

1 the members of the initial committee for each review cycle
2 shall commence upon appointment and shall run to the general
3 election preceding the organization of the next Legislature.
4 The terms of the members of subsequent committees for each
5 review cycle shall be for 2 years and shall run from the
6 organization of one Legislature to the general election
7 preceding the organization of the next Legislature. A vacancy
8 shall be filled in the same manner as the original
9 appointment. During even-numbered years, the chair of the
10 committee shall be appointed by the President of the Senate,
11 and the vice chair of the committee shall be appointed by the
12 Speaker of the House of Representatives. During odd-numbered
13 years, the chair of the committee shall be appointed by the
14 Speaker of the House of Representatives, and the vice chair of
15 the committee shall be appointed by the President of the
16 Senate.

17 (2) The committee for each review cycle shall have its
18 initial meeting no later than December 1 of the year of its
19 first regular session and thereafter as necessary at the call
20 of the chair at the time and place designated by the chair. A
21 quorum shall consist of a majority of the committee members
22 from each house. During the interim between regular sessions,
23 the committee may conduct its meetings through teleconferences
24 or other similar means. All meetings of the committee shall be
25 open and noticed to the public and subject to order and
26 decorum in accordance with s. 4(e), Art. III of the State
27 Constitution.

28 (3) The committee shall be governed by joint rules
29 adopted by the Legislature pursuant to authority to adopt
30 rules under s. 4, Art. III of the State Constitution.

31 (4) For purposes of this section, the term:

1 (a) "General state sales and use tax" means the sales
2 and use tax imposed under chapter 212.

3 (b) "Exemption" means a provision in chapter 212 that
4 relieves from taxation a sale, use, or other transaction that
5 would, but for such provision, be subject to tax under chapter
6 212. A transaction that is beyond the reach of chapter 212 by
7 reason of definitional or other exclusions shall not be deemed
8 the subject of an exemption for purposes of this section.

9 Included among the transactions excluded from taxation under
10 chapter 212 and therefore not the subject of an exemption to
11 be reviewed by the committee under this section are the
12 following:

13 1. Sales that are not retail sales pursuant to s.
14 212.02(14).

15 2. Export sales under s. 212.06(5)(a).

16 3. Sales for resale under s. 212.07.

17 4. Occasional and isolated sales.

18 5. The sale or use of intangible property.

19 6. The sale of real property.

20 7. The sale or use of services, excepting only those
21 services enumerated as taxable in chapter 212.

22 (c) "Single exemption" means an exemption that
23 describes a single transaction or an exemption set forth in a
24 section, subsection, or paragraph of chapter 212, whichever
25 describes the fewest number of transactions.

26 (5) The committee shall have the power and duty to
27 conduct a comprehensive review of all current exemptions from
28 the general state sales and use tax. The committee shall
29 establish criteria by which each exemption shall be evaluated.
30 In developing the evaluation criteria, the committee shall
31 consider the following principles of taxation:

1 (a) Equity.--The Florida tax system should treat
2 individuals equitably. It should impose similar tax burdens on
3 people in similar circumstances and should minimize
4 regressivity.

5 (b) Compliance.--The Florida tax system should
6 facilitate taxpayer compliance. It should be simple and easy
7 to understand so as to minimize compliance costs and increase
8 the visibility and awareness of the taxes being paid.
9 Enforcement and collection of tax revenues should be done in a
10 fair, consistent, professional, predictable, and
11 cost-effective manner.

12 (c) Pro-competitiveness.--The Florida tax system
13 should be responsive to interstate and international
14 competition in order to encourage savings and investment in
15 plants, equipment, people, and technology in Florida.

16 (d) Neutrality.--The Florida tax system should affect
17 competitors uniformly and not become a tool for "social
18 engineering." It should minimize government involvement in
19 investment decisions, making any such involvement explicit,
20 and should minimize pyramiding.

21 (e) Stability.--The Florida tax system should produce
22 revenues in a stable and reliable manner that is sufficient to
23 fund appropriate governmental functions and expenditures.

24 (f) Integration.--The Florida tax system should
25 balance the need for integration of federal, state, and local
26 taxation.

27 (g) Public purpose.--Any sales and use tax exemption
28 under the Florida tax system should be based upon a
29 determination that the exemption promotes an important state
30 interest, including, but not limited to, economic development,
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1 job creation and retention, economic diversification, and
2 community revitalization.

3 (6) In conducting its review of each exemption from
4 the general state sales and use tax, the committee shall make
5 findings of fact and recommend whether the exemption should be
6 retained, modified, or repealed. Each recommendation must be
7 made by majority vote of the committee members. If a majority
8 vote of the committee members cannot be achieved, the
9 committee must recommend that the exemption be retained. The
10 findings of fact and recommendations of the committee shall be
11 made by reports to the President of the Senate and the Speaker
12 of the House of Representatives.

13 (7) The committee may use its discretion in
14 determining the order in which it reviews the exemptions;
15 however, the committee should review approximately one-third
16 of the exemptions each year of a 3-year review period. An
17 exemption may not be reviewed more than once during any 3-year
18 review period. For the initial 3-year review, the committee
19 shall submit its reports to the President of the Senate and
20 the Speaker of the House of Representatives not later than 30
21 days prior to each regular session in the years 2008, 2009,
22 and 2010. The committee shall begin a new 3-year review cycle
23 of all exemptions from the general state sales and use tax
24 every 10 years following the termination of the previous
25 review cycle. For each subsequent 3-year review, the committee
26 shall submit its reports not later than 30 days prior to the
27 regular session of each year of that review period, beginning
28 with the 10th year after the year of the final report for the
29 previous review.

30 (8) At the regular session following submission of
31 each annual report to the presiding officers of the

1 Legislature, the ranking member of each house of the
2 Legislature on the committee shall sponsor and file for
3 introduction in his or her respective house of the Legislature
4 bills presenting for modification or repeal those exemptions
5 from the general state sales and use tax which were
6 recommended by the committee for modification or repeal in the
7 report submitted immediately prior to that session. However,
8 if either such member voted against the recommendation of the
9 committee, another member of the committee from that house of
10 the Legislature who voted for the recommendation of the
11 committee shall sponsor the bill in that house of the
12 Legislature. Each bill filed under this subsection is exempt
13 from any filing limits applicable in either house of the
14 Legislature and must be limited to a single exemption for that
15 purpose only. Upon introduction, each bill filed under this
16 subsection shall be placed on the calendar of the respective
17 house of the Legislature without reference to any committee
18 and must be submitted to a vote of the members of the house of
19 the Legislature in which it was introduced no later than the
20 eighth week of the session in which introduced, unless the
21 substance of the bill has already been voted on by the members
22 of the other house of the Legislature in another bill during
23 that session and defeated. In addition, each bill filed under
24 this subsection which receives a majority vote in the house of
25 the Legislature in which it was introduced must be submitted
26 to a vote of the members of the other house of the Legislature
27 during that session, unless the substance of the bill has
28 already been voted on by the members of the other house of the
29 Legislature in another bill during that session and defeated.
30 (9) The repeal of an exemption may not take effect
31 sooner than 180 days following its passage by the Legislature.

