

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Lower Taxes – This bill provides authority for municipalities and counties to lower or eliminate local occupational license taxes. As such, this bill should result in lower occupational license taxes for some taxpayers.

B. EFFECT OF PROPOSED CHANGES:

Currently, the method for adopting an occupational license tax ordinance, revising the rate structure of such a tax, or reclassifying occupations within the tax structure are dependant on both the date of the adoption of the tax and the statute it was adopted under.

Currently, s. 205.0315, requires that new ordinances must be based on the ordinances of adjacent local governments which adopted their ordinances under s. 205.0535. If no such government exists then the ordinance may be based on the ordinance of a jurisdiction of comparable population which adopted its ordinance under s. 205.0535. Under this bill, counties and municipalities wishing to adopt a license tax ordinance may choose to base their ordinances on the ordinances of any adjacent local governments or governments that have a comparable population.

This bill eliminates the restrictions on rate revisions which apply to municipalities that adopted an occupational license tax under a statute other than s. 205.0535 or s. 205.0315.

This bill moves language regarding local exchange telephone services to promote clarity.

The bill allows any county or municipality to revise their current rate structure or classification in accordance with the provisions on s. 205.0535, F.S.

Finally, it grants counties and municipalities the authority to decrease or eliminate occupational license taxes. Currently, the statute does not explicitly grant that authority and the Attorney General's Office has advised a number of jurisdictions that in the absence of such authority no decrease or elimination is possible. In AGO 2002-81, the Attorney General writes:

On several occasions, this office has addressed the authority of a municipality to alter its occupational license tax ordinance, through the exemption of certain categories of occupations or businesses or by decreasing the rates for a particular classification. In the absence of legislative authorization, this office has determined that no such alteration may be made. Given the number of instances where local governments have sought to make such alterations, it may be advisable to seek legislative changes to provide the necessary authority.

C. SECTION DIRECTORY:

Section 1: Changes the criteria upon which counties and municipalities adopting an occupational license tax after October 1, 1995 must base their rate structure and classifications.

Section 2: Eliminates limitations on rate changes for municipalities that have not implemented the provisions of s. 205.0535, F.S., and have not adopted a new occupational license tax ordinance under 205.0315. In addition, it incorporates a section of statute dealing with local exchange telephone services which is being relocated from another portion of the statute.

Section 3: Eliminates a provision regarding local exchanges telephone services which is being relocated within the statutes. In addition, it removes a limitation on reclassification and rate structure revisions under this section to allow counties and municipalities to make such revisions after October 1, 1995. Finally, it provides authority for counties and municipalities to reduce or eliminate occupational license taxes.

Section 4: Provides that the bill shall take effect upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

This bill will give municipalities and counties more flexibility to adopt or revise local occupational license taxes, including the ability to reduce or eliminate those taxes.

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill will grant municipalities and counties the authority to eliminate or reduce local occupational license taxes. As such, some taxpayers may see a reduction in or elimination of these taxes.

D. FISCAL COMMENTS:

None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES