

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

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Meeting Date:	October 1, 2013	<input checked="" type="checkbox"/> Consent	<input type="checkbox"/> Regular
		<input type="checkbox"/> Workshop	<input type="checkbox"/> Public Hearing

Department:

Submitted By: Department of Airports

Submitted For:

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I. EXECUTIVE BRIEF

Motion and Title: Staff recommends a motion to approve: Approval Form for Sales Tax Reimbursement by the Florida Department of Revenue (FDR) to Delta Air Lines, Inc. (Delta).

Summary: Delta is seeking reimbursement from the FDR for sales tax paid on certain airport space rentals at Palm Beach International Airport. The approval form will allow the FDR to review Delta's reimbursement claim and, if approved, to reimburse Delta directly for sales tax Delta originally paid. Delta agrees to provide the County with documentation supporting the taxability pertaining to the claim. Delta is a customer in good standing with the County and promptly pays all invoices including sales tax; therefore, staff recommends allowing Delta to seek this reimbursement. **Countywide (AH)**

Background and Justification: The Department of Airports invoices tenants for airport terminal rental plus applicable sales tax and subsequently remits sales tax to the FDR. FDR regulations contain tax exemptions for certain aviation facility rentals but require the tax payer to prove that circumstances meet the exemption criteria. The attached approval allows Delta to pursue this claim and be directly reimbursed for payments that Delta made. If the FDR rules that certain leasehold areas are tax exempt, the Department will, with proper documentation from the FDR, cease collection of sales tax on those areas going forward.

Attachments:

1. Approval Form for Sales Tax Reimbursement (3)

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Recommended By:

[Signature]
ms Department Director

9/11/13
Date

Approved By:

[Signature]
County Administrator

9/17/13
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

FISCAL YEARS	2014	2015	2016	2017	2018
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues (Grants)	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u><i>\$ See below</i></u>	_____	_____	_____	_____
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes _____ No _____
Budget Account No.: Fund _____ Department _____ Unit _____ Object _____
Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

There is no fiscal impact on this item as Delta is seeking reimbursement from the FDR for sales tax that Delta originally paid.

C. Departmental Fiscal Review: *(M) Simon*

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

[Signature] *9/12/13* *[Signature]* *9/16/13*
AM OFMB *9/12* Contract Dev. and Control

B. Legal Sufficiency:

Anne Helgent *9-17-13*
Assistant County Attorney

C. Other Department Review:

Department Director

**Approval Form by Palm Beach County for Sales Tax Reimbursement by the
Florida Department of Revenue to Delta Air Lines, Inc.**

Dealer Registration Number 60-8012091272-8

Palm Beach County ("County"), by and through its Department of Airports, owns and operates the Palm Beach International Airport, located in Pam Beach County, Florida ("Airport"). Delta Air Lines, Inc. ("Delta") rents space from the County at the Airport, pursuant to Delta's Airline-Airport Use and Lease Agreement with the County ("Agreement"). Delta is required to pay sales and use taxes to the County for the rental of airport space in accordance with the Agreement. The County thereafter remits Delta's sales and use taxes to the Florida Department of Revenue ("FDR"). The County acts as a collection agent for the FDR and agrees that it has no rights to the value of use and sales tax collected from Delta. The County and Delta agree that any reimbursable sales and use taxes which Delta recovers from the FDR relating to the rental of airport space totaling \$ 173,786.66 and occurring during the period of May 1, 2007 through April 30, 2010 is the property of Delta and not the County. Delta agrees to cooperate with the County in providing the County information Delta receives from the FDR supporting the taxability or non-taxability of rented space at the Airport; provided, however, that Delta shall not be required to provide to the County any documentation that contains confidential taxpayer information.

ATTEST:

SHARON R. BOCK, Clerk & Comptroller

PALM BEACH COUNTY, FLORIDA, BY ITS BOARD OF
COUNTY COMMISSIONERS

By: _____
Deputy Clerk

By: _____
Steven L. Abrams, Mayor

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND
CONDITIONS

By: Anne Delgado
Assistant County Attorney

By: Sam Peleg
Director, Department of Airports

APPROVED BY:

Delta Air Lines, Inc. - Officer
Delta Air Lines, Inc. - Officer

DATE: 9/4/13