

1 Section 1. The Department of Revenue shall commission
2 a study of the state's property tax structure to examine the
3 impact of the current homestead exemptions and assessment
4 differentials on different types of property owners, and the
5 overall level of property tax burdens.

6 (1) The study shall include:

7 (a) An analysis of the impacts of the Save Our Homes
8 amendment to determine to what extent the assessment
9 limitation has shifted the property tax burden among and
10 between homestead properties as well as between homesteads and
11 other types of property;

12 (b) The identification and analysis of any systematic
13 impact of the Save Our Homes differential, including its
14 impact on owners of homesteads purchasing new homesteads. At a
15 minimum, the study shall provide a distribution of the Save
16 Our Homes assessment differentials by county;

17 (c) An analysis of the effects of Save Our Homes on
18 the distribution of the burden of the required local effort
19 for the Florida Education Finance Program;

20 (d) An analysis of the effects of Save Our Homes on
21 the availability of affordable housing;

22 (e) An analysis of the potential impacts of allowing
23 the Save Our Homes assessment to be transferred to newly
24 acquired homes with respect to the equity and fairness of the
25 tax, the burden of the tax on nonhomestead property, the
26 effect on first-time home buyers, affordable housing, the
27 distribution of the required local effort for school funding,
28 and the regressivity of the property tax; and

29 (f) An analysis of the effects of the Save Our Homes
30 amendment on local government budget decisions and whether the
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1 truth in millage (TRIM) process adequately informs taxpayers
2 of the budget decisions of local governments.

3 (2) The study shall recommend changes to the Florida
4 property tax structure to achieve the following principles of
5 taxation, which were established by the 2002 Florida State Tax
6 Reform Task Force in its final report:

7 (a) Equity.--The Florida tax system should treat
8 individuals equitably. It should impose similar tax burdens on
9 people in similar circumstances and should minimize
10 regressivity.

11 (b) Compliance.--The Florida tax system should
12 facilitate taxpayer compliance. It should be simple and easy
13 to understand so as to minimize compliance costs and increase
14 the visibility and awareness of the taxes being paid.
15 Enforcement and collection of tax revenues should be
16 accomplished in a fair, consistent, professional, predictable,
17 and cost-effective manner.

18 (c) Pro-competitiveness.--The Florida tax system
19 should be responsive to interstate and international
20 competition in order to encourage savings and investment in
21 plant, equipment, people, and technology in this state.

22 (d) Neutrality.--The Florida tax system should affect
23 competitors uniformly and not become a tool for social
24 engineering. It should minimize government involvement in
25 investment decisions, making any such involvement explicit,
26 and should minimize pyramiding.

27 (e) Stability.--The Florida tax system should produce,
28 in a stable and reliable manner, revenues that are sufficient
29 to fund appropriate governmental functions and expenditures.
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1 (f) Integration.--The Florida tax system should
2 balance the need for integration of federal, state, and local
3 taxation.

4 (3)(a) By July 15, 2006, the Department of Revenue
5 shall issue a request for proposals to conduct the study
6 required by this section. It is the intent of the Legislature
7 that the study be commenced no later than September 1, 2006.

8 (b) No later than February 1, 2007, the Department of
9 Revenue shall submit to the presiding officers of the
10 Legislature a progress report on the study, including
11 statutory revisions recommended for the 2007 legislative
12 session, if appropriate. An initial draft report is due no
13 later than June 1, 2007, with a second draft report due no
14 later than September 1, 2007.

15 (c) The final report shall be submitted to the
16 Governor, the President of the Senate, the Speaker of the
17 House of Representatives, and the chair of the Taxation and
18 Budget Reform Commission no later than October 1, 2007.

19 (4) The Department of Revenue shall provide all
20 necessary property tax information for the purpose of
21 producing the study.

22 Section 2. The sum of \$1 million in nonrecurring
23 general revenue is appropriated to the Department of Revenue
24 for the purpose of conducting the study required in section 1
25 of this act.

26 Section 3. Section 12 of chapter 2005-187, Laws of
27 Florida, is repealed.

28 Section 4. The unexpended balance of funds
29 appropriated in section 13 of chapter 2005-187, Laws of
30 Florida, shall revert immediately to the General Revenue Fund.

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1 Section 5. This act shall take effect upon becoming a
2 law.

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4 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
5 COMMITTEE SUBSTITUTE FOR
6 Senate Bill 854

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7 The Committee Substitute eliminates the Communication Services
8 Tax Task Force and reverts the funds that had been
9 appropriated for the task force's work.

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