

**STORAGE NAME:** h3613.ft

**DATE:** April 9, 1998

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
FINANCE AND TAXATION  
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

**BILL #:** HB 3613

**RELATING TO:** Sales Tax/Travel Center/Truck Stop

**SPONSOR(S):** Fuller and others

**COMPANION BILL(S):** Identical to S1590

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

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

I. SUMMARY:

HB 3613 provides an exemption from sales tax on the renting or leasing of travel center/truck stop facilities. The bill defines "travel center/truck stop facility" for the purposes of the subparagraph as "any facility that has declared its primary business activity, under ss. 206.404(1)(g), as the sale of diesel fuel at retail, which facility operates a minimum of 6 diesel fuel dispensers."

The bill provides for an effective date of July 1 of the year in which enacted.

The bill has a negative fiscal impact of \$.5 million in FY 1998-99 and FY 1999-2000.

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## II. SUBSTANTIVE RESEARCH:

### A. PRESENT SITUATION:

Since 1969, every person that engages in the business of leasing, renting, or letting real property is engaging in a taxable privilege; however, there are some exceptions. Under current law, the leasing, renting, letting or granting of license for use of real property is not taxable if the property is:

- ◆ assessed as agricultural property under s. 193.461, F.S.
- ◆ used exclusively as dwelling units.
- ◆ property subject to tax on parking, docking, or storage spaces under s. 212.03(6)
- ◆ recreational property or the common elements of a condominium under certain conditions
- ◆ public or private street or right of way occupied or used by a utility for utility purposes
- ◆ a public street or road used for transportation purposes
- ◆ airport property used for aircraft taxiing and landing, loading or unloading of passengers or property, or fueling aircraft.
- ◆ property used at a port authority, as defined in ss. 315.02(2), F.S., exclusively for the purposes of oceangoing vessels or tugs docking, loading or unloading passengers or cargo, fueling, or to the extent that charges for the use of such property are based upon the tonnage actually imported or exported.
- ◆ property used as an integral part of any activity or service performed directly in connection with the production of a qualified motion picture, as defined in ss. 212.06(1)(b).
- ◆ property used to provide food and drink concessionaire services within a movie theater, publicly owned arena, sports stadium, convention or exhibition hall, auditorium or recreational facility or any business operated under a permit issued under chapter 550. F.S.
- ◆ any property occupied pursuant to an instrument calling for payments which the Department of Revenue has declared in a Technical Assistance Advisement issued on or before March 15, 1993, to be nontaxable pursuant to rule 12A-1.070(19)(c) of the Florida Administrative Code.

A survey was performed by the Florida Truck & Fuel Stop Operator Association of the 136 Florida Facilities listed in TRUCK STOPS - A Complete Guide to Over 5,000 Truck Stops in the U.S. & Canada. The results are as follows:

- ◆ 91 facilities are owned and operated
- ◆ 13 facilities with 6 or more diesel fuel pumps are leased
- ◆ 8 facilities with less than 6 diesel pumps are leased

**B. EFFECT OF PROPOSED CHANGES:**

The bill provides an exemption from sales tax on the renting or leasing of travel center/truck stop facilities. The bill defines "travel center/truck stop facility" for the purposes of the subparagraph as "any facility that has declared its primary business activity, under ss. 206.404(1)(g), as the sale of diesel fuel at retail, which facility operates a minimum of 6 diesel fuel dispensers."

The bill provides for an effective date of July 1 of the year in which enacted.

**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?

N/A

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

N/A

(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?

N/A

(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?

N/A

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

N/A

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

N/A

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

N/A

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

N/A

3. Personal Responsibility:

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

N/A

- 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?

N/A

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:

212.031, F.S.

E. SECTION-BY-SECTION RESEARCH:

**Section 1:** amends s. 212.031, F.S., providing an exemption from sales tax on the renting or leasing of travel center/truck stop facilities; defining "travel center/truck stop facility" for the purposes of the subparagraph as "any facility that has declared its primary business activity, under s. 206.404(1)(g), as the sale of diesel fuel at retail, which facility operates a minimum of 6 diesel fuel dispensers.

**Section 2:** provides for an effective date of July 1 of the year in which enacted.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

	<u>1998-1999</u>	<u>1999-2000</u>
General Revenue	(.5M)	(.5M)
Trust Funds	(insig)	(insig)

3. Long Run Effects Other Than Normal Growth:

None

4. Total Revenues and Expenditures:

	<u>1998-1999</u>	<u>1999-2000</u>
General Revenue	(.5M)	(.5M)
Trust Funds	(insig)	(insig)

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:**

1. Non-recurring Effects:

None.

2. Recurring Effects:

The bill will have an negative insignificant effect on local governments

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:

Truck stops that rent or lease there property and are operating 6 or more diesel pumps will not be required to pay sales tax on there rent or lease payments.

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

The bill will allow those truck stops in North and Central Florida to be more competitive with bordering state vendors.

**D. FISCAL COMMENTS:**

None.

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

**A. APPLICABILITY OF THE MANDATES PROVISION:**

Not applicable.

**B. REDUCTION OF REVENUE RAISING AUTHORITY:**

No.

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

No.

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V. COMMENTS:

None

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

VII. SIGNATURES:

COMMITTEE ON FINANCE AND TAXATION:

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