annual Resale Certificate through a secure link on the Department’s website, and clarify when an Annual Resale Certificate may be accepted by a dealer in lieu of collecting tax on a sale. Technical changes are made to the time period during which Department operators are available.  

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULES  
To make it easier for taxpayers using modern technology to receive a copy of their Annual Resale Certificate and to reduce costs to the state, the Department will provide those certificates through a secure link on its website beginning in January, 2015. The proposed amendments to Rule 12A-19.060, F.A.C. (Sales for the Purpose of Resale), are necessary to provide information as to this availability.  
The Department has determined that two provisions of Rule 12A-19.060, F.A.C. (Sales for the Purpose of Resale), are unnecessary and provide no benefit to either the taxpayer or the Department. Those provisions are 1) the requirement that a taxpayer sign his or her Annual
Resale Certificate; and 2) the requirement of a signed statement by the purchaser on a sales invoice, purchase order, or separate form documenting the sale. The proposed amendments to Rule 12A-19.060, F.A.C. (Sales for the Purpose of Resale), are necessary to remove these unnecessary provisions.

FEDERAL COMPARISON STATEMENT

The provisions contained in these rules do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT WORKSHOP

OCTOBER 30, 2014

A Notice of Proposed Rule Development was published in the Florida Administrative Register on October 15, 2014 (Vol. 40, No. 201, pp. 4530-4531), to advise the public of the proposed amendments to Rule 12A-19.060, F.A.C. (Sales for the Purpose of Resale), and to provide that, if requested in writing, a rule development workshop would be held on October 30, 2014. No request was received by the Department. No written comments were received by the Department.
NOTICE OF RULE DEVELOPMENT

DEPARTMENT OF REVENUE

COMMUNICATIONS SERVICES TAX

RULE NO:  RULE TITLE:
12A-19.060  Sales for the Purpose of Resale

PURPOSE AND EFFECT: To make it easier for taxpayers using modern technology to receive a copy of their Annual Resale Certificate and to reduce costs to the state, the Department will provide those certificates through a secure link on its website beginning in January, 2015. A change is being proposed to Rule 12A-19.060, F.A.C., to provide information as to this availability.

The Department has determined that two provisions of Rule 12A-19.060, F.A.C., are unnecessary and provide no benefit to either the taxpayer or the Department. Those provisions are 1) the requirement that a taxpayer sign his or her Annual Resale Certificate; and 2) the requirement of a signed statement by the purchaser on a sales invoice, purchase order, or separate form documenting the sale. Accordingly, the Department is proposing that these provisions be stricken from the rule.

Clarification is made to Rule 12A-19.060(5), F.A.C., as to when an Annual Resale Certificate may be accepted by a dealer in lieu of collecting tax on a sale.

Finally, a technical change is made to the time period during which Department operators are available.

SUBJECT AREA TO BE ADDRESSED: The subject areas of the rule development workshop are the availability of the Annual Resale Certificate through a secure link on the Department’s website; the removal of the requirement that a taxpayer must sign his or her Annual Resale
Certificate; the removal of the requirement of obtaining a signed statement on a written proof of sale; clarification as to when an Annual Resale Certificate may be accepted by a dealer in lieu of tax; and a technical change for the time period in which Department operators are available.

RULEMAKING AUTHORITY: 202.16(2), 202.26(3)(c), (d) FS.


IF REQUESTED IN WRITING AND NOT DEEMED UNNECESSARY BY THE AGENCY HEAD, A RULE DEVELOPMENT WORKSHOP WILL BE HELD AT THE DATE, TIME, AND PLACE SHOWN BELOW.

DATE AND TIME: October 30, 2014, 9:00 a.m.

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

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT: Any person requiring special accommodations to participate in any rulemaking proceeding before Technical Assistance and Dispute Resolution is asked to advise the Department at least 48 hours before such proceeding by contacting Tonya Fulford at (850) 617-8347. Persons with hearing or speech impairments may contact the Department by using the Florida Relay Service, which can be reached at (800) 955-8770 (Voice) and (800) 955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT IS: Kimberly Bevis, Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443, telephone (850) 617-8347.

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS: Published on the Department’s Internet site at myflorida.com/dor/rules.
12A-19.060 Sales for the Purpose of Resale.

(1) – (3) No change.

(4) ANNUAL RESALE CERTIFICATES ISSUED BY THE DEPARTMENT.

(a) – (c) No change.

(d) Dealers may obtain a copy of their Communications Services Tax Annual Resale Certificate through a secure link on the Department’s website at www.myflorida.com. In the event that a dealer’s original Communications Services Tax Annual Resale Certificate is lost or destroyed, a replacement may be requested by visiting any local Department of Revenue Service Center to personally obtain a copy or by contacting the Department at 1(800)352-3671. Persons with hearing or speech impairments may call the Florida Relay Service at 1(800)955-8770 (Voice) and 1(800)955-8771 (TTY). Written requests should be addressed to Account Management, Florida Department of Revenue, P. O. Box 6480, Tallahassee, Florida 32314-6480.

