

House Bill No. 1079

An act relating to an exemption from the tax on sales, use, and other transactions; amending s. 212.02, F.S.; defining the term “qualified aircraft”; amending s. 212.08, F.S.; including qualified aircraft under certain miscellaneous exemption provisions relating to aircraft; exempting certain advertising materials distributed free of charge by mail in an envelope; creating s. 212.0801, F.S.; providing criteria, requirements, and limitations on exemptions for purchases or leases of qualified aircraft; providing an effective date.

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

Section 1. Subsection (33) is added to section 212.02, Florida Statutes, to read:

212.02 Definitions.—The following terms and phrases when used in this chapter have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

(33) “Qualified aircraft” means any aircraft having a maximum certified takeoff weight of less than 10,000 pounds and equipped with twin turbofan engines that meet Stage IV noise requirements that is used by a business operating as an on-demand air carrier under Federal Aviation Administration Regulation Title 14, chapter I, part 135, Code of Federal Regulations, that owns and operates a fleet of at least 25 of such aircraft in this state.

Section 2. Paragraphs (ee), (rr), and (ss) of subsection (7) of section 212.08, Florida Statutes, are amended, and paragraph (ccc) is added to that subsection, 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.—Exemptions provided to any entity by this chapter do not inure to any transaction that is otherwise taxable under this chapter when payment is made by a representative or employee of the entity by any means, including, but not limited to, cash, check, or credit card, even when that representative or employee is subsequently reimbursed by the entity. In addition, exemptions provided to any entity by this subsection do not inure to any transaction that is otherwise taxable under this chapter unless the entity has obtained a sales tax exemption certificate from the department or the entity obtains or provides other documentation as required by the department. Eligible purchases or leases made with such a certificate must be in strict compliance with this subsection and departmental rules, and any person who makes an exempt purchase with a certificate that is not in strict compliance with this subsection

and the rules is liable for and shall pay the tax. The department may adopt rules to administer this subsection.

(ee) Aircraft repair and maintenance labor charges.—There shall be exempt from the tax imposed by this chapter all labor charges for the repair and maintenance of qualified aircraft, aircraft of more than 15,000 pounds maximum certified takeoff weight, and rotary wing aircraft of more than 10,000 pounds maximum certified takeoff weight. Except as otherwise provided in this chapter, charges for parts and equipment furnished in connection with such labor charges are taxable.

(rr) Equipment used in aircraft repair and maintenance.—There shall be exempt from the tax imposed by this chapter replacement engines, parts, and equipment used in the repair or maintenance of qualified aircraft, aircraft of more than 15,000 pounds maximum certified takeoff weight, and rotary wing aircraft of more than 10,300 pounds maximum certified takeoff weight, when such parts or equipment are installed on such aircraft that is being repaired or maintained in this state.

(ss) Aircraft sales or leases.—The sale or lease of a qualified aircraft or an aircraft of more than 15,000 pounds maximum certified takeoff weight for use by a common carrier is exempt from the tax imposed by this chapter. As used in this paragraph, “common carrier” means an airline operating under Federal Aviation Administration regulations contained in Title 14, chapter I, part 121 or part 129 of the Code of Federal Regulations.

(cc) Advertising materials distributed free of charge by mail in an envelope.—Likewise exempt are materials consisting exclusively of advertisements, such as individual coupons or other individual cards, sheets, or pages of printed advertising, that are distributed free of charge by mail in an envelope for 10 or more persons on a monthly, bimonthly, or other regular basis.

Section 3. Section 212.0801, Florida Statutes, is created to read:

212.0801 Qualified aircraft exemption.—To be eligible to receive an exemption under s. 212.08(7) for a qualified aircraft, a purchaser or lessee must offer, in writing, to participate in a flight training and research program with two or more universities based in this state which offer graduate programs in aeronautical or aerospace engineering and offer flight training through a school of aeronautics or college of aviation. The purchaser or lessee shall forward a copy of the written offer to the Department of Revenue. No exemption provided in this chapter for the lease, purchase, repair, or maintenance of a qualified aircraft shall be allowed unless the purchaser or lessee furnishes the dealer with a certificate stating that the lease, purchase, repair, or maintenance to be exempted is for the exclusive use of the purchaser or lessee of a qualified aircraft and that the purchaser or lessee otherwise qualifies for the exemption as provided in this section. If a purchaser or lessee makes tax-exempt purchases of qualified aircraft or leases a qualified aircraft on a continual basis, the purchaser or lessee may tender the certificate once and allow the dealer to keep a certificate on file. The purchaser or lessee shall inform the dealer that has a certificate on file when

the purchaser or lessee no longer qualifies for the exemption. The department shall determine the format of the certificate.

Section 4. This act shall take effect July 1, 2006.

Approved by the Governor June 9, 2006.

Filed in Office Secretary of State June 9, 2006.