

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

FINANCE AND TAX
Senator Avila, Chair
Senator Gruters, Vice Chair

MEETING DATE: Wednesday, February 5, 2025
TIME: 3:00—4:30 p.m.
PLACE: 301 Senate Building

MEMBERS: Senator Avila, Chair; Senator Gruters, Vice Chair; Senators Bernard, Gaetz, Jones, and Passidomo

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	Presentation - Overview of Florida State Taxes		Discussed

Other Related Meeting Documents

Florida State Tax Overview

THE
FLORIDA
SENATE

February 5, 2025



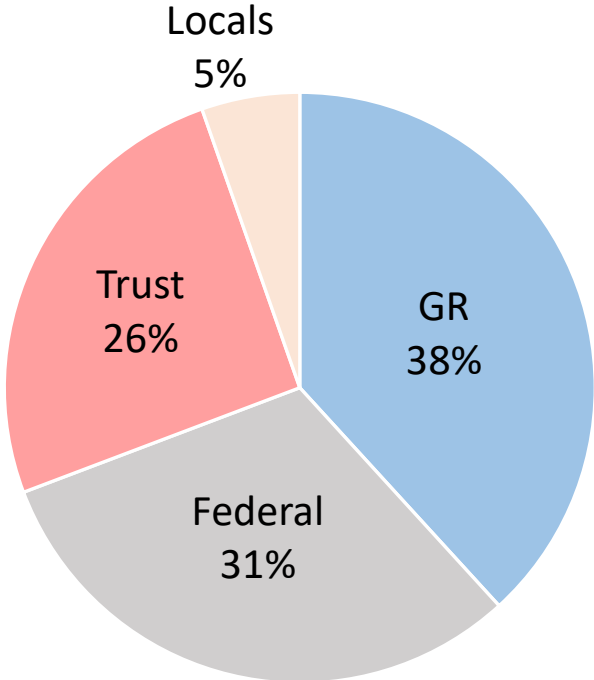
Florida's Taxes and Fees

- Overview
- Comparison with other states
- Tax sources
- Historical collections
- Current forecast
- Recent tax packages

Overview

Florida’s state revenues of \$127.5 billion in FY 23-24 consist of:

- General Revenue \$48.5 billion
- Federal Assistance \$39.7 billion
- Trust Funds \$32.4 billion
- Shared with Locals \$ 6.9 billion

