

By Senator Hutson

7-01341-19

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1                   A bill to be entitled  
2       An act relating to local business taxes; amending s.  
3       205.032, F.S.; revising the authority of a governing  
4       body of a county to levy business taxes; providing  
5       retroactive applicability; specifying a limit on such  
6       taxes; deleting procedures for levying business taxes;  
7       amending s. 205.033, F.S.; reducing the maximum fees  
8       for certain receipt transfers; deleting exceptions  
9       from certain apportionment and distribution  
10      requirements for certain counties; deleting provisions  
11      authorizing certain counties to levy and collect  
12      additional business taxes; conforming provisions to  
13      changes made by the act; amending s. 205.042, F.S.;  
14      revising the authority of a governing body of an  
15      incorporated municipality to levy business taxes;  
16      providing retroactive applicability; specifying a  
17      limit on such taxes; deleting procedures for levying  
18      business taxes; amending s. 205.043, F.S.; reducing  
19      the maximum fees for certain receipt transfers;  
20      conforming a provision to changes made by the act;  
21      amending ss. 205.0535 and 205.054, F.S.; conforming  
22      provisions to changes made by the act; providing an  
23      effective date.

24  
25   Be It Enacted by the Legislature of the State of Florida:

26  
27       Section 1. Section 205.032, Florida Statutes, is amended to  
28   read:

29       205.032 Levy; counties.—The governing body of a county may

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30 continue to levy, ~~by appropriate resolution or ordinance,~~ a  
31 business tax for the privilege of engaging in or managing any  
32 business, profession, or occupation within its jurisdiction if  
33 an appropriate resolution or ordinance was adopted before  
34 January 1, 2019. The business tax imposed on a taxpayer may not  
35 exceed \$25 ~~However, the governing body must first give at least~~  
36 ~~14 days' public notice between the first and last reading of the~~  
37 ~~resolution or ordinance by publishing a notice in a newspaper of~~  
38 ~~general circulation within its jurisdiction as defined by law.~~  
39 ~~The public notice must contain the proposed classifications and~~  
40 ~~rates applicable to the business tax.~~

41 Section 2. Section 205.033, Florida Statutes, is amended to  
42 read:

43 205.033 Conditions for levy; counties.-

44 (1) The following conditions are imposed on the authority  
45 of a county governing body to levy a business tax:

46 (a) The tax must be based upon reasonable classifications  
47 and must be uniform throughout any class.

48 ~~(b) Unless the county implements s. 205.0535 or adopts a~~  
49 ~~new business tax ordinance under s. 205.0315, a business tax~~  
50 ~~levied under this subsection may not exceed the rate provided by~~  
51 ~~this chapter in effect for the year beginning October 1, 1971;~~  
52 ~~however, beginning October 1, 1980, the county governing body~~  
53 ~~may increase business taxes authorized by this chapter. The~~  
54 ~~amount of the increase above the tax rate levied on October 1,~~  
55 ~~1971, for taxes levied at a flat rate may be up to 100 percent~~  
56 ~~for business taxes that are \$100 or less; 50 percent for~~  
57 ~~business taxes that are between \$101 and \$300; and 25 percent~~  
58 ~~for business taxes that are more than \$300. Beginning October 1,~~

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59 ~~1982, the increase may not exceed 25 percent for taxes levied at~~  
60 ~~graduated or per unit rates. Authority to increase business~~  
61 ~~taxes does not apply to licenses or receipts granted to any~~  
62 ~~utility franchised by the county for which a franchise fee is~~  
63 ~~paid.~~

64 (b) ~~(e)~~ A receipt is not valid for more than 1 year, and all  
65 receipts expire on September 30 of each year, except as  
66 otherwise provided by law.

67 (2) A ~~Any~~ receipt may be transferred to a new owner, when  
68 there is a bona fide sale of the business, upon payment of a  
69 transfer fee of up to 10 percent of the annual business tax, ~~but~~  
70 ~~not less than \$3 nor more than \$25,~~ and presentation of the  
71 original receipt and evidence of the sale. Such transfer fee  
72 must be at least \$3 but not more than \$10.

73 (3) Upon written request and presentation of the original  
74 receipt, a ~~any~~ receipt may be transferred from one location to  
75 another location in the same county upon payment of a transfer  
76 fee of up to 10 percent of the annual business tax. Such  
77 transfer fee must be at least \$3 but not more than \$10, ~~but not~~  
78 ~~less than \$3 nor more than \$25.~~

79 (4) The revenues derived from the business tax, exclusive  
80 of the costs of collection and any credit given for municipal  
81 business taxes, shall be apportioned between the unincorporated  
82 area of the county and the incorporated municipalities located  
83 therein by a ratio derived by dividing their respective  
84 populations by the population of the county. ~~This subsection~~  
85 ~~does not apply to counties that have established a new rate~~  
86 ~~structure under s. 205.0535.~~

87 (5) The revenues so apportioned shall be sent to the

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88 governing authority of each municipality, according to its  
89 ratio, and to the governing authority of the county, according  
90 to the ratio of the unincorporated area, within 15 days after  
91 ~~following~~ the month of receipt. ~~This subsection does not apply~~  
92 ~~to counties that have established a new rate structure under s.~~  
93 ~~205.0535.~~

94 ~~(6)(a) Each county, as defined in s. 125.011(1), or any~~  
95 ~~county adjacent thereto may levy and collect, by an ordinance~~  
96 ~~enacted by the governing body of the county, an additional~~  
97 ~~business tax up to 50 percent of the appropriate business tax~~  
98 ~~imposed under subsection (1).~~

99 ~~(b) Subsections (4) and (5) do not apply to any revenues~~  
100 ~~derived from the additional tax imposed under this subsection.~~  
101 ~~Proceeds from the additional business tax must be placed in a~~  
102 ~~separate interest-earning account, and the governing body of the~~  
103 ~~county shall distribute this revenue, plus accrued interest,~~  
104 ~~each fiscal year to an organization or agency designated by the~~  
105 ~~governing body of the county to oversee and implement a~~  
106 ~~comprehensive economic development strategy through advertising,~~  
107 ~~promotional activities, and other sales and marketing~~  
108 ~~techniques.~~

109 ~~(c) An ordinance that levies an additional business tax~~  
110 ~~under this subsection may not be adopted after January 1, 1995.~~

111 (6)(7) ~~Notwithstanding any other provisions of this~~  
112 ~~chapter, the revenue received from a county business tax may be~~  
113 ~~used for overseeing and implementing a comprehensive economic~~  
114 ~~development strategy through advertising, promotional~~  
115 ~~activities, and other sales and marketing techniques.~~

116 Section 3. Section 205.042, Florida Statutes, is amended to

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117 read:

118 205.042 Levy; municipalities.—The governing body of an  
119 incorporated municipality may continue to levy, ~~by appropriate~~  
120 ~~resolution or ordinance~~, a business tax for the privilege of  
121 engaging in or managing any business, profession, or occupation  
122 within its jurisdiction if an appropriate resolution or  
123 ordinance was adopted before January 1, 2019. The business tax  
124 imposed on a taxpayer may not exceed \$25. However, the governing  
125 ~~body must first give at least 14 days' public notice between the~~  
126 ~~first and last reading of the resolution or ordinance by~~  
127 ~~publishing the notice in a newspaper of general circulation~~  
128 ~~within its jurisdiction as defined by law. The notice must~~  
129 ~~contain the proposed classifications and rates applicable to the~~  
130 ~~business tax.~~ The business tax may be levied on:

131 (1) A ~~Any~~ person who maintains a permanent business  
132 location or branch office within the municipality, for the  
133 privilege of engaging in or managing any business within its  
134 jurisdiction.

135 (2) A ~~Any~~ person who maintains a permanent business  
136 location or branch office within the municipality, for the  
137 privilege of engaging in or managing any profession or  
138 occupation within its jurisdiction.

139 (3) A ~~Any~~ person who does not qualify under subsection (1)  
140 or subsection (2) and who transacts any business or engages in  
141 any occupation or profession in interstate commerce, if the  
142 business tax is not prohibited by s. 8, Art. I of the United  
143 States Constitution.

144 Section 4. Subsections (1), (2), and (3) of section  
145 205.043, Florida Statutes, are amended to read:

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146 205.043 Conditions for levy; municipalities.—

147 (1) The following conditions are imposed on the authority  
148 of a municipal governing body to levy a business tax:

149 (a) The tax must be based upon reasonable classifications  
150 and must be uniform throughout any class.

151 ~~(b) Unless the municipality implements s. 205.0535 or~~  
152 ~~adopts a new business tax ordinance under s. 205.0315, a~~  
153 ~~business tax levied under this subsection may not exceed the~~  
154 ~~rate in effect in the municipality for the year beginning~~  
155 ~~October 1, 1971; however, beginning October 1, 1980, the~~  
156 ~~municipal governing body may increase business taxes authorized~~  
157 ~~by this chapter. The amount of the increase above the tax rate~~  
158 ~~levied on October 1, 1971, for taxes levied at a flat rate may~~  
159 ~~be up to 100 percent for business taxes that are \$100 or less;~~  
160 ~~50 percent for business taxes that are between \$101 and \$300;~~  
161 ~~and 25 percent for business taxes that are more than \$300.~~  
162 ~~Beginning October 1, 1982, an increase may not exceed 25 percent~~  
163 ~~for taxes levied at graduated or per unit rates. Authority to~~  
164 ~~increase business taxes does not apply to receipts or licenses~~  
165 ~~granted to any utility franchised by the municipality for which~~  
166 ~~a franchise fee is paid.~~

167 ~~(b)(e)~~ A receipt is not valid for more than 1 year and all  
168 receipts expire on September 30 of each year, except as  
169 otherwise provided by law.