(5) A dealer is not required to collect tax when a signed copy of the certificate is provided to the selling dealer in lieu of payment of the tax on any sale made on or after the registration effective date and on or prior to the certificate expiration date, as indicated on the certificate, and when the selling dealer receives a copy of the certificate in good faith.
(6) A dealer making a sale for resale is required to document the exempt sale by CHOOSING ONE of the following three methods:

(a) COPIES OF ANNUAL RESALE CERTIFICATES OBTAINED BY THE SELLING DEALER. A selling dealer who makes a sale for the purpose of resale must obtain a signed copy of the purchaser’s current Communications Services Tax Annual Resale Certificate or a Transaction Resale Authorization Number or Vendor Resale Authorization Number issued by the Department.

1. The copy of the Communications Services Tax Annual Resale Certificate must be signed by the purchaser or the purchaser’s authorized representative.

2. A selling dealer may make sales for resale to a purchaser whose current Communications Services Tax Annual Resale Certificate is on file without seeking a new certificate for each subsequent transaction during that calendar year. A new Communications Services Tax Annual Resale Certificate must be obtained each calendar year. Except for sales made to purchasers who purchase on account from the dealer on a continual basis, a selling dealer may only make exempt sales for resale to purchasers during the calendar year for which the purchaser’s Communications Services Tax Annual Resale Certificate appears valid on its face.

23. For sales made to purchasers who purchase on account from a dealer on a continual basis, the selling dealer may rely upon the Communications Services Tax Annual Resale Certificate beyond the expiration date of the certificate and is not required to obtain a new certificate each calendar year.

a. For purposes of this paragraph, the phrase “purchase on account from a dealer on a continual basis” means that the selling dealer has a continuing business relationship with a
purchaser and makes recurring sales on account to that purchaser in the normal course of business.

b. For purposes of this paragraph, a sale “on account” refers to a sale where the dealer extends credit to the purchaser and records the debt as an account receivable, or where the dealer sells to a purchaser who has an established cash or cash on delivery (C.O.D.) account, similar to an “open credit account.”

c. For purposes of this paragraph, purchases are made from a selling dealer on a “continual basis” if the selling dealer makes sales to the purchaser no less frequently than once in every twelve-month period in the normal course of business.

(b) TRANSACTION RESALE AUTHORIZATION NUMBER ISSUED PRIOR TO OR AT THE POINT-OF-SALE – VALID FOR SINGLE TRANSACTION ONLY. In lieu of obtaining a signed copy of the purchaser’s Communications Services Tax Annual Resale Certificate for each tax-exempt sale made for the purposes of resale, the selling dealer may obtain a Transaction Resale Authorization Number or a Vendor Resale Authorization Number from the Department.

1. A “transaction resale authorization number” must be obtained by the selling dealer prior to or at the point-of-sale by using the Department’s on-line Certificate Verification System at www.myflorida.com/dor/gta.html or by calling the Department’s nationwide toll-free telephone verification system at 1(877)357-3725.

2. When using the Department’s on-line Certificate Verification System, the dealer may key up to five (5) purchaser’s communications services tax certificate/business partner numbers into the system. When using the Department’s automated nationwide toll-free verification system, the selling dealer is prompted to key in a single purchaser's communications services tax certificate/business partner number. The system will either issue a 13-digit transaction resale
authorization number or alert the selling dealer that the purchaser does not have a valid resale certificate. Selling dealers using the automated telephone verification system who do not have a touch-tone phone will be connected to a live operator during the hours of 8:00 a.m. to 5:00 p.m. (Eastern Time), Monday through Friday. Persons with hearing or speech impairments may call the Florida Relay Service at 1(800)955-8770 (Voice) and 1(800)955-8771 (TTY).

3. A transaction resale authorization number is not valid to exempt subsequent resale purchases made by the same purchaser. A selling dealer must obtain a new transaction resale authorization number for each and every resale transaction.

4. The selling dealer must document the transaction resale authorization number on the sales invoice, purchase order, or a separate form that is prepared by either the purchaser or the selling dealer. The sales invoice, purchase order, or separate form must contain the following statement: “The purchaser hereby certifies that the communications services being purchased are for resale.” This statement must be followed by the signature of the purchaser. The signature may be obtained by the selling dealer through use of an electronic signature pad or other electronic method.

(6)(c) – (9) No change.

Rulemaking Authority 202.16(2), 202.26(3)(c), (d) FS. Law Implemented 202.11(3), (10), (11), 202.13(2), 202.16(2), (4), 202.17(6), 202.34(3), (4)(c) FS. History–New 1-31-02, Amended 7-16-06, 6-4-08, _____.