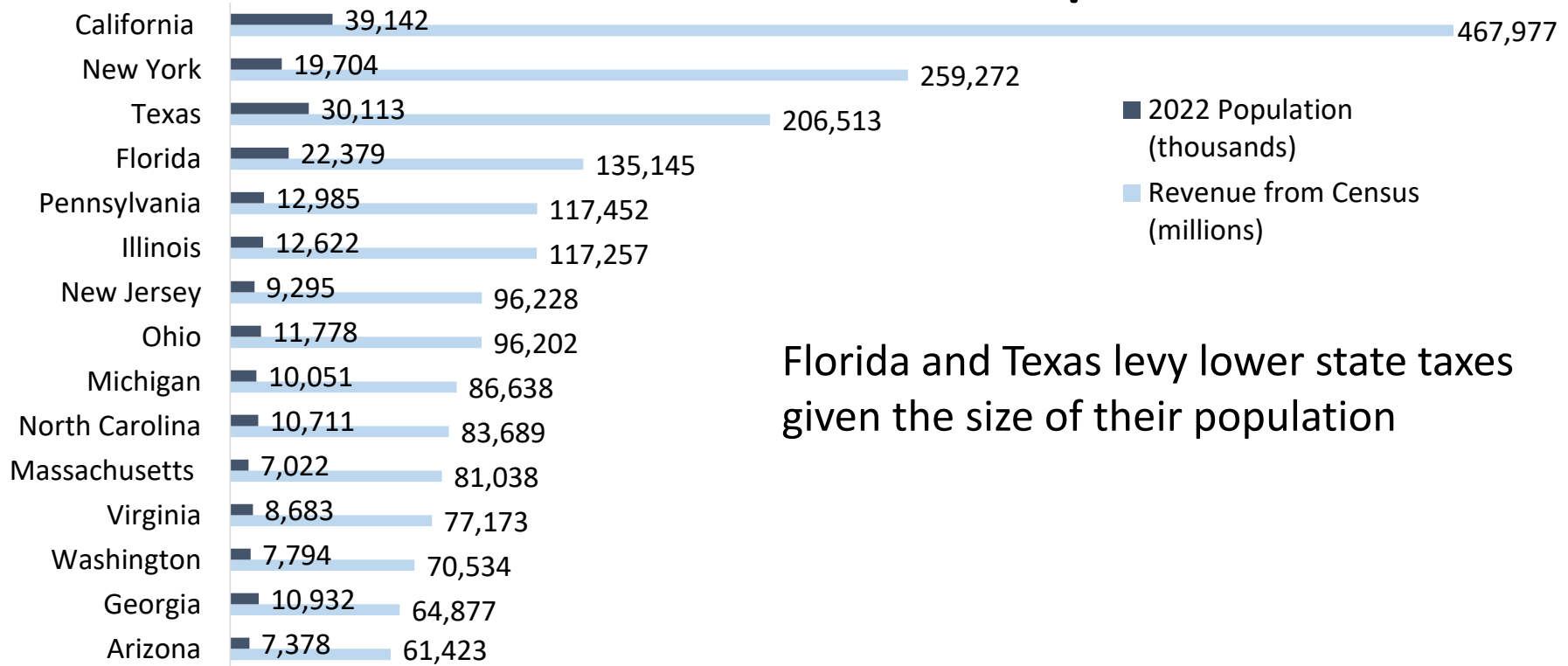


What is taxed?

- Tax liability is based on:
 - Purchases of goods and services
 - Corporate income
 - Employment / production / business formation
 - Ownership or transfer of property
- Fees are based on:
 - Charges for government services / privileges / regulations



