

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.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: SB 1112

INTRODUCER: Senator Gruters

SUBJECT: Taxation

DATE: March 8, 2019

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McKay	McKay	CM	Favorable
2.	_____	_____	FT	_____
3.	_____	_____	AP	_____

I. Summary:

SB 1112 provides for a number of tax reductions and modifications. The bill:

- Exempts specified mobile heavy equipment from ad valorem taxation;
- Reduces the state tax rate on the rental, lease, or license to use commercial real property from 5.7 percent to 4.2 percent;
- Creates a 14-day sales tax holiday for specified disaster preparedness supplies from June 1, 2019, through June 14, 2019;
- Clarifies when remote sales are subject to Florida sales and use taxation;
- Provides for the taxation of sales facilitated through a marketplace provider; and
- Requires a marketplace provider to collect and remit the tax on taxable sales made by marketplace sellers.

The Revenue Estimating Conference has not yet estimated the fiscal impact of the bill.

The bill appropriates \$70,072 in nonrecurring funds from the General Revenue Fund to the Department of Revenue in Fiscal Year 2018-2019 to administer the sales tax holiday for disaster preparedness supplies.

The bill takes effect July 1, 2019, except for the provisions creating the sales tax holiday and granting emergency rulemaking authority to the Department of Revenue, both of which take effect upon becoming law.

II. Present Situation:

Property Taxation in Florida

Local governments, including counties, school districts, and municipalities have the constitutional authority to levy ad valorem taxes. Special districts may also be given this authority by law.¹ Ad valorem taxes are collected on the fair market value of the property, adjusting for any exclusions, differentials or exemptions.

All ad valorem taxation must be at a uniform rate within each taxing unit, subject to certain exceptions with respect to intangible personal property.² However, the Florida constitutional provision requiring that taxes be imposed at a uniform rate refers to the application of a common rate to all taxpayers within each taxing unit – not variations in rates between taxing units.³

Federal, state, and county governments are immune from taxation but municipalities are not subdivisions of the state and may be subject to taxation absent an express exemption.⁴ The Florida Constitution grants property tax relief in the form of certain valuation differentials,⁵ assessment limitations,⁶ and exemptions,⁷ including the exemptions relating to municipalities and exemptions for educational, literary, scientific, religious or charitable purposes.

Inventory

Current law exempts from ad valorem taxation all items of inventory.⁸ “Inventory” is defined as chattels consisting of items commonly referred to as goods, wares, and merchandise (as well as inventory) which are held for sale or lease to customers in the ordinary course of business.⁹ Supplies and raw materials are considered to be inventory only to the extent that they are acquired for sale or lease to customers in the ordinary course of business or will physically become a part of merchandise intended for sale or lease to customers in the ordinary course of business. Partially finished products which when completed will be held for sale or lease to customers in the ordinary course of business are deemed items of inventory. All livestock is considered inventory.

¹ FLA. CONST. art VII, s. 9,

² FLA. CONST. art VII, s. 2.

³ See, for example, *Moore v. Palm Beach County*, 731 So. 2d 754 (Fla. 4th DCA 1999) citing *W. J. Howey Co. v. Williams*, 142 Fla. 415, 195 So. 181, 182 (1940).

⁴ “Exemption” presupposes the existence of a power to tax, while “immunity” implies the absence of it. See *Turner v. Florida State Fair Authority*, 974 So. 2d 470 (Fla. 2d DCA 2008); *Dept. of Revenue v. Gainesville*, 918 So. 2d 250, 257-59 (Fla. 2005).

⁵ FLA. CONST. art VII, s. 4, authorizes valuation differentials, which are based on character or use of property.

⁶ FLA. CONST. art VII, s. 4(c), authorizes the “Save Our Homes” property assessment limitation, which limits the increase in assessment of homestead property to the lesser of 3 percent or the percentage change in the Consumer Price Index.

⁷ FLA. CONST. art VII, s. 3, provides authority for the various property tax exemptions. The statutes also clarify or provide property tax exemptions for certain licensed child care facilities operating in an enterprise zone, properties used to provide affordable housing, educational facilities, charter schools, property owned and used by any labor organizations, community centers, space laboratories, and not-for-profit sewer and water companies.

⁸ s. 196.185, F.S.

