

By Senators Pruitt, Carlton, McKay, Latvala, King, Lee and Rossin

26-11K-02

1 Senate Joint Resolution No. ____

2 A joint resolution proposing the creation of

3 Section 19 of Article VII of the State

4 Constitution; declaring policy regarding sales

5 and use tax; reducing the general state sales

6 tax rate; requiring an extraordinary

7 legislative vote for an increase in the sales

8 tax rate; limiting sales tax revenues;

9 abolishing exemptions except on specified

10 products and services; prescribing purposes

11 that new exemptions must serve; requiring

12 conditions and an extraordinary legislative

13 vote for exemptions; providing for using excess

14 sales tax revenues to provide local tax relief;

15 abolishing the intangibles tax, health care

16 assessments, alcoholic beverage surcharges, and

17 other taxes.

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19 Be It Resolved by the Legislature of the State of Florida:

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21 That the creation of Section 19 of Article VII of the

22 State Constitution is agreed to and shall be submitted to the

23 electors of this state for approval or rejection at the next

24 general election or at an earlier special election

25 specifically authorized by law for that purpose:

26 ARTICLE VII

27 FINANCE AND TAXATION

28 Section 19. Broadening the state's sales tax base;

29 lowering the tax rate; exemptions from general state sales and

30 use tax; tax fairness; revenue neutrality; repeal of taxes.--

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1 (a) In order for the state to meet the growing needs
2 of its people, the state's tax base must be stable and must
3 grow with the economy. Since the sales and use tax is the most
4 important source of state general revenue, it should be stable
5 as well as responsive to the economy. To ensure such stability
6 and responsiveness, the sales and use tax base should be as
7 broad as possible with as low a tax rate as possible.

8 (b) Effective July 1, 2004:

9 (1) The general state sales and use tax rate shall not
10 be more than 4 percent unless a higher rate is approved by a
11 three-fifths vote of the membership of each house of the
12 legislature.

13 (2) All sales of goods and services are subject to the
14 general state sales and use tax; and no exemptions from the
15 general state sales and use tax shall exist, except for sales
16 of groceries, health services, prescription drugs, residential
17 rent, and basic residential telephone service, as defined by
18 general law, and except for sales of goods and services
19 specifically exempted in accordance with the provisions of
20 subsections (c) and (d).

21 (c) Each exemption from the general state sales and
22 use tax granted by the legislature after the effective date of
23 this section must advance at least one of the following state
24 public purposes: encouraging economic development and
25 competitiveness; supporting educational, governmental,
26 religious, or charitable initiatives or institutions; or
27 securing tax fairness by reducing or eliminating regressive
28 tax burdens.

29 (d) Effective July 1, 2004, each exemption from the
30 general state sales and use tax granted by the legislature
31 must be enacted by a three-fifths vote of the membership of

1 each house of the legislature in a general law that embraces
2 no subject matter other than the singular exemption granted
3 and that declares the state public purpose satisfied or
4 advanced by the exemption.

5 (e) To ensure revenue neutrality, general state sales
6 and use tax revenues generated for state fiscal year
7 2004-2005, as estimated by the revenue estimating conference,
8 must be no more than the amount of general state sales and use
9 tax revenues and revenues from the sources enumerated in
10 subsection (g) collected during the prior state fiscal year,
11 adjusted by the average rate of growth in general state sales
12 and use tax revenues over the most recent five state fiscal
13 years. The legislature shall enact general law, effective July
14 1, 2004, to implement this section and ensure revenue
15 neutrality by granting exemptions in accordance with
16 subsection (c). The provisions of subsections (b) and (g)
17 shall not depend on the passage of such implementing
18 legislation.

19 (f) Increased local government sales surtaxes realized
20 as a result of legislative changes necessary to implement this
21 section shall be used to reduce ad valorem taxes or other
22 local taxes or fees as provided by general law.

23 (g) Effective July 1, 2004, the legislature shall
24 repeal or eliminate the following:

25 (1) The annual tax on intangible personal property now
26 imposed under section 199.032, Florida Statutes;

27 (2) Health care assessments now imposed under sections
28 395.701 and 395.7015, Florida Statutes;

29 (3) Surcharges on sales of alcoholic beverages now
30 imposed under section 561.501, Florida Statutes; and
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1 (4) Other impositions that are replaced by the general
2 sales and use tax.

3 BE IT FURTHER RESOLVED that the following statement be
4 placed on the ballot:

5 CONSTITUTIONAL AMENDMENT

6 ARTICLE VII, SECTION 19

7 TAX REFORM.--Proposing an amendment to the State
8 Constitution to declare policy regarding sales and use tax;
9 reduce the sales tax rate; abolish exemptions, except on
10 specified products and services, and require the Legislature
11 to enact new exemptions to ensure revenue neutrality;
12 prescribe purposes that new exemptions must serve; require
13 conditions and a three-fifths legislative vote for exemptions
14 or rate increases; provide for using excess sales tax revenues
15 to provide local tax relief; and abolish the intangibles tax,
16 health care assessments, alcoholic beverage surcharges, and
17 other taxes.

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