

Machinery and Equipment purchased by new and expanding businesses that use such equipment at a fixed location to manufacture, process, compound, or produce tangible personal property for sale, or for exclusive use in spaceport activities, is tax exempt. (Section 212.08(5)(b), Florida Statutes)

## Eligibility

### • New Manufacturers

In order to qualify for the new business exemption, the machinery and equipment must have been purchased, or a purchase agreement made, prior to the date the business first begins to produce a product for inventory or immediate sale. If purchase agreement was made prior to the beginning of production, such machinery and equipment must be received within twelve months of the date that production began.

### • Expanding Manufacturers

Industrial machinery and equipment is exempt from tax when purchased by an expanding business for the purpose of increasing "productive output" by not less than five percent.

### • Mining Activities

Those businesses engaged in mining activities may now qualify for the exemption. Mining businesses must also demonstrate the creation of new Florida jobs in addition to the other exemption criteria that are applicable to non-mining businesses.



## Exclusions

The exemption statute specifically excludes electric utility companies, communications companies, oil or gas exploration or production operations, publishing firms that do not export at least 50 percent of their finished product out of the state, and any firm subject to regulation by the Division of Hotels and Restaurants of the Department of Business Regulation.

## Application Process

To access this exemption the following process is required:

- Register for sales and use tax purposes with the Florida Department of Revenue (Form DR-1) and obtain a certificate of registration for each business location conducting business in Florida.
- Submit an Application for Temporary Tax Exemption Permit (Form DR-1214). Businesses are encouraged to file this form as early as possible in advance of making their machinery and equipment purchases.

## Claiming the Exemption

Upon approval by the Department of Revenue, a Temporary Tax Exemption Permit will be issued to the qualifying business or instructions will be given on how to obtain a refund of previously paid taxes. A business may extend a copy of its Temporary Tax Exemption Permit to its vendors or to its authorized contractor(s) for the purpose of purchasing qualifying machinery and equipment for the new or expanding business. The authorized contractor(s) may, likewise, extend the Temporary Tax Exemption Permit to its vendor(s) for use in purchasing qualifying machinery and equipment tax exempt.

## For More Information

For more information call Tax Information Services, Monday - Friday, 8:00 a.m. to 5:00 p.m. at 850-488-6800.