⁹ s. 192.001(11)(c), F.S.

Florida Sales and Use Tax

Florida levies a 6 percent sales and use tax on the sale or rental of most tangible personal property, admissions,¹⁰ transient rentals,¹¹ rental of commercial real estate,¹² and a limited number of services. Chapter 212, F.S., contains statutory provisions authorizing the levy and collection of Florida's sales and use tax, as well as the exemptions and credits applicable to certain items or uses under specified circumstances. There are currently more than 250 exemptions, exclusions, deductions, and credits from the sales and use tax.¹³ Sales tax is added to the price of the taxable good or service and collected from the purchaser at the time of sale.¹⁴ Sales tax receipts accounted for 77 percent of the state's General Revenue in Fiscal Year 2017-2018.¹⁵

In addition to the state tax, s. 212.055, F.S., authorizes counties to impose nine local discretionary sales surtaxes. A surtax applies to "all transactions occurring in the county which transactions are subject to the state tax imposed on sales, use, services, rental, admissions, and other transactions by [ch. 212, F.S.], and on communications services as defined in ch. 202, F.S."¹⁶ The discretionary sales surtax is based on the tax rate imposed by the county where the taxable goods or services are sold, or are delivered into. Discretionary sales surtax rates currently levied vary by county in a range from 0.5 to 1.5 percent.¹⁷

Sales Tax on Commercial Rent

Since 1969, Florida has imposed a sales tax on the total rent charged for the rental, lease, or license to use commercial real property.¹⁸ Sales tax is due at the rate of 5.7 percent on the total rent paid and county sales surtax can also be levied.¹⁹ If the tenant makes payments such as mortgage, ad valorem taxes, or insurance on behalf of the property owner, such payments are also classified as rent and are subject to the tax.

Commercial real property includes land, buildings, office or retail space, convention or meeting rooms, airport tie-downs, and parking and docking spaces. It may also involve the granting of a license to use real property for placement of vending, amusement, or newspaper machines. However, there are several commercial rentals that are not subject to tax, including:

¹⁰ Section 212.04, F.S.

¹¹ Section 212.03, F.S.

¹² Section 212.031, F.S.

¹³ See Office of Economic and Demographic Research, The Florida Legislature, *Florida Tax Handbook*, 162-168 (2018).

¹⁴ Florida Dept. of Revenue, *Who must pay tax? Partial list of taxable business activities*, available at http://dor.myflorida.com/dor/taxes/sales_tax.html (last visited March 8, 2019).

¹⁵ Florida Legislature, Office of Economic and Demographic Research, *Florida Tax Handbook*, Sources of General Revenue, 16 (2018), available at <http://edr.state.fl.us/content/revenues/reports/tax-handbook/taxhandbook2018.pdf> (last visited March 1, 2019).

¹⁶ Section 212.054, F.S.

¹⁷ Florida Legislature, Office of Economic and Demographic Research, *Florida Tax Handbook*, 2018 Local Discretionary Sales Surtax Rates in Florida's Counties, 224-225 (2018), available at <http://edr.state.fl.us/content/revenues/reports/tax-handbook/taxhandbook2018.pdf> (last visited March 8, 2019).

¹⁸ Chapter 1969-222, Laws of Fla.

¹⁹ Section 212.031, F.S., and Rule 12A-1.070, F.A.C.

- Rentals of real property assessed as agricultural;
- Rentals to nonprofit organizations that hold a current Florida consumer's certificate of exemption;
- Rentals to federal, state, county, or city government agencies;
- Properties used exclusively as dwelling units; and
- Public streets or roads used for transportation purposes.²⁰

Disaster Preparedness

Previous legislatures have approved sales tax exemptions for specified items in preparation for the Atlantic hurricane season, which typically begins on June 1st of each year.²¹

The Florida Division of Emergency Management recommends having a plan and preparing property to prevent damage. Additionally, the Division of Emergency Management recommends having a disaster supply kit with items such as a battery-operated radio, flashlight, batteries, and first-aid kit.²²

The Federal Emergency Management Agency (FEMA) educates Americans on how to prepare for emergencies through Ready, a public service advertising campaign.²³ In addition to the items listed in the paragraph above, FEMA recommends cell phone chargers, inverters, or solar chargers as items to include in an emergency preparedness supply kit.²⁴

