



Capital Office for Administrative, Accreditation & Legislative Services

## **ALL RELIGIOUS, EDUCATIONAL, & Child Care TAX EXEMPTIONS TO BE REPEALED IN House Bill 1163**

February 26, 2009

TO: All FACCS Administrators  
FROM: Dr. Howard G. Burke, FACCS Executive Director  
RE: Capital Alert on Repeal of Sales Tax Exemptions

The following is a series of chronologically excerpted language taken from multiple portions of the 111 pages of House Bill 1163 by Representative Hukill. If passed as provided in the Florida 2009 Legislative Session, beginning March 3<sup>rd</sup>, multiplied millions of dollars currently exempt from sales taxes will be paid to the State of Florida & virtually everything, that is not Constitutionally mandated, could be taxed.

This Update is to alert to the current disposition of this sweeping legislation. The excerpts are provided from the Statutes as they currently stand. Therefore everything that is listed as being exempt should be viewed as if a line has been drawn through the statements as this is what will be repealed.

### **New Language:**

*“REPEAL.--Any exemption from the state general sales 202 and use tax or exemption from imposition of such tax on sales of 203 services, that is not prohibited from review by the committee 204 under the requirements of paragraph (8)(b) and is not modified 205 or reenacted by the end of the regular session after any 9-year 206 review period, stands repealed on July 1 after the end of the 207 regular session immediately after the 9-year review period.”*

**Language to be REPEALED (Note: the numerical citations are a reference to “line” numbering in the bill.)**

*“(m) Educational materials purchased by certain child care 1244 facilities.--Educational materials, such as glue, paper, paints, 1245 crayons, unique craft items, scissors, books, and educational 1246 toys, purchased by a child care facility that meets the 1247 standards delineated in s. 402.305, is licensed under s. 1248 402.308, holds a current Gold Seal Quality Care designation 1249 pursuant to s. 402.281, and provides basic health insurance to 1250 all employees are exempt from the taxes imposed by this chapter. 1251 For the purposes of this (line) 1744 paragraph, licensed family day care homes shall also be exempt. 1745*

*(k) Meals provided by certain nonprofit 1746 organizations.--There is exempt from the tax imposed by this 1747 chapter the sale of prepared meals by a nonprofit volunteer organization to handicapped, elderly, or indigent persons when 1749 such meals are delivered as a charitable function by the 1750 organization to such persons at their places of residence. 1751 (l) Organizations providing special educational, cultural, 1752 recreational, and social benefits to minors.--Also exempt from 1753 the tax imposed by this chapter are sales or leases to and sales 1754 of donated property by nonprofit organizations which are 1755 incorporated pursuant to chapter 617 the primary purpose of 1756 which is providing activities that contribute to the development 1757 of good character or good sportsmanship, or to the educational 1758*

or cultural development, of minors. This exemption is extended 1759 only to that level of the organization that has a salaried 1760 executive officer or an elected nonsalaried executive officer. 1761

For the purpose of this paragraph, the term "donated property" 1762 means any property transferred to such nonprofit organization 1763 for less than 50 percent of its fair market value. 1764

*(m) Religious institutions.-- 1765*

1. There are exempt from the tax imposed by this chapter 1766 transactions involving sales or leases directly to religious 1767 institutions when used in carrying on their customary nonprofit 1768 religious activities or sales or leases of tangible personal 1769 property by religious institutions having an established 1770 physical place for worship at which nonprofit religious services 1771 and activities are regularly conducted and carried on. 1772

2. As used in this paragraph, the term "religious 1773 institutions" means churches, synagogues, and established 1774 physical places for worship at which nonprofit religious 1775 services and activities are regularly conducted and carried on.

The term "religious institutions" includes nonprofit 1777 corporations the sole purpose of which is to provide free 1778 transportation services to church members, their families, and 1779 other church attendees. The term "religious institutions" also 1780 includes nonprofit state, nonprofit district, or other nonprofit 1781 governing or administrative offices the function of which is to 1782 assist or regulate the customary activities of religious 1783 institutions.

The term "religious institutions" also includes 1784 any nonprofit corporation that is qualified as nonprofit under 1785 s. 501(c)(3) of the Internal Revenue Code of 1986, as amended, 1786 and that owns and operates a Florida television station, at 1787 least 90 percent of the programming of which station consists of 1788 programs of a religious nature and the financial support for 1789 which, exclusive of receipts for broadcasting from other 1790 nonprofit organizations, is predominantly from contributions 1791 from the general public.

The term "religious institutions" also 1792 includes any nonprofit corporation that is qualified as 1793 nonprofit under s. 501(c)(3) of the Internal Revenue Code of 1794 1986, as amended, the primary activity of which is making and 1795 distributing audio recordings of religious scriptures and 1796 teachings to blind or visually impaired persons at no charge. 1797

The term "religious institutions" also includes any nonprofit 1798 corporation that is qualified as nonprofit under s. 501(c)(3) of 1799 the Internal Revenue Code of 1986, as amended, the sole or 1800 primary function of which is to provide, upon invitation, 1801 nonprofit religious services, evangelistic services, religious 1802 education, administrative assistance, or missionary assistance 1803 for a church, synagogue, or established physical place of worship at which nonprofit religious services and activities are 1805 regularly conducted. 1806

*(n) Veterans' organizations.-- 1807*

1. There are exempt from the tax imposed by this chapter 1808 transactions involving sales or leases to qualified veterans' 1809 organizations and their auxiliaries when used in carrying on 1810 their customary veterans' organization activities. 1811

2. As used in this paragraph, the term "veterans' 1812 organizations" means nationally chartered or recognized 1813 veterans' organizations, including, but not limited to, Florida 1814 chapters of the Paralyzed Veterans of America, Catholic War 1815 Veterans of the U.S.A., Jewish War Veterans of the U.S.A., and 1816 the Disabled American Veterans, Department of Florida, Inc., 1817 which hold current exemptions from federal income tax under s. 1818 501(c)(4) or (19) of the Internal Revenue Code of 1986, as 1819 amended. 1820

*(o) Schools, colleges, and universities.--Also exempt from 1821 the tax imposed by this chapter are sales or leases to state 1822 tax-supported schools, colleges, or universities. 1823*

*(p) Section 501(c)(3) organizations.--Also exempt from the 1824 tax imposed by this chapter are sales or leases to organizations 1825 determined by the Internal Revenue Service to be currently 1826 exempt from federal income tax pursuant to s. 501(c)(3) of the 1827 Internal Revenue Code of 1986, as*

amended, when such leases or 1828 purchases are used in carrying on their customary nonprofit 1829 activities. 1830

(q) Resource recovery equipment.--Also exempt is resource 1831 recovery equipment which is owned and operated by or on behalf of any county or municipality, certified by the Department of 1833 Environmental Protection under the provisions of s. 403.715. 1834

(r) School books and school lunches.--This exemption 1835 applies to school books used in regularly prescribed courses of 1836 study, and to school lunches served in public, parochial, or 1837 nonprofit schools operated for and attended by pupils of grades 1838 K through 12. Yearbooks, magazines, newspapers, directories, 1839 bulletins, and similar publications distributed by such 1840 educational institutions to their students are also exempt. 1841 School books and food sold or served at community colleges and 1842 other institutions of higher learning are taxable. 1843

(s) Tasting beverages

For purposes of the exemptions provided by this 2046 paragraph, the term: 2047

a. **"Educational institutions" includes state tax-2048 supported, parochial, church, and nonprofit private schools, 2049 colleges, or universities that conduct regular classes and 2050 courses of study required for accreditation by or membership in 2051 the Southern Association of Colleges and Schools, the Florida 2052 Council of Independent Schools, or the Florida Association of 2053 Christian Colleges and Schools, Inc.;** nonprofit private schools that conduct regular classes and courses of study accepted for 2055 continuing education credit by a board of the Division of 2056 Medical Quality Assurance of the Department of Health; or 2057 nonprofit libraries, art galleries, performing arts centers that 2058 provide educational programs to school children, which programs 2059 involve performances or other educational activities at the 2060 performing arts center and serve a minimum of 50,000 school 2061 children a year, and museums open to the public.

(II) Parent-teacher organizations, parent-teacher 2185 associations, and schools having grades K through 12.-- 2186

1. Sales or leases to parent-teacher organizations and 2187 associations the purpose of which is to raise funds for schools 2188 that teach grades K through 12 and that are associated with 2189 schools having grades K through 12 are exempt from the tax 2190 imposed by this chapter. 2191

2. Parent-teacher organizations and associations described 2192 in subparagraph 1., and schools having grades K through 12, may 2193 pay tax to their suppliers on the cost price of school materials and supplies purchased, rented, or leased for resale or rental 2195 to students in grades K through 12, of items sold for 2196 fundraising purposes, and of items sold through vending machines 2197 located on the school premises, in lieu of collecting the tax 2198 imposed by this chapter from the purchaser. This paragraph also 2199 applies to food or beverages sold through vending machines 2200 located in the student lunchroom or dining room of a school 2201 having kindergarten through grade 12."

**All of the above is repealed as cited on pages 65-75 of the 111 page bill.**

**The following new House and Senate Bills were filed this week. This listing will update the previous Capital Alert on the subject of Pre-Filed Legislation that may impact Christian schools, faith-based ministries, and nonpublic schools this Legislative Session.**

**FL H 999**

**Notes:** Educational Choice

**FL H 1163**

**Notes:** Repeal of Religious & Educational Sales Tax Exemption

**FL S 1892**

**Notes:** Sexual Misconduct H659 Companion

**FL S 1988**

**Notes:** School Choice Pilot Orange County

**FL S 2012**

**Notes:** Sexual Discrimination & Gender Identity

**FL S 2066**

**Notes:** Public School Coach Certification Program Expansion

**FL S 2096**

**Notes:** Non-Public Post Secondary Institutions & Accreditation

**FL S 2124**

**Notes:** Educational Choice

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