

STORAGE NAME: h3613.bdt

DATE: April 9, 1998

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
BUSINESS DEVELOPMENT AND INTERNATIONAL TRADE
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 3631

RELATING TO: Sales Tax/Travel Center/Truck Stop

SPONSOR(S): Representative Fuller

COMPANION BILL(S): S 1590 (I)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) BUSINESS DEVELOPMENT AND INTERNATIONAL TRADE (W/D)
 - (2) FINANCE AND TAXATION
 - (3) GENERAL GOVERNMENT APPROPRIATIONS
 - (4)
 - (5)
-

I. SUMMARY:

This bill exempts property used as a travel center or truck stop facility from the state sales tax on the rental or lease of, or grant of a license to use, real property.

This bill has not yet been reviewed by the Revenue Estimating Conference. The fiscal impact is not known at this time.

This bill does not increase the rulemaking authority of a state agency.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Section 212.031(1)(a), Florida Statutes, provides that it is the legislative intent that every person is exercising a taxable privilege who engages in the business of renting, leasing, letting, or granting a license for the use of any real property unless the property is specifically exempted from this provision.

Section 212.031(1)(c), Florida Statute, provides that for the exercise of the privilege, a tax is levied in the amount of 6 percent of and on the total rent or license fee charged for the real property by the person charging or collecting the rental or license fee.

The total rent or license fee charged for the real property includes payments for the granting of a privilege to use or occupy real property for any purpose and includes base rent, percentage rents, or similar charges. The charges are to be included in the total rent or license fee subject to tax under this section.

Section 212.031(2)(a), Florida Statutes, provides that the tenant or person actually occupying, using, or entitled to the use of the property from which the rental or license fee is subject to taxation must pay the tax to his or her immediate landlord or other person granting the right to occupy or use the real property.

Presently, there is no exemption for property used as a travel center/truck stop facility from the state sales tax on the rental or lease of, or grant of a license to use, real property.

B. EFFECT OF PROPOSED CHANGES:

This bill will exempt property used as a travel center/truck stop facility from the sales tax on the rental or lease of, or grant of a license to use, real property.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

(3) any entitlement to a government service or benefit?

N/A

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

None.

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

Yes, the bill reduces taxes for those taxpayers qualifying for the exemption.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

- (4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

No.

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Sec. 212.031, F.S.

E. SECTION-BY-SECTION RESEARCH:

See Effect of Proposed Changes Section.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

The Revenue Estimating Conference has not yet reviewed this bill.

2. Recurring Effects:

See III. A 1.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

See IIIA1.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

The Revenue Estimating Conference has not yet reviewed this bill.

2. Recurring Effects:

See above.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

Lessors of property used as a travel center/truck stop facility would not have to pay use tax on such leases.

3. Effects on Competition, Private Enterprise and Employment Markets:

To the extent that this bill induces additional economic activity, this bill may have a positive impact on the markets.

D. FISCAL COMMENTS:

The Revenue Estimating Conference has not yet reviewed this bill.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

STORAGE NAME: h3613.bdt

DATE: April 9, 1998

PAGE 7

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill will not reduce the authority of municipalities and counties to raise revenues, the impact is expected to be insignificant and the bill is therefore exempt from the provisions of Article VII, Section 18(b), Florida Constitution.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

The bill does not reduce the percentage of a state tax shared with municipalities and counties. therefore, Article VII, Section 18(b), Florida Constitution does not apply.

V. COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON BUSINESS DEVELOPMENT AND INTERNATIONAL TRADE:

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