170 (2) A ~~Any~~ business receipt may be transferred to a new  
171 owner, when there is a bona fide sale of the business, upon  
172 payment of a transfer fee of up to 10 percent of the annual tax,  
173 ~~but not less than \$3 nor more than \$25,~~ and presentation of the  
174 original receipt and evidence of the sale. Such transfer fee

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175 must be at least \$3 but not more than \$10.

176 (3) Upon written request and presentation of the original  
177 receipt, a any receipt may be transferred from one location to  
178 another location in the same municipality upon payment of a  
179 transfer fee of up to 10 percent of the annual tax. Such  
180 transfer fee must be at least \$3 but not more than \$10, ~~but not~~  
181 ~~less than \$3 nor more than \$25.~~

182 Section 5. Paragraphs (a) and (b) of subsection (3) of  
183 section 205.0535, Florida Statutes, are amended to read:

184 205.0535 Reclassification and rate structure revisions.—

185 (3) (a) After the reclassification and rate structure  
186 revisions have been transmitted to and considered by the  
187 appropriate local governing body, it may adopt by majority vote  
188 a new business tax ordinance. The business tax imposed on a  
189 taxpayer may not exceed \$25 ~~Except that a minimum tax of up to~~  
190 ~~\$25 is permitted, the reclassification may not increase the tax~~  
191 ~~by more than the following: for receipts costing \$150 or less,~~  
192 ~~200 percent; for receipts costing more than \$150 but not more~~  
193 ~~than \$500, 100 percent; for receipts costing more than \$500 but~~  
194 ~~not more than \$2,500, 75 percent; for receipts costing more than~~  
195 ~~\$2,500 but not more than \$10,000, 50 percent; and for receipts~~  
196 ~~costing more than \$10,000, 10 percent; however, in no case may~~  
197 ~~the tax on any receipt be increased more than \$5,000.~~

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

201 1. For municipalities, the sum of the revenue base and 10  
202 percent of that revenue base. The revenue base is the sum of the  
203 business tax revenue generated by receipts issued for the most

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204 recently completed local fiscal year ~~or the amount of revenue~~  
205 ~~that would have been generated from the authorized increases~~  
206 ~~under s. 205.043(1)(b), whichever is greater,~~ plus any revenue  
207 received from the county under s. 205.033(4).

208 2. For counties, the sum of the revenue base, 10 percent of  
209 that revenue base, and the amount of revenue distributed by the  
210 county to the municipalities under s. 205.033(4) during the most  
211 recently completed local fiscal year. The revenue base is the  
212 business tax revenue generated by receipts issued for the most  
213 recently completed local fiscal year ~~or the amount of revenue~~  
214 ~~that would have been generated from the authorized increases~~  
215 ~~under s. 205.033(1)(b), whichever is greater,~~ but may not  
216 include any revenues distributed to municipalities under s.  
217 205.033(4).

218 Section 6. Subsection (1) of section 205.054, Florida  
219 Statutes, is amended to read:

220 205.054 Business tax; partial exemption for engaging in  
221 business or occupation in enterprise zone.—

222 (1) Notwithstanding ~~the provisions of~~ s. 205.033(1)(a) or  
223 s. 205.043(1)(a), the governing body of a county or municipality  
224 may authorize by appropriate resolution or ordinance, ~~adopted~~  
225 ~~pursuant to the procedure established in s. 205.032 or s.~~  
226 ~~205.042,~~ the exemption of 50 percent of the business tax levied  
227 for the privilege of engaging in or managing any business,  
228 profession, or occupation in the respective jurisdiction of the  
229 county or municipality when such privilege is exercised at a  
230 permanent business location or branch office located in an  
231 enterprise zone. In adopting the resolution or ordinance, the  
232 governing body must first give at least 14 days' public notice



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233 between the first and last reading of the resolution or  
234 ordinance by publishing a notice in a newspaper of general  
235 circulation within its jurisdiction as defined by law. The  
236 public notice must contain the proposed classifications and  
237 rates applicable to the business tax.

238 Section 7. This act shall take effect July 1, 2019.