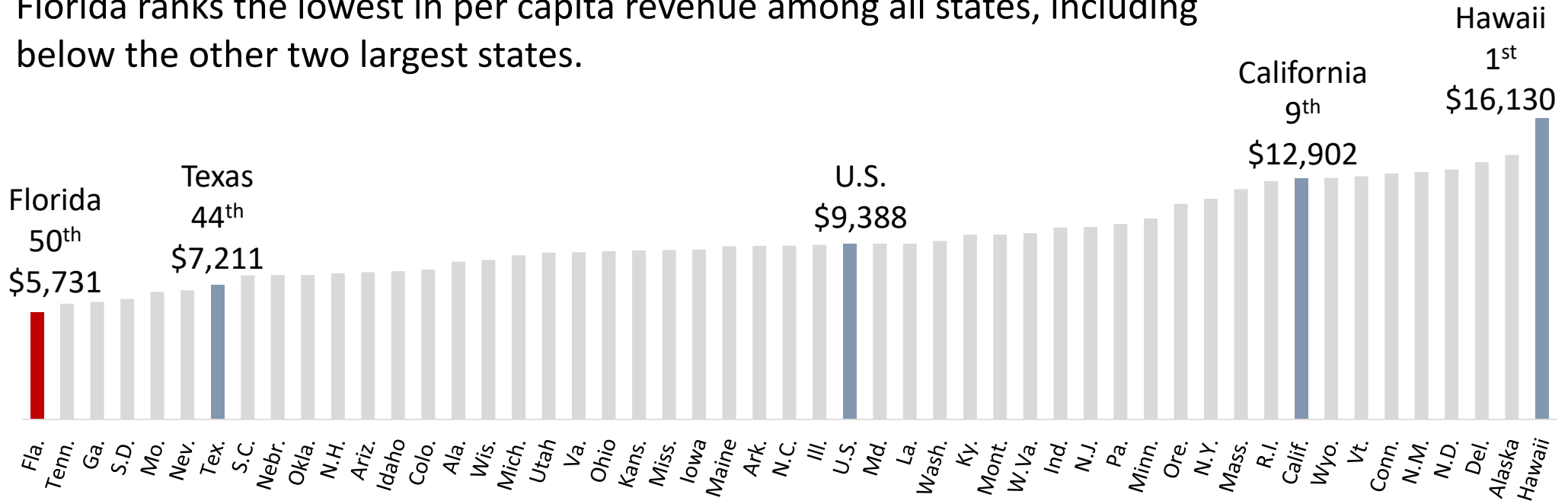
Florida's Revenue Comparison



Florida and Texas levy lower state taxes given the size of their population

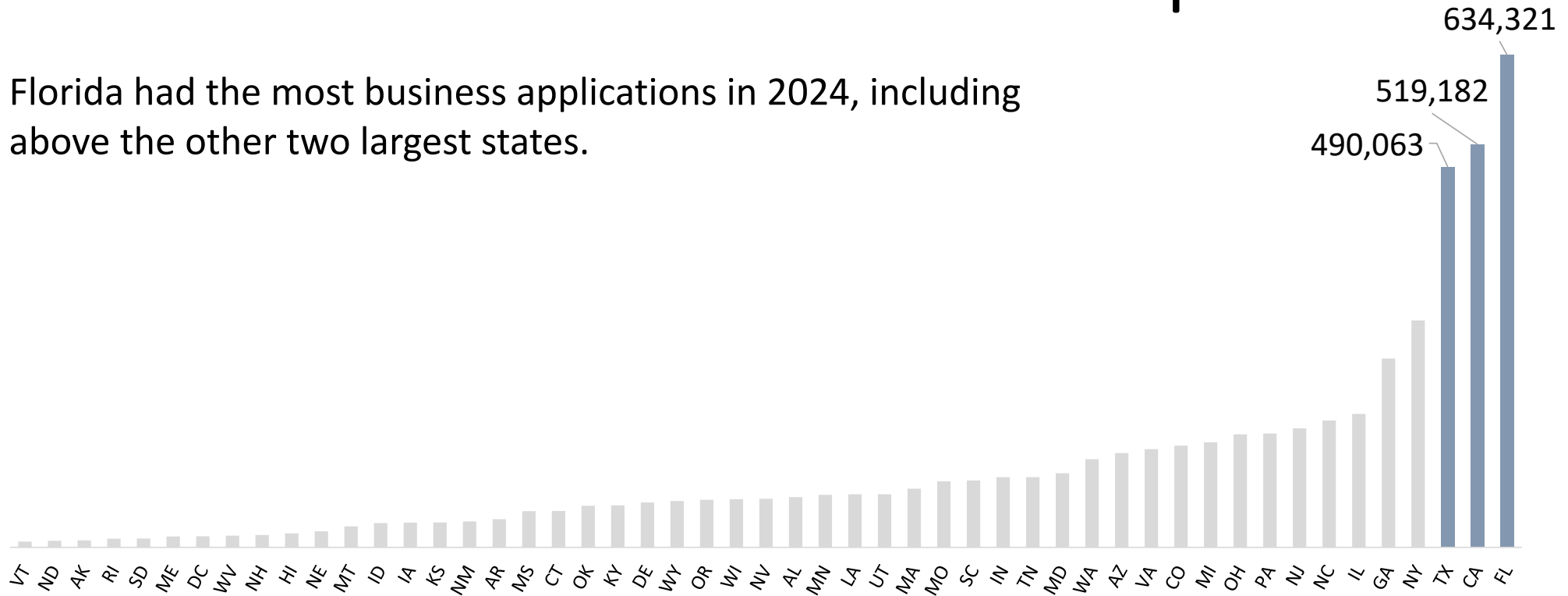
Florida's Revenue Comparison

Florida ranks the lowest in per capita revenue among all states, including below the other two largest states.



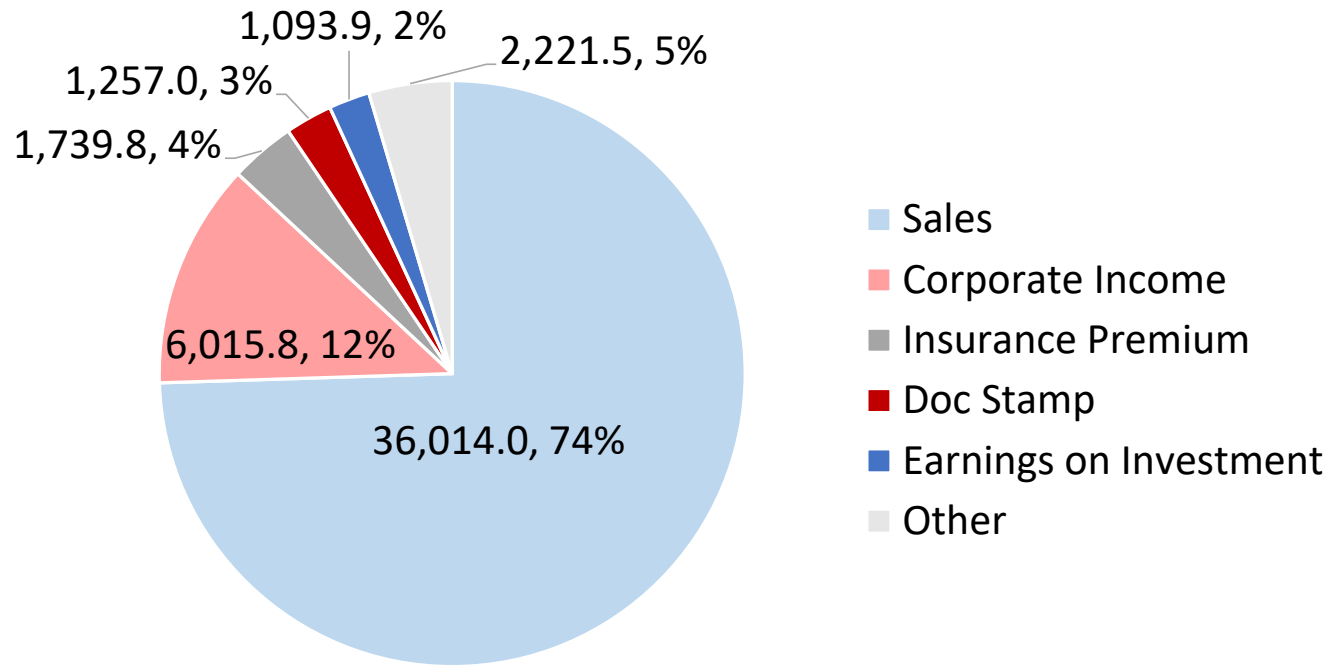
Florida's Business Formation Comparison

Florida had the most business applications in 2024, including above the other two largest states.



General Revenue Top 5 Tax Sources

Fiscal Year 2023-2024 (\$ in millions)



Top 5 Tax Sources

Sales and Use Tax	6 percent tax on the sale or rental of most items of tangible personal property, admissions, transient rentals, and a limited number of services, as well as a 2 percent tax on commercial leases. Sales tax is added to the price of the taxable good or service and collected from the purchaser at the time of sale. Counties are authorized to impose local discretionary sales surtaxes in addition to the state sales tax.
Corporate Income Tax	5.5 percent tax on certain income of corporations and financial institutions doing business in Florida. Florida utilizes the taxable income determined for federal income tax purposes as a starting point to determine the total amount of Florida corporate income tax due.
Doc Stamp Tax	Tax on certain documents executed, delivered, or recorded in Florida. The most common examples are documents that transfer an interest in Florida real property, such as deeds and mortgages, and written obligations to pay money, such as promissory notes. The tax on deeds and other documents related to real property is 70 cents per \$100, and the tax on written obligations to pay money is 35 cents per \$100. The tax levied on written obligations to pay money may not exceed \$2,450.
Insurance Premium Tax	A 1.75 percent tax on most Florida insurance premiums, a one percent tax on annuity premiums, and a 1.6 percent tax on self-insurers. In addition, some insurers pay a retaliatory tax to the extent the insurer's state of domicile would impose a greater tax burden than Florida imposes.
Earnings on Investment	The Division of Treasury within the Department of Financial Services manages Florida's investment portfolio, which includes General Revenue and trust fund balances. Cash balances that are not needed for day-to-day transactions are invested.

