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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 4 or  
 25 fewer total employees at all of its business locations which are

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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, including 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 4 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

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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, if the RT-6 was required to be submitted, is  
 64 4 or fewer.

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.

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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.