

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

---

Prepared By: Education Committee

---

BILL: CS/SB 1720

SPONSOR: Education Committee and Senator Haridopolos

SUBJECT: Sales Tax Exemption

DATE: April 12, 2005

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Carrouth</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Fav/CS</u>
2.	_____	_____	<u>GE</u>	_____
3.	_____	_____	<u>WM</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

---

## I. Summary:

This bill amends s. 212.08, F.S. to include sales tax exemptions for textbooks and ancillary textbook supplements required for coursework for postsecondary students and designed for pedagogical purposes. The bill also defines institutions of higher education as those being recognized and approved by the Department of Education or those institutions accredited by a nationally recognized accrediting association. The bill would require a postsecondary student to present a valid student ID at the time of purchase.

This bill amends the following section of Florida Statute: 212.08(7) and 212.08(7)(r)

## II. Present Situation:

Section 212.05, F.S. provides for sales tax to be imposed on retail sale, storage, or use of tangible personal property. Currently, section 212.08(7)(r), F.S., provides a tax exemption for schoolbooks purchased for students enrolled in both public and private K-12 schools, but not schoolbooks purchased by postsecondary students.

Additionally, the Florida Legislature has provided tax relief and exemptions in 1998, 1999, 2000, 2001, and 2004, on certain back-to-school related expenditures. These exemptions have been provided on items of \$100 or less and only during a specific time period immediately prior to the start of school, usually in early to mid-August.

**III. Effect of Proposed Changes:**

This bill amends s. 212.08 (7) and adds subsection (ccc) to include tax exemptions on textbooks and textbook supplements required for courses by both full and part-time postsecondary students enrolled at institutions of higher education. The bill also amends s. 212.08 (7)(r), F.S., which currently includes schoolbooks for postsecondary students as taxable expenditures. Tax-free holidays enacted by the Legislature over the past several years have included expenditures of less than \$100. The majority of undergraduate-level college textbooks and most, if not all, graduate level texts would exceed this price limit.

The bill defines textbook as only those textbooks and textbook supplements specifically written, designed, or produced for educational, instructional, or pedagogical purposes. This would eliminate items such as novels and magazines from eligible tax exempt expenditures.

The bill requires the student to present a valid ID card at the time of textbook purchase to receive the tax exemption and defines, for purposes of this subsection, that institutions of higher education refer to postsecondary schools recognized and approved by the Department of Education or those accredited by a nationally recognized accrediting agency.

**IV. Constitutional Issues:****A. Municipality/County Mandates Restrictions:**

None.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

Retailers may incur costs associated with reprogramming cash registers and/or computer accounting systems.

**C. Government Sector Impact:**

The Department of Revenue estimates that current resources will be sufficient to cover costs associated with implementing this tax exemption.

---

The loss of sales tax revenue is indeterminate at this time and will be established by the Revenue Estimating Conference Committee.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

The Department of Education does not recognize nor provide oversight to all institutions of higher education in the state. Many private postsecondary institutions in the state operate independently or under jurisdiction of other agencies.

---

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

---



## **VIII. Summary of Amendments:**

None.

---

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

---