

STORAGE NAME: h4059a.ft

DATE: March 10, 2000

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
FINANCE AND TAXATION
ANALYSIS**

BILL #: HB 4059

RELATING TO: Florida Statutes/Repeals

SPONSOR(S): Committee on Rules and Calendar and Representative Pruitt

TIED BILL(S): None

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

- (1) RULES AND CALENDAR YEAS 18 NAYS 0
 - (2) FINANCE AND TAXATION YEAS 13 NAYS 0
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

This bill repeals or amends various provisions of law that are under the jurisdiction of the Finance and Taxation Committee and are obsolete or otherwise no longer necessary.

The bill repeals 31 provisions in 13 Chapters.

The repealed provisions fall into four categories:

1. Outdated law - These provisions are repealed because they contain date-specific statutory provisions which are no longer operable.
2. Obsolete law - These provisions are repealed because they are requirements for programs and provisions of law which are no longer in effect.
3. Intent language - These provisions are repealed because the intent language (as well as finding, policies, and purposes) is not necessary for implementing the law to which it relates. The intent language is removed from the Florida Statutes, but will remain in the Laws and of Florida and will still be in force.
4. Inapplicable and erroneous cross-references - References to statutory sections which no longer exist are repealed. Cross-references are revised due to repeals made by other sections the bill.

Unless otherwise provided, the bill takes effect upon becoming law.

The bill has no fiscal impact on state or local funds.

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 type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" 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:

See II.C. below.

C. EFFECT OF PROPOSED CHANGES:

SECTION 1 - Section 193.621(3), F.S., is repealed.

This subsection, which deals with the assessment of pollution control devices, limits increases in the valuation of such devices for ten years following "reconstruction and replacement" provided that demolition is completed by Set. 1, 1969, and installation is completed by Sept 1, 1971.

Since it has been more than 10 years since Sept 1, 1971, this subsection is obsolete.

SECTION 2 - Section 197.448, F.S., is repealed.

In 1985 this section was passed to cancel outstanding tax certificates held by government agencies that separately describe only riparian rights. The section also restored riparian rights, where the title was presumed to vest in the state under the 1937 Murphy Act, to the owner of the underlying property.

Since all such tax certificates and titles were canceled in 1985, and no similar such titles or tax certificates have since been created, this section is inoperable.

SECTION 3 - Section 199.052(11), F.S., is repealed.

Section 199.052(11), F.S., provides certain information to be provided on the intangible tax return for a banking organization.

This section is obsolete since it was repealed effective July 1, 2000, by s. 3, Ch. 98-132.

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SECTION 4 - Section 206.435, F.S., is repealed.

A part of a major reform of motor and other fuel taxes, this section required certain dealers with inventory of taxable fuel on which taxes had not yet been paid as of July 1, 1996, to remit payment of the appropriate taxes to the state on or before January 20, 1997.

Since January 20, 1997, is past, this section is obsolete.

SECTION 5 - Section 206.97, F.S., is amended.

Removes the reference to Section 206.97, F.S., which is repealed in Section 4 of this bill.

Since Section 206.97, F.S., is being repealed by the previous section, this reference will be inoperable.

SECTION 6 - Section 206.9935(3)(c), F.S., is repealed.

This section repeals a paragraph which states that the subsection shall be reviewed by the 1998 legislature.

Since the 1998 legislature has adjourned, this paragraph is obsolete.

SECTION 7 - Section 211.025(1), F.S., is amended.

This section repeals language which specifies what the severance tax rate on natural gas was from July 1, 1986, through June 30, 1987.

Since it is after June 30, 1987, this language is obsolete.

SECTION 8 - Section 211.026(1), F.S., is amended.

This section repeals language which specifies what the severance tax rate on sulphur was from July 1, 1986, through June 30, 1987.

Since it is after June 30, 1987, this language is obsolete.

SECTION 9 - Section 212.0305(3)(g), F.S., is repealed.

This section repeals a paragraph stating that the Department of Revenue is authorized to employ persons and expend funds appropriated by the legislature "under the applicable rules of the Career Service Commission.

