

# 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 1188

**SPONSOR:** Senator Childers

**SUBJECT:** Tax on Sales, Use and Other Transactions

**DATE:** April 14, 2000                      **REVISED:** \_\_\_\_\_

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

**I. Summary:**

The bill provides a sales and use tax exemption for feeds for racing greyhounds.

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.

Paragraph (d) of s. 212.08(7), F.S., provides a sales and use tax exemption for feeds for poultry, ostriches, and livestock, including racehorses and dairy cows.

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.

Pursuant to section 212.054, F.S., the local discretionary sales surtaxes apply to all transactions subject to the state tax imposed on sales, use, services, rentals, admissions, and other authorized transactions. The surtax is computed by multiplying the rate imposed by the county where the sale occurs by the amount of taxable sale. The sales amount is not subject to the surtax if the property or service is delivered within a county that does not impose a surtax. In addition, the tax is not subject to any sales amount above \$5,000 on any item of tangible personal property and on long distance telephone service. The \$5,000 cap does not apply to the sale of any other service.

**III. Effect of Proposed Changes:**

The amends s. 212.08(7)(d), F.S., adding to the exemption for feeds, feeds for racing greyhounds.

The bill takes effect July 1, 2000.

**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 that the exemption for feeds for racing greyhounds will result in a recurring loss to the General Revenue Fund of \$1.3 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 \$
Exemption for Racing Greyhound Feed	(1.2)	(1.3)	(*)	(*)	(0.2)	(0.2)	(1.4)	(1.5)

\* Insignificant  
 \*\* Indeterminate

B. Private Sector Impact:

Breeders of racing greyhounds will not have to pay state and local sales tax on feed purchased for such racing greyhounds.

C. Government Sector Impact:

The Department of Revenue will have to incur the cost of issuing a Taxpayer Information Publication (TIP) to be sent to specific registered businesses that would be impacted by this bill.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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

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