

**STORAGE NAME:** h4407s1.go

**DATE:** April 15, 1998

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
GOVERNMENTAL OPERATIONS  
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

**BILL #:** CS/HB 4407

**RELATING TO:** Tax relief for Florida's families

**SPONSOR(S):** Committee on Governmental Operations, Representative Byrd and others

**COMPANION BILL(S):** None

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

- (1) GOVERNMENTAL OPERATIONS YEAS 5 NAYS 0
  - (2) FINANCE & TAXATION
  - (3) GENERAL GOVERNMENT APPROPRIATIONS
  - (4)
  - (5)
- 

**I. SUMMARY:**

This bill, creating the Florida Family Tax Relief Act, reduces certain sales taxes and fees.

It provides sales tax exemptions for: 1) all the foods and beverages as defined in the federal Food Stamp Act, 2) the first \$7,500 of the value of most automobiles titled to Florida residents, 3) clothing and footwear with a taxable value of \$50, or less, purchased during a one week period in August, 1998, and a three day period in January, 1999, 4) home appliances for primary use in property granted homestead exemption under ch. 196, F.S., and 5) purchases of computers for personal use.

This bill also reduces by 50%, the fees on: 1) original, replacement and transfer license plates, and replacement validation decals, including mobile home stickers 2) License taxes for motorcycles, mopeds, motorized bicycles, automobiles and trucks for personal use, and mobile homes, 3) Class D, and Class E driver's licenses, 4) licenses restricted to motorcycle use, and renewal, 5) fees for duplicate and replacement instruction permits and driver's licenses, 6) fees for resident saltwater fishing licenses and replacements, 7) fees for tarpon tags and snook permits, 8) fees for resident hunting licenses and replacements, and 9) fees for freshwater fishing and sportsman's licenses and replacements.

This bill provides for annual appropriations to replace revenues lost as a result of such fee reductions.

This bill provides an intangible property tax exemption on certain short-term notes, and limits taxes on vehicles driven by employees of motor vehicle dealers, as a condition of employment.

There will be a significant fiscal impact on the state, and an indeterminate fiscal impact on local governments.

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II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Section 212.08, F.S., provides an exemption for general groceries, and provides parameters for determining when such groceries are exempt. Candy, food prepared for immediate consumption on or off the seller's premises (with certain exceptions), and soft drinks are taxable. The statute also provides a definition of the seller's premises. Purchases of food that might otherwise be taxable in this section are exempt if purchased with food stamps (with certain exceptions).

Currently, the entire taxable value of an automobile is subject to tax.

Currently, all clothing is subject to tax.

Currently, all home appliances, including computers, are subject to tax.

Chapter 320, F.S., pertains to motor vehicle licenses. It charges the Department of Highway Safety and Motor Vehicles (DHSMV) with administering and enforcing the provisions of this chapter, including the collection of license fees.

Chapter 322, F.S., pertains to driver's licenses. The DHSMV is also charged with administering and enforcing this chapter, including the collection of driver's license fees.

Chapter 370, F.S., pertains to saltwater fisheries. The Department of Environmental Protection (DEP) is charged with administering, supervising, developing and conserving the natural resources of Florida, including the collection of fishing license fees.

Chapter 372, F.S., pertains to wildlife, freshwater fish. The Game and Fresh Water Fish Commission is charged with administering and enforcing this chapter, including the collection of hunting and fishing license fees.

No appropriations are made from the General Revenue Fund to the Highway Safety Operating Trust Fund, the Capital Outlay and Debt Service School Trust Fund, the State Transportation Trust Fund, or the License Tax Collection Fund.

B. EFFECT OF PROPOSED CHANGES:

**Section 1** - Provides the title "Florida Family Tax Relief Act of 1998" as the short title of the act.

**Section 2** - Amends s. 212.08(1), F.S., to provide that the sale of eligible foods and beverages for off-premises human consumption is exempt from tax. Defines "eligible foods and beverages" as any food as defined in section 3 of the federal Food Stamp Act of 1977 (P.L. No. 95-113), as amended, 7 U.S.C.A. s. 2012(g). Eligible foods and beverages shall not include seeds or plants to grow food. Eligible foods and beverages shall not include food and drinks sold ready for immediate consumption from vending machines, pushcarts, motor vehicles, or any other form of vehicle.

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No changes were made affecting the taxable status of foods and beverages purchased with food stamps.

Adds s. 212.08(7)(qq), F.S., to provide an exemption on the first \$7,500 of taxable value of an automobile with a gross vehicle weight of less than 2 tons titled under Chapter 319, F.S., by a natural person who is a resident of this state.

Adds s. 212.08(7)(rr), F.S., to provide an exemption on wearing apparel with a taxable value of \$50, or less, purchased during a 7 day period beginning at 12:01 a.m. August 15, 1998, through midnight, August 21, 1998, and a 3 day period beginning at 12:01 a.m. January 15, 1999, through midnight, January 17, 1999. Wearing apparel is any article intended to be worn on or about the human body, including footwear, but excluding watches, jewelry, or similar items of adornment.

