



## Tax Information Publication

# TIP

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### Changes to Sales Tax Exemption for Machinery and Equipment

The sales tax exemption for machinery and equipment found in section 212.08(7)(kkk), Florida Statutes, has become permanent for all machinery and equipment except mixer drums. This exemption was previously scheduled to expire on April 30, 2017. The exemption for mixer drums affixed to mixer trucks used in Florida to mix, agitate, and transport freshly mixed concrete is still scheduled to expire on April 30, 2017.

Effective July 1, 2016, the exemption for machinery and equipment has also been expanded to include:

- Recycling industries classified under code 423930 of the North American Industry Classification System (NAICS) (2007). For more information on NAICS industry codes visit: <http://www.census.gov/cgi-bin/sssd/naics/naicsrch>
- Postharvest machinery and equipment purchased by an eligible postharvest activity business to be used at a fixed location in Florida for postharvest activities. Included within the exemption are all labor charges for the repair of such machinery and equipment, as well as, parts and materials used in the repair and incorporated into the machinery and equipment.
  - A postharvest activity business is a business whose primary business activity, at the location where the postharvest machinery and equipment is located, is classified under code 115114 of the NAICS (2007).
  - Postharvest activities are defined as services performed on crops after harvest with the intent of preparing the crop for market or further processing. These activities include crop cleaning, sun drying, shelling, fumigating, curing, sorting, grading, packing, and cooling.

Purchasers of qualifying machinery and equipment should continue to provide the seller with a signed certificate certifying the purchaser's entitlement to the exemption. This certificate will relieve the seller of any potential tax liability on the sale. A sample exemption certificate is provided.

**References: Section 12, Chapter 2016-220, Laws of Florida; Section 212.08(7)(kkk), Florida Statutes**

#### 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 forms and other information, visit our website at [www.myflorida.com/dor](http://www.myflorida.com/dor) or call Taxpayer Services, 8:00 a.m. to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671.

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services, MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

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**Sample Exemption Certificate  
Machinery and Equipment, Parts, and Accessories  
Exempt under Section 212.08(7)(kkk), Florida Statutes**

I certify that I qualify for an exemption from sales tax under s. 212.08(7)(kkk), F.S., for all eligible purchases made on or after \_\_\_\_\_ (date) under one of the following categories (check the appropriate box):

Industrial machinery and equipment

- I am an eligible manufacturing business\*.
- The industrial machinery and equipment being purchased will be used at a fixed location in Florida to manufacture, process, compound, or produce items of tangible personal property for sale.
- Any parts and accessories purchased for the machinery and equipment will be purchased prior to the date the machinery and equipment is placed into service.

\* "Eligible manufacturing business" means any business whose primary business activity at the location where the industrial machinery and equipment is located is within an industry classified under NAICS codes 31, 32, 33 (Manufacturing) or code 432930 (Recyclable material merchant wholesalers), as contained in the North American Industry Classification System (NAICS), as published in 2007 by the Office of Management and Budget, Executive Office of the President. For more information on NAICS industry codes visit:

<http://www.census.gov/cgi-bin/sssd/naics/naicsrch>

Postharvest machinery and equipment

- I am an eligible postharvest activity business\*\*.
- The postharvest machinery and equipment being purchased will be used at a fixed location in Florida to perform postharvest activities, which are services performed on crops, after their harvest, with the intent of preparing them for market or further processing. Examples include crop cleaning, sun drying, shelling, fumigating, curing, sorting, grading, packing, and cooling.
- Any parts and materials being purchased will be used to repair, and will be incorporated into, the machinery and equipment.

\*\* "Postharvest activity business" means a business whose primary business activity, at the location where the postharvest machinery and equipment is located, is within an industry classified under NAICS code 115114 (Post harvest crop activities).

Mixer drums

- I am purchasing mixer drums, parts, or labor to affix a mixer drum to a mixer truck that will be used at a location in Florida to mix, agitate, and transport freshly mixed concrete in a plastic state for sale.

\_\_\_\_\_  
Purchaser's Name (Print or Type)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Purchaser's Signature

\_\_\_\_\_  
Date

**Form to be retained in vendor's records.  
Do not send to the Florida Department of Revenue.**

If a purchaser uses the machinery, equipment, parts, accessories, or materials for any nonexempt purpose, the purchaser is required to pay tax on the purchase price directly to the Florida Department of Revenue.

Any fraudulent use of this Certificate to evade payment of sales tax will subject the purchaser to liability for payment of the sales tax, plus a penalty of 200% of the tax, and may subject the purchaser to punishment as provided by law for conviction of a third degree felony.