

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL 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: The Professional Staff of the Committee on Fiscal Policy

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**BILL:** CS/SB 118

**INTRODUCER:** Finance and Tax Committee; Senators Hays and Gaetz

**SUBJECT:** Voluntary Contributions for Public Education Facilities

**DATE:** April 17, 2015      **REVISED:** \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Babin</u>	<u>Diez-Arguelles</u>	<u>FT</u>	<b>Fav/CS</b>
2.	<u>Sikes</u>	<u>Elwell</u>	<u>AED</u>	<b>Recommend: Fav/CS</b>
3.	<u>Hrdlicka</u>	<u>Hrdlicka</u>	<u>FP</u>	<b>Pre-meeting</b>

**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

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**I. Summary:**

CS/SB 118 sets up a process for businesses to solicit and collect voluntary contributions for the construction and maintenance of public education facilities. Participating businesses are required to remit the contributions to the Department of Revenue (DOR) for deposit into the Public Education Capital Outlay and Debt Service (PECO) Trust Fund.

The Revenue Estimating Conference estimates that the bill will increase PECO Trust Fund receipts by an indeterminate amount.

**II. Present Situation:**

**Voluntary Contributions for Public Education Facilities**

Currently, the state does not provide a mechanism for a business to collect and remit voluntary contributions for public education facilities.

**III. Effect of Proposed Changes:**

**Section 1** creates s. 215.165, F.S., authorizing a business to solicit and collect voluntary contributions from its customers for the construction and maintenance of public education facilities. In order to participate, a business must register as a participating business with the DOR. To register, the business is required to provide certain identifying information, including the business name, physical and mailing addresses, telephone number, e-mail address, and

federal employer identification number. Registration for the voluntary contributions program is separate from registration for tax purposes.

Once registered, a participating business may solicit voluntary contributions by any means, including point of sale solicitation and through monthly invoices or billing statements.

A participating business that collects voluntary contributions must file a return and remit the contributions to the DOR by the 20<sup>th</sup> day of the following calendar month. If the 20<sup>th</sup> day is a Saturday, Sunday, or legal holiday, the return and contributions are due on the next business day. Returns must include the business's identifying information, as well as the amount of voluntary contributions collected, the amount being remitted, and any applicable adjustments. If no contributions are collected, no return is required. Returns may be filed and contributions may be paid by mail or electronically.

If the DOR receives a return from a business that has not registered as a participating business, the DOR must register the business as a participating business with the information included with the return.

If a participating business makes an error in a remittance, it may correct the error on a future filing.

The DOR must deposit the contributions into the PECO Trust Fund.

The DOR may adopt rules establishing forms and procedures for remitting voluntary contributions. New forms may be created or the required information may be included on existing returns.

The bill provides that the voluntary contributions are not subject to audit by the DOR.

**Section 2** amends s. 1013.65, F.S., to include voluntary contributions remitted under s. 216.165, F.S., as a source of revenue for the PECO Trust Fund.

**Section 3** authorizes the DOR to adopt emergency rules to implement the act.

**Section 4** provides an effective date of January 1, 2016.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

The mandate restrictions do not apply because the bill does not require counties and municipalities to spend funds, reduce counties' or municipalities' ability to raise revenue or reduce the percentage of a state tax shared with counties and municipalities.

##### **B. Public Records/Open Meetings Issues:**

None.

C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

The Revenue Estimating Conference estimates that the bill will increase PECO Trust Fund receipts by an indeterminate amount.

B. Private Sector Impact:

Participation is voluntary. Businesses that participate will be required to file returns and remit collections to the DOR.

C. Government Sector Impact:

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

The DOR may adopt rules establishing forms and procedures for remitting voluntary contributions.

**VIII. Statutes Affected:**

This bill creates section 215.165 of the Florida Statutes.

This bill substantially amends section 1013.65 of the Florida Statutes.

**IX. Additional Information:**

A. Committee Substitute – Statement of Substantial Changes:  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**See PCS (454494) by Fiscal Policy (Recommended by Appropriations Subcommittee on Education) on April 14, 2015.**

**CS by Finance and Tax on March 16, 2015:**

The CS adds the following administrative provisions:

- A participating business will receive a certificate of registration specific to participation in the voluntary contributions program.
- A participating business need not file a return for a period when no contributions were collected.

- A participating business may correct an error with a prior remittance by adjusting a future return.
- If the DOR receives a return from an unregistered business, the DOR must register the business using the information on the return.

In addition, the DOR's rulemaking authority is made discretionary and the effective date of the bill is changed to January 1, 2016.

**B. Amendments:**

None.