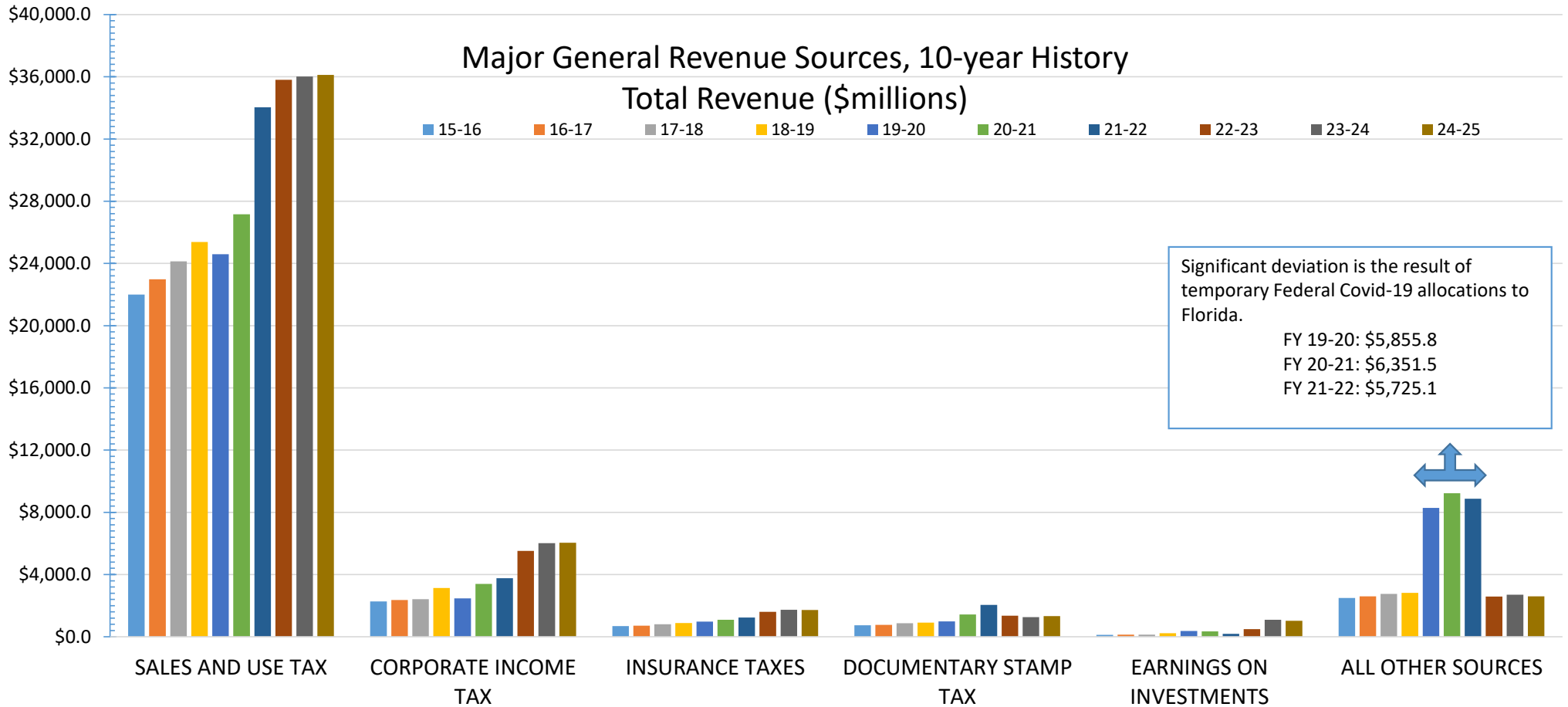


All General Revenue Sources (\$ in millions)

Revenue Source	FY 2023-2024	FY 2024-2025	Change	FY 2025-2026	Change
	Actual	Forecast		Forecast	
Sales Tax	36,014.0	36,120.3	96.6	37,353.5	408.1
Corporate Income Tax	6,015.8	6,049.4	283.0	6,046.9	179.5
Insurance Premium Tax	1,739.8	1,723.0	2.3	1,462.4	-85.5
Doc Stamp Tax	1,257.0	1,325.7	31.2	1,413.1	37.0
Earnings on Investment	1,093.9	1,030.3	546.4	935.6	478.1
Corporate Filing Fees	572.3	590.5	0.0	610.9	0.0
Intangibles Tax	444.4	464.5	12.8	476.8	15.2
Service Charges	365.1	365.8	10.6	363.3	6.5
Highway Safety Lic. And Fees	350.1	389.0	3.0	425.8	1.4
Beverage Tax & Licenses	345.0	283.3	38.0	275.8	22.6
Counties' Medicaid Share	310.3	367.4	0.0	413.1	0.0
Other Nonop. Revenue	174.5	182.2	84.9	127.3	29.7
Tobacco Taxes	126.6	118.6	-2.4	109.2	-8.1
Article V Fees	97.2	77.2	12.9	61.1	0.5
Other Taxes and Fees	61.0	55.1	7.2	55.3	7.2
Pari-mutuels Tax	11.3	11.5	0.2	11.7	0.2
Severance Tax	8.1	7.9	-0.5	7.6	-0.6
Indian Gaming Revenue	0.0	30.4	30.4	32.1	32.1
Net Gen. Rev. (Total minus Refunds)	48,342.0	48,515.9	934.3	49,697.1	1,100.2
% Change from Previous Year	2.1%	0.4%		2.4%	

Major General Revenue Sources, 10-year History

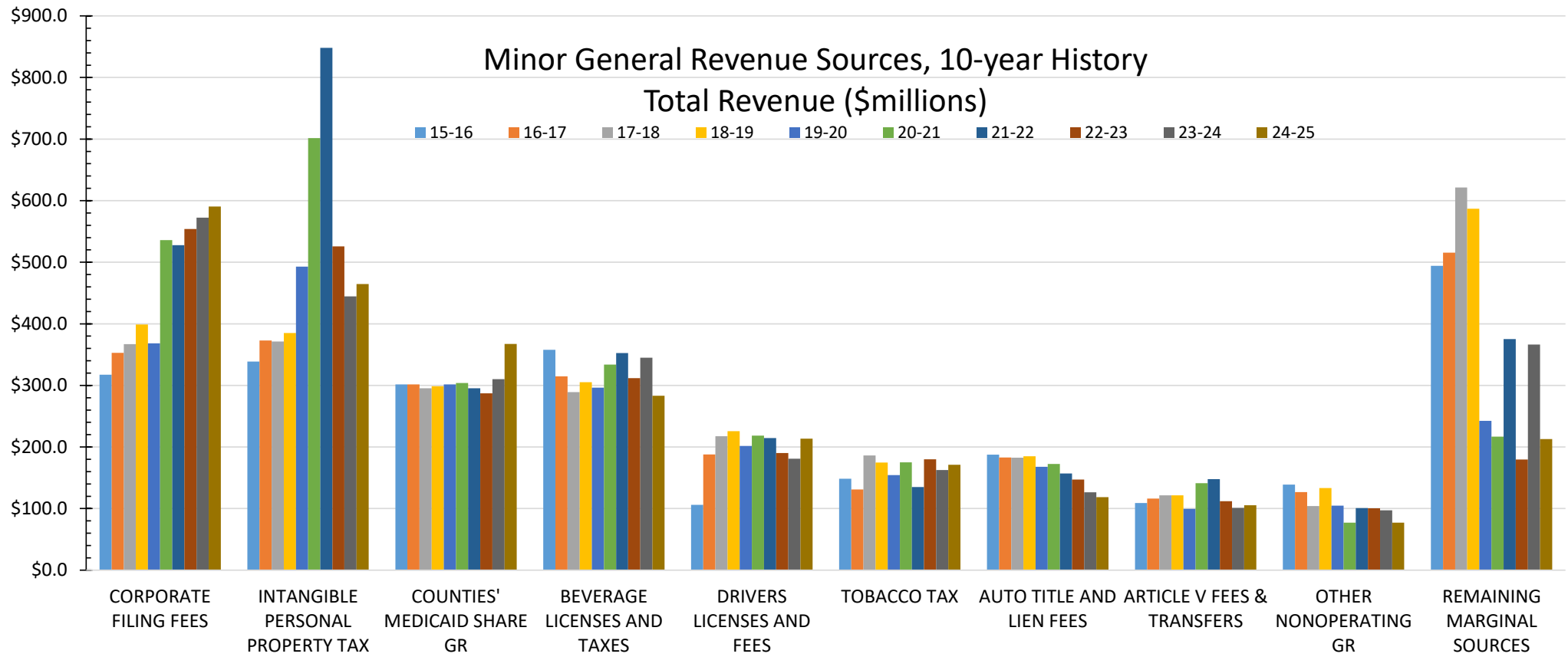
Total Revenue (\$millions)



Significant deviation is the result of temporary Federal Covid-19 allocations to Florida.

FY 19-20: \$5,855.8
 FY 20-21: \$6,351.5
 FY 21-22: \$5,725.1





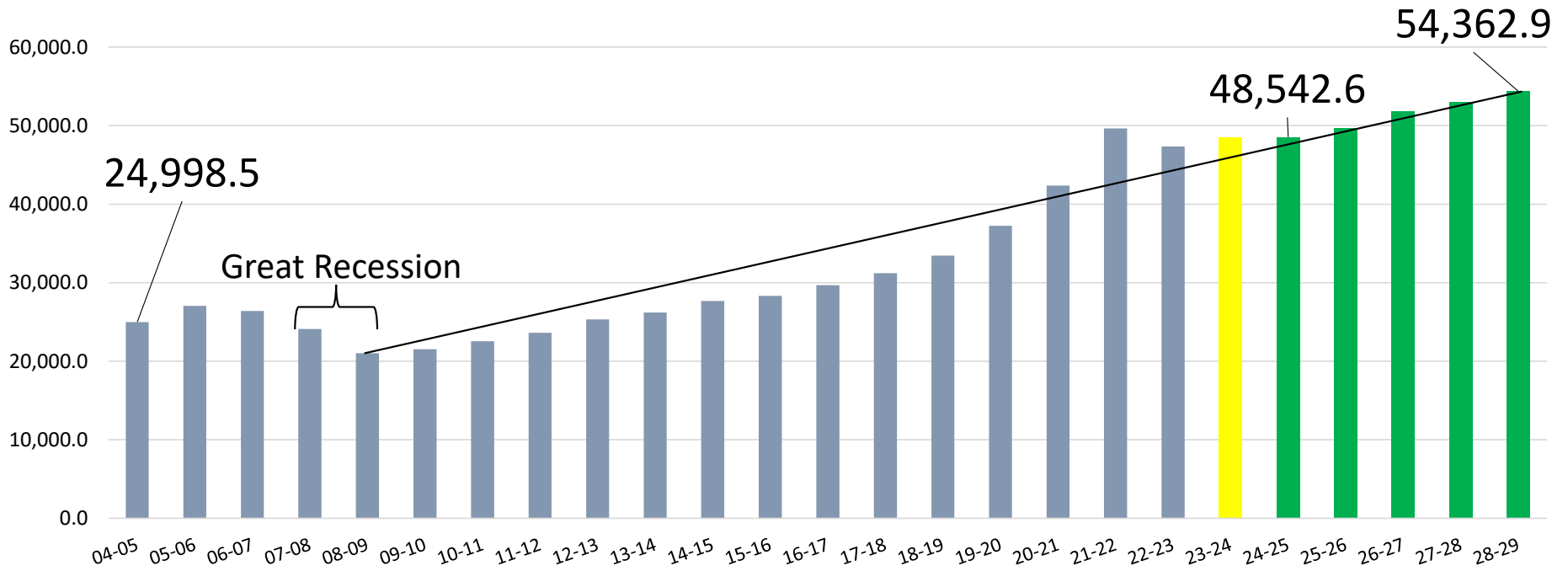
Consensus Estimating Conferences

- Conference Process
 - Demographic Estimating Conference
 - Economic Estimating Conferences
 - National Economic
 - Florida Economic
- Revenue Estimating Conferences
 - Ad Valorem
 - Article V
 - General Revenue
 - Gross Receipts/CST
 - Highway Safety
 - Indian Gaming
 - Transportation
 - Various Other Conferences



