

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

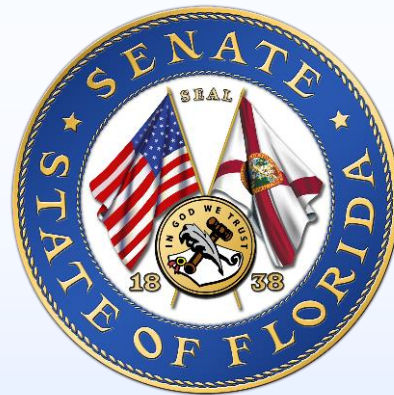
FINANCE AND TAX
Senator Ingoglia, Chair
Senator Rodriguez, Vice Chair

MEETING DATE: Wednesday, December 6, 2023
TIME: 2:00—3:45 p.m.
PLACE: *Mallory Horne Committee Room, 37 Senate Building*

MEMBERS: Senator Ingoglia, Chair; Senator Rodriguez, Vice Chair; Senators Berman, Boyd, Hutson, and Pizzo

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
	Presentation on Communications Services Tax		Presented
<hr/>			
	Other Related Meeting Documents		

Communications Services Tax

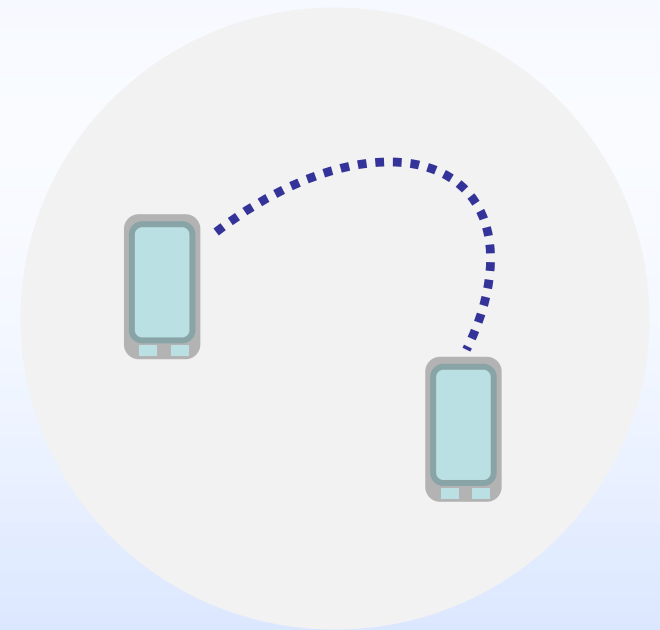


Committee on Finance and Tax

December 6, 2023

Outline

- Communications Services
- Communications Services Tax (CST)
 - State rates
 - Sales tax on prepaid calling arrangements
 - Local rates
- Collections and Distributions



Communications Services

Statute Includes

- Transmission, conveyance, or routing of
- Voice
 - Data
 - Audio
 - Video
 - Any other information or signals

Examples

- Communications services subject to tax include
- Local or long distance telephone
 - Mobile communications
 - Video services like Netflix or Hulu
 - Music services like Spotify
 - Direct-to-home satellite



Not Included as Communications Services

Statute Excludes

- Internet access
- Information services
- Tangible personal property
- Installation or maintenance
- Advertising
- Late payment or billing charges

Examples

- Web-hosting service like GoDaddy
- Online banking
- Data storage to remotely store or back up data
- Installing equipment at a customer's home



State Tax Rates

Type	Rate
CST Residential landlines are exempt	4.92%
Gross Receipts Tax Residential landlines are exempt	0.15%
Gross Receipts Tax	2.37%
Total Tax for the State Plus any local CST rates	7.44%



Direct-to-home Satellite Tax Rate

Type	Rate
Gross Receipts Tax	2.37%
Direct-to-home Satellite CST	9.07%
Total Direct-to-home Satellite Tax	11.44%



State Sales Tax on Prepaid

Type	Rate
Prepaid Calling Arrangements State Sales Tax Plus any local option sales tax rates	6%



Local CST

Local governments may use a general rate or a jurisdiction specific conversion rate

- The rate may be increased through permit fee add-on rates or emergency rates
- The rate may be increased by the Local Option Discretionary Sales Surtax Conversion Rate

481 local governments collect a local CST with a range from 0.3% to 7.7% and a statewide effective rate of 5.23%*

Local rates may not be increased until January 1, 2026

*There are four cities (Fanning Springs, Flager Beach, Longboat Key, and Marineland) that are in two counties. Due to the fact that counties may have different Local Option Discretionary Sales Surtax Conversion Rates, this may result in different total CST rates within one city. As a result, we are counting the four cities in multiple counties twice, bringing the total local governments from 477 to 481.



