

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Agriculture Committee

BILL: CS/SB 788

INTRODUCER: Agriculture Committee and Senator Baker

SUBJECT: The Tax on Sales, Use, and other Transactions; Biodiesel Fuels

DATE: February 17, 2010 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Akhavein	Poole	AG	Fav/CS
2.			FT	
3.			GA	
4.			WPSC	
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE..... Statement of Substantial Changes

B. AMENDMENTS..... Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

I. Summary:

This committee substitute defines the terms “renewable diesel” and “renewable fuel oil” for purposes of a sales tax exemption for materials used in the distribution of these fuels. It also deletes an expiration provision pertaining to renewable energy technologies. The committee substitute additionally defines the terms “renewable diesel” and “renewable fuel oil” in s. 220.192, F.S., for purposes of the renewable energy technologies investment tax credit.

This committee substitute amends section 212.08 and section 220.192 of the Florida Statutes.

II. Present Situation:

Section 212.08, F.S., provides a state sales tax exemption for equipment, machinery, and other materials used for renewable energy technologies, such as biodiesel, ethanol, and hydrogen fuel cells. The law provides that within 30 days after receipt of an application, the Department of Environmental Protection is to review and evaluate the application for exemption and issue a written certification of whether or not the applicant is eligible for a refund of the taxes paid for that item. This exemption expires on July 1, 2010.

Section 220.192, F.S., provides for a corporate income tax credit for investment costs associated with an investment in the production, storage, and distribution of biodiesel and ethanol. Renewable diesel and renewable fuel oil are not currently included.

III. Effect of Proposed Changes:

Section 1 amends s. 212.08, F.S., to define the terms “renewable diesel” and “renewable fuel oil” in order to provide a sales tax exemption for equipment, machinery and other materials used in the distribution of such fuels.

This section deletes a July 1, 2010, expiration provision that provides a state sales tax exemption for equipment, machinery, and other materials used for renewable energy technologies.

Section 2 amends s. 220.192, F.S., to define the terms “renewable diesel” and “renewable fuel oil” for purposes of eligibility for the renewable energy technologies investment tax credit.

Section 3 provides that this act shall take effect July 1, 2010.

Other Potential Implications: None.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

This committee substitute expands a sales tax exemption to include equipment, machinery and other materials used in the distribution of renewable diesel and renewable fuel oil administered through the Department of Revenue. It also expands eligibility for the renewable energy technologies investment tax credit.

B. Private Sector Impact:

The impact to the private sector cannot be quantified, but would be positive, in that certain items would be exempt from sales taxes and would qualify for investment tax credits.

C. Government Sector Impact:

The Department of Agriculture and Consumer Services would have no direct impact from this bill, since the handling of tax credits and related matters are administered through the Department of Revenue.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

- A. Committee Substitute – Statement of Substantial Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

Committee Substitute by Agriculture Committee on February 16, 2010:

Committee Substitute for Senate Bill 788 is different from Senate Bill 788 in that it defines the terms “renewable diesel” and “renewable fuel oil” for purposes of a sales tax exemption for materials used in the distribution of these fuels. It also defines “renewable diesel” and “renewable fuel oil” for purposes of the renewable energy technologies investment tax credit.

- B. Amendments:

None.