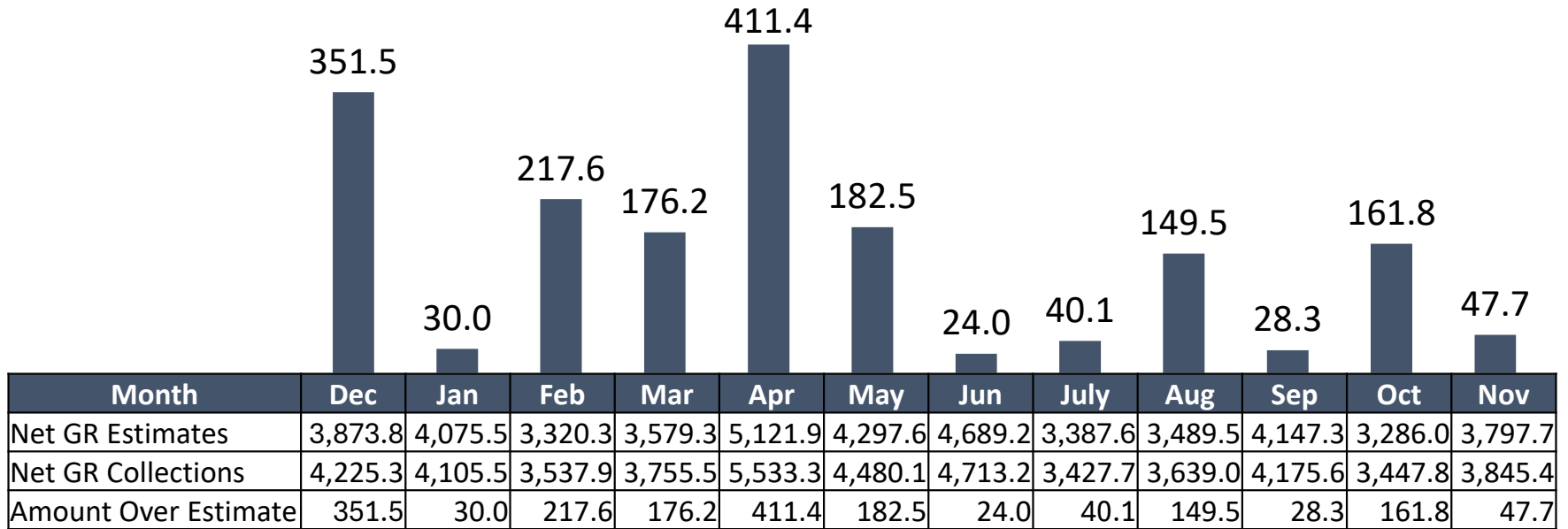
Current General Revenue Forecast

(\$ in millions)