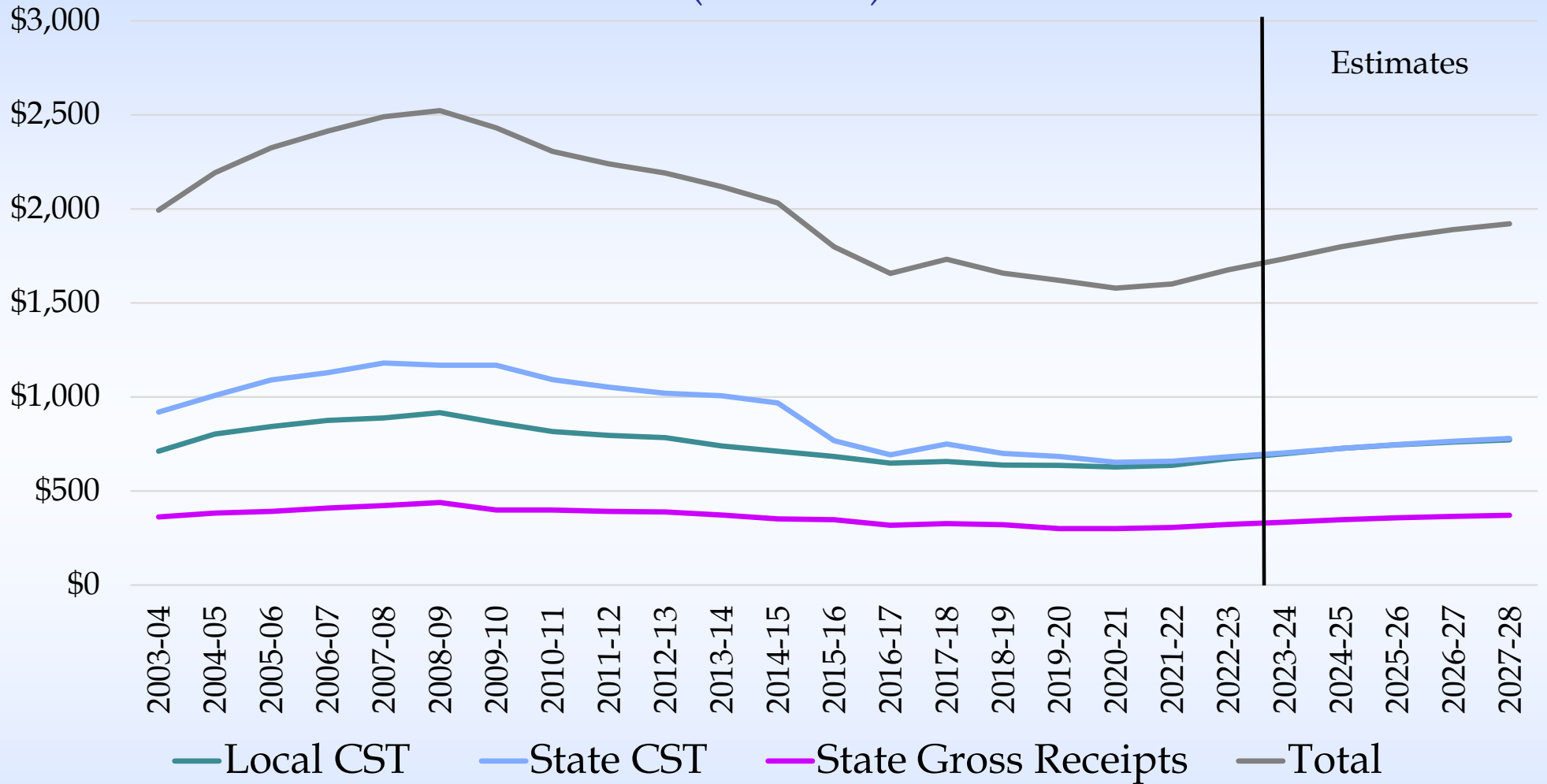
CST Rate Examples

Location	Total Rate	Rate Details
Citrus County	9.68%	State: 7.44% Local: 2.24%
Key West	13.56%	State: 7.44% Local: 6.12%
Broward County	13.16%	State: 7.44% Local: 5.72%



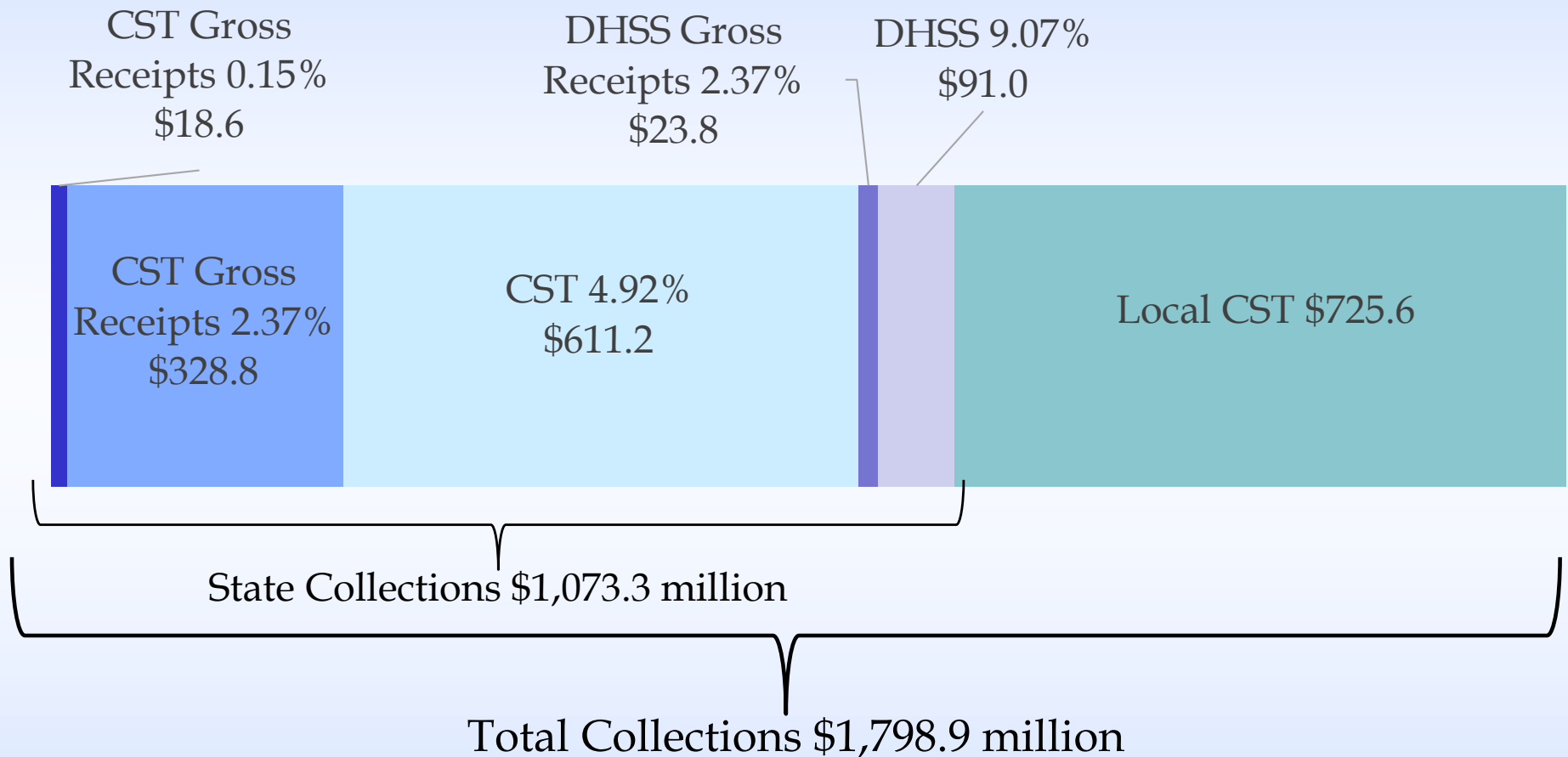
Collections

(millions)