Remote Sales Tax Collection and the Wayfair Decision

A use tax applies and is due on tangible personal property imported or caused to be imported into Florida for use, consumption, distribution, or storage to be used or consumed in Florida, with certain exceptions.²⁵ If a remote seller does not collect sales tax, the burden to comply voluntarily with the law rests with the in-state buyer.²⁶

U.S. Supreme Court holdings on the ability of states to impose their taxation authority on remote sellers have required that businesses be physically present in a state before the state could impose its taxing authority on remote sellers.²⁷ With increasing amounts of retail sales now transacted

²⁰ See s. 212.031(1)(a)1.-13., F.S.

²¹ National Oceanic and Atmospheric Administration, *Frequently Asked Questions*, available at, <http://www.aoml.noaa.gov/hrd/tcfaq/G1.html> (last visited March 8, 2019).

²² Florida Division of Emergency Management, *Disaster Supply Kit*, available at, <https://floridadisaster.org/planprepare/disaster-supply-kit/> (last visited March 8, 2019).

²³ Federal Emergency Management Agency, *Ready.gov*, available at, <http://www.ready.gov> (last visited March 8, 2019).

²⁴ Federal Emergency Management Agency, *Build A Kit*, available at, <https://www.ready.gov/build-a-kit> (last visited March 8, 2019).

²⁵ Section 212.06(8), F.S. See also Florida Department of Revenue, Florida Consumer Information- have you bought or received merchandise from out of state or through the Internet?, available at: <http://floridarevenue.com/taxes/Pages/consumer.aspx> (last visited March 8, 2019).

²⁶ See Florida Department of Revenue Form DR-15MO, Out-of-State Purchase Return, available at http://floridarevenue.com/Forms_library/current/dr15mo.pdf (last visited March 8, 2019).

²⁷ NCSL, Remote Sales Tax Collection, 2/21/2019, available at: <http://www.ncsl.org/research/fiscal-policy/e-fairness-legislation-overview.aspx> (last visited March 8, 2019).

through the Internet with remote sellers,²⁸ this physical presence requirement poses an issue for state tax collection, when remote sellers may not have sufficient contact with a state to be subjected to the taxing state's authority.

However, a recent U.S. Supreme Court decision, *South Dakota v. Wayfair, Inc.*,²⁹ has altered the requirements for the collection of taxes from remote sellers, specifically the requirement that a seller have a "physical presence" in a state constituting a "substantial nexus" with the taxing state sufficient to allow the taxing state to compel the remote seller to collect and remit sales taxes. The decision upheld a South Dakota state law compelling the collection and remittance of sales taxes by remote sellers that, on an annual basis, deliver more than \$100,000 of goods or series into the state, or engage in 200 or more separate transactions for the delivery of goods or services in the state. The Court overruled previous decisions requiring physical presence in a state as a prerequisite to the collection of sales taxes,³⁰ and held that the specific tax system that South Dakota enacted appeared designed to prevent discrimination against, or undue burdens upon, interstate commerce.³¹

Taxation of Mail Order Sales

Section 212.0596, F.S., specifies the requirements for the taxation of out-of-state mail order sales by Florida. A "mail order sale" is a sale of tangible personal property, ordered by mail or other means of communication, from a dealer who receives the order in another state of the United States or other area under the jurisdiction of the United States, and transports or causes the property to be transported to a person in Florida.

Every dealer as defined in s. 212.06(2)(c), F.S., who makes a mail order sale is subject to the power of this state to levy and collect the tax imposed by this ch. 212, F.S., when:

- The dealer is a corporation doing business under the laws of this state or a person domiciled in, a resident of, or a citizen of, this state;
- The dealer maintains retail establishments or offices in this state;
- The dealer has agents in this state who solicit business or transact business on behalf of the dealer;
- The property was delivered in this state in fulfillment of a sales contract that was entered into in this state when a person in this state accepted an offer by ordering the property;
- The dealer, by purposefully or systematically exploiting the market provided by Florida by any media-assisted, media-facilitated, or media-solicited means, creates nexus with Florida;
- Through compact or reciprocity with another jurisdiction of the United States, that jurisdiction uses its taxing power and its jurisdiction over the retailer in support of Florida's taxing power;

²⁸ The U.S. Census Bureau estimates that the amount of U.S. retail e-commerce sales for the third quarter of 2018 was \$130.9 billion, which constituted 9.8 percent of all retail sales in that quarter. U.S. Census Bureau News, Quarterly Retail E-Commerce Sales 3rd Quarter 2018, available at: https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf (last visited March 8, 2019).

