

THE FLORIDA SENATE
2018 SUMMARY OF LEGISLATION PASSED
Committee on Appropriations

CS/HB 7087 — Taxation

by Appropriations Committee; Ways and Means Committee; and Rep. Renner and others (CS/CS/SB 620 by Appropriations Committee; Commerce and Tourism Committee; and Senators Passidomo, Young, Steube, Campbell, and Stargel)

CS/HB 7087 contains provisions for tax relief and changes to tax policy.

The bill provides temporary tax relief for hurricane recovery, including:

- Sales tax exemptions for farms damaged by 2017 hurricanes for building materials used to repair nonresidential farm buildings, and farm fencing.
- Refund of taxes on fuel used for agricultural shipments post Hurricane Irma.
- Assessment of citrus processing and packing equipment not being used at salvage value for 2018 property tax.
- Hurricane-damaged agricultural parcels taken out of production can retain their agricultural classification for five years.
- Residential homestead property damaged by a natural disaster is eligible for a refund of taxes paid.
- Documentary stamp tax exemption for emergency loans.
- Temporary sales tax exemption for emergency generators purchased by nursing homes and assisted living facilities.

Sales Tax Holidays

- 7-day disaster preparedness holiday in June.
- 3-day back to school sales tax holiday in August.

Property Tax Provisions

- Guidance for assessing multi-parcel buildings.
- Homestead property damaged by a storm may retain its Save Our Home benefit for portability purposes if it is not repaired by January 1 following the storm.
- Update of the list of military operations that qualify a service member for a property tax exemption.
- Removal of the requirement that a surviving spouse be married to a disabled ex-servicemember for five years prior to his or her death in order to receive a \$5,000 property tax exemption.
- The Florida Government Utilities Authority is exempted from property taxes or assessments on property in a county that is not a member of the authority.

Sales Tax Provisions

- The business rent tax is reduced from 5.8 percent to 5.7 percent.
- The bill provides exemptions for industrial machinery and equipment, and electricity, purchased by aquaculture operations.
- It provides an exemption for electricity and roll off containers used by recyclers.

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- It revises the list of public facilities that can be funded with the local option infrastructure surtax to include facilities that are necessary to carry out governmental purposes, such as fire stations, general governmental buildings, and animal shelters, and adds instructional technology used in a school districts classrooms.

Traffic Fines Reduction

- The bill provides a nine percent reduction of a civil traffic penalty if the driver cited elects to participate in traffic school.

Fuel Tax Provisions

- The bill exempts motor fuel purchased by a terminal supplier who resells the fuel to an exporter.
- It extends the natural gas tax exemption until 2024.
- It reduces the aviation fuel tax rate for air carriers who conduct scheduled operations or all-cargo operations.

Other Items (\$35.0 million)

- The bill exempts Housing Finance Authority-related notes and mortgages from the excise tax on documents.
- It exempts transfers of property between spouses in the first year of marriage from the documentary stamp tax.
- It changes mileage restrictions on trucks used to haul forestry products and agricultural products.
- It requires the H. Lee Moffitt Cancer Center and Research Institute to report how the cigarette tax distribution is spent.
- It requires sports franchises, the professional golf hall of fame, the International Game and Fish Association World Center facility, and spring training facilities to report how the money received from the sales and use tax distribution is spent.
- It raises the Community Contribution Tax Credit Program cap from \$10.5 million to \$12.5 million for Fiscal Year 2018-2019 and to \$13.5 million for Fiscal Year 2019-2020 for projects that provide housing opportunities to certain persons and households.
- It increases the total amount of tax credits for the rehabilitation of brownfield sites from \$10 million to \$18.5 million for Fiscal Year 2018-19.
- It redirects \$1.5 million in court fees to the Miami-Dade Clerk of Court.
- It authorizes additional uses of Tourist Development Tax revenue for certain water-related improvements, and for infrastructure to support tourism businesses.
- It provides that the Taxpayer Rights Advocate in the Department of Revenue must report to the state's Chief Inspector General and may be removed from office only by the Chief Inspector General.
- It provides for fiscally constrained counties and Monroe County to be reimbursed for loss of property tax revenue due to abatement of taxes on damaged homestead property.
- It provides for fiscally constrained counties to be reimbursed for loss of property tax revenue due to the reduced value of citrus processing equipment.

- It increases allowable per-pupil spending of the discretionary millage revenues received by school districts from \$100 to \$150 to purchase vehicles and pay insurance premiums.
- It requires counties and school districts that want to adopt a new discretionary sales surtax to have a CPA conduct a performance audit of the program related to the surtax prior to holding a referendum.
- It provides a local business tax exemption for honorably discharged veterans and their spouses and unremarried surviving spouses, and for individuals receiving public assistance and low-income individuals.
- It prohibits a local government from requiring a communications services tax dealer that occupies its roads or rights-of-way to pay into a security fund.
- It creates a new chapter in Florida Statutes dealing with Marketplace Contractors. These are individuals that enter into agreements with marketplace platforms to use the platforms' technology to provide services to third-party individuals or entities seeking temporary household services. The amendment provides a list of eligible services, and stipulates that it does not include services that require licensure under ch. 489, F.S., regulation of the construction industry. Marketplace contractors are not considered employees of the marketplace platform for purposes of workers' compensation and reemployment assistance.

If approved by the Governor, these provisions take effect July 1, 2018, except as otherwise provided.

Vote: Senate 33-3; House 93-12