

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: Agriculture Committee

BILL: SB 448

SPONSOR: Senators Posey and Fasano

SUBJECT: Sales Tax Exemption/Ostrich Feed

DATE: January 25, 2005

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Weidenbenner</u>	<u>Poole</u>	<u>AG</u>	<u>Favorable</u>
2.	_____	_____	<u>GE</u>	_____
3.	_____	_____	<u>WM</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill removes the sales tax exemption for ostrich feed sales.

This bill substantially amends section 212.08 of the Florida Statutes.

II. Present Situation:

Section 212.08, F.S., provides for specific exemptions from the sales and use tax imposed by chapter 212, F.S. The statutes currently provide more than 200 non-service exemptions. Exemptions generally take the form of identifying specifically exempt items, exempting items when used for particular purposes, and exempting purchases or sales by certain types of organizations, such as the government, churches, and charitable organizations. Section 212.08(7), F.S., provides for 54 miscellaneous exemptions.

Since 1992, ostrich feed sales have been exempt from sales tax as a miscellaneous exemption under paragraph (d) of subsection (7) of section 212.08, F.S. The initial purpose of the exemption was to help a fledgling industry.

III. Effect of Proposed Changes:

Section 1. Removes the sales tax exemption for ostrich feed.

Section 2. Provides that this act shall take effect July 1, 2005.

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:

When it last reviewed this exemption in 2004, the Revenue Estimating Conference estimated that the amount of sales tax revenue that will be generated because of this act is insignificant. The estimating conference anticipates that it will review this exemption before this bill is considered in the second committee of reference and this note will be updated if there is any change.

B. Private Sector Impact:

The Florida ostrich farmers will incur some additional expenses in the amount of sales tax paid on ostrich feed purchases.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

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