HB 751

| 1 | A bill to be entitled |
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| 2 | An act relating to ad valorem taxation of construction |
| 3 | equipment; amending s. 192.001, F.S.; revising the |
| 4 | definition of the term "inventory" to include |
| 5 | construction equipment owned by heavy equipment rental |
| 6 | dealers for certain ad valorem tax purposes; providing |
| 7 | an effective date. |
| 8 | |
| 9 | Be It Enacted by the Legislature of the State of Florida: |
| 10 | |
| 11 | Section 1. Paragraph (c) of subsection (11) of section |
| 12 | 192.001, Florida Statutes, is amended to read: |
| 13 | 192.001 Definitions.—All definitions set out in chapters 1 |
| 14 | and 200 that are applicable to this chapter are included herein. |
| 15 | In addition, the following definitions shall apply in the |
| 16 | imposition of ad valorem taxes: |
| 17 | (11) "Personal property," for the purposes of ad valorem |
| 18 | taxation, shall be divided into four categories as follows: |
| 19 | (c)1. "Inventory" means only those chattels consisting of |
| 20 | items commonly referred to as goods, wares, and merchandise (as |
| 21 | well as inventory) which are held for sale or lease to customers |
| 22 | in the ordinary course of business. Supplies and raw materials |
| 23 | shall be considered to be inventory only to the extent that they |
| 24 | are acquired for sale or lease to customers in the ordinary |
| 25 | course of business or will physically become a part of |
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26 merchandise intended for sale or lease to customers in the 27 ordinary course of business. Partially finished products which 28 when completed will be held for sale or lease to customers in the ordinary course of business shall be deemed items of 29 30 inventory. All livestock shall be considered inventory. Items of inventory held for lease to customers in the ordinary course of 31 32 business, rather than for sale, shall be deemed inventory only prior to the initial lease of such items. For the purposes of 33 34 this section, fuels used in the production of electricity shall 35 be considered inventory.

"Inventory" also means construction and agricultural 36 2. 37 equipment weighing 1,000 pounds or more that is returned to a 38 dealership under a rent-to-purchase option and held for sale to 39 customers in the ordinary course of business. This subparagraph may not be considered in determining whether property that is 40 41 not construction and agricultural equipment weighing 1,000 pounds or more that is returned under a rent-to-purchase option 42 43 is inventory under subparagraph 1.

3. Notwithstanding any provision in this section to the contrary, the term "inventory," for all levies other than school district levies, also means construction equipment owned by a heavy equipment rental dealer that is for sale or short-term rental in the normal course of business on the annual assessment date. For the purposes of this chapter and chapter 196, the term "heavy equipment rental dealer" means a person or entity

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| 51 | principally engaged in the business of short-term rentals and |
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| 52 | sales of equipment described under 532412 of the North American |
| 53 | Industry Classification System including attachments for the |
| 54 | equipment or other ancillary equipment. As used in this |
| 55 | subparagraph, the term "short-term rental" means the rental of a |
| 56 | heavy equipment dealer's rental property for fewer than 365 days |
| 57 | under an open-ended contract or under a contract with unlimited |
| 58 | terms. The prior short-term rental of any construction equipment |
| 59 | does not disqualify such property from qualifying as inventory |
| 60 | under this paragraph following the term of that prior short-term |
| 61 | rental. The term "inventory" does not include heavy equipment |
| 62 | rented with an operator. |
| 63 | Section 2. This act shall take effect July 1, 2022. |
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