

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: SB 1184

SPONSOR: Senator Saunders

SUBJECT: Tax on Sales, Use and Other Transactions

DATE: April 25, 2000 REVISED: 04/26/00 _____

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

I. Summary:

The bill removes the July 1, 2002, repeal of the sales tax exemption for solar energy systems.

This bill substantially amends, creates, or repeals the following sections of the Florida Statutes:
212.08

II. Present Situation:

The State of Florida levies a 6% sales tax on most sales of tangible personal property in the state and on some services. The statutes currently provide more than 200 exemptions from the sales tax. Exemptions generally take the form of identifying specifically exempt items, exempting items when used for particular purposes, and exempting certain types of organizations, such as the government, churches, and charitable organizations. Section 212.08(7), F.S., provides for 58 miscellaneous exemptions.

Presently, solar energy systems, or any component thereof, are exempt from sales and use tax. The exemption will expire July 1, 2002.

According to s. 377.705(3)(b), F.S., the term “solar energy systems” is defined as equipment which provides for the collection and use of incident solar energy for water heating, space heating or cooling, or other applications which normally require or would require a conventional source of energy such as petroleum products, natural gas, or electricity.

In addition to the state rate of 6 percent, local governments are authorized to levy one or more of six types of Local Discretionary Sales Surtaxes, ranging from up to 0.5 percent to 1.0 percent each, for a maximum rate of 1.5 percent.

III. Effect of Proposed Changes:

The bill amends s. 212.08(7)(mm), F.S., to delete the expiration of the tax exemption which is scheduled to repeal on July 1, 2002.

The bill takes effect upon becoming a law.

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 estimates the fiscal impact of eliminating the repeal of the sales tax exemption on solar energy systems to be a recurring loss to the General Revenue Fund of \$0.8 million, with a recurring loss to local governments of \$0.2 million.

Issue/Fund	General Revenue		Trust		Local		Total	
	1st Year \$	Recurring \$	1st Year \$	Recurring \$	1st Year \$	Recurring \$	1st Year \$	Recurring \$
Bulk vending machines	0.0	(0.8)	0.0	(*)	0.0	(0.2)	0.0	(1.0)

* Insignificant
 ** Indeterminate

B. Private Sector Impact:

Businesses that sell solar energy systems will continue to benefit from the sales tax exemption on such systems.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

#1 by Fiscal Resource:

This amendment provides an exemption to the intangibles tax on governmental leaseholds where the lessee is required to furnish space on the leasehold estate for public use by governmental agencies at no charge to the governmental agencies. The preliminary estimate of the fiscal impact of this amendment is (\$0.1) million. (WITH TITLE AMENDMENT)

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