

STORAGE NAME: h0649a.bdt

DATE: March 3, 1999

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
BUSINESS DEVELOPMENT AND INTERNATIONAL TRADE
ANALYSIS**

BILL #: HB 649

RELATING TO: Sales Tax/Registration Certification

SPONSOR(S): Representative C. Green and others

COMPANION BILL(S): HB 473(s) and SB 1086 (C)

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

- (1) BUSINESS DEVELOPMENT AND INTERNATIONAL TRADE YEAS 9 NAYS 0
 - (2) FINANCE AND TAXATION
 - (3) GENERAL GOVERNMENT APPROPRIATIONS
 - (4)
 - (5)
-

I. SUMMARY:

This bill would abolish the additional fee charged for a certificate of registration to a dealer who had taxable sales or purchases of \$30,000 or more during the previous calendar year.

The fiscal impact is indeterminate at this time.

The bill would take effect upon becoming law.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Section 212.18, Florida Statutes, provides for the administration of law relating to sales tax collections and the registration of dealers required to collection such taxes. Subsection (5) of section 212.18, Florida Statutes, 1998 Supplement, provides that, in addition to any other fee imposed by the chapter, persons who hold a certificate of registration granted under subsection (3) and who had taxable sales or purchases during the preceding calendar year of \$30,000 or more shall pay an additional annual registration fee for each certificate of registration granted. For certificateholders with taxable sales or purchases during the preceding calendar year of at least \$30,000 but not more than \$200,000, the fee is \$25. For certificateholders with taxable sales or purchases during the preceding calendar year of \$200,000 or more the fee is \$50.

B. EFFECT OF PROPOSED CHANGES:

This bill repeals Subsection (5) of section 212.18, Florida Statutes, 1998 Supplement, to abolish the additional fee charged for a certificate of registration to a dealer who had taxable sales or purchases of \$30,000 or more during the previous calendar year.

The effective date of the bill is upon becoming law.

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?

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, the bill reduces taxes by an indeterminate amount.

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:

Section 212.18, Florida Statutes.

E. SECTION-BY-SECTION ANALYSIS:

See Present Situation, Section II.A.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

See Fiscal Comments, Section III.D.

3. Long Run Effects Other Than Normal Growth:

N/A

4. Total Revenues and Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A

2. Direct Private Sector Benefits:

N/A

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

N/A

D. FISCAL COMMENTS:

Section 212.18 (5), Florida Statutes, provides that sales tax dealers having taxable sales or purchases during the preceding calendar year of at least \$30,000 but not more than \$200,000 must pay an additional annual registration fee of \$25 and dealers having taxable sales or purchases during the preceding calendar year of \$200,000 or more must pay an additional annual registration of \$50. Section 212.20(6)(e), F.S. provides that the additional registration fees are for deposit in the Solid Waste Management Trust Fund of the Department of Environmental Protection. The tax reduction would reduce the Trust Fund by (\$6.9m) in FY 1999-2000 and by (\$7.0m) in FY 2000-2001.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

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B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

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

N/A

V. COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON BUSINESS DEVELOPMENT AND INTERNATIONAL TRADE:
Prepared by:

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