

The Sales and Use Tax Exemption on Machinery and Equipment Used for Research and Development is available to help foster innovation throughout the state. Under this exemption, effective July 1, 2006, machinery and equipment used predominantly* for research and development are exempt from sales and use tax. ([Section 212.08 \(18\), Florida Statutes](#))

Eligibility

“Machinery and equipment” includes, but is not limited to, molds, dies, machine tooling, other appurtenances or accessories to machinery and equipment, testing and measuring equipment, test beds, computers, and software, whether purchased or self-fabricated, and, if self-fabricated, includes materials and labor for design, fabrication, and assembly.

“Research and development” means research that has one of the following as its ultimate goal:

- basic research in a scientific field of endeavor;
- advancing knowledge or technology in a scientific or technical field of endeavor;
- the development of a new product, whether or not the new product is offered for sale;
- the improvement of an existing product, whether or not the improved product is offered for sale;
- the development of new uses of an existing product, whether or not a new use is offered as a rationale to purchase the product; or
- the design and development of prototypes, whether or not a resulting product is offered for sale.



Exclusions

The term “research and development” does not include ordinary testing or inspection of materials or products used for quality control, market research, efficiency surveys, consumer surveys, advertising and promotions, management studies, or research in connection with literary, historical, social science, psychological, or other similar non-technical activities.

Claiming the Exemption

To purchase or lease qualifying machinery and equipment for use in research and development tax-exempt, the purchaser or lessee must present an exemption certificate or direct pay permit to the selling dealer. A suggested format of an exemption certificate is attached.

For More Information

For more information visit www.myflorida.com/dor or call Taxpayer Services, 8:00am-7:00pm, ET, Monday through Friday, at 800.352.3671 or 850.488.6800.

* “Predominantly” means at least 50 percent of the time.

Suggested Purchaser's Exemption Certificate Machinery and Equipment for Use in Research and Development

This is to certify that all machinery and equipment purchased or leased on or after _____ (date) from _____ (vendor), including purchases of materials and labor for self fabrication of machinery and equipment, will be used predominantly in research and development activities at _____ (address) in _____ (city), Florida, County of _____ (county). Further, said machinery and equipment is exempt from tax pursuant to Section 212.08(18), F.S., and will be used in research and development that has one of the following as its ultimate goal:

- Basic research in a scientific field of endeavor;
- advancing knowledge or technology in a scientific or technical field of endeavor;
- the development of a new product, whether or not the new product is offered for sale;
- the improvement of an existing product, whether or not the improved product is offered for sale;
- the development of new uses of an existing product, whether or not a new use is offered as a rationale to purchase the product; or
- the design and development of prototypes, whether or not a resulting product is offered for sale.

This certificate may be used to make future qualifying purchases or leases of machinery and equipment, including purchases of materials and labor for self-fabrication of machinery and equipment, and it will remain in effect until rescinded by the purchaser.

I understand that if I fraudulently issue this certificate to evade the payment of tax, I will be liable for payment of the tax plus a penalty of 200% of the tax and be liable for fine and punishment provided by law for conviction of a felony of the third degree, as provided in s. 775.082, s. 775.083, or s. 775.084, F.S.

Under penalties of perjury, I declare that I have read the foregoing document and that the facts stated in it are true.

Purchaser's Name (Print or Type)

Purchaser's Address

Signature and Title

Florida Sales and Use Tax Number (if required)

Date

Federal Employer Identification Number (F.E.I.) (if applicable)