Adds s. 212.08(7)(ss), F.S., to provide an exemption on the sale of any home appliance intended for primary use in property that has been granted a homestead exemption under Chapter 196, F.S.

Adds s. 212.08(7)(tt), F.S., to provide an exemption on the sale of personal computers to a natural person for personal use. "Computer" is defined in s. 815.03, F.S.

**Section 3** - Amends s. 320.06, F.S., revising the fee for license plate replacement from \$10, to \$5, of which \$1 of this amount will be paid each year before the plate is replaced, to be credited toward the \$5 replacement fee.

**Section 4** - Amends s. 320.0607, F.S., providing that upon the issuance of a replacement license plate, sticker or decal the applicant shall pay an application fee reduced from \$10, to \$5.

**Section 5** - Amends s. 320.0609, F.S., providing a reduction of the fee for the transfer of the registration and plate from \$4.50, to \$2.25.

**Section 6** - Amends s. 320.08, F.S., providing a reduction of the license tax on:  
1) motorcycles, from \$10, to \$5; 2) mopeds and motorized bicycles, from \$5, to \$2.50;  
3) antique, ancient, or collectible motorcycles, from \$10, to \$5. The minimum charge provided in s. 320.14 does not apply to this subsection.

There are reductions in the license taxes on private use autos for: 1) ancient, antique, collectible, or street rod autos, from \$7.50, to \$3.75; 2) under 2,500 pounds, net weight, from \$14.50, to \$7.25; 3) 2,500 pounds or more, to under 3,500 pounds, net weight, from \$22.50, to \$11.25; 4) 3,500 or more, from \$32.50, to \$16.25.

There are reductions in license taxes on personal use trucks for: 1) under 2,000 pounds, net weight, from \$14.50, to \$7.25; 2) 2,000 pounds, to 3,000 pounds, net weight, from \$32.50, to \$16.25.

There are reductions in license taxes on mobile homes as follows: 1) up to 35 feet in length, from \$20, to \$10; 2) over 35 feet, to 40 feet, from \$25, to \$12.50; 3) over 40 feet, to 45 feet, from \$30, to \$15; 4) over 45 feet, to 50 feet, from \$35, to \$17.50; 5) over 50 feet, to 55 feet, from \$40, to \$20; 6) over 55 feet, to 60 feet, from \$45, to \$22.50; over 60 feet, to 65 feet, from \$50, to 25; and 7) over 65 feet, from \$80, to \$40.

**Section 7** - Provides that each fiscal year, appropriations shall be made from the General Revenue Fund, to the Highway Safety Operating Trust Fund, the Capital Outlay and Debt Service School Trust Fund, the State Transportation Trust Fund, and the License Tax Collection Trust Fund, to replace the revenues lost due to the reduction in fees provided by the amendments to ss. 320.06, 320.0607, 320.0609, and 320.08, F.S.

**Section 8** - Amends s. 322.17, F.S., reducing the fee for a duplicate, or replacement license, from \$10, to \$5, with \$4.50 of the amount being deposited in the Highway Safety Operating Trust Fund in the case of issues due to change of name, address, or restrictions.

**Section 9** - Amends s. 322.21, F.S., reducing the license fee for an original Class D, or Class E driver's license, or original license restricted to motorcycle use only, from \$20, to \$10, and the fee to renew or extend these is reduced from \$15, to \$10.

**Section 10** - Provides that each fiscal year, appropriations shall be made from the General Revenue Fund to the Highway Safety Operating Trust Fund, and to the Department of Highway Safety and Motor Vehicles, sufficient to replace the revenues lost due the reduction in fees provided by amendments to ss. 322.17, and 322.21, F.S.

**Section 11** - Amends s. 370.0605, F.S., reducing saltwater fishing license fees as follows for a Florida resident: 1) for a 10 day license, from \$10, to \$5; 2) for a 1 year license, from \$12, to \$6; 3) for 5 consecutive year license, from \$60, to \$30.

**Section 12** - Amends s. 370.0615, F.S., reducing lifetime saltwater fishing license fees for Florida residents as follows: 1) 4 years of age or younger, from \$125, to \$62.50; 2) 5 - 12 years of age, from \$225, to \$112.50; 3) 13 years of age or older, from \$300, to \$150.

**Section 13** - Amends s. 370.062, F.S., reducing the tarpon harvesting tag fees from \$50, to \$25.

**Section 14** - Amends s. 370.1111, F.S., reducing the snook permit fees from \$2 per snook, to \$1 per snook.

**Section 15** - Provides that each fiscal year, appropriations shall be made from the General Revenue Fund, to the Marine Resources Conservation Trust Fund, and the Dedicated License Trust Fund sufficient to replace the revenues lost due to the reduction in fees provided by the amendments to ss. 370.0605, 370.0615, 370.062, and 370.1111, F.S.

