

## Section II Proposed Rules

#### DEPARTMENT OF REVENUE

Sales and Use Tax

RULE NOS.: RULE TITLES: 12A-1.097 Public Use Forms

12A-1.116 Florida Farm Tax Exempt Agricultural

Materials Card

PURPOSE AND EFFECT: Section 1, Chapter 2023-154, L.O.F., created the Florida Farm Tax Exempt Agricultural Materials (TEAM) Card in section 212.08(19), F.S. A farmer whose property is classified as agricultural or who has implemented agricultural best management practices adopted by the Department of Agriculture and Consumer Services may apply to the Department of Revenue for a TEAM card

beginning January 1, 2024. The farmer may then present the TEAM card to a seller instead of a certificate or affidavit otherwise required to claim the applicable sales tax exemptions. Proposed new Rule 12A-1.116, F.A.C. (Florida Farm Tax Exempt Agricultural Materials Card), is necessary to provide the application process to obtain a TEAM card and the methods a selling dealer may document an exempt sale to a farmer who has been issued a TEAM Card.

The proposed amendments to Rule 12A-1.097, F.A.C. (Public Use Forms), are necessary to adopt, by reference, the new application by which a farmer whose property meets the requirements of section 212.08(19), F.S., may apply to the Department of Revenue for a TEAM Card.

SUMMARY: The creation of Rule 12A-1.116 (Florida Farm Tax Exempt Agricultural Materials Card) F.A.C., provides the eligibility criteria and application process to obtain a Florida Farm Tax Exempt Agricultural Materials (TEAM) Card, as well the methods a selling dealer may document an exempt sale to a purchaser who has been issued a TEAM Card. Revisions to Rule 12A-1.097 (Public Use Forms), F.A.C., incorporate new Form DR-1 TEAM, the application form by which a farmer whose property meets certain requirements may apply to the Department of Revenue for a TEAM Card beginning January 1, 2024.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COSTS AND LEGISLATIVE RATIFICATION:

The Agency has determined that this will not have an adverse impact on small business or likely increase directly or indirectly regulatory costs in excess of \$200,000 in the aggregate within one year after the implementation of the rule. A SERC has not been prepared by the Agency.

The Agency has determined that the proposed rule is not expected to require legislative ratification based on the statement of estimated regulatory costs or if no SERC is required, the information expressly relied upon and described herein: 1) no requirement for the Statement of Economic Regulatory Costs (SERC) was triggered under Section 120.541(1), F.S.; and 2) based on past experiences regarding rules of this nature, the adverse impact or regulatory cost, if any, do not exceed nor would exceed any one of the economic analysis criteria in a SERC, as set forth in Section 120.541(2)(a), F.S.

Any person who wishes to provide information regarding a statement of estimated regulatory costs, or provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

RULEMAKING AUTHORITY: 201.11, 202.17(3)(a), 202.22(6), 202.26(3), 212.0515(7), 212.0596(3), 212.06(5)(b)13., 212.0596(3), 212.08(5)(b)4., (n)4., (o)4., (7), (19)(b), 212.099(10),

212.11(5)(b), 212.12(1)(a)2., 212.18(2), (3), 212.183, 213.06(1), 288.1258(4)(c), 376.70(6)(b), 376.75(9)(b), 403.718(3)(b), 403.7185(3)(b), 1002.40(16), FS.

LAW IMPLEMENTED: 125.0104, 125.0108, 201.01, 201.08(1)(a), 201.133, 202.11(2), (3), (6), (16), (24), 202.22(3)-(6), 202.28(1), 203.01, 212.03, 212.0305, 212.031, 212.04, 212.05, 212.0501, 212.0515, 212.054, 212.055, 212.0596, 212.05965, 212.06, 212.0606, 212.07(1), (8), 212.08, 212.084(3), 212.085, 212.09, 212.096, 212.099, 212.11(1), (4), (5), 212.12(1), (2), (9), (13), 212.14(2), (4), (5), 212.18(2), (3), 212.183, 212.1832, 213.235(1), (2), 213.29, 213.37, 213.755, 215.26(6), 219.07, 288.1258, 290.00677, 365.172(9), 376.70(2), 376.75(2), 403.718, 403.7185(3), 443.131, 443.1315, 443.1316, 443.171(2), 1002.40(13) FS.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE, TIME AND PLACE SHOWN BELOW(IF NOT REQUESTED, THIS HEARING WILL NOT BE HELD):

DATE AND TIME: January 11, 2024, at 09:00 a.m.

