

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 1310

INTRODUCER: Senator Mayfield

SUBJECT: Hunting and Fishing Sales Tax Holiday

DATE: January 17, 2020

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Reeve	McKay	CM	Pre-meeting
2.			FT	
3.			AP	

I. Summary:

SB 1310 establishes a 1-day hunting and fishing sales tax holiday, on September 5, 2020, for firearms, ammunition for firearms, camping tents, and fishing supplies.

The bill appropriates \$237,000 in nonrecurring funds from the General Revenue Fund to the Department of Revenue for the 2019-2020 fiscal year.

The bill takes effect upon becoming law.

II. Present Situation:

Florida Sales Tax

Florida levies a 6 percent sales and use tax on the sale or rental of most tangible personal property,¹ admissions,² transient rentals,³ and a limited number of services. Chapter 212, F.S., contains 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. Sales tax is added to the price of the taxable good or service and collected from the purchaser at the time of sale.⁴ Sales tax receipts accounted for approximately 77 percent of the state's General Revenue in Fiscal Year 2018-2019.⁵

¹ Section 212.05(1)(a)1.a, F.S.

² Section 212.04(b), F.S.

³ Section 212.03(1)(a), F.S.

⁴ See s. 212.07(2), F.S.

⁵ Office of Economic and Demographic Research, *Florida Tax Handbook*, 16 (2019), available at <http://edr.state.fl.us/Content/revenues/reports/tax-handbook/taxhandbook2019.pdf> (last visited Jan. 17, 2020).

Section 212.055, F.S., authorizes counties to impose local discretionary sales surtaxes in addition to the state sales tax. A surtax applies to “all transactions occurring in the county which transactions are subject to the state tax imposed on sales, use, services, rentals, admissions, and other transactions by [ch. 212, F.S.], and communications services as defined in ch. 202.”⁶ The discretionary sales surtax is based on the tax rate imposed by the county where the taxable goods or services are sold or delivered. Discretionary sales surtax rates currently levied vary by county in a range of 0.5 to 2.5 percent.⁷

Hunting and Fishing in Florida

The Florida Fish and Wildlife Conservation Commission (FWC) estimates that recreational hunting, fishing, and wildlife-viewing annually contribute over \$10 billion to Florida’s economy.⁸ Florida has one of the largest public-hunting systems in the country, and there are approximately 242,000 hunters within the state. According to the FWC, over 2.3 million of the 3.6 million anglers fishing in Florida are residents of the state.⁹

III. Effect of Proposed Changes:

The bill establishes that the following items are exempt from the state sales tax and local discretionary sales surtaxes on September 5, 2020:

- Firearms, including rifles, shotguns, spearguns, crossbows, and bows but excluding destructive devices as defined in s. 790.001(4), F.S.;
- Ammunition for firearms;
- Camping tents; and
- Fishing supplies, including rods, reels, bait, and fishing tackle but excluding supplies used for commercial fishing purposes.

The exemptions provided for in the bill do not apply to the following:

- Sales within a theme park or entertainment complex, as defined in s. 509.013(9), F.S.;
- Sales within a public lodging establishment, as defined in s. 509.013(4), F.S.; and
- Sales within an airport, as defined in s. 330.27, F.S.

The bill appropriates, for the 2019-2020 fiscal year, \$237,000 in nonrecurring funds from the General Revenue Fund to the Department of Revenue (DOR) to administer the hunting and fishing sales tax holiday.

The DOR is authorized to adopt emergency rules pursuant to ss. 120.536(1) and 120.54, F.S., for the purpose of implementing the bill.

The bill takes effect upon becoming law.

⁶ Section 212.054(2)(a), F.S.

⁷ *Supra* note 5, at 225-226.

⁸ Florida Fish and Wildlife Conservation Commission, FWC Overview—Economics, *available at* <https://myfwc.com/about/overview/economics/> (last visited Jan. 17, 2020).

⁹ Florida Fish and Wildlife Conservation Commission, FWC Overview, *available at* <https://myfwc.com/about/overview/> (last visited Jan. 17, 2020).

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

Article VII, s. 18 of the Florida Constitution governs laws that require counties and municipalities to spend funds, limit the ability of counties and municipalities to raise revenue, or reduce the percentage of state tax shared with counties and municipalities.

Subsection (b) of s. 18, Art. VII of the Florida 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,^{10, 11} which is \$2.1 million or less for Fiscal Year 2019-2020.¹²

SB 1310 limits the ability of counties to collect local discretionary sales surtaxes on certain items on September 5, 2020. The Revenue Estimating Conference has not met regarding the bill, so it is not yet known if the bill will have a significant fiscal impact on local revenues.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

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

None.

¹⁰ FLA. CONST. art. VII, s. 18(d).

¹¹ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year multiplied by \$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 Jan. 17, 2020).

¹² Based on the Demographic Estimating Conference's population adopted on July 8, 2019, available at <http://edr.state.fl.us/Content/conferences/population/ConferenceResults.pdf> (last visited Jan. 17, 2020).

B. Private Sector Impact:

Persons purchasing exempt items during the sales tax holiday will realize savings.

C. Government Sector Impact:

The bill appropriates, for the 2019-2020 fiscal year, \$237,000 in nonrecurring funds from the General Revenue Fund to the DOR to administer the hunting and fishing sales tax holiday. The DOR estimates that \$60,000 in nonrecurring funds would be required to mail a Tax Information Publication (TIP) to sales tax dealers notifying taxpayers of the sales tax holiday.

The Revenue Estimating Conference has not yet met regarding the bill.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill does not specify whether funds remaining unexpended from the \$237,000 appropriation will revert back to the General Revenue Fund after a certain date.

The bill appropriates funds to the DOR for Fiscal Year 2019-2020. However, the DOR has stated that the cost of printing and mailing the TIP would be incurred in Fiscal Year 2020-2021.

VIII. Statutes Affected:

The bill creates two undesignated sections of chapter law.

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.