

Committee Substitute for House Bill No. 221

An act relating to the tax on sales, use, and other transactions; amending s. 212.05, F.S.; exempting from the tax on the sale of coins or currency any coin or currency which is legal tender of the United States and which is sold, exchanged, or traded; exempting from said tax certain transactions in which the sales price exceeds a specified amount; amending s. 212.08, F.S.; exempting sales of gold, silver, or platinum bullion when the sales price exceeds a specified amount; providing for emergency rules; providing effective dates.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (k) of subsection (1) of section 212.05, Florida Statutes, 1998 Supplement, is amended to read:

212.05 Sales, storage, use tax.—It is hereby declared to be the legislative intent that every person is exercising a taxable privilege who engages in the business of selling tangible personal property at retail in this state, including the business of making mail order sales, or who rents or furnishes any of the things or services taxable under this chapter, or who stores for use or consumption in this state any item or article of tangible personal property as defined herein and who leases or rents such property within the state.

(1) For the exercise of such privilege, a tax is levied on each taxable transaction or incident, which tax is due and payable as follows:

(k)1. Notwithstanding any other provision of this chapter, there is hereby levied a tax on the sale, use, consumption, or storage for use in this state of any coin or currency, whether in circulation or not, when such coin or currency:

- a. Is not legal tender;
- b. If legal tender, is sold, exchanged, or traded at a rate in excess of its face value; or
- c. Is sold, exchanged, or traded at a rate based on its precious metal content.

2. Such tax shall be at a rate of 6 percent of the price at which the coin or currency is sold, exchanged, or traded, except that, with respect to a coin or currency which is legal tender of the United States and which is sold, exchanged, or traded, such tax shall not be levied at a rate in excess of its face value, ~~the tax shall be at a rate of 6 percent of the difference between the price at which it is sold, exchanged, or traded and its face value.~~

3. There are exempt from this tax exchanges of coins or currency which are in general circulation in, and legal tender of, one nation for coins or currency which are in general circulation in, and legal tender of, another

nation when exchanged solely for use as legal tender and at an exchange rate based on the relative value of each as a medium of exchange.

4. With respect to any transaction that involves the sale of coins or currency taxable under this paragraph in which the taxable amount represented by the sale of such coins or currency exceeds \$500, the entire amount represented by the sale of such coins or currency is exempt from the tax imposed under this paragraph. The dealer must maintain proper documentation, as prescribed by rule of the department, to identify that portion of a transaction which involves the sale of coins or currency and is exempt under this subparagraph.

Section 2. Paragraph (zz) is added to subsection (7) of section 212.08, Florida Statutes, 1998 Supplement, to read:

212.08 Sales, rental, use, consumption, distribution, and storage tax; specified exemptions.—The sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this chapter.

(7) MISCELLANEOUS EXEMPTIONS.—

(zz) Bullion.—The sale of gold, silver, or platinum bullion, or any combination thereof, in a single transaction is exempt if the sales price exceeds \$500. The dealer must maintain proper documentation, as prescribed by rule of the department, to identify that portion of a transaction which involves the sale of gold, silver, or platinum bullion and is exempt under this paragraph.

Exemptions provided to any entity by this subsection shall not inure to any transaction otherwise taxable under this chapter when payment is made by a representative or employee of such entity by any means, including, but not limited to, cash, check, or credit card even when that representative or employee is subsequently reimbursed by such entity.

Section 3. The executive director of the Department of Revenue may adopt emergency rules under ss. 120.536(1) and 120.54(4), Florida Statutes, for the purpose of prescribing the forms, documentation, and procedures necessary to administer the exemptions provided under ss. 212.05(1)(k)2. and 4. and 212.08(7)(zz), Florida Statutes. Notwithstanding any other provision of law, such emergency rules shall remain effective for 6 months after the date of adoption. This section shall take effect upon this act becoming a law.

Section 4. Except as otherwise expressly provided herein, this act shall take effect July 1, 1999.

Approved by the Governor June 11, 1999.

Filed in Office Secretary of State June 11, 1999.