

By Senator Rich

34-492-07

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A bill to be entitled

An act relating to local business taxes;  
amending s. 205.0535, F.S.; authorizing certain  
municipalities to reclassify businesses and  
occupations and establish new business tax  
rates before a specified date; providing that  
ch. 205, F.S., does not prohibit a municipality  
or county from decreasing or repealing a local  
business tax; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 205.0535, Florida Statutes, is  
amended to read:

205.0535 Reclassification and rate structure  
revisions.--

(1) By October 1, 1995, any municipality or county  
may, by ordinance, reclassify businesses, professions, and  
occupations and may establish new rate structures, if the  
conditions specified in subsections (2) and (3) are met.  
However, a municipality that adopted a local business tax by  
ordinance on or after October 1, 1995, may, before October 1,  
2007, reclassify businesses, professions, and occupations and  
establish new rate structures by ordinance if the conditions  
specified in subsections (2) and (3) are met. A person who is  
engaged in the business of providing local exchange telephone  
service or a pay telephone service in a municipality or in the  
unincorporated area of a county and who pays the business tax  
under the category designated for telephone companies or a pay  
telephone service provider certified pursuant to s. 364.3375  
is deemed to have but one place of business or business

1 location in each municipality or unincorporated area of a  
2 county. Pay telephone service providers may not be assessed a  
3 business tax on a per-instrument basis.

4 (2) Before adopting a reclassification and revision  
5 ordinance, the municipality or county must establish an equity  
6 study commission and appoint its members. Each member of the  
7 study commission must be a representative of the business  
8 community within the local government's jurisdiction. Each  
9 equity study commission shall recommend to the appropriate  
10 local government a classification system and rate structure  
11 for business taxes.

12 (3)(a) After the reclassification and rate structure  
13 revisions have been transmitted to and considered by the  
14 appropriate local governing body, it may adopt by majority  
15 vote a new business tax ordinance. Except that a minimum tax  
16 of up to \$25 is permitted, the reclassification may not  
17 increase the tax by more than the following: for receipts  
18 costing \$150 or less, 200 percent; for receipts costing more  
19 than \$150 but not more than \$500, 100 percent; for receipts  
20 costing more than \$500 but not more than \$2,500, 75 percent;  
21 for receipts costing more than \$2,500 but not more than  
22 \$10,000, 50 percent; and for receipts costing more than  
23 \$10,000, 10 percent; however, in no case may the tax on any  
24 receipt be increased more than \$5,000.

25 (b) The total annual revenue generated by the new rate  
26 structure for the fiscal year following the fiscal year during  
27 which the rate structure is adopted may not exceed:

28 1. For municipalities, the sum of the revenue base and  
29 10 percent of that revenue base. The revenue base is the sum  
30 of the business tax revenue generated by receipts issued for  
31 the most recently completed local fiscal year or the amount of

1 revenue that would have been generated from the authorized  
2 increases under s. 205.043(1)(b), whichever is greater, plus  
3 any revenue received from the county under s. 205.033(4).

4       2. For counties, the sum of the revenue base, 10  
5 percent of that revenue base, and the amount of revenue  
6 distributed by the county to the municipalities under s.  
7 205.033(4) during the most recently completed local fiscal  
8 year. The revenue base is the business tax revenue generated  
9 by receipts issued for the most recently completed local  
10 fiscal year or the amount of revenue that would have been  
11 generated from the authorized increases under s.  
12 205.033(1)(b), whichever is greater, but may not include any  
13 revenues distributed to municipalities under s. 205.033(4).

14       (c) In addition to the revenue increases authorized by  
15 paragraph (b), revenue increases attributed to the increases  
16 in the number of receipts issued are authorized.

17       (4) After the conditions specified in subsections (2)  
18 and (3) are met, municipalities and counties may, every other  
19 year thereafter, increase or decrease by ordinance the rates  
20 of business taxes by up to 5 percent. The increase, however,  
21 may not be enacted by less than a majority plus one vote of  
22 the governing body. This chapter does not prohibit a  
23 municipality or county from decreasing or repealing a local  
24 business tax authorized under this chapter.

25       (5) A receipt may not be issued unless the federal  
26 employer identification number or social security number is  
27 obtained from the person to be taxed.

28       Section 2. This act shall take effect upon becoming a  
29 law.

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SENATE SUMMARY

Provides that municipalities that adopted a local business tax on or after October 1, 1995, may reclassify businesses and occupations and establish new business tax rates before October 1, 2007. Provides that ch. 205, F.S., does not prohibit a municipality or county from decreasing or repealing a local business tax.