

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, machinery and equipment used predominantly for research and development are exempt from sales and use tax.

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.

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.

Award

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, visit dor.myflorida.com or call Taxpayer Services, 8:00am-7:00pm, ET, Monday through Friday, at 800.352.3671.

Statutory Reference: [Section 212.08\(18\), Florida Statutes](#)