

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: CS/SB 58

INTRODUCER: Commerce and Tourism Committee and Senator Stewart

SUBJECT: Sales Tax Holiday for Items Related to Electric Transportation

DATE: January 23, 2024

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Renner	McKay	CM	Fav/CS
2.			FT	
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 58 exempts from the sales and use tax the retail sale of electric bicycles, electric scooters, and protective clothing and equipment during the 45-day period from August 1, 2024, through September 14, 2024, and the 45-day period from November 1, 2024, through December 15, 2024.

The sales price is limited to:

- \$1,750 or less for electric bicycles;
- \$500 or less for electric scooters;
- \$150 or less for helmets;
- \$50 or less for knee and elbow pads;
- \$75 or less for shirts, pants, jackets, or gloves.

The exemption does not apply to sales within a theme park or entertainment complex, within a public lodging establishment, or within an airport. The lease or rental of an electric bicycle, electric scooter, or protective clothing and equipment does not qualify as an exempt retail sale under the exemption.

The Revenue Estimating Conference has not reviewed the bill.

The bill takes effect upon becoming a law.

II. Present Situation:

Florida Sales and Use Tax

Florida levies a 6 percent sales and use tax on the sale or rental of most tangible personal property,¹ admissions,² transient rentals,³ and a limited number of services, and a 5.5 percent sales and use tax on the rental of commercial real estate.⁴ Chapter 212, F.S., contains provisions authorizing the levy and collection of Florida's sale and use tax, as well as the exemptions and credits applicable to certain items or uses under specified circumstances. Sales tax is added to the price of the taxable good or service and collected from the purchaser at the time of sale.⁵

Counties are authorized to impose local discretionary sales surtaxes in addition to the state sales tax.⁶ A surtax applies to "all transactions occurring in the county which transactions are subject to the state tax imposed on sales, use, services, rentals, admissions, and other transactions by [ch. 212, F.S.], and communications services as defined in ch. 202."⁷ The discretionary sales surtax is based on the tax rate imposed by the county where the taxable goods or services are sold or delivered. Discretionary sales surtax rates currently levied vary by county in a range of 0.0 to 1.5 percent.⁸

Electric-powered bicycles and scooters, helmets, knee and elbow pads, shirts, pants, jackets, and gloves are subject to Florida sales tax. However, the sale of bicycle helmets marketed for use by youth are exempt from the sales and use tax.⁹

Electric Bicycles and Scooters

Florida law defines the term "electric bicycle" as a bicycle or tricycle equipped with fully operable pedals, a seat or saddle for the use of the rider, and an electric motor of less than 750 watts which meets the requirements of one of the following three classifications:

- "Class 1 electric bicycle" means an electric bicycle equipped with a motor that provides assistance only when the rider is pedaling and that ceases to provide assistance when the electric bicycle reaches the speed of 20 miles per hour.
- "Class 2 electric bicycle" means an electric bicycle equipped with a motor that may be used exclusively to propel the electric bicycle and that ceases to provide assistance when the electric bicycle reaches the speed of 20 miles per hour.
- "Class 3 bicycle" means an electric bicycle equipped with a motor that provides assistance only when the rider is pedaling and that ceases to provide assistance when the electric bicycle reaches the speed of 28 miles per hour.¹⁰

¹ Section 212.05(1)(a)1.a., F.S.

² Section 212.04(1)(b), F.S.

³ Section 212.03(1)(a), F.S.

⁴ Section 212.031, F.S.

⁵ Section 212.07(2), F.S.

⁶ Section 212.055, F.S.

⁷ Section 212.054(2)(a), F.S.

⁸ Florida Department of Revenue, *Discretionary Sales Surtax Information for Calendar Year 2024*, https://floridarevenue.com/Forms_library/current/dr15dss_24.pdf (last visited Jan. 23, 2024).

⁹ Section 212.08(7)(III), F.S.

¹⁰ Section 316.003(23), F.S.