²⁹ 138 S. Ct. 2080 (2018).

³⁰ *Id.* at 2084.

³¹ *Id.* at 2099.

- The dealer consents, expressly or by implication, to the imposition of the tax imposed by ch. 212, F.S.;
- The dealer is subject to service of process under s. 48.181, F.S.;
- The dealer's mail order sales are subject to the power of Florida to tax sales or to require the dealer to collect use taxes under a statute or statutes of the United States;
- The dealer owns real property or tangible personal property that is physically in this state;
- The dealer is a corporation that is a member of an affiliated group of corporations and whose members are eligible to file a consolidated tax return for federal corporate income tax purposes and any parent or subsidiary corporation in the affiliated group has nexus with this state; or
- The dealer or the dealer's activities have sufficient connection with or relationship to this state or its residents of some type other than those described above to create nexus empowering this state to tax its mail order sales or to require the dealer to collect sales tax or accrue use tax.³²

This section also imposes a duty on dealers to cooperate in the collection of taxes, requires the department to enforce these provisions in other jurisdictions when the other jurisdiction consents, and specifies that sales tax required under this section to be collected and any amount unreturned to a purchaser that is not tax but was collected from the purchaser under the representation that it was tax constitute funds of the State of Florida from the moment of collection. A dealer who makes a mail order sale in this state is exempt from collecting and remitting any local option surtax on the sale, except under certain circumstances. The Florida Department of Revenue (department) may establish by rule procedures for collecting the use tax from unregistered persons who but for their mail order purchases would not be required to remit sales or use tax directly to the department.

III. Effect of Proposed Changes:

Exemption of Certain Heavy Equipment from Ad Valorem Taxation

Section 1 amends a definition applicable to the imposition of ad valorem taxes by specifying that "inventory" also means any construction equipment, earthmoving equipment, or industrial equipment that is mobile and rented by a dealer of heavy equipment rental property, including attachments for the equipment or other ancillary equipment or tools. Qualified heavy equipment property is mobile if it is not permanently affixed to real property and is moved among worksites. The bill defines the term "dealer of heavy equipment rental property" as a person or entity principally engaged in the business of short-term rental of property as described under the North American Industrial Classification System.³³ The term "short-term rental" means the rental of a dealer's heavy equipment rental property for a period of less than 1 year, for an undefined period, or under a contract with unlimited terms.

By operation of s. 192.011, F.S., "inventory" is not included in the property that county property appraisers assess for purposes of ad valorem taxation, so the effect of the definition change will be to exempt the defined equipment from ad valorem property taxation.

³² Section 212.0596(2), F.S.

³³ 2017 NAICS Definition, 532412, Construction, Mining, and Forestry Machinery and Equipment Rental and Leasing

Sales Tax on Commercial Rent

Section 3 amends s. 212.031, F.S., to reduce the state tax rate on the rental, lease or license to use commercial real property from 5.7 percent to 4.2 percent, beginning January 1, 2019.

Sales Tax Holiday for Disaster Preparedness Supplies

Section 8 establishes a 14-day period, from June 1 through June 14, 2019, during which items purchased for disaster preparedness and protection are exempt from the sales and use tax and local discretionary sales surtaxes. The following items are exempt:

- A portable self-powered light source selling for \$20 or less;
- A portable self-powered radio, two-way radio, or weather band radio selling for \$50 or less;
- A tarpaulin or other flexible waterproof sheeting selling for \$50 or less;
- An item typically sold or advertised as a ground anchor system or tie-down kit selling for \$50 or less;
- A gas or diesel fuel tank selling for \$25 or less;
- A package of AAA-cell, AA-cell, C-cell, D-cell, 6-volt, or 9-volt batteries, excluding automobile and boat batteries, selling for \$30 or less;
- A non-electric food storage cooler selling for \$30 or less;
- A portable generator used to provide light or communications or preserve food in the event of a power outage selling for \$750 or less;
- Reusable ice selling for \$10 or less;
- Impact-resistant windows, when sold in units of 20 or fewer; and
- Impact-resistant doors, when sold in units of 10 or fewer.