Since the Career Service Commission ceased to exist in 1986, and the authorization to expend appropriated funds is unnecessary, this section is inoperable.

SECTION 10 - Section 213.015(6), F.S., is amended.

Changes a reference from 212.0305(3)(k), F.S. to 212.0305(3)(j), F.S.

Section 9 of this bill repeals paragraph (g) of Subsection 212.0305(3), F.S. This amendment is needed to keep the reference accurate.

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SECTION 11 - Section 212.04(2)(a), F.S., is amended.

Removes language specifying the certain taxes not actually collected before August 1, 1992, shall be due from certain publicly owned entities.

Since the 1992 tax year and previous tax years are past and no longer subject to audit, this language is obsolete.

SECTION 12 - Section 212.0599, F.S., is repealed.

Repeals Section 212.0599, F.S., which relates to the promulgation of rules implementing Chapter 87-548, which repealed the services tax.

Since Chapter 87-548 has been implemented and the service tax repealed, special provisions for rules regarding this chapter are no longer needed.

SECTION 13 - Section 202.08(7)(hh), F.S., is repealed.

Repeals exemption for sale of electric vehicles between July 1, 1995, through June 30, 2000. Repeals language stating that a report on the WAGES program is due from the Office of Program Policy Analysis and Government Accountability on January 1, 1997. Also, renumbers subsequent paragraphs.

The language granting the exemption on sales of electric vehicles will become obsolete on June 30, 2000. The language requiring the 1997 WAGES report is already obsolete.

SECTION 14 - Section 414.029, F.S., is amended.

Changes a reference from s. 212.08(7)(ii) to s. 212.08(7)(hh), F.S.

Conforms the reference with the renumbering of the subparagraphs of s. 212.08, F.S., by section 13 of this bill.

SECTION 15 - Section 212.097, F.S., is amended.

Removes intent language from the Urban High-Crimes Area Job Tax Credit.

This intent language is unnecessary for the implantation of the Act.

SECTION 16 - Section 212.098, F.S., is amended.

Removes intent language from the Rural Job Tax Credit Program.

This intent language is unnecessary for the implementation of the Act.

SECTION 17 - Section 212.20, F.S., is repealed.

Removes a specific provision concerning the use of funds allocated to the Solid Waste Management Trust Fund during the 1999-2000 fiscal year.

By its own terms, this subsection is repealed on July 1, 2000. The language will be obsolete as of that date.

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SECTION 18 - Section 212.215, F.S., is repealed.

Repeals language authorizing the Department of Revenue to adopt emergency rules implementing Chapter 92-319.

Since emergency rules are no longer needed to implement chapter 92-319, this section is obsolete.

SECTION 19 - Section 213.065, F.S., is repealed.

Repeals Section 213.01, F.S. which provides legislative intent language to Chapter 213.

The intent language is unnecessary for the implementation of this Chapter.

SECTION 20 - Section 213.065, F.S., is repealed.

Repeals language authorizing the Department of Revenue to adopt emergency rules implementing chapter 89-171.

Since emergency rules are no longer needed to implement Chapter 89-171, this section is obsolete.

SECTION 21 - Section 213.066, F.S., is repealed.

Repeals language authorizing the Department of Revenue to adopt emergency rules implementing Chapter 92-319.

Since emergency rules are no longer needed to implement Chapter 92-319, this section is obsolete.

SECTION 22 - Section 215.3208, F.S., is amended.

Section 215.3208, F.S., provides a schedule for termination and review of trust funds. The Florida Constitution requires that trust funds be reviewed every four years. The statute directed that certain trust funds be reviewed in 1994, 1995, and 1996.

Since the 1994, 1995, and 1996 legislatures have adjourned, s. 215.3208, F.S., is amended to delete this obsolete language.

SECTION 23 - Section 215.821, F.S., is repealed.

Prior to July 1, 1969 state agencies could directly issue certain bonds. After that date only the Division of Bond Finance and state agencies given direct constitutional authority to issue bonds have authority to issue bonds. This section provides for transition from agency bonds to bonds issued by the Division of Bond Finance.

The transition from agency bonds to bonds issued by the Division of Bond Finance happened in 1969 and the early 1970's. Section 215.821, F.S., is repealed because it is obsolete.

SECTION 24 - Section 220.18, F.S., is repealed.

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Section 220.18, F.S., provides a corporate income tax credit to a new or expanding business who manufactures gasohol in Florida. The credit was only available to businesses who first became subject to ad valorem taxes between January 1, 1981 and January 1, 1988. A business was only eligible for the credit for seven years. Therefore after January 1, 1995, no business is eligible to take the credit.

Since no business is now, or in the future can be, eligible for the corporate income tax credit s. 220.18, F.S., is obsolete.

SECTION 25 - Sections 193.076, 193.085(5) and 195.073(4), F.S., are repealed.

Language concerning the "gasohol" exemption from ad valorem taxation is repealed.

The Department of Revenue has been unable to find any property in the state of Florida which has qualified for this exemption and staff has been unable to find any business planning to take advantage of this exemption in the future. As such the language is superfluous.

SECTION 26 - Section 193.077(3), F.S., is amended.

This section changes a reference from s. 193.085(6)(a), F.S., to s. 193.085(5)(a), F.S.

Section 25 of this bill repeals subsection (5) of S. 193.085, F.S. This amendment is needed to keep the reference accurate.

SECTION 27 - Section 220.183, F.S., is amended.

Sections 220.183(1) and (2), F.S., provide legislative findings, policy, and purpose for the community contribution tax credit program.

The legislative findings, policy, and purpose language is repealed since it is unnecessary to have the language in the Florida Statutes to implement the program. Those interested in the legislative findings, policy, and purpose can still find the language in the Laws of Florida.

SECTION 28 - Sections 220.185(1) and (2), F.S., are repealed.

Sections 220.185(1) and (2), F.S., provide legislative findings, policy, and purpose for the state housing corporate income tax credit.

The legislative findings, policy, and purpose language is repealed since it is unnecessary to have the language in the Florida Statutes to implement the program. Those interested in the legislative findings, policy, and purpose can still find the language in the Laws of Florida.

SECTION 29 - Section 220.18, F.S., is repealed.

Section 220.188, F.S., provides the export finance corporation investment credit.

The credit expired on June 30, 1999; therefore, the language is obsolete.

SECTION 30 - Sections 220.01(6) and (9), F.S., are repealed.

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Section 220.02(6), F.S., provides legislative intent for the gasohol tax credit and s. 222.02(9), F.S., provides legislative intent for the export finance corporation investment tax credit.

Since both programs have expired, the language is obsolete.

SECTION 31 - Section 220.02(8), F.S., is amended effective July 1, 2000.

Section 220.02(8), F.S., provides the order that credits can be taken against corporate income tax.

References to the gasohol tax credit and the export finance corporation investment tax credit are deleted as obsolete.

SECTIONS 32 - Section 220.181(1), F.S., is amended.

Section 220.181, F.S., provides the enterprize zone jobs credit.

A reference to s. 220.02(8), F.S., which provides the order that credits can be taken against corporate income tax, is revised to reflect the renumbering of s. 220.02, F.S., by this bill.

SECTION 33 - Section 220.182, F.S., is amended.

Section 220.182, F.S., provides the enterprize zone property tax.

A reference to s. 220.02(8), F.S., which provides the order that credits can be taken against corporate income tax, is revised to reflect the renumbering of s. 220.02, F.S., by this bill.

SECTION 34 - Section 220.184(3), F.S., is amended.

Section 220.184, F.S., is the hazardous waste facility tax credit.

A reference to s. 220.02(8), F.S., which provides the order that credits can be taken against corporate income tax, is revised to reflect the renumbering of s. 220.02, F.S., by this bill.

SECTION 35 - Section 220.1845(1), F.S., is amended.

Section 220.1845, F.S., is the contaminated site rehabilitation tax credit.

A reference to s. 220.02(8), F.S., which provides the order that credits can be taken against corporate income tax, is revised to reflect the renumbering of s. 220.02, F.S., by this bill.

SECTION 36 - Section 220.1895, F.S., is amended.

Section 220.1895, F.S., is the rural job tax credit and the urban high-crime area tax credit.

A reference to s. 220.02(8), F.S., which provides the order that credits can be taken against corporate income tax, is revised to reflect the renumbering of s. 220.02, F.S., by this bill.

SECTION 37 - Section 220.19(1), F.S., is amended.

Section 220.19, F.S., is the child care tax credits.

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A reference to s. 220.02(8), F.S., which provides the order that credits can be taken against corporate income tax, is revised to reflect the renumbering of s. 220.02, F.S., by this bill.

SECTION 38 - Sections 222.03(1)(dd),(ee), and (ff), F.S., are repealed and ss. 222.03(1)(k), (p), and (t), F.S., are amended.

Section 220.02 contains definitions for the corporate income tax code.

The definitions relating to the gasohol tax credit and the export finance corporation investment tax credit are deleted as obsolete.

SECTION 39 - Section 288.106, F.S., is amended.

Section 288.106, F.S., provides the tax refund program for the targeted industry businesses.

The legislative findings, policy, and purpose language is repealed since it is unnecessary to have the language in the Florida Statutes to implement the program. Those interested in the legislative findings, policy, and purpose can still find the language in the Laws of Florida.

SECTION 40 - Section 159.803(11), F.S., is amended.

Updates a cross-reference.

SECTION 41 - Sections 288.107(1), (2), (4), and (5), F.S., are amended.

Updates cross-references.

SECTION 42 - Section 624.5105, F.S., is amended.

Section 624.5105, F.S., is the community contribution tax credit.

The legislative findings, policy, and purpose language is repealed since it is unnecessary to have the language in the Florida Statutes to implement the program. Those interested in the legislative findings, policy, and purpose can still find the language in the Laws of Florida.

SECTION 43

States that except as otherwise provided, the effective date of the act is upon becoming a law.

D. SECTION-BY-SECTION ANALYSIS:

See Effect of Proposed Changes.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

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 an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of municipalities and counties to raise revenues.

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

This bill does not reduce the amount of state tax shared with counties and municipalities.

V. COMMENTS:

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A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

The purpose of this bill is to clarify and remove unneeded or redundant sections from the Florida Statutes, not to make substantive changes to the law. This bill should not be construed to repeal any substantive law.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On March 9, 2000, the Committee on Finance and Taxation adopted eight amendments.

Amendment one: Provides an effective date of July 1, 2000 for the repeal of 199.052(11) which is a requirement for an intangible tax return for banks that will no longer be required after June 30, 2000.

Amendment two: Provides an effective date of July 1, 2000 for the repeal of 212.08(7)(hh) which is a sales tax exemption for electric vehicles that expires on June 30, 2000.

Amendment three: Provides an effective date of July 1, 2000 for the repeal of 212.20(7) which is an appropriation which expires on June 30, 2000 from the Solid Waste Management Trust Fund for surface water projects and aquatic weed control.

Amendment four: Repeals a severability clause related to an ad valorem tax exemption for certain nonprofit homes for the aged, hospitals, nursing homes, and homes for special services because the clause is no longer needed.

Amendment five: Restores intent language for the Urban High-Crime Area Job Tax Credit and the Rural Job Tax Credit.

Amendment six: Restores the intent language for the Community Contribution Tax Credit and the State Housing Tax Credit.

Amendment seven: Restores the intent language for the Tax Refund for Qualified Target Industries and Community Contribution Tax Credit.

Amendment eight: Restores the intent language for the Export Finance Corporation Investment Tax Credit.

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VII. SIGNATURES:

COMMITTEE ON Finance and Taxation:

Prepared by:

Staff Director:

Lynne Overton

Alan Johansen