**Section 16** - Amends s. 372.57, F.S., reducing hunting and freshwater fishing licenses for Florida residents as follows: 1) fishing from \$12, to \$6; 2) combination fishing and hunting, from \$22, to \$11; 3) taking fur-bearing animals, from \$25, to \$12.50; and 4) sportsman's licenses (available only to Florida residents), from \$66, to \$33.

The fees for lifetime sportsman's licenses (available only to Florida residents), are reduced as follows: 1) 4 years of age or younger, from \$400, to \$200; 2) 5 -12 years of age, from \$700, to \$350; 3) 13 - 63 years of age, from \$1000, to \$500, and 4) 64 years of age or older, from \$12, to \$6.

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The fees for lifetime hunting licenses for residents are reduced as follows: 1) 4 years of age or younger, from \$200, to \$100; 2) 5 - 12 years of age, from \$350, to \$175; 3) 13 years of age or older, from \$500, to \$250.

The fees for lifetime freshwater fishing licenses for residents are reduced as follows: 1) 4 years of age or younger, from \$125, to \$62.50; 2) 5 - 12 years of age, from \$225, to \$112.50; 3) 13 years of age or older, from \$300, to \$150.

Five consecutive year non-commercial freshwater fishing licenses for residents are reduced from \$60, to \$30.

Five consecutive year non-commercial hunting licenses for residents are reduced from \$270, to \$135.

**Section 17** - Amends s. 372.60, F.S., reduces the fees for replacing a lost or destroyed lifetime license or permit from \$10, to \$5. For any other license or permit replacement, the fee for residents is reduced from \$2, to \$1.

**Section 18** - Provides that each fiscal year, appropriations shall be made from the General Revenue Fund, to the State Game Trust Fund, the Lifetime Fish and Wildlife Trust Fund, the Dedicated License Trust Fund, and the Marine Conservation Trust Fund sufficient to replace the revenues lost due to the reduction in fees provided by the amendments to ss. 372.57 and 372.60, F.S.

**Section 19** - Provides an effective date of July 1 of the year following 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?

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?

No.

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

Not applicable.

- (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?

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. Sales tax on a variety of food products, beverages, clothes, appliances, and computers are affected.

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

Yes. A variety of vehicle license plate, driver's license, hunting, and fishing fees are reduced.

- 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?

Not directly, but as noted, a variety of fees are reduced,

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

No.

4. Individual Freedom:

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

Yes. There would probably be a correlating increase in a variety of activities as the related fees are reduced.

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

No.

5. Family Empowerment:

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

Not applicable.

- (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:

Not applicable.

- (1) parents and guardians?

N/A

- (2) service providers?

N/A

- (3) government employees/agencies?

N/A

**D. STATUTE(S) AFFECTED:**

Amends ss. 212.08, 320.06, 320.0607, 320.0609, 320.08, 322.17, 322.21, 370.0605, 370.0615, 370.062, 370.1111, 372.57, 372.60, F.S.

**E. SECTION-BY-SECTION RESEARCH:**

See BILL RESEARCH SECTION IIB., EFFECT OF PROPOSES CHANGES.

**III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:**

**A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:**

1. Non-recurring Effects:

Unknown at this time. The results of the Estimating Conference Committee will be required to estimate the impact.

2. Recurring Effects:

See 1, above.



3. Long Run Effects Other Than Normal Growth:

See 1, above.

4. Total Revenues and Expenditures:

See 1 above.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

Unknown.

2. Recurring Effects:

Unknown.

3. Long Run Effects Other Than Normal Growth:

Unknown.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

Unknown, except that private citizens will have a variety of reduced taxes, fees and license fees.

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

None that are evident.

D. FISCAL COMMENTS:

This bill research was completed without the benefit of estimates from the Estimating Conference Committee. Nevertheless, the net fiscal impact on state revenues will be significant.

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

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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:**

This bill does not reduce the authority that counties or municipalities have to raise revenues in the aggregate.

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

This bill does not reduce the authority that counties or municipalities have to raise revenues in the aggregate.

V. **COMMENTS:**

None.

VI. **AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:**

At its meeting on April 15, 1998, the Committee on Governmental Operations adopted three amendments.

The first amendment provides an exemption from intangible property tax, short-term notes of 10 days' duration or less, taken by a motor vehicle dealer, as part of a deferred down payment on the purchase of a motor vehicle.

The second amendment exempts from taxes, other than the annual use tax found in s. 121.0601, motor vehicles used by employees of motor vehicle dealers as a condition of employment.

The third amendment exempts from sales tax, clothing with a taxable value of \$50 or less, during a seven day period in August, 1998 (before the beginning of the public school year), and a three day period in January, 1999 (just after Christmas).

The bill was reported out as a committee substitute.

VII. **SIGNATURES:**

**COMMITTEE ON GOVERNMENTAL OPERATIONS:**

Prepared by:

Legislative Research Director:

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Russell J. Cyphers, Jr.

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Jimmy O. Helms