

1 A bill to be entitled
 2 An act relating to taxation of real property; amending
 3 s. 212.031, F.S.; exempting from the sales and use tax
 4 certain property that is rented, leased, subleased, or
 5 licensed to a specified small business; providing
 6 definitions; providing application procedures;
 7 requiring the Department of Revenue to approve or deny
 8 such application within a specified time period;
 9 providing requirements for the department and the
 10 small business; providing for expiration of the
 11 approval letter; providing renewal procedures;
 12 providing an effective date.

13
 14 Be It Enacted by the Legislature of the State of Florida:

15
 16 Section 1. Subsection (10) is added to section 212.031,
 17 Florida Statutes, to read:

18 212.031 Tax on rental or license fee for use of real
 19 property.—

20 (10) (a) The rental, lease, sublease, or license of real
 21 property to a small business is exempt from the tax imposed by
 22 this section.

23 (b) For purposes of this subsection, the term:

24 1. "Small business" means a business that employs nine or
 25 fewer total employees at all of its business locations which are

26 related through common ownership and whose business activities
27 are integrated with, dependent upon, or contribute to the flow
28 of value among such locations.

29 2. "Total employees" means all full-time and part-time
30 employees currently employed by a small business at all of its
31 business locations, wherever they are located, and includes any
32 person performing services for the small business under an
33 employee leasing arrangement as defined in s. 468.520(4).

34 (c) To receive an exemption under paragraph (a), a small
35 business must submit a completed application to the department
36 containing the following information:

37 1. A statement that the small business is seeking the
38 exemption provided in this subsection.

39 2. The name, mailing address, and, if applicable, the
40 federal employment identification number and business partner
41 number of the small business.

42 3. A list of the physical addresses of each of the small
43 business's business locations in the state.

44 4. A copy of the small business's most recently signed and
45 filed Florida Department of Revenue Employer's Quarterly Report
46 (RT-6) documenting that nine or fewer employees were employed
47 during each of the months within the most recently filed RT-6,
48 if such small business was required to file the RT-6.

49 5. A sworn statement, under penalty of perjury, executed
50 by a duly authorized officer or agent of the small business

51 certifying the number of total employees employed by the small
52 business and attesting to the accuracy of the information
53 included in the application.

54 (d)1. The department must review each application to
55 determine whether it is complete. If it is not complete, the
56 department must notify the small business and specify the
57 additional information necessary to complete the application.

58 2. The department must approve or deny each complete
59 application within 30 days after receiving it. The department
60 shall review and verify the small business's eligibility for the
61 exemption by confirming that the number of total employees in
62 the certification statement and the number of total employees
63 listed in the RT-6 is nine or fewer, if the RT-6 was required to
64 be submitted.

65 3. If the department determines that the small business is
66 eligible for the exemption, it must issue an approval letter to
67 the small business that includes the name of the small business,
68 a list of all of the small business's business locations in the
69 state, a statement that the small business qualifies for the
70 exemption under this subsection, and an expiration date that is
71 1 year after the last day of the month in which the approval
72 letter was issued.

73 4. If the department is unable to verify the eligibility
74 of the small business, the department must issue a denial letter
75 to the small business explaining the reasons for denial.

76 (e) To obtain the exemption under this subsection, the
77 small business must submit the approval letter to the landlord,
78 lessor, or licensor. The exemption applies only during the time
79 that the small business occupies, uses, or is entitled to occupy
80 or use the real property regardless of when a rent or license
81 fee payment is due or paid. The applicable tax under this
82 chapter may not be avoided by delaying or accelerating rent or
83 license fee payments so that they are paid during a period
84 covered by the approval letter.

85 (f)1. An approval letter is valid for 1 year after the
86 last day of the month in which it was issued. To continue
87 receiving the tax exemption without interruption, the small
88 business must submit a new application to the department at
89 least 45 days before the approval letter is scheduled to expire.

90 2. A small business that does not reapply within the
91 timeframe specified in subparagraph 1. may submit a new
92 application to the department at any time. Any rental, lease,
93 sublease, or license of real property to the small business
94 after a previously issued approval letter has expired is subject
95 to the applicable tax under this chapter unless it is otherwise
96 exempt.

97 Section 2. This act shall take effect January 1, 2021.