The exemptions for the impact-resistant windows and doors apply to purchases made by an owner of residential real property where such products will be installed.

Sales within public lodging establishments,³⁴ theme parks or entertainment complexes,³⁵ or airports³⁶ are not exempt from taxes under this bill.

The bill authorizes the department to adopt emergency rules in order to implement the sales tax exemption.

The bill appropriates \$70,072 in nonrecurring funds from the General Revenue Fund to the department in Fiscal Year 2018-2019 to administer this sales tax holiday.

Taxation of Remote Sales and Marketplace Sales

Section 2 amends the definition of “retail sale” in s. 212.02, F.S., which applies to the entirety of ch. 212, F.S., to include a remote sale, and a sale facilitated by a marketplace.

³⁴ Section 509.013(4), F.S.

³⁵ Section 509.013(9), F.S.

³⁶ Section 330.27(2), F.S.

Section 4 amends s. 212.05, F.S., to apply the sales and use tax to remote sales.

Section 5 amends s. 212.0596, F.S., currently related to the taxation of mail order sales, to provide for the taxation of remote sales of tangible personal property or taxable services ordered by mail, telephone, or the Internet. The bill provides that every person “making a substantial number of remote sales” is a dealer for purposes of the sales and use tax. “Making a substantial number of remote sales” means:

- Conducting 200 or more separate retail sales of tangible personal property or services taxable under ch. 192, F.S., in the previous calendar year to be delivered to a location within Florida; or
- Conducting any number of retail sales of tangible personal property or services taxable under this ch. 192, F.S., in an amount exceeding \$100,000 in the previous calendar year to be delivered to a location within Florida.

The bill also deletes a provision relating to mail order sales from counties imposing a surtax, and deletes a provision granting rulemaking authority to the department for procedures for the collection of tax from unregistered persons.

Section 6 creates s. 212.05965, F.S., providing for the taxation of marketplace sales.

Every marketplace provider that is physically located in Florida, or that is making or facilitating through a marketplace a substantial number of remote sales, is subject to the sales and use tax requirements imposed on dealers by Ch. 212, F.S., for registration and for the collection and remittance of taxes. A marketplace provider must certify to its marketplace sellers that it will collect and remit the tax imposed on taxable retail sales made through the marketplace.

A marketplace seller may not collect and remit the sales and use tax on a taxable retail sale when the sale is made through the marketplace and the marketplace provider certifies that it will collect and remit the tax. A marketplace seller must exclude sales made through the marketplace from the marketplace seller’s tax return. A marketplace seller physically located in this state, or making a substantial number of remote sales, must register, collect, and remit the sales and use tax on all taxable sales made outside of the marketplace.

A marketplace provider must allow the department to examine and audit its books and records. If the department audits a marketplace provider, the department may not propose a tax assessment on the marketplace seller for the same retail sales unless the marketplace seller provides incorrect or incomplete information to the marketplace provider.

With certain exceptions, the marketplace provider is relieved of liability for the tax for the retail sale, and the marketplace seller or customer is liable for the tax imposed under this chapter if:

- The marketplace provider demonstrates that it made a reasonable effort to obtain accurate information related to the retail sales facilitated through the marketplace from the marketplace seller, but the failure to collect and pay the correct amount of tax imposed under this chapter was due to incorrect or incomplete information provided by the marketplace seller to the marketplace provider; or
- The marketplace seller or the customer has already remitted the tax.

Consistent with s. 213.21, F.S., the department may compromise any tax, interest, or penalty assessed on retail sales conducted through a marketplace.

A “marketplace provider” means any person who facilitates through a marketplace a retail sale by a marketplace seller and engages:

- Directly or indirectly, including through one or more members of an affiliated group as defined in s. 1504(a) of the Internal Revenue Code of 1986, in any of the following:
 - Transmitting or otherwise communicating the offer or acceptance between the buyer and seller;
 - Owning or operating the infrastructure, whether electronic or physical, or the technology that brings buyers and sellers together;
 - Providing a virtual currency that buyers are allowed or required to use to purchase products from the seller;
 - Software development or research and development activities related to any of the activities described below, if such activities are directly related to a marketplace operated by the person or by an affiliated group; and
- In any of the following activities with respect to the seller’s products:
 - Providing payment processing services;
 - Providing fulfillment or storage services
 - Listing products for sale;
 - Setting prices;
 - Branding sales as those of the marketplace provider;
 - Taking orders;
 - Advertising or promoting; or
 - Providing customer service or accepting or assisting with returns or exchanges.

