

**STORAGE NAME:** h0317.ag  
**DATE:** February 24, 2000

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
AGRICULTURE  
ANALYSIS**

**BILL #:** HB 317  
**RELATING TO:** Tax on Sales, Use, and Other Transactions  
**SPONSOR(S):** Representative Ogles  
**TIED BILL(S):** None

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

- (1) AGRICULTURE
  - (2) FINANCE & TAXATION
  - (3) GENERAL GOVERNMENT APPROPRIATIONS
  - (4)
  - (5)
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I. SUMMARY:

HB 317 provides a sales tax exemption on feed for racing greyhounds. This exemption would apply to greyhounds currently racing or being bred to race. Feed for racehorses is currently exempt from sales tax.

The State Revenue Estimating Conference calculated the reduction in sales tax to be between \$420,000 and \$4.16 million for fiscal year 2000-01, if HB 317 is enacted.

The effective date of this legislation is July 1, 2000.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |   |                             |   |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u>         | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input 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 checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/>            |
| 4. <u>Personal Responsibility</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input 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:

Prior to the Lottery coming to Florida, the state was home to hundreds of greyhound farms. However, due to a decline in the industry over the last eight years, there are less than 100 greyhound farms still operating in the state.

C. EFFECT OF PROPOSED CHANGES:

This legislation grants a sales tax exemption for feed to racing greyhounds or greyhounds being bred to race. The exemption goes to whoever purchases the feed, whether it be the owner, breeder, track or kennel operator.

D. SECTION-BY-SECTION ANALYSIS:

**Section 1:** Amending s. 212.08, F.S.; including racing greyhounds in the feed exemption for sales tax.

**Section 2:** Providing an effective date of July 1, 2000.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Please see Fiscal Comments section.

2. Expenditures:

Please see Fiscal Comments section.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

Please see Fiscal Comments section.

2. Expenditures:

Please see Fiscal Comments section.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

Please see Fiscal Comments section.

**D. FISCAL COMMENTS:**

The State Revenue Estimating Conference provided the following fiscal impact:

	FY 2000-01 Annualized	FY 2000-01 Cash	FY 2001-02 Cash
State Impact (All funds)			
High	\$(4.16 million)	\$(3.8 million)	\$(4.28 million)
Middle	(1.39 million)	(1.27million)	(1.43 million)
Low	(4.2 million)	(.39 million)	(.43 million)

(Based on \$2/day/dog for feed and a sales tax rate of .06 percent. Low estimate, provided by Florida Department of Business and Professional Regulation, based on 9,500 dogs; middle estimate, provided by the Florida Greyhound Breeders Association, based on 31,667 dogs; and, high estimate, provided by the American Kennel Club, based on 95,000 dogs.)

General Revenue	\$(1.3 million)	\$(1.2 million)	\$(1.3 million)
Local Govt. Half Cent	(.1 million)	(.1 million)	(.1 million)
Local Option Sales Tax	<u>(.1 million)</u>	<u>(.1 million)</u>	<u>(.1 million)</u>
Total Impact	<u>\$(1.5 million)</u>	<u>\$(1.4 million)</u>	<u>\$(1.5 million)</u>

**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 take actions requiring the expenditure of funds.

**B. REDUCTION OF REVENUE RAISING AUTHORITY:**

This bill may reduce the revenue raising authority of counties and municipalities.

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

This bill does not reduce any state tax revenues shared with counties and municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON AGRICULTURE:  
Prepared by:

Staff Director:

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Debbi Kaiser

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Susan D. Reese