

STORAGE NAME: h1483a.ft
DATE: April 9, 1999

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
FINANCE AND TAXATION
ANALYSIS**

BILL #: HM 1483
RELATING TO: United States Postal Service
SPONSOR(S): Representative Sanderson
COMPANION BILL(S): None.

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

- (1) FINANCE AND TAXATION YEAS 12 NAYS 0
 - (2)
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

This House Memorial requests that the United States Congress enact legislation to prohibit the sale by the United States Postal Service of nonmonopoly-related goods and services including clothing, mugs, novelty items, photocopying services, and packaging materials.

The Memorial has no fiscal impact.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Neither the State of Florida, nor any other state, has the power to tax the federal government, including the United States Postal Service. Presently, in addition to offering traditional services, the United States Postal Service sells nonpostal goods and services, including clothing, mugs, novelty items, photocopying services, and packaging materials. In Florida, the sale of tangible personal property, including the sale of clothing, mugs, novelty items, and packaging materials would be subject to sales tax if sold by a retail establishment. Since the Postal Service is immune from taxation, it may sell items of tangible personal property in Florida without collecting sales tax.

B. EFFECT OF PROPOSED CHANGES:

The House Memorial finds that the sale of nonpostal goods or services by the Postal Service is not in accordance with the performance of a governmental function, but is the type of activity engaged in by private enterprises that are subject to state and local taxes. The Memorial further finds that the practice by the Postal Service of selling nonpostal goods and services, while not collecting taxes on the sales, puts local taxpaying retailers selling similar items at an economic disadvantage and has a negative impact on state and local treasuries.

Based on these finding, the House Memorial requests that the United States Congress enact legislation to prohibit the sale by the United States Postal Service of nonmonopoly-related goods and services and prohibit further service offerings and advertisements by the United States Postal Service in areas where the general public is presently served by private industry.

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:

N/A

E. SECTION-BY-SECTION ANALYSIS:

See Effect of Proposed Changes.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

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:

If the proposal in the Memorial were enacted by Congress, the Postal Service would no longer sell goods and services in competition with private enterprise.

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

Indeterminate.

D. FISCAL COMMENTS:

N/A

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

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

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

N/A

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V. COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON FINANCE AND TAXATION:

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