

TAXATION

SB 692 — Florida Sales Tax Relief Act

by Senators Webster, Fasano, Wilson, and Posey

The bill provides that no sales and use tax will be collected on the sale of books, clothing, wallets, or certain bags having a selling price of \$50 or less during the period from 12:01 a.m. on Saturday, July 22, 2006, through midnight on Sunday, July 30, 2006. The bill also provides that no sales and use tax will be collected on the sale of school supplies having a selling price of \$10 per item or less during the period from 12:01 a.m. on Saturday, July 22, 2006, through midnight on Sunday, July 30, 2006.

If approved by the Governor, these provisions take effect July 1, 2006.

Vote: Senate 40-0; House 118-1

CS/SB 792 — Communications Services Tax Returns and Accounts Information/Open Government Sunset Review

by Governmental Oversight and Productivity Committee and Government Efficiency Appropriations Committee

This bill saves from repeal an exemption from the Open Government Review Act for all information contained in returns, reports, accounts, or declarations received by the Department of Revenue pursuant to ch. 202, F.S. It makes no substantive changes to law, but reorganizes the exemption.

If approved by the Governor, these provisions take effect October 1, 2006.

Vote: Senate 38-0; House 117-0

CS/SB 1590 — Sales Tax Dealer Collection Allowance

by Government Efficiency Appropriations Committee and Senators Rich and Lynn

The bill authorizes sales tax dealers that are entitled to a collection allowance pursuant to s. 212.12, F.S., to elect to forego the collection allowance and direct that it be deposited into the Educational Enhancement Trust Fund. The election must be made with the timely filing of a return and cannot be rescinded once made. If a dealer making the election files a delinquent return, underpays the tax, or files an incomplete return, the amount transferred into the Educational Enhancement Trust Fund will be the collection allowance remaining after resolution of liability for all tax, interest, and penalty due.

If approved by the Governor, these provisions take effect January 1, 2007.

Vote: Senate 40-0; House 119-1

HB 7109 — Taxation

by Finance and Tax Committee and Rep. Brummer and others (CS/SB 854 by Ways and Means Committee and Senator Carlton)

House Bill 7109 includes the substance of CS/SB 1430, which amends ss. 193.155 and 196.031, F.S., to shield property owners whose homestead property is damaged or destroyed by a hurricane or other misfortune from increases in assessed value for property tax purposes, as long as the size of the home is not increased by more than 10 percent, or does not exceed 1500 square feet.

It also calls for a study of the impact on local property taxes of current homestead tax exemptions and assessment limitations. It requires the Department of Revenue to provide and analyze data about homestead property taxation, and analyze how portability of the Save Our Homes differential would affect relative taxes levied on all other classes of property and the distribution of the required local property tax effort for school funding. The final DOR report is due January 2, 2007.

The Office of Economic and Demographic Research is directed to prepare a report summarizing the DOR study, including findings of the study and property tax policy options that may be available to the state. An interim progress report is due February 15, 2007 to include preliminary findings and policy options to be considered during the 2007 session. The final report must be submitted to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the chair of the Taxation and Budget Reform Commission no later than September 1, 2007.

The bill appropriates \$300,000 to the Department of Revenue for the purpose of conducting its study, and \$500,000 to the Office of Economic and Demographic Research for the purpose of preparing its report.

The bill also repeals section 12 of Chapter 2005-187, L.O.F., which created the Communications Services Tax Task Force. The \$600,000 appropriated to fund that task force is reverted to General Revenue.

If approved by the Governor, these provisions take effect upon becoming law.

Vote: Senate 37-0; House 113-0

SB 1198 — Corporate Income Tax/2006 IRS Code

by Senator Atwater

Senate Bill 1198 updates references in Chapter 220, Florida Statutes (the Florida Income Tax Code) to reflect provisions of the U.S. Internal Revenue Code effective January 1, 2006.

If approved by the Governor, these provisions take effect upon becoming law.

Vote: Senate 40-0; House 120-0

GOVERNMENT EFFICIENCY

CS/CS/SB 1678 —Governmental Operations/Agency Fees

by Governmental Oversight and Productivity Committee and Government Efficiency Appropriations Committee

The committee substitute for committee substitute for SB 1678 creates s. 216.0236, F.S., to establish a uniform policy governing regulatory program funding.

The bill requires that all costs of providing a regulatory service or regulating a profession or business be borne solely by those who receive the service or who are subject to regulation, but requires that the fees imposed be reasonable and take into account the differences in the types of professions or businesses being regulated.

The bill also requires that each state agency annually examine the fees it charges for regulatory services and oversight, as provided in the legislative budget request instructions, to determine whether:

- Operational efficiencies can be achieved in the underlying program,
- The regulatory activity is an appropriate state function, and
- The fees charged are adequate to cover both direct and indirect costs.

If any of the fees charged are not adequate to cover program costs, the bill requires the agency to include in its legislative budget request:

- Alternatives for realigning revenues and/or costs to make the regulatory program totally self-sufficient, such as changes in fee caps or outdated operational requirements, or
- Demonstrate that the program provides substantial benefits to the general public to justify a partial subsidy from other state funds.

The bill also provides for the review of the regulatory fee structure by the Legislature at least every five years.

If approved by the Governor, these provisions take effect July 1, 2006.

Vote: Senate 37-0; House 118-1

CS/SB 1716 — State Planning and Budgeting

By Ways and Means Committee and Senator Atwater

The committee substitute for SB 1716 conforms current statutes to the provisions of Senate Joint Resolution 2005-2144, which puts before the voters at the next general election proposed changes to s. 19, Art. III of the State Constitution. Specifically the bill:

- Limits the amount of non-recurring general revenue that may be used to fund the recurring costs of state programs to 3 percent of total general revenue (just over 900 million for FY 2006-07). This limitation may be waived by a 3/5 vote of the Legislature.
- Establishes the Joint Legislative Budget Commission in the Florida Constitution to operate essentially as it does now. Membership remains at 7 Senators and 7 Representatives. The chair of the commission will be appointed in alternate years by the President of the Senate and the vice chair appointed by the Speaker of the House of Representatives (instead of the chairs of the appropriations committees serving as chair and vice chair); in alternate years, appointing authority is reversed. The commission will convene at the call of the presiding officers (instead of the chair and vice chair).
- Directs the Joint Legislative Budget Commission to develop a long-range 3-year financial outlook which will be updated each year with the assistance of each state agency. The bill prescribes a plan to ensure an integrated state planning and budget process to assure consistency between the agency's long-range plan and the agency's legislative budget request.
- Creates a Government Efficiency Task Force in 2007, and every 4 years thereafter, to make recommendations to improve government and reduce costs. The 15 member task force will be composed of members of the legislature and representatives of the public and private sectors. Five members each will be appointed by the President of the Senate, Speaker of the House of Representatives, and Governor. The task force will complete its work within one year.
- Clarifies that the Financial Impact Estimating Conference is subject to the legislative rules of notice and openness to the public.

These provisions take effect upon the effective date of the amendment to the State Constitution contained in Senate Joint Resolution 2005-2144.

Vote: Senate 39-0; House 118-0

