



Florida Department of Revenue  
Tax Information Publication

**TIP**

No: 12A01-05

Date Issued:  
June 1, 2012

**Exemption on Machinery and Equipment  
Used to Increase Productive Output**

Currently, expanding businesses seeking a sales and use tax exemption on purchases of industrial machinery and equipment must show an increase in productive output of not less than 10 percent to qualify for the exemption. Effective January 1, 2013, the required increase in productive output has been reduced to not less than 5 percent to qualify for the exemption. The increase is generally measured by comparing the number of physical units produced for 12 continuous months immediately after completion of the installation of qualifying machinery and equipment to the number of physical units produced over the 12 continuous months immediately preceding such installation.

**References: Section 8, Chapter 2012-32, Laws of Florida; section 212.08(5)(b), Florida Statutes (2012)**

**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 Internet site 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, Mail Stop 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

**Want the latest tax information and due date reminders  
for sales tax and unemployment tax returns?  
Go to [www.myflorida.com/dor](http://www.myflorida.com/dor) and click on:  
"Subscribe to our tax publications."  
It's fast, easy, and secure.**