HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 999 Sales and Use Tax/Orange Bowl
SPONSOR(S): Prieguez
TIED BILLS: **IDEN./SIM. BILLS:** SB 1924

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Finance & Tax		Overton	Diez-Arguelles
2)			
3)			
4)			
5)			

SUMMARY ANALYSIS

The bill allows certain qualified publicly owned football facilities to retain sales tax proceeds generated by the facility to fund renovations of the facility. The only facility that qualifies is the Orange Bowl.

The Revenue Estimating Conference has estimated that the sales tax retention authorized in this bill will result in a 2004-05 fiscal year loss to the General Revenue Fund of $600,000, with an annual recurring loss of $600,000. There will be a corresponding increase in revenue to local governments.

The bill takes effect July 1, 2004.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

1. Reduce government?	Yes[]	No[]	N/A[x]
2. Lower taxes?	Yes[]	No[]	N/A[x]
3. Expand individual freedom?	Yes[]	No[]	N/A[x]
4. Increase personal responsibility?	Yes[]	No[]	N/A[x]
5. Empower families?	Yes[]	No[]	N/A[x]

For any principle that received a “no” above, please explain:

B. EFFECT OF PROPOSED CHANGES:

The bill amends s. 212.08(5), F.S., to allow a qualified public football facility to retain the proceeds of the sales taxes generated by the facility, its concessionaires, ticket sales, merchandising, ticket surcharges imposed by the local government, charges for services, and rental of the facility. To qualify the football facility must be within a municipality that has been declared in a state of financial emergency within the preceding 6 years and must have based the football team of a private or public university or college. The only qualified facility is the Orange Bowl.

"Sales taxes generated by the facility" means taxes on ticket sales for events located at the facility, ticket surcharges imposed by the local government for events held at the facility, merchandise sales and concession sales on the premises of the facility, charges for services at the facility, and rental of the facility.

These proceeds may be used to renovate and modernize the facility.

Concessionaires, merchandisers, and other persons collecting tax at the facility shall report the sales to the Department of Revenue, but shall remit the tax directly to the facility, in a manner prescribed by rules adopted by the Department.

C. SECTION DIRECTORY:

Section 1. Amends s. 212.08(5), F.S., adding a new paragraph (r), which allows a certain public football facility to retain the proceeds of the sales taxes generated by the facility; provides the proceeds may be used to renovate and modernize the facility; provides concessionaires, merchandisers, and other persons collecting tax at the facility shall report the sales to the Department of Revenue, but shall remit the tax directly to the facility, in a manner prescribed by rules adopted by the Department.

Section 2. Provides that this bill takes effect July 1, 2004.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Revenue Estimating Conference has estimated that the sales tax retention authorized in this bill will result in a 2004-05 fiscal year loss to the General Revenue Fund of $600,000, with an annual recurring loss of $600,000. There will be a corresponding increase in revenue to local governments.

2. Expenditures: None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Revenue Estimating Conference has estimated that the sales tax retention authorized in this bill will result in a 2004-05 fiscal year loss to the General Revenue Fund of $600,000, with an annual recurring loss of $600,000. There will be a corresponding increase in revenue to local governments.

2. Expenditures: None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR: None.

D. FISCAL COMMENTS: None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require municipalities or counties to expend funds, does not reduce their authority to raise revenue, and does not reduce the percentage of a state tax shared with counties or municipalities.

2. Other: None.

B. RULE-MAKING AUTHORITY: The Department of Revenue shall adopt rules to proscribe the manner the concessionaires, merchandisers, and other persons collecting tax at the facility shall report the sales to the Department, but remit the tax directly to the facility.

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES