



Tax Information Publication

TIP

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Changes to Sales and Use Tax Exemptions for Aquaculture Businesses

Effective July 1, 2018, the following changes have been made to the sales tax exemption for gas or electricity used for certain agricultural purposes:

- The exemption for butane gas, propane gas, natural gas, and all other forms of liquefied petroleum gases is expanded to include tractors, vehicles, or other farm equipment used directly or indirectly for the production, packing, or processing of aquacultural products, as defined in section (s.) 597.0015, Florida Statutes (F.S.), whether used on or off the premises of a farm.
- The exemption for electricity used in a packinghouse is expanded to include buildings or structures where fish are packed or prepared for market or shipment. "Fish" is defined as "any of the numerous cold-blooded aquatic vertebrates of the superclass Pisces, characteristically having fins, gills, and a streamlined body, which is raised through aquaculture."

Effective July 1, 2018, industrial machinery and equipment, including parts and accessories, purchased for use in aquacultural activities at fixed locations are exempt from sales tax.

- "Industrial machinery and equipment" is defined as "tangible personal property or other property that has a depreciable life of 3 years or more and that is used as an integral part in the manufacturing, processing, compounding, or production of tangible personal property for sale." A building and its structural components, including heating and air-conditioning equipment are included.
- "Aquacultural activities" means the business of cultivating aquatic organisms. Such businesses must be certified by the Department of Agriculture and Consumer Services. Aquacultural activities must produce an aquaculture product, defined as "aquatic organisms and any product derived from aquatic organisms that are owned and propagated, grown, or produced under controlled conditions. Such products do not include organisms harvested from the wild for depuration, wet storage, or relay for purification."

Documentation for Exemptions

The exemption may be applied by the selling dealer at the time of purchase if the purchaser provides the seller with a certificate stating the item exempted is for the exclusive use authorized by law. The certificate will relieve the seller of any potential tax liability on the sale. The selling dealer must retain the documentation in its books and records for as long as applicable under Florida law.

Exemption Certificate for Gas:

For the butane gas, propane gas, natural gas, and liquefied petroleum gas exemption, the Department recommends the purchaser use the Suggested Purchaser's Exemption Certificate: Items for Agricultural Use or Agricultural Purposes and Power Farm Equipment, provided in Rule 12A-1.087(10)(f), Florida

Administrative Code. The purchaser should check the category titled "Other" and include the following description:

"Butane gas, propane gas, natural gas, or other form of liquefied petroleum gas used in a tractor, vehicle, or other farm equipment used directly or indirectly for the production, packing, or processing of aquacultural products in accordance with s. 212.08(5)(e)1., F.S."

Exemption Certificate for Electricity:

For the electricity exemption, the Department recommends the purchaser use the following suggested certificate:

**SUGGESTED EXEMPTION CERTIFICATE
ELECTRICITY USED FOR THE PRODUCTION, PACKING,
OR PROCESSING OF AGRICULTURAL PRODUCTS ON A FARM
OR USED IN A PACKINGHOUSE**

I certify that the electricity used on or after _____ (DATE) from _____ (UTILITY COMPANY) consumed through the following meter(s) is exempt from sales tax pursuant to Section (s.) 212.08(5)(e)2., Florida Statutes (F.S.), and will be:

(Check the appropriate box)

- Used in the production, packing, or processing of agricultural products on a farm.
- Used in a packinghouse for packing or otherwise preparing for market, or for shipment in fresh form, for wholesale distribution fruits and vegetables, meat from cattle or hogs, or fish.

I certify that the electricity will not be used in a building or structure where agricultural products are sold at retail.

Meter Number(s): _____

I understand that if the electricity purchased does not qualify for exemption under s. 212.08(5)(e), F.S., I will be liable for sales and use tax, interest, and penalties due on the purchase price of the items.

I further understand that when any person fraudulently issues, for the purpose of evading tax, a certificate or statement in writing to a vendor or to any agent of the state in which he or she claims exemption from the sales tax, such person, in addition to being liable for payment of the tax plus a mandatory penalty of 200% of the tax, will be liable for fine and punishment provided by law for conviction of a felony of the third degree, as provided in s. 775.082, s. 775.083, or s. 775.084, F.S.

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

Purchaser's Name and Title (Print or Type)

Purchaser's Address

Signature

Date

Exemption Certificate for Machinery and Equipment:

For the exemption for machinery and equipment, the Department recommends the purchaser use of the following suggested certificate:

**SUGGESTED EXEMPTION CERTIFICATE
EXEMPTION FOR INDUSTRIAL MACHINERY AND EQUIPMENT
FOR USE IN AQUACULTURAL ACTIVITIES**

I certify that the machinery and equipment purchased on or after _____ (DATE) from _____ (SELLER) is exempt from sales tax pursuant to Section (s.) 212.08(5)(t), Florida Statutes (F.S.), and will be used as an integral part in aquacultural activities in manufacturing, processing, compounding, or production of tangible personal property for sale. I understand that I must produce an aquaculture product as defined as "aquatic organisms and any product derived from aquatic organisms that are owned and propagated, grown, or produced under controlled conditions and that such products do not include organisms harvested from the wild for depuration, wet storage, or relay for purification."

I understand that if the machinery and equipment purchased does not qualify for exemption under s. 212.08(5)(t), F.S., I will be liable for sales and use tax, interest, and penalties due on the purchase price of the items.

I further understand that when any person fraudulently issues, for the purpose of evading tax, a certificate or statement in writing to a vendor or to any agent of the state in which he or she claims exemption from the sales tax, such person, in addition to being liable for payment of the tax plus a mandatory penalty of 200% of the tax, will be liable for fine and punishment provided by law for conviction of a felony of the third degree, as provided in s. 775.082, s. 775.083, or s. 775.084, F.S.

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

Purchaser's Name and Title (Print or Type)

Purchaser's Address

Signature

Date

References: Section 36, Chapter 2018-118, Laws of Florida; Sections 212.08(5)(e)1. and 2., 212.08(5)(t), and 597.0015, Florida Statutes

For More Information

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For forms and other information, visit the Department's website at floridarevenue.com or call Taxpayer Services at 800-488-6800, Monday through Friday (excluding holidays).

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

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