

711-137AX-32

Bill No. HB 2027

Amendment No. ____ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

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Representative(s) Ryan offered the following:

Amendment (with title amendment)

Remove: everything after the enacting clause,

and insert:

Section 1. (1) The Joint Legislative Sales Tax Exemption Review Committee is created as a joint committee of the Legislature, consisting of nine members of the Senate appointed by the President of the Senate and nine members of the House of Representatives appointed by the Speaker of the House of Representatives. The terms of the members shall be for 2 years and shall run from the organization of one Legislature to the organization of the next Legislature. Vacancies occurring during the interim period shall be filled in the same manner as the original appointment. During even-numbered years, the chair of the committee shall be appointed by the President of the Senate, and the vice chair of the committee shall be appointed by the Speaker of the House of Representatives. During odd-numbered years, the chair of the committee shall be appointed by the Speaker of

1 the House of Representatives, and the vice chair of the
2 committee shall be appointed by the President of the Senate.

3 (2) The committee shall have its initial meeting no
4 later than December 1, 2002, and thereafter as necessary at
5 the call of the chair at the time and place designated by the
6 chair. A quorum shall consist of a majority of committee
7 members from the Senate and a majority of committee members
8 from the House of Representatives.

9 (3) During the interim, the committee may conduct its
10 meetings through teleconferences or other similar means.

11 (4) The committee shall be jointly staffed by the
12 staff of the Senate Finance and Taxation Committee and the
13 House Fiscal Policy and Resources Committee.

14 (5) The committee shall have the power and duty to
15 conduct a comprehensive review of all current exemptions to
16 the sales and use tax contained in chapter 212, Florida
17 Statutes. The committee shall establish criteria by which
18 each exemption shall be evaluated. In developing the
19 evaluation criteria, the committee shall consider the
20 following principles of taxation:

21 (a) Equity.--The Florida tax system should treat
22 individuals equitably. It should impose similar tax burdens on
23 people in similar circumstances and should minimize
24 regressivity.

25 (b) Compliance.--The Florida tax system should
26 facilitate taxpayer compliance. It should be simple and easy
27 to understand so as to minimize compliance costs and increase
28 the visibility and awareness of the taxes being paid.
29 Enforcement and collection of tax revenues should be done in a
30 fair, consistent, professional, predictable, and
31 cost-effective manner.

1 (c) Pro-competitiveness.--The Florida tax system
2 should be responsive to interstate and international
3 competition in order to encourage savings and investment in
4 plant, equipment, people, and technology in Florida.

5 (d) Neutrality.--The Florida tax system should affect
6 competitors uniformly and not become a tool for "social
7 engineering." It should minimize government involvement in
8 investment decisions, making any such involvement explicit,
9 and should minimize pyramiding.

10 (e) Stability.--The Florida tax system should produce
11 revenues in a stable and reliable manner that is sufficient to
12 fund appropriate governmental functions and expenditures.

13 (f) Integration.--The Florida tax system should
14 balance the need for integration of federal, state, and local
15 taxation.

16 (g) Public purpose.--Any sales tax exemption should be
17 based upon a determination that the exemption promotes an
18 important state interest, including, but not limited to,
19 economic development, job creation and retention, economic
20 diversification, or community revitalization.

21 (6) For each exemption, the committee shall make
22 findings of fact and recommend whether the exemption should be
23 retained, modified, or repealed. Each recommendation must be
24 made by majority vote of committee members from the Senate and
25 from the House of Representatives. If a majority vote of the
26 committee members from each chamber cannot be achieved, the
27 committee must recommend that the exemption be retained. The
28 findings of fact and recommendations of the committee shall be
29 made by reports to the President of the Senate and the Speaker
30 of the House of Representatives.

31 (7) The committee may use its discretion in

1 determining the order in which it reviews the exemptions;
 2 however, the committee should review approximately one-fifth
 3 of the exemptions each year. The committee shall submit, to
 4 the President of the Senate and the Speaker of the House of
 5 Representatives, its first report by February 1, 2003, its
 6 second report by February 1, 2004, its third report by
 7 February 1, 2005, its fourth report by February 1, 2006, and
 8 its final report by February 1, 2007.

9 Section 2. Nothing contained in this act shall
 10 preclude, or be construed to limit, a member from filing a
 11 bill proposing to modify, repeal, or enact any exemption from
 12 the tax on sales and use imposed under chapter 212, Florida
 13 Statutes.

14 Section 3. All exemptions to the sales and use tax
 15 contained in chapter 212, Florida Statutes, shall be
 16 comprehensively reviewed by the Joint Legislative Sales Tax
 17 Exemption Review Committee, which shall present findings of
 18 fact and recommendations to both the House of Representatives
 19 and the Senate every 10 years.

20 Section 4. This act shall take effect upon adoption by
 21 the Legislature of House Concurrent Resolution ____.

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24 ===== T I T L E A M E N D M E N T =====

25 And the title is amended as follows:

26 Remove: the entire title,

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28 and insert:

29 A bill to be entitled
 30 An act relating to the tax on sales, use, and
 31 other transactions; creating the Joint

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Legislative Sales Tax Exemption Review
Committee as a joint legislative committee;
providing for the appointment and organization
of the committee; specifying duties; providing
for reports; requiring continuing review of
sales tax exemptions; requiring recommendations
to the Legislature every 10 years; providing a
contingent effective date.