

Florida Department Of Revenue  
Tax Information Publication

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Machinery and Equipment Exemption for Spaceport Activities

Effective July 1, 1999, the sales and use tax exemption available to new and expanding businesses on purchases of qualifying machinery and equipment used in **manufacturing** is available to businesses that purchase qualifying machinery and equipment for exclusive use in **non-manufacturing** spaceport activities. The exemption is contingent upon approval by the Department of Revenue.

- \* To apply for the exemption, the business must submit an Application for Temporary Tax Exemption Permit, Form DR-1214, to the Department of Revenue. See below for information on obtaining this form.
  
- \* The business must be registered with Work and Gain Economic Self-sufficiency (WAGES) Program. (For WAGES Program Business Registry information, contact the Florida Department of Labor and Employment Security at 1-800-342-3450.) **DO NOT send your WAGES registration application to the Department of Revenue.**

**New Businesses**

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 its spaceport activities. If a purchase agreement was made prior to the beginning of spaceport activities, such machinery and equipment must be received within twelve months of the date that spaceport activities began. Purchases made after the start of spaceport activities will not qualify for the new business exemption. The determination whether such purchases qualify will be based on the date of the purchase agreement or, in the absence of a purchase agreement, the date of the invoice.

## **Expanding Businesses**

This exemption is limited to that amount of sales and use tax paid in excess of \$50,000 per calendar year on purchases of qualifying machinery and equipment. Qualifying businesses may elect to pay the entire \$50,000 in tax to the Department of Revenue at the beginning of the calendar year and then make all machinery and equipment purchases tax exempt by providing a copy of their Temporary Tax Exemption Permit to the vendor. Alternately, the businesses may elect to pay tax to their vendors on all machinery and equipment purchases for the calendar year until they have paid \$50,000 in tax and then make the remaining purchases tax exempt by providing a copy of their Temporary Tax Exemption Permit to the vendor. Machinery and equipment purchased for exclusive use in spaceport activities is not subject to the productive output increase requirement, which is applicable to manufacturing businesses.

### **FOR MORE INFORMATION**

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

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

Hearing or speech impaired persons should call our TDD at 1-800-367-8331 or 850-922-1115.

For a detailed written response to your questions, write the Florida Department of Revenue, Tax Information Services, 1379 Blountstown Highway, Tallahassee, FL 32304.

For forms and other information, visit our Web site at <http://sun6.dms.state.fl.us/dor/>.

Get tax forms quickly by FAX ON DEMAND. Call 850-922-3676,

twenty-four hours a day, seven days a week, using your fax machine handset and follow the instructions.

References:

Ch. 99-256, L.O.F.

s. 212.08(5)(b), F.S.