A “motorized scooter” (also referred to as an electric scooter) is defined as any vehicle or micromobility device¹¹ that is powered by a motor with or without a seat or saddle for the use of the rider, which is designed to travel on not more than three wheels, and which is not capable of propelling the vehicle at a speed greater than 20 miles per hour on level ground.¹²

Over the years electric scooters and bicycles have become a popular transportation option, especially for those who live in cities.¹³ They also offer an alternative mode of transportation for people who would otherwise be prevented from using more traditional modes of transportation.¹⁴

III. Effect of Proposed Changes:

The bill exempts from the sales and use tax the retail sale of electric bicycles, electric scooters, and protective clothing and equipment during the 45-day period from August 1, 2024, through September 14, 2024, and the 45-day period from November 1, 2024, through December 15, 2024.

The sales price is limited to:

- \$1,750 or less for electric bicycles;
- \$500 or less for electric scooters;
- \$150 or less for helmets;
- \$50 or less for knee and elbow pads;
- \$75 or less for shirts, pants, jackets, or gloves.

The bill specifies that the sales tax exemption does not apply to sales within a theme park or entertainment complex,¹⁵ within a public lodging establishment,¹⁶ or within an airport.¹⁷ The lease or rental of an electric bicycle, electric scooter, or protective clothing and equipment does not qualify as an exempt retail sale under the exemption.

The Department of Revenue is authorized to adopt emergency rules.

The bill takes effect upon becoming a law.

¹¹ The term “micromobility device” is defined as any motorized transportation device made available for private use by reservation through an online application, website, or software for point-to-point trips and which is not capable of traveling at a speed greater than 20 miles per hour on level ground. The term includes motorized scooters and bicycles. Section 316.003(41), F.S.

¹² Section 316.003(48), F.S.

¹³ U.S. Department of Transportation, Federal Highway Administration, *Public Roads- 2021*, <https://highways.dot.gov/public-roads/spring-2021/02#:~:text=Other%20definitions%20of%20micromobility%20focus,%5B1%20meter%5D%20wide>). (last visited Jan. 23, 2024).

¹⁴ *Id.*

¹⁵ See section 509.013(9), F.S.

¹⁶ See section 509.013(4), F.S.

¹⁷ See section 330.27(2), F.S.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

Article VII, s. 18 of the Florida Constitution governs laws that require counties and municipalities to spend funds, limit the ability of counties and municipalities to raise revenue, or reduce the percentage of state tax shared with counties and municipalities.

Subsection (b) of Art. VII, s. 18 of the Florida Constitution provides that except upon approval of each house of the Legislature by two-thirds vote of the membership, the legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandates requirements do not apply to laws having an insignificant impact,^{18,19} which is \$2.3 million or less for Fiscal Year 2024-2025.²⁰

The Revenue Estimating Conference has not reviewed the bill.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

Section 19 of Article VII, Florida Constitution requires increased taxes or fees to be passed in a separate bill and by two-thirds vote of the membership of each house of the Legislature. This bill does not increase any taxes or fees; therefore, the increased tax or fee requirements do not apply.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The Revenue Estimating Conference has not reviewed this bill.

¹⁸ FLA. CONST. art. VII, s. 18(d).

¹⁹ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year multiplied by \$0.10. *See* Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (September 2011), <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Jan. 23, 2024).

²⁰ Based on the Demographic Estimating Conference's estimated population adopted on July 11, 2023, <http://edr.state.fl.us/Content/conferences/population/archives/230711demographic.pdf> (last visited Jan. 23, 2024).

B. Private Sector Impact:

The private sector will experience reduced costs associated with the purchase of electric bicycles and scooters vehicles and related personal safety equipment due to the sales and use tax exemption provided in this legislation.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

None.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)**CS by Commerce and Tourism on January 23, 2024:**

The committee substitute exempts from the sales and use tax the retail sale of electric bicycles, electric scooters, and protective clothing and equipment, up to certain dollar amounts, during the 45-day period from August 1, 2024 through September 14, 2024, and the 45-day period from November 1, 2024 through December, 15, 2024.

The committee substitute specifies that the sales tax exemption does not apply to sales within a theme park or entertainment complex, within a public lodging establishment, or within an airport. The lease or rental of an electric bicycle, electric scooter, or protective clothing and equipment does not qualify as an exempt retail sale under the exemption.

B. Amendments:

None.