

STORAGE NAME: h0317a.ft

DATE: April 26, 2000

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
FINANCE AND TAXATION
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 (RLC) YEAS 8 NAYS 0
 - (2) FINANCE AND TAXATION (FRC) YEAS 10 NAYS 0
 - (3) GENERAL GOVERNMENT APPROPRIATIONS (FRC)
 - (4)
 - (5)
-

I. SUMMARY:

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

The total estimated fiscal impact upon General Revenue is (\$1.2) million for FY 2000-01 and a negative, but insignificant impact on the Solid Waste Management Trust Fund. The estimated fiscal impact upon local governments is (\$0.2) million for FY 2000-01. The total estimated fiscal impact for this bill is (\$1.4) million for FY 2000-01.

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

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- 1. Less Government Yes [x] No [] N/A []
- 2. Lower Taxes Yes [x] No [] N/A []
- 3. Individual Freedom Yes [x] No [] N/A []
- 4. Personal Responsibility Yes [x] No [] N/A []
- 5. Family Empowerment Yes [] No [] N/A [x]

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:

	<u>FY 2000-01</u>	<u>FY 2001-02</u>
General Revenue	(\$1.2 M)	(\$1.3 M)
Solid Waste Management TF	(Insig)	(Insig)
Total State Impact	(\$1.2 M)	(\$1.3 M)

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

	<u>FY 2000-01</u>	<u>FY 2001-02</u>
Local Govt. Half Cent	(\$0.1 M)	(\$0.1 M)
Local Option Sales Tax	(0.1 M)	(0.1 M)
Total local Impact	(\$0.2 M)	(\$0.2 M)

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Individuals who purchase greyhound feed, whether it be the owner, breeder, track or kennel operator will benefit from the exemption from sales tax.

D. FISCAL COMMENTS:

None.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

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

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The 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:

The 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:

N/A

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C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COMMITTEE ON AGRICULTURE:

Prepared by:

Debbi Kaiser

Staff Director:

Susan D. Reese

AS REVISED BY THE COMMITTEE ON FINANCE AND TAXATION:

Prepared by:

Carol Dickson-Carr

Staff Director:

Alan Johansen