

**STORAGE NAME:** h0047a.ft

**DATE:** April 6, 1999

**HOUSE OF REPRESENTATIVES  
AS REVISED BY THE COMMITTEE ON  
FINANCE AND TAXATION  
ANALYSIS**

**BILL #:** HB 47

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

**SPONSOR(S):** Rep. Fuller

**COMPANION BILL(S):** SB 142 (s) and SB 262 (s)

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

- (1) TRANSPORTATION YEAS 8 NAYS 1
  - (2) FINANCE AND TAXATION
  - (3) GENERAL APPROPRIATIONS
  - (4)
  - (5)
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**I. SUMMARY:**

HB 47 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" as any facility that has declared its primary business activity as the sale of diesel fuel at retail, and which operates a minimum of 6 diesel fuel dispensers.

The bill has a negative fiscal impact to General Revenue of \$.4 million annually. There will also be an insignificant negative impact to the state solid waste management trust fund and the local government half-cent and local option sales tax trust funds.

II. SUBSTANTIVE ANALYSIS:

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 in March 1998 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.
- ◆ 8 facilities did not answer the telephone.
- ◆ 7 facilities had telephones that were not in service.
- ◆ 5 facilities either were not truck stops or did not sell fuel.
- ◆ 3 facilities would not disclose requested information.
- ◆ 1 facility operator did not speak English.

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 exemption as any facility that has declared its primary business activity, under ss. 206.404(1)(g), as the retail sale of diesel fuel, which facility operates a minimum of 6 diesel fuel dispensers.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

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?

The bill will reduce sales taxes paid by certain truck stop operators.

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:

N/A

4. Individual Freedom:

N/A

5. Family Empowerment:

N/A

D. STATUTE(S) AFFECTED:

212.031, F.S.

E. SECTION-BY-SECTION ANALYSIS:

N/A

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None

2. Recurring Effects:

General Revenue	<u>1999-2000</u>	<u>2000-2001</u>
Solid Waste Management TF	(.4M)	(.4M)
	(insig)	(insig)

3. Long Run Effects Other Than Normal Growth:

None

4. Total Revenues and Expenditures:

Total	<u>1999-2000</u> (.4M)	<u>2000-2001</u> (.4M)
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B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None

2. Recurring Effects:

The bill will have an insignificant negative impact 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 stop operators that rent or lease the facility's property and which operate 6 or more diesel pumps will not be required to pay sales tax on rent or lease payments.

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

The bill will allow some truck stops in Florida to be more competitive with bordering state fuel retailers.

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:

Not applicable.

V. COMMENTS:

None

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None

VII. SIGNATURES:

COMMITTEE ON TRANSPORTATION:

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