

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1502

SPONSOR: Fiscal Resource Committee, Senators Gutman and others

SUBJECT: Sales Tax Exemptions

DATE: April 19, 1999 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Keating</u>	<u>Wood</u>	<u>FR</u>	<u>Favorable/CS</u>
2.	_____	_____	<u>CM</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This bill revises the application of the sales and use tax exemption on the lease, sublease, license to use, or rental of property to a concessionaire by certain facilities. Both publicly and privately owned convention halls, exhibition halls, auditoriums, stadiums, theaters, arenas, civic centers, performing arts centers, and recreational facilities are now included in the existing list of facilities exempt from the tax.

This bill substantially amends, creates, or repeals the following sections of the Florida Statutes:
212.031

II. Present Situation:

Section 212.031(1)(a), F.S., states that every person is exercising a taxable privilege who engages in the renting, leasing, letting, or granting of a licence for the use of any real property. There are several exemptions to the tax imposed on this privilege based on the type or use of the property. Sub-paragraph 10. of s. 212.031(1)(a), F.S., provides an exemption from the taxable privilege herein imposed when the property is leased, subleased, or rented to a person providing food and drink concessionaire services within the premises of a movie theater, a business operated under a permit issued for pari-mutuel activities pursuant to chapter 550, F.S., or any publicly-owned arena, sports stadium, convention hall, exhibition hall, auditorium, or recreational facility.

Section 212.031(1)(c), F.S., imposes a tax rate of 6 percent of and on the total rent or license fee charged for such real property by the person charging or collecting the rental or license fee. Additionally, s. 212.031(3), F.S., provides that the owner, lessor, or person receiving the rent or license fee shall remit the tax to the department at the times and in the manner provided by chapter 212, F.S., for dealers.

III. Effect of Proposed Changes:

The bill amends paragraph (a) of subsection (1) of s. 212.031, F.S., revising the application of the exemption for property leased, subleased, licensed, or rented to a person providing food and drink concessionaire services to include both publicly and privately owned convention halls, exhibition halls, auditoriums, stadiums, theaters, arenas, civic centers, performing arts centers, and recreational facilities.

The provisions of this bill take effect July 1, 1999.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

The Revenue Estimating Conference has estimated that the expansion of the sales and use tax exemption on the lease, sublease, license to use, or rental of property to a concessionaire by certain facilities to include both public and private owned convention halls, exhibition halls, auditoriums, stadiums, theaters, arenas, civic centers, performing arts centers, and recreational facilities is estimated to have a recurring General Revenue loss of \$160,000.

Issue/Fund	General Revenue		Trust		Local		Total	
	1st Year \$	Recurring \$	1st Year \$	Recurring \$	1st Year \$	Recurring \$	1st Year \$	Recurring \$
Civic Centers & Other Entertainment Facilities	(0.2)	(0.2)	(*)	(*)	(*)	(*)	(0.2)	(0.2)

* Insignificant
 ** Indeterminate

B. Private Sector Impact:

None.

C. Government Sector Impact:

Publicly and privately owned convention halls, exhibition halls, auditoriums, stadiums, theaters, arenas, civic centers, performing arts centers, and recreational facilities will be able to be more competitive in bringing in events to their facilities because of the 6% to 7% sales tax savings.

VI. Technical Deficiencies:

None.

VII. Related Issues:

CS/HB 1083 is similar to CS/SB 1502.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
