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1 A bill to be entitled
2 An act relating to job creation through business tax
3 reform; providing legislative intent; replacing
4 revenue from the corporate income tax, the sales tax
5 on commercial leases, and the sales tax on industrial
6 machinery and equipment with revenue from a state
7 sales surtax; revising provisions of the
8 communications services tax; providing a directive to
9 the Division of Law Revision and Information;
10 providing an effective date.

11
12 WHEREAS, job creation is the number-one goal of many
13 Florida residents, and

14 WHEREAS, in addition to tourism and agriculture, growth is
15 one of the three pillars of Florida's economy, and

16 WHEREAS, although Florida does not levy a state income tax,
17 it is widely believed that reduction of taxes on businesses will
18 be a stimulus to growth and business expansion of existing
19 Florida businesses and to relocation to the state of businesses
20 currently located outside of Florida, thereby creating jobs for
21 Florida residents, and

22 WHEREAS, decreases in these taxes will benefit businesses
23 that are considering expansion in and relocation to Florida, and

24 WHEREAS, collections of the corporate income tax exceed
25 \$1.9 billion in revenue, collections of the sales tax on
26 commercial leases are approximately \$1.4 billion in revenue, and

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27 collections of the sales tax on industrial machinery and
 28 equipment are approximately \$133 million in revenue, and

29 WHEREAS, a consolidation and rate reduction of the
 30 communications services tax can be achieved in a manner that
 31 ensures local governments continue to receive full funding while
 32 the state absorbs a \$600 million reduction, and

33 WHEREAS, the combined effect of restructuring and
 34 eliminating these four taxes will result in an overall tax
 35 reduction of \$4.097 billion, and

36 WHEREAS, the total estimated tax collected from a 1-percent
 37 increase in the sales and use tax rate will yield \$3.956
 38 billion, and

39 WHEREAS, given these projections, this act will result in a
 40 net tax reduction for Floridians of approximately \$141.2
 41 million, NOW, THEREFORE,

42
 43 Be It Enacted by the Legislature of the State of Florida:

44
 45 Section 1. (1) The Legislature intends to stimulate
 46 growth, business expansion, and job creation through tax reform.
 47 As a first step toward achieving these goals, the Legislature
 48 intends by passage of this act to replace the corporate income
 49 tax, the sales tax on commercial leases, and the sales tax on
 50 industrial machinery and equipment with a 1-percent increase in
 51 the state sales and use tax.

52 (a)1. A tax imposed pursuant to chapter 220, Florida

53 Statutes, will not be imposed on any taxpayer for any taxable
 54 year that commences on or after January 1, 2016. Any tax
 55 liability incurred pursuant to that chapter before the
 56 termination of such tax shall remain due and payable pursuant to
 57 the provisions of that chapter.

58 2. Effective January 1, 2021, chapter 220, Florida
 59 Statutes, is repealed.

60 (b) In order to eliminate the sales and use tax on
 61 commercial leases, s. 212.031, Florida Statutes, is repealed.

62 (c) It is the intent of the Legislature that the current
 63 exemption from sales tax on industrial machinery and equipment
 64 provided in s. 212.08(7)(kkk), Florida Statutes, be made
 65 permanent.

66 (d) Effective January 1, 2016, all sales and use taxes
 67 imposed pursuant to chapter 212, Florida Statutes, shall be
 68 increased by 1 percent.

69 (2) It is the intent of the Legislature to consolidate and
 70 reduce communications services tax rates. Therefore, ss. 202.19,
 71 202.20, 202.21, 202.22, 202.231, 202.37, and 202.381, Florida
 72 Statutes, are repealed. The Legislature will develop a method
 73 for consolidating and distributing revenue to replace revenue
 74 lost by these repeals through the Local Communications Services
 75 Tax Clearing Trust Fund.

76 Section 2. The Division of Law Revision and Information
 77 shall provide consultation to the appropriate committees of the
 78 Senate and the House of Representatives to prepare legislation

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79 | for conforming changes relating to this act.

80 | Section 3. This act shall take effect January 1, 2016.