

The Florida Senate

PROFESSIONAL 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: Transportation and Economic Development Appropriations Committee

BILL: CS/CS/CS/SB 996 & CS/SB 2666

INTRODUCER: Transportation and Economic Development Appropriations Committee, Environmental Preservation & Conservation Committee, Communications & Public Utilities Committee, Senators Bennett, Constantine and others

SUBJECT: Energy

DATE: April 24, 2007 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wiehle	Caldwell	CU	Fav/CS
2.	Branning	Kiger	EP	Fav/CS
3.			FT	Withdrawn
4.	Noble	Noble	TA	Fav/CS
5.				
6.				

I. Summary:

The bill creates a sales tax holiday for energy-efficient products beginning at 12:01 a.m., on the first Saturday in October 2007, for a 14-day period.

II. Present Situation:

In the 2006 Regular Session, the Legislature enacted Chapter 2006-230, Laws of Florida. This was broad energy legislation containing provisions that created the Florida Energy Commission and economic incentives for alternative energy, including designating the period from 12:01 a.m., October 5 through midnight October 11, 2006, a sales tax holiday for tax on new energy-efficient products sold during that period having a selling price of \$1,000 or less. The exemption was only for items purchased for personal use, and includes items such as a dishwasher, clothes washer, air conditioner, ceiling fan, incandescent or florescent light bulb, dehumidifier, programmable thermostat, or refrigerator that meet certain criteria.

III. Effect of Proposed Changes:

Section 1 provides that sales tax may not be collected during the 14-day period beginning at 12:01 a.m., on the first Saturday in October 2007, on the sale of a new energy-efficient product having a selling price of \$1,500 per product or less during that period. The exemption would apply only when the energy-efficient product is purchased for noncommercial home or personal use rather than for trade, business, or resale. As used in this section, the term "energy-efficient

product" means a dishwasher, clothes washer, air conditioner, ceiling fan, compact florescent light bulb, dehumidifier, programmable thermostat, or refrigerator that has been designated by the United States Environmental Protection Agency or by the United States Department of Energy as meeting or exceeding the requirements under the Energy Star Program of either agency. Purchases made under this subsection may not be made using a business or company credit or debit card or check. Any construction company, building contractor, or commercial business or entity that purchases or attempts to purchase the energy-efficient products as exempt under this section commits an unfair method of competition in violation of section 501.204, Florida Statutes, punishable as provided in section 501.2075, Florida Statutes. The bill authorizes the Department of Revenue to adopt rules to administer this section.

Section 2 provides that this act shall take effect upon becoming a law.

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 provides for a sales tax exemption on the purchase of certain energy-efficient products.

B. Private Sector Impact:

Consumers purchasing specified energy-efficient products during the tax-free week would not have to pay the sales tax on those items.

C. Government Sector Impact:

In 2006, the Department of Revenue issued a Tax Information Publication to dealers selling the energy-efficient products listed in this committee substitute for last year's tax-free Energy Efficient Week at a cost of \$65,763. The Department likely will have similar expenses this year.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

VIII. Summary of Amendments:

None.

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