Collections by Category

FY 2024-25 in millions



Numbers do not add up due to rounding



Distributions

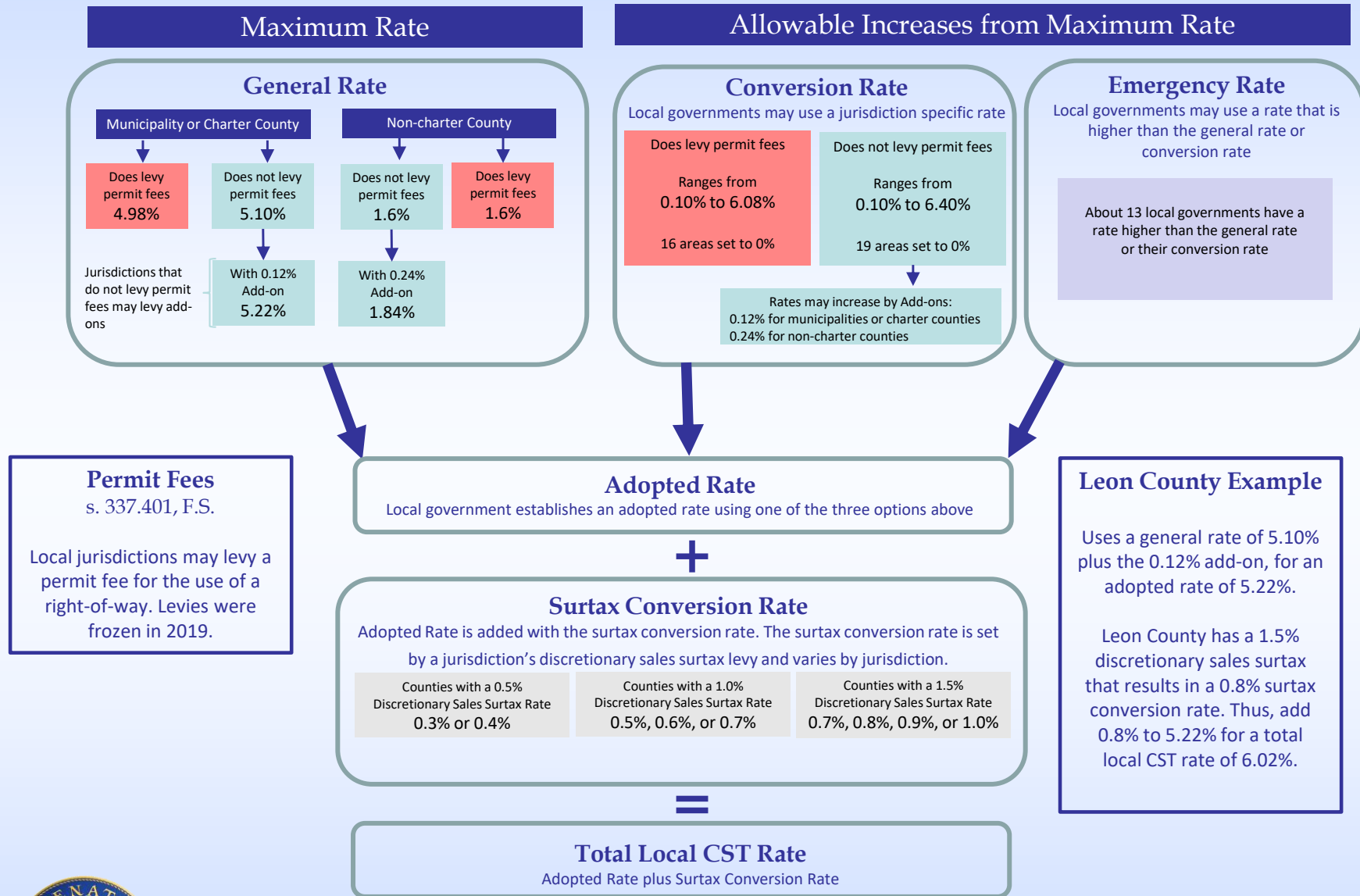
Type	FY 2024-25 Estimated Amount (millions)	Distribution Description
CST 4.92%	\$611.2	<ul style="list-style-type: none">• Most to General Revenue• Shared with local governments (similar to sales tax)
Direct-to-home Satellite 9.07%	\$91.0	<ul style="list-style-type: none">• A portion of satellite revenues dedicated to fiscally constrained counties
Gross Receipts 0.15% and 2.37%	\$371.2	<ul style="list-style-type: none">• Public Education Capital Outlay (PECO)



Questions?



Appendix: Local CST Rate Flowchart



The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

12/6/2023

Meeting Date

Bill Number or Topic

Finance & Tax

Committee

Amendment Barcode (if applicable)

Name Bob McKee

Phone (850) 922-4300

Address 100 S Monroe

Email bmckee@fl-counties.com

Street

Tallahassee FL 32308

City

State

Zip

Speaking: For Against Information **OR** Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

Florida Assoc of Counties

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)



THE FLORIDA SENATE

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COMMITTEES:

Joint Legislative Auditing,
Alternating Chair

Appropriations

Appropriations
Committee on Criminal &
Civil Justice

Community Affairs

Criminal Justice

Finance & Tax

Military & Veterans
Affairs, Space, and
Domestic Security

Select Committee on
Resiliency, *Vice Chair*

KATHLEEN PASSIDOMO

President of the Senate

DENNIS BAXLEY

President Pro Tempore

December 6, 2023

Senator Blaise Ingoglia, Chair
Senate Committee on Finance & Tax
404 South Monroe Street
Tallahassee, FL 32399

Chair Ingoglia,

Please excuse my absence from the meeting of the Senate Committee on Finance & Tax this afternoon, December 6, 2023.

Sincerely,

Jason W.B. Pizzo

cc: Azhar Khan, Staff Director
Stephanie Bell-Parke, Committee Administrative Assistant
Maggie Gerson, Senate Democratic Office Staff Director
Megan Ramba, Senate President's Office

CourtSmart Tag Report

Room: SB 37
Caption: Senate Committee on Finance and Tax

Case No.:

Type:
Judge:

Started: 12/6/2023 2:00:54 PM

Ends: 12/6/2023 2:54:54 PM

Length: 00:54:01

2:01:22 PM Chair Ingoglia calls meeting to order
2:01:42 PM CAA calls the roll
2:01:52 PM Senator Pizzo is excused from today's meeting
2:01:53 PM Quorum is present
2:02:18 PM Chair Ingoglia makes comments and introduces new committee staff director, Azhar Khan
2:02:53 PM Azhar Khan makes comments and introduces new staff
2:04:00 PM Chair Ingoglia introduces presentation and recognize Azhar Khan
2:05:08 PM Presentation on Communication Services Tax by Azhar Khan
2:28:14 PM Questions?
2:28:18 PM Senator Boyd
2:28:33 PM Azhar Khan
2:28:44 PM Senator Boyd
2:29:02 PM Azhar Khan
2:31:17 PM Senator Boyd
2:31:45 PM Azhar Khan
2:31:57 PM Senator Boyd
2:32:12 PM Azhar Khan
2:32:34 PM Senator Hutson
2:32:55 PM Azhar Khan
2:33:10 PM Senator Hutson
2:33:18 PM Azhar Khan
2:33:58 PM Senator Hutson
2:34:50 PM Azhar Khan
2:35:03 PM Senator Hutson
2:35:38 PM Azhar Khan
2:35:48 PM Senator Hutson
2:36:18 PM Azhar Khan
2:36:24 PM Chair Ingoglia
2:37:08 PM Senator Boyd
2:38:00 PM Chair Ingoglia
2:38:41 PM Senator Hutson
2:38:58 PM Chair Ingoglia
2:39:10 PM Public Testimony
2:39:22 PM Bob McKee, FL Association of Counties, speaking
2:42:04 PM Chair Ingoglia
2:43:13 PM Bob McKee
2:44:15 PM Chair Ingoglia
2:44:46 PM Bob McKee
2:46:48 PM Chair Ingoglia
2:47:15 PM Bob McKee
2:47:25 PM Chair Ingoglia
2:47:34 PM Bob McKee
2:49:00 PM Senator Hutson
2:49:10 PM Bob McKee
2:49:18 PM Senator Hutson
2:49:22 PM Bob McKee
2:49:34 PM Senator Hutson
2:49:59 PM Bob McKee
2:50:18 PM Senator Hutson
2:50:31 PM Bob McKee
2:51:22 PM Senator Hutson
2:51:33 PM Chair Ingoglia

2:51:41 PM Bob McKee
2:51:54 PM Chair Ingoglia
2:52:24 PM Azhar Khan
2:53:50 PM Chair Ingoglia
2:54:11 PM Azhar Khan
2:54:26 PM Senator Boyd moves to adjourn
2:54:31 PM Meeting adjourned