

**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 Children, Families, and Elder Affairs

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BILL: SB 176

INTRODUCER: Senator Berman

SUBJECT: Sales Tax Exemption/Items that Assist in Independent Living

DATE: January 22, 2019

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Delia</u>	<u>Hendon</u>	<u>CF</u>	<u>Favorable</u>
2.	_____	_____	<u>FT</u>	_____
3.	_____	_____	<u>AP</u>	_____

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**I. Summary:**

SB 176 provides an exemption to the sales tax for the purchase of certain items that would assist individuals in living and aging independently in their homes. Specifically, bed transfer handles, handrails, bed rails, grab bars, and shower seats would be covered by the exemption. The bill also provides that the Department of Revenue (the department or DOR) may develop rules to administer the exemption.

The fiscal impact on the state has not been determined, but the bill would reduce sales tax collections deposited in the General Revenue Fund. The bill has an effective date of July 1, 2019.

**II. Present Situation:**

**Florida Sales and Use Tax**

Florida levies a six percent sales and use tax on the sale or rental of most tangible personal property, admissions,<sup>1</sup> transient rentals,<sup>2</sup> rental of commercial real estate,<sup>3</sup> 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 260 exemptions, exclusions, deductions, and credits from the sales and use tax.<sup>4</sup> Sales tax is added to the price of the taxable good or service and collected from the purchaser at the time of sale.<sup>5</sup>

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<sup>1</sup> Section 212.04, F.S.

<sup>2</sup> Section 212.03, F.S.

<sup>3</sup> Section 212.031, F.S.

<sup>4</sup> See Office of Economic and Demographic Research, The Florida Legislature, *Florida Tax Handbook*, 155-168 (2018), available at <http://edr.state.fl.us/content/revenues/reports/tax-handbook/taxhandbook2018.pdf> (last visited Jan. 11, 2019).

<sup>5</sup> 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](http://dor.myflorida.com/dor/taxes/sales_tax.html) (last visited Jan. 11, 2019).

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.”<sup>6</sup> 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 percent to 1.5.<sup>7</sup>

### III. Effect of Proposed Changes:

**Section 1** amends s. 212.08, F.S., to add a new exemption from the sales and use tax. The bill would exempt items that enable a person to age in place and live independently in their home. Bed transfer handles, handrails, bed rails, grab bars, and shower seats would be exempt from the state and local sales tax. The bill authorizes the department to adopt rules to administer the exemption.

**Section 2** provides an effective date of July 1, 2019.

### IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

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<sup>6</sup> Section 212.054, F.S.

<sup>7</sup> See Office of Economic and Demographic Research, The Florida Legislature, *Florida Tax Handbook*, 224 (2018), available at <http://edr.state.fl.us/content/revenues/reports/tax-handbook/taxhandbook2018.pdf> (last visited Jan. 11, 2019).

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

The bill would exempt certain items from the sales tax. The estimating conference is planning to review the bill at their next impact conference to estimate the fiscal impact.

**B. Private Sector Impact:**

None.

**C. Government Sector Impact:**

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 212.08 of the Florida Statutes.

**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.