Section 7 amends s. 212.06, F.S., to specify that “dealer” includes a retailer who transacts a remote sale and a marketplace provider.

Sections 9 and 10 amend ss. 212.12 and 212.18 F.S., respectively, to reflect the terminology change from “mail order” to “remote” sales.

Reenactment

Section 11 reenacts s. 212.20(4), F.S., in order to incorporate the amendment made by this bill to s. 212.0596, F.S.

Emergency Rules

Section 12 authorizes the department to adopt emergency rules to implement the bill. The rulemaking grant is authorized upon the act becoming law, and expires July 1, 2020.

Severability

Section 13 provides that if any provision of the bill is found to be invalid, that invalidity does not affect the ability of the other provisions of the bill to go into effect. If that provision is severed, the other provisions of the bill can be given effect.

Effective date

Section 14 provides an effective date of July 1, 2019, except for the authority creating the sales tax holiday for disaster preparedness supplies in section 8 of the bill, and the emergency rulemaking authority in section 12 of the bill, which both take effect upon becoming law.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

Article VII, Section 18 of the State Constitution governs laws that require counties and municipalities to spend funds or that limit their ability to raise revenue or receive state tax revenues.

Subsection (b) of s. 18, Art. VII, of the State Constitution, provides, that except upon approval of each house of the Legislature by two-thirds vote of the membership, the legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandates requirements do not apply to laws having an insignificant impact,³⁷ which for Fiscal Year 2018-2019, is \$2.08 million or less.³⁸

The Revenue Estimating Conference (REC) has not yet estimated the fiscal impact of the bill. If the REC determines the bill does not have an insignificant impact, the bill may require a two-thirds vote of the membership.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

³⁷ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year times \$0.10. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (September 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited March 8, 2019).

³⁸ Based on the Demographic Estimating Conference's population adopted on February 6, 2019. The conference packet is available at <http://edr.state.fl.us/Content/conferences/population/ConferenceResults.pdf> (last visited March 8, 2019).

E. Other Constitutional Issues:

Some of the changes made to s. 212.0596, F.S., by section 5 of the bill mirror some, but not all, of the provisions in South Dakota's remote seller taxation statute that the U.S. Supreme Court upheld in the *Wayfair* decision. The holding identified three components³⁹ of the South Dakota statute in finding that it did not discriminate against or unduly burden interstate commerce: safe harbor to those who transact only limited business, no retroactive application of the sales tax, and South Dakota's adoption of the Streamlined Sales and Use Tax Agreement.⁴⁰

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The provisions in the bill related to the taxation of remote sales and marketplace sales may generate increased tax revenue, but the REC has not yet estimated the fiscal impact of the bill.

B. Private Sector Impact:

More remote sellers may be subject to Florida's sales and use tax pursuant to the provisions relating to remote sales and marketplace sales.

C. Government Sector Impact:

The bill appropriates \$70,072 in nonrecurring funds from the General Revenue Fund to the department in Fiscal Year 2018-2019 to administer the sales tax holiday for disaster preparedness supplies.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 192.001, 212.02, 212.031, 212.05, 212.0596, 212.05965, 212.06, 212.12, 212.18, and 212.20.

This bill creates section 212.05965 of the Florida Statutes.

³⁹ *South Dakota v. Wayfair, Inc.*, 138 S. Ct. 2080, 2099 (2018).

⁴⁰ Florida is not one of the 24 that states have adopted the measures in the Streamlined Sales and Use Tax Agreement, the purpose of which is to simplify and modernize sales and use tax administration in order to substantially reduce the burden of tax compliance. Streamlined Sales Tax Governing Board, State Information, *available at*: <https://www.streamlinedsalestax.org/Shared-Pages/State-Detail> (last visited March 8, 2019).

IX. Additional Information:

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

None.

- B. **Amendments:**

None.

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