

# FLORIDA BAR LIAISON MEETING – RULEMAKING

March 21, 2018

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## 2017 Legislative Changes (Effective Spring 2018)

Elimination of Fees – Registration (12A-1.060, 12A-12.003, 12A-16.004, most of 12B-5)

- Eliminated registration fees for businesses.
- Most of these fees were \$5, but this also included elimination of \$30 dry cleaning application fee, as well as the application and annual fee for motor fuels, which were \$30 per taxpayer each year.

Vending Machines (12A-1.044)

- Removed requirement that vending machine operators must post a notice on their vending machines. The posted notice was information about the requirement for the vending machine to have that notice, and how to report machines in violation.
- Section 24 of 2017-36, Section 212.0515(3)(a), F.S.

Commercial Rent Reduction (12A-1.004, 12A-1.070, 12A-15.014, 12A-16.004)

- Implemented rate reduction from 6% to 5.8% effective January 1, 2018.
- Updated brackets to provide new rates and give guidance on timing provisions.
- Section 21 of 2017-36, changes to 212.031(1)

Admissions (12A-1.005)

- Provided guidance on the refund or credit for tax paid on an admission that is subsequently resold to an exempt entity.
- Section 22 of Chapter 2017-36, L.O.F., changes to 212.04(1)(c)

Data Centers (12A-1.108)

- New Exemption for Certain Data Centers
- New Rule 12A-1.108, along with two new forms.

- Process for initial temporary exemption certificate, along with permanent certificate once statutory requirements are met.
- Section 26 of 2017-36; new 212.08(5)(s)

#### Rural Areas of Opportunity (Chapter 12-26)

- Revised refund program for certain taxpayers to add the refund of sales tax paid on the purchase of building materials, the rental of TPP, and payment for pest control services in new construction sites located in rural areas of opportunity.
- Implemented through updates to DR-26S and DR-26SN (instructions), as well as a form used in connection with DEO.
- Section 26 of 2017-36; new 212.08(5)(r)

#### Aquaculture and Animal Health Products (12A-1.087)

- Provided guidance on the new sales tax exemption for certain animal and aquaculture health products
- Added language to the current exemption certificate for two new categories:
  - o Animal health product that are administered to, applied to, or consumed by livestock or poultry to alleviate pain or cure or prevent sickness, disease, or suffering, as provided in Section 212.08(5)(a), F.S.
  - o Aquaculture health product to prevent or treat fungi, bacteria, and parasitic diseases, as provided in Section 212.08(5)(a), F.S.
- Also allows the aquaculture producer to provide their Aquaculture Certification from the Florida Department of Agriculture and Consumer Services instead of the exemption certificate.
- Section 26 of 2017-36, changes to 212.08(5)(a)

#### Exempt Purchases for Certain Municipally Owned Golf Courses (12A-1.038)

- Established criteria and guidance for how qualified entities that operate municipally-owned golf courses may make tax exempt purchases on behalf of the exempt municipality.
- Includes a certificate of entitlement to be provided by the golf course operator to a selling dealer.
- Section 26 of 2017-36, L.O.F., Section 212.08(6), F.S.

#### Corporate Income Tax Filing Date Changes (12C-1.022, 12C-1.034, 12C-1.051)

- Restored the six-month extension of time to file the Florida corporate income tax return for calendar year filers;

- Conformed the timing of filing returns, making payments, and filing declarations to federal provisions;
- Provided payment deadlines for estimated tax payments.
- Section 34 of 2017-36 and all of 2017-67 made changes to Chapter 220

#### Feminine Hygiene Products and Medical Marijuana (DR-46NT)

- Added products used to absorb menstrual flow and medical marijuana to the DR-46NT, Nontaxable Medical Items and General Grocery List
- Section 28 of 2017-36; 212.08(7)(ooo); and Section 2 of 2017-232; 212.08(2)(l)

### 2017 Administrative Changes (Effective Spring 2018)

- Refunds
  - o Updates to rules and forms to try to make the process easier and more transparent.
  - o Clarifying types of documentation for each refund claim
- Notice of Freeze
  - o Administrative updates to make our rule more consistent with statute and current procedures.
  - o Clarifying the information provided to custodians (banks, etc.) when a customer/client has assets frozen by the Department.
- DR-872 Consent to Extend the Time to Issue an Assessment or File a Claim for Refund
  - o Updating signature provisions to be less confusing
- Updating departments website address, GTA phone number and hours.

### 2017 Form Changes (effective Spring 2018)

- New Forms: 7 (data centers, XML Guide for Fuel Tax, Refunds, DR-2LLRP)
- Updated Forms: 36
- Repealed Forms: 2
- TC Forms: about 80

Form changes include legislative updates, annual updates to jurisdictions/rates/examples, administrative updates to improve processes, and contact information updates (website/phone/hours/locations)

## Current and Upcoming Projects:

- DR-1 and related forms
  - o Creating a new form for registering additional businesses to make things easier for growing companies to update their accounts for new locations. (DR-1A)
  - o Streamlining the DR-1 application
  - o Providing a new form to allow certain taxpayers to request county control numbers (DR-1CCN), and updating the form that allows collective registration for short term/transient rental accommodations (DR-1C)
- Form updates for expiring or changing programs
  - o Miami-Dade Lake Belt Mitigation has a water treatment plant upgrade fee expiring in July; removing the fee from the DR-146
  - o Expected to be effective July 2018

## 2018 Legislative Implementation

Items are still being identified, but the following are likely projects:

- From HB 7087:
  - o Commercial Rent reduction to 5.7% on 1/1/19
  - o Aquaculture Machinery and Equipment and Electricity
  - o Back to School and Disaster Preparedness Holidays
  - o Refund Programs from the hurricanes:
    - Fencing
    - Non-Residential Farms (building materials)
    - Fuel Tax
    - Generators for nursing homes
- From HB 7055:
  - o Tax Credit for Motor Vehicle Registration Fees
    - Purchases of cars on after October 1, 2018
    - Up to \$105 per vehicle
  - o Tax Credit for Commercial Rent
    - Allocation opens July 1, 2018 – up to \$57.5 million can be approved
    - Credits can be used to reduce tax beginning October 1, 2018