

**STORAGE NAME:** h0141.bdt

**DATE:** October 21, 1999

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

**BILL #:** HB 141

**RELATING TO:** Sales Tax Registration Fee

**SPONSOR(S):** Representative C. Green and others

**TIED BILL(S):**

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

- (1) BUSINESS DEVELOPMENT & INTERNATIONAL TRADE
  - (2) FINANCE & TAXATION
  - (3) GENERAL GOVERNMENT APPROPRIATIONS
  - (4)
  - (5)
- 

I. SUMMARY:

The bill would abolish a 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.

There is an estimated annual recurring fiscal impact of (\$7m) to the Solid Waste Management Trust Fund of the Department of Environmental Protection.

The bill would be take effect upon becoming law.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |   |                             |   |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u>         | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u>             | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/>            |
| 3. <u>Individual Freedom</u>      | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u>      | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. 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 collect such taxes. Subsection (3) of that section requires every person who conducts business as a dealer in this state, leases or rents specified property or accommodations, or collects admissions to file an application for a certificate of registration for each place of business. A \$5 registration fee is required to accompany the application.

Subsection (5) of that same section 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 certificate holders 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 certificate holders with taxable sales or purchases during the preceding calendar year of \$200,000 or more, the fee is \$50. The maximum fee for any dealer filing a consolidated return is capped at \$10,000.

The revenues generated by the collection of the fee are transferred to the Treasurer and deposited into the Department of Environmental Protection's Solid Waste Management Trust Fund.

C. EFFECT OF PROPOSED CHANGES:

This bill repeals subsection (5) of section 212.18, Florida Statutes, 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 bill amends other provisions to conform to the repeal.

D. SECTION-BY-SECTION ANALYSIS:

**Section 1** Abolishes the additional fee charged for a certificate of registration. Repeals subsection (5) of s. 212.18, F.S.

**Section 2** Conforms to the repeal of the fee. Deletes the requirement that the proceeds from the fee be deposited into the Solid Waste Management Trust Fund within the DEP. Deletes the requirement for the Department of Revenue to transfer the funds generated from the collection of the fee to the Treasurer. Amends subsection (1) of s. 212.20, F.S. Repeals paragraph (d) of said subsection.

**Section 3** Changes cross references to reflect the repeal of paragraph (d) of subsection (1) of s. 212.20, F.S. Amends subsections (5) and (6) of s. 218.65, F.S.

**Section 4** Changes cross references to reflect the repeal of paragraph (d) of subsection (1) of s. 212.20, F.S. Amends s. 288.1169, F.S.

**Section 5** Provides that the bill would be effective upon becoming law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See Fiscal Comments, section III.D.

2. Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See Fiscal Comments, section III.D.

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Eliminating the supplemental fee would benefit every business that collects over \$30,000 a year in sales tax.

D. FISCAL COMMENTS:

Section 212.20(6)(e), F.S. requires that the additional registration fees be deposited into the Solid Waste Management Trust Fund of the Department of Environmental Protection. These funds have been used to assist counties in establishing recycling programs. The

elimination of the tax proposed by this bill would reduce the Trust Fund by approximately (\$7m) annually.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

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

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COMMITTEE ON BUSINESS DEVELOPMENT & INTERNATIONAL TRADE:

Prepared by:

Staff Director:

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J. Paul Whitfield, Jr.