

By Senator Horne

6-920-00

1 A bill to be entitled
2 An act relating to taxation; creating the State
3 Tax Reform Task Force; providing for the
4 appointment and organization of the task force;
5 specifying duties; providing for reports;
6 providing for the expiration of the act;
7 providing an appropriation; providing an
8 effective date.

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10 Be It Enacted by the Legislature of the State of Florida:

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12 Section 1. The State Tax Reform Task Force;
13 membership; duties.--

14 (1) The State Tax Reform Task Force is created to
15 examine the state's tax structure and make recommendations to
16 the Governor and the Legislature on how the state's tax
17 structure can be improved to ensure a stable revenue base that
18 is adequate to fund the needs of the state. The Senate Fiscal
19 Resource Committee and the House Finance and Tax Committee
20 shall provide administrative staff for the task force. The
21 task force shall consist of the following members, who must be
22 appointed by July 1, 2000:

23 (a) Five members to be appointed by the Governor.

24 (b) Five members to be appointed by the President of
25 the Senate.

26 (c) Five members to be appointed by the Speaker of the
27 House of Representatives.

28 (d) The Executive Director of the Department of
29 Revenue or his or her designee.

30 (2) Each appointed member of the task force shall
31 serve at the pleasure of the appointing official. A vacancy on

1 the task force shall be filled in the same manner as the
2 original appointment.

3 (3) The task force shall elect a chair from among its
4 members.

5 (4) The task force shall hold its organizational
6 meeting by August 1, 2000, and thereafter shall meet as
7 necessary at the call of the chair at the time and place
8 designated by the chair. A quorum is necessary for the purpose
9 of conducting official business of the task force. The task
10 force shall use accepted rules of procedure to conduct its
11 meetings and shall keep a complete record of each meeting.

12 (5) Members of the task force shall serve without
13 compensation but are entitled to reimbursement for per diem
14 and travel expenses incurred in the performance of their
15 duties as provided in section 112.061, Florida Statutes.

16 (6) The task force shall examine the state's tax
17 structure to evaluate whether it is adequate for supporting
18 the continuing needs of the state. The task force shall
19 consider the following in its evaluation:

20 (a) Standard principles of sound tax policy:

21 1. Effectiveness.--Is the revenue raised by the system
22 stable and adequate to fund needed services or is it highly
23 sensitive to economic fluctuations in the short run? Does the
24 tax structure produce revenue that grows as the state's
25 economy grows; thereby enabling the public sector to grow
26 commensurately with the private sector?

27 2. Efficiency.--Is Florida's tax structure easily and
28 economically administered? Is compliance with tax provisions,
29 by businesses and by consumers, simple and inexpensive? Does
30 the tax system unnecessarily distort decisionmaking by
31 consumers or business? To what degree can the tax burden be

1 exported to tourists, the federal government, or out-of-state
2 businesses? How does the state's tax structure interact with
3 Federal or local tax structures?

4 3. Equity.--Is Florida's tax structure proportional or
5 progressive in its incidence among income groups? Are
6 individuals with similar incomes taxed uniformly? Are
7 Florida's taxes based on ability to pay?

8 (b) How other states treat the same or similar tax
9 issues.

10 (c) Whether the base of the tax system is as broad as
11 possible, so that tax rates and burdens are as low as
12 possible.

13 (d) Whether tax exemptions are consistent with state
14 tax policy and the economic impact of each exemption.

15 (7) In addition, the task force shall provide an
16 analysis of alternative tax sources.

17 (8) By February 1, 2001, the task force shall submit
18 an interim report and, by February 1, 2002, shall submit a
19 final report to the Governor, the President of the Senate, and
20 the Speaker of the House of Representatives.

21 (9) This section expires June 30, 2002.

22 Section 2. The sum of \$100,000 is appropriated from
23 the General Revenue Fund to the Office of Legislative Services
24 for the purpose of paying administrative expenses and funding
25 contracts necessary to carry out the provisions of this act.

26 Section 3. This act shall take effect upon becoming a
27 law.

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SENATE SUMMARY

Creates the State Tax Reform Task Force. Provides for the appointment and organization of the task force. Specifies duties of the task force. Requires reports. Provides for the expiration of the act. Provides an appropriation.