

# 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.)

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Prepared By: Government Efficiency Appropriations Committee

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BILL: SPB 7024

INTRODUCER: For Consideration by the Government Efficiency Appropriations Committee

SUBJECT: Sales and Use Tax Distributions

DATE: January 9, 2006

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

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Keating	Johansen		<b>Pre-meeting</b>
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
5. _____	_____	_____	_____
6. _____	_____	_____	_____

## I. Summary:

SPB 7024 rewrites s. 212.20(6)(d), F.S., so that sales and use tax distributions are calculated as a percentage of total collections, in order to make such distributions easier to understand and calculate.

This bill substantially amends, creates, or repeals the following sections of the Florida Statutes: 212.20.

## II. Present Situation:

Chapter 212, F.S., imposes taxes on sales, use and other transactions. Section 212.20(6)(d), F.S., governs distributions of most of those funds collected by the Department of Revenue. Sales tax distributions are made in the following manner:

- 0.2% to the Ecosystem and Restoration Management Trust Fund;
- 8.814% to the Local Government Half-cent Sales Tax Clearing Trust Fund;
- 0.095% to certain counties pursuant to s. 218.65, F.S., the Emergency Distributions;
- 2.044% to the County Revenue Sharing Trust Fund;
- 1.3409% to the Municipal Revenue Sharing Trust Fund;
- \$29,915,500 to counties in equal shares of \$446,500 annually;
- \$1,666,667 distributed monthly (\$2 million annually) to each applicant who qualifies as a "facility for a new or retained professional sports franchise." Distributions are made to the following franchises:
  - Pro Player Stadium, home of the Florida Marlins;
  - Alltel Stadium, home of the Jacksonville Jaguars;
  - Tropicana Field, home of the Tampa Bay Devil Rays;
  - St. Pete Times Forum, home of the Tampa Bay Lightning;
  - Home Depot Stadium, home of the Florida Panthers;

- Raymond James Stadium, home of the Tampa Bay Buccaneers; and
  - American Airlines Arena, home of the Miami Heat.
- \$41,667 distributed monthly (\$0.5 million annually) to each applicant who qualifies as a “retained spring training franchise.” Distributions are made to the following franchises:
  - Philadelphia Phillies, Clearwater;
  - L.A. Dodgers, Indian River County;
  - Toronto Blue Jays, Dunedin;
  - Detroit Tigers, Lakeland; and
  - Houston Astros, Osceola County.
- \$1,666,667 distributed monthly (\$2 million annually) to the Professional Golf Hall of Fame;
- \$83,333 distributed monthly (\$1 million annually) to the International Game Fish Association World Center; and
- The remainder to the General Revenue Fund.

There have been many changes to the statutory sales tax distribution section over the years resulting in a complicated distribution formula which is difficult to understand and calculate because the majority of distributions cannot be calculated until preceding distributions are made.

### **III. Effect of Proposed Changes:**

**Section 1.** In order to simplify sales tax distributions, the bill amends s. 212.20(6)(d), F.S., changing percentages so they are calculated on total collections to produce distributions that are revenue neutral. Thus each distribution can stand alone.

**Section 2.** Amends s. 202.18(2)(b), F.S., to correct cross references.

**Section 3.** Amends s. 218.65(5), F.S., to correct cross references.

**Section 4.** This act shall take effect July 1, 2006.

### **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:**

The bill rewrites s. 212.20(6)(d), F.S., so that sales and use tax distributions are calculated as a percent of total collections. As a result, each distribution can stand alone. The proposed distribution percentages are revenue neutral.

<b>Distributions</b>	<b>Revenue Neutral Percentages</b>	<b>Revenue 2006-07 (millions)</b>
<b>Total Collections</b>		<b>\$ 21,803.3</b>
Solid Waste Mgmt.	0.2000%	43.6
Half-cent	7.7965%	1,699.9
Emergency	0.0830%	18.1
PERC	0.0073%	1.6
County Rev. Sharing	1.7768%	387.4
Municipal Rev. Sharing	1.1654%	254.1
Fixed County		29.9
Sports Facilities		19.5
<b>Total GR</b>		<b>\$ 19,349</b>

**B. Private Sector Impact:**

None.

**C. Government Sector Impact:**

The Department of Revenue is the state agency responsible for distributing sales and use tax collections pursuant to s. 212.20(6)(d), F.S. Legislative changes to sales and use tax distributions can be easily calculated by the department.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.



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

None.

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

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