

HOUSE OF REPRESENTATIVES ANALYSIS

BILL #: HB 951 w/CS
SPONSOR(S): Baker
TIED BILLS:

RELATING TO: Sales Tax Exemption/Service Animals
IDEN./SIM. BILLS: SB 176

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
(1) Finance & Tax	21 Y, 0 N w/CS	Overton	Diez-Arguelles
(2)			
(3)			
(4)			
(5)			

SUMMARY ANALYSIS

The bill creates a sales tax exemption for guide dogs for the deaf and dogs for paraplegics, quadriplegics, and persons with epilepsy or seizure disorders and the sale of food or other items for such guide dogs or service animals.

The estimated fiscal impact of bill upon General Revenue is (\$0.1) million for FY 03-04 and (\$0.1) million for FY 04-05. There will be a negative, but insignificant impact on the Solid Waste Management Trust Fund and upon local governments.

The bill has an effective date of July 1, 2003.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|---|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | 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. EFFECT OF PROPOSED CHANGES:

Chapter 212 imposes a 6% sales and use tax on the sale or rental of tangible personal property. Guide dogs for the blind and food for guide dogs are items of tangible personal property. Sec. 212.08(7)(h), F.S., provides a sales tax exemption for the sale or rental of guide dogs for the blind and the sale of food or other items for such guide dogs. The Department of Revenue shall issue a free consumer's certificate of exemption to any blind person who holds an identification card provided by The Division of Blind Services of the Department of Education and who either owns or rents, or contemplates the ownership or rental of, a guide dog for the blind. Presently no sales tax exemption exists for guide dogs for the deaf or other types of service animals.

The bill creates a sales tax exemption for guide dogs for the deaf and dogs for paraplegics, quadriplegics, and persons with epilepsy or seizure disorders and the sale of food or other items for such guide dogs or service animals.

The bill directs the Department of Revenue to issue a free consumer's certificate of exemption to any person who is medically certified as being deaf or hearing-impaired and who either owns or rents, or contemplates the ownership or rental of, a guide dog for the deaf. Additionally, the department shall issue a free consumer's certificate of exemption to any paraplegic or quadriplegic or any person who is medically certified as having epilepsy or a seizure disorder and who either owns or rents, or contemplates the ownership or rental of, a dog for the purpose of assisting such person. The consumer's certificate of exemption must be of such size as to be capable of being carried in a wallet or billfold.

C. SECTION DIRECTORY:

Section 1. Amends s. 212.08(7)(h), F.S. to provide a sales tax exemption for guide dogs for the deaf and dogs for paraplegics, quadriplegics, and persons with epilepsy or seizure disorders and the sale of food or other items for such dogs.

Section 2. Provides an effective date of July 1, 2003.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues: The estimated fiscal impact of the proposed amendment upon General Revenue is (\$0.1) million for FY 03-04 and (\$0.1) million for FY 04-05. There will be a negative, but insignificant impact on the Solid Waste Management Trust Fund.

2. Expenditures: None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues: The estimated fiscal impact upon local governments will be negative but insignificant.

2. Expenditures: None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR: Persons who need guide dogs for the deaf or dogs for paraplegics, quadriplegics, and persons with epilepsy or seizure disorders will not have to pay sales tax on the purchase of the dogs or supplies for the dogs.

D. FISCAL COMMENTS:

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision

Although the bill will reduce the authority of municipalities and counties to raise revenues, the impact is expected to be insignificant and the bill is therefore exempt from the provisions of Article VII, Section 18(b), Florida Constitution.

2. Other

B. RULE-MAKING AUTHORITY:

The Department of Revenue is directed to make rules concerning items exempt from tax under the provisions of the bill as are necessary to provide that any person authorized to have a consumer's certificate of exemption need only present such a certificate at the time of paying for exempt goods and shall not be required to pay any tax.

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On April 2, 2003, the Committee on Finance & Tax adopted an amendment that limits the scope of the bill to a sales tax exemption for guide dogs for the deaf and dogs for paraplegics, quadriplegics, and persons with epilepsy or seizure disorders and supplies for such dogs. The original bill created a sales tax exemption for guide dogs for the deaf and service animals as defined in s. 413.081, and the sale of food or other items for such guide dogs or service animals. Sec. 413.081, F.S., provides that "service animal" means an animal that is trained for the purposes of assisting or accommodating a disabled person's sensory, mental, or physical disability.