PLACE: 2450 Shumard Oak Boulevard, Building One, Room 1-1221, Tallahassee, Florida 32399. If a meeting is requested in writing, members of the public can also attend electronically via webinar; participants will need to register for the webinar using the following link: https://attendee.gotowebinar.com/register/5594820273752793 945.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 48 hours before the workshop/meeting by contacting: Tonya Fulford at (850)717-6799. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS: Brinton Hevey, Technical

Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida 32314-7443,

telephone (850)717-7754, email RuleComments@floridarevenue.com.

#### THE FULL TEXT OF THE PROPOSED RULE IS:

### 12A-1.097 Public Use Forms.

- (1) The following public use forms and instructions are employed by the Department in its dealings with the public related to the administration of Chapter 212, F.S. These forms are hereby incorporated by reference in this rule.
  - (a) through (b) No change.

Form	Title	Effecti
Num		ve
ber		Date
(2)(a)	No change.	
throu		
gh (g)		
<u>(h)</u>	Application for a Florida Farm Tax Exempt	01/24
DR-	Agricultural Materials (TEAM) Card	
<u>1TEA</u>	(http://www.flrules.org/Gateway/reference.a	
<u>M</u>	sp?No=Ref-XXXXX)	
(3)	No change.	
throu		
gh		
(24)		

Rulemaking Authority 201.11, 202.17(3)(a), 202.22(6), 202.26(3), 212.0596(3), 212.06(5)(b)13., 212.0515(7), 212.0596(3), 212.06(5)(b)13., 212.07(1)(b), 212.08(5)(b)4., (n)4., (o)4., (7), (19)(b), 212.099(10), 212.11(5)(b), 212.12(1)(a)2., 212.18(2), (3), 212.183, 213.06(1), 288.1258(4)(c), 376.70(6)(b), 376.75(9)(b), 403.718(3)(b), 403.7185(3)(b), 1002.40(16) FS. Law Implemented 125.0104, 125.0108, 201.01, 201.08(1)(a), 201.133, 202.11(2), (3), (6), (16), (24), 202.22(3)-(6), 202.28(1), 203.01, 212.03, 212.0305, 212.031, 212.04, 212.05, 212.0501, 212.0515, 212.054, 212.055, 212.0596, 212.05965, 212.06, 212.0606, 212.07(1), (8), 212.08, 212.084(3), 212.085, 212.09, 212.096, 212.099, 212.11(1), (4), (5), 212.12(1), (2), (9), (13), 212.14(2), (4), (5), 212.18(2), (3), 212.183, 212.1832, 213.235(1), (2), 213.29, 213.37, 213.755, 215.26(6), 219.07, 288.1258, 290.00677, 365.172(9), 376.70(2), 376.75(2), 403.718, 403.7185(3), 443.131, 443.1315, 443.1316, 443.171(2), 1002.40(13) FS. History-New 4-12-84, Formerly 12A-1.97, Amended 8-10-92, 11-30-97, 7-1-99, 4-2-00, 6-28-00, 6-19-01, 10-2-01, 10-21-01, 8-1-02, 4-17-03, 5-4-03, 6-12-03, 10-1-03, 9-28-04, 6-28-05, 5-1-06, 4-5-07, 1-1-08, 4-1-08, 6-4-08, 1-27-09, 9-1-09, 11-3-09, 1-11-10, 4-26-10, 6-28-10, 7-12-10, 1-12-11, 1-25-12, 1-17-13, 5-9-13, 1-20-14, 1-19-15, 1-11-16, 4-5-16, 1-10-17, 2-9-17, 1-17-18, 4-16-18, 1-8-19, 10-28-19, 12-12-19, 3-25-20, 12-31-20, 6-14-22, 1-1-23, XX-XX-XX.

# 12A-1.116 Florida Farm Tax Exempt Agricultural Materials Card.

(1) For purposes of this rule, a "qualified farmer" means a farmer, as defined in section 212.02(28), F.S., whose property has been classified as agricultural pursuant to section 193.461, F.S., or who has implemented agricultural best management practices adopted by the Department of Agriculture and Consumer Services pursuant to section 403.067(7)(c)2., F.S., on property the farmer owns or leases.