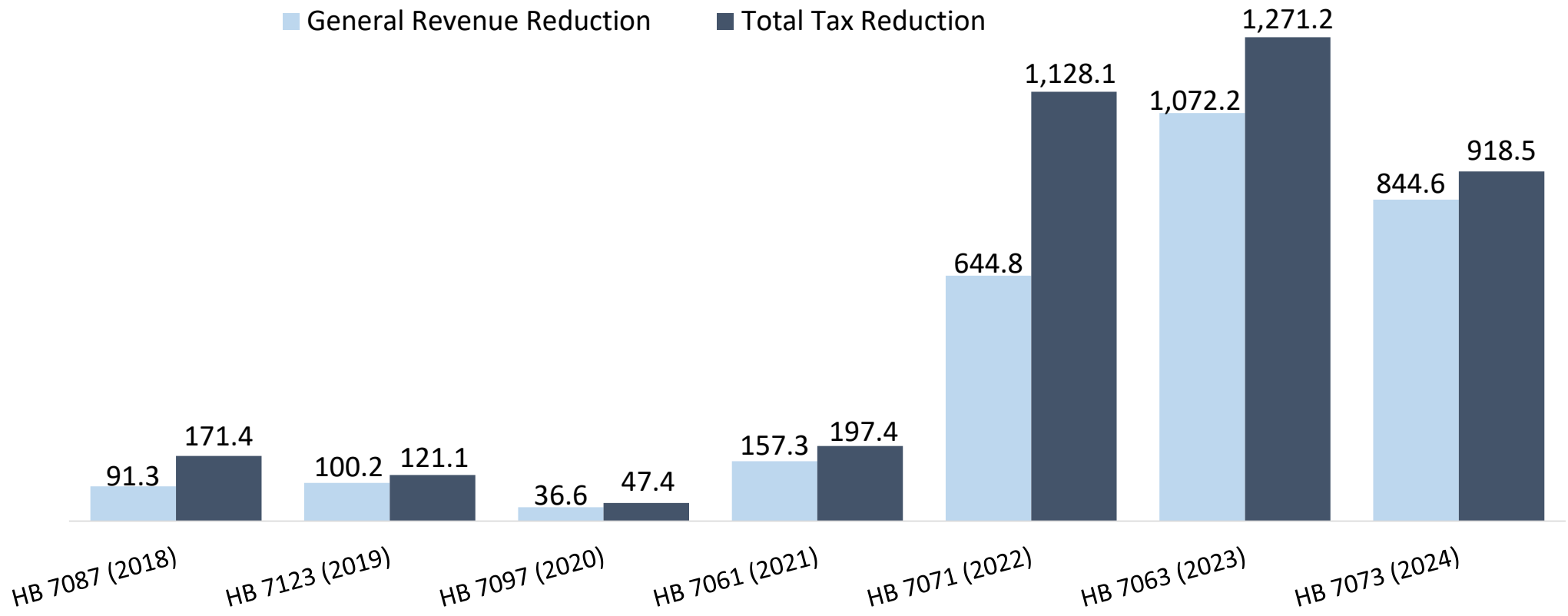
Collections vs Estimates

December 2023 to November 2024, (\$ in millions)



Recent Tax Package Reductions (\$ in millions)

■ General Revenue Reduction ■ Total Tax Reduction



Thank you!

Need assistance or have questions?
Please call us at 850.487.5920

THE
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Tallahassee, Florida 32399-1100

COMMITTEES:

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Finance and Tax, *Vice Chair*
Appropriations Committee on Health and
Human Services
Commerce and Tourism
Criminal Justice
Regulated Industries
Rules

JOINT COMMITTEES:

Joint Committee on Public Counsel Oversight
Joint Legislative Budget Commission

SENATOR JOE GRUTERS

22nd District

January 31, 2025

Chair Bryan Avila
215 Knott Building
404 South Monroe Street
Tallahassee, FL 32399-1100

Chair Avila,

I would like to request an excused absence from the Finance and Tax Committee meeting scheduled on Wednesday, February 5th due to a prior engagement.

Thank you for your consideration of this request.

Regards,

A handwritten signature in black ink that reads "Joe Gruters".

Joe Gruters

REPLY TO:

- 381 Interstate Boulevard, Sarasota, Florida 34240 (941) 378-6309
- 413 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5022

Senate's Website: www.flsenate.gov

BEN ALBRITTON
President of the Senate

JASON BRODEUR
President Pro Tempore

CourtSmart Tag Report

Room: SB 301

Case No.:

Type:

Caption: Senate Finance and Tax Committee

Judge:

Started: 2/5/2025 3:00:45 PM

Ends: 2/5/2025 3:43:37 PM Length: 00:42:53

3:00:47 PM Chair Avila calls meeting to order
3:00:58 PM Roll call
3:01:15 PM Chair Avila makes opening announcements and introductions
3:03:55 PM Tab 1, Presentation--Overview of Florida State Taxes
3:04:14 PM Azhar Khan, Staff Director of the Senate Finance and Tax Committee
3:21:37 PM Questions:
3:21:40 PM Senator Jones
3:22:05 PM Azhar Khan
3:22:49 PM Senator Jones
3:23:01 PM Azhar Khan
3:23:55 PM Senator Jones
3:24:11 PM Azhar Khan
3:25:00 PM Senator Gaetz
3:25:20 PM Azhar Khan
3:26:16 PM Senator Gaetz
3:27:26 PM Azhar Khan
3:28:21 PM Senator Gaetz
3:28:27 PM Azhar Khan
3:28:45 PM Senator Gaetz
3:28:51 PM Azhar Khan
3:28:57 PM Senator Bernard
3:29:27 PM Azhar Khan
3:32:02 PM Senator Bernard
3:32:40 PM Azhar Khan
3:33:48 PM Senator Bernard
3:34:14 PM Azhar Khan
3:34:17 PM Senator Bernard
3:34:20 PM Azhar Khan
3:34:49 PM Senator Bernard
3:35:09 PM Chair Avila
3:35:44 PM Senator Bernard
3:36:06 PM Chair Avila
3:37:14 PM Azhar Khan
3:39:55 PM Chair Avila
3:40:29 PM Azhar Khan
3:41:47 PM Chair Avila gives closing remarks
3:43:22 PM Senator Passidomo moves to adjourn
3:43:26 PM Meeting adjourned