(2)(a) Any qualified farmer in Florida desiring to obtain a Florida Farm Tax Exempt Agricultural Materials (TEAM) Card, hereafter referred to as "TEAM Card," must complete the Application for Florida Farm Tax Exempt Agricultural Materials (TEAM) Card (Form DR-1TEAM, incorporated by reference in Rule 12A-1.097, F.A.C.). The applicant farmer must indicate whether they qualify as a farmer who owns real property classified as agricultural pursuant to section 193.461, F.S., or they qualify as a farmer who has enrolled in and

implemented best management practices adopted by the Department of Agriculture and Consumer Services pursuant to section 403.067(7)(c)2., F.S., on land owned or leased by the farmer.

- (b) The Department of Agriculture and Consumer Services will issue a TEAM Card to applicants approved by the Department of Revenue.
- (c) The TEAM Card will be valid for five years from the date of issuance.
- (3)(a) A farmer that holds a valid TEAM card may present the card to a selling dealer to purchase items exempt from sales tax pursuant to applicable sales tax exemptions provided in section 212.08, F.S. A farmer may present the TEAM Card to a selling dealer instead of a certificate or affidavit otherwise required by Chapter 212, F.S.
- (b) The selling dealer or lessor is only required to obtain one copy of the farmer's TEAM Card to make tax exempt sales to the farmer during the effective period indicated on the TEAM Card. A selling dealer or lessor who accepts the TEAM Card in good faith will not be held liable for any tax due on sales made to the farmer during the effective period indicated on the TEAM Card. The selling dealer or lessor must maintain a copy of the TEAM Card in its books and records until tax imposed by Chapter 212, F.S., may no longer be determined and assessed under Section 95.091(3), F.S.
- (c) Instead of maintaining a copy of the TEAM Card as provided in paragraph (b), a selling dealer or lessor may document the exempt sale by requesting a transaction authorization number is valid for a single transaction only.
- 1. A "transaction authorization number" must be obtained by the selling dealer prior to or at the point-of-sale:
- <u>a. By using the Department's online Certificate</u> Verification System at floridarevenue.com/taxes/certificates; or
- b. By calling the Department's automated nationwide toll-free telephone verification system at 1(877)357-3725.
- 2. When using the Department's online Certificate Verification System, the dealer may key up to five (5) purchaser's TEAM Card 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 TEAM Card number. Each system will either issue a transaction authorization number or alert the selling dealer that the purchaser does not have a valid TEAM Card. Persons with hearing or speech impairments may call the Florida Relay Service by dialing 7-1-1, 1(800)955-8770 (Voice), or 1(800)955-8771 (TTY).
- 3. A transaction authorization number is not valid to exempt subsequent purchases or rentals made by the same purchaser. A selling dealer must obtain a new transaction authorization number for each and every transaction.

- 4. The selling dealer must document the transaction authorization number on the sales invoice, purchase order, or a separate form that is prepared by either the purchaser or the selling dealer.
- (d)1. Vendor authorization number for regular customers valid for the effective period indicated on the TEAM card. Instead of obtaining a copy of the TEAM Card or a Transaction Authorization Number from the Department for each sale to the farmer, the selling dealer may obtain a Vendor Authorization Number for that farmer. This option is available to selling dealers throughout the calendar year without limitation.
- 2. The "vendor authorization number" is a customerspecific authorization number that will be valid for all sales made to a qualifying farmer during the effective period indicated on the TEAM Card.
- 3. The Department's online Certificate Verification System allows the user to verify up to five TEAM Card numbers and to obtain a transaction authorization number for single sales made to each exempt farmer at once. The system also allows the user to upload a batch file of up to 50,000 accounts or 10 MB for verification of TEAM card numbers and, 24 hours later, retrieve the file containing the vendor authorization numbers for all sales made to a qualifying farmer during the effective period indicated on the TEAM Card.

Rulemaking Authority 212.08(19), 213.06(1) FS. Law Implemented 95.091(3), 212.02(28), 212.08(19), 212.13(2) FS. History–New XX-XX-XX.

NAME OF PERSON ORIGINATING PROPOSED RULE: Brinton Hevey

NAME OF AGENCY HEAD WHO APPROVED THE PROPOSED RULE: Governor and Cabinet

DATE PROPOSED RULE APPROVED BY AGENCY HEAD: December 19, 2023

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAR: October 19, 2023

