

CS/HB 7157 — Taxation

by Government Operations Appropriations Committee, Finance and Tax Council, and Rep. Fresen (SB 1976 by Senator Altman)

This bill includes several statutory changes that will reduce the burden on taxpayers, reduce Department of Revenue costs and increase efficiency, improve tax administration, and improve enforcement of tax laws. The improved enforcement and tax administration provisions of this bill are expected to have a positive but indeterminate impact on state revenue.

Specifically the bill:

- Specifies the duration for tax liens for unemployment compensation taxes as 10 years;
- Excludes certain unpaid indebtedness from the taxable consideration for short sale transfers of real property;
- Clarifies that sales made to residential households in facilities such as apartment complexes are exempt from the communications services tax, due to uncertainty created by a change in the definition of “public lodging establishment” in ch. 2008-240, L.O.F., which created separate designations for “transient” and “nontransient” public lodging establishments;
- Excludes the cleaning of interiors of transportation equipment from the tax imposed on cleaning services, which were not listed or taxed prior to the 2009 law change replacing Standard Industrial Classification (SIC) with the current North American Industrial Classification System (NAICS); further, to be consistent with the appropriate NAICS categories, the bill specifies that nonresidential building pest control services are taxed;
- Revises the content of a required notice that must be posted on vending machines, including deleting the requirement to post identifying taxpayer information on the machine;
- Provides criteria to determine whether the tax on sales, use, and other transactions applies to a package containing exempt food products and taxable nonfood products;
- Revises application requirements for tax exemption for building materials used in the rehabilitation of real property in an enterprise zone;
- Clarifies when sales of tangible personal property used in construction of public works projects are tax exempt sales to a governmental entity; if the Department of Revenue later determines that the sales were not tax exempt, the governmental entity is liable for any tax, penalty, and interest owed on the transactions;
- Revises references to the Florida Energy and Climate Commission for purposes of the Renewable Energy Technologies Investment Tax Credit;
- Permits the Department of Revenue to communicate with taxpayers electronically;
- Authorizes the Department of Revenue to provide certain confidential taxpayer information to other entities and to publish a list of taxpayers against whom the department has filed a warrant or judgment lien certificate;
- Authorizes the Department of Revenue to continue the information-sharing program with financial institutions, which was previously conducted as a pilot program to match electronic data from financial institutions with public records to recover delinquent tax liabilities; by making the program permanent, the department is now allowed to take action to collect outstanding tax liabilities;

- Authorizes the department to reduce a tax refund or credit owing to a taxpayer to the extent of liability for unemployment compensation taxes;
- Authorizes the Division of Hotels and Restaurants of the Department of Business and Professional Regulation to suspend or deny the renewal of a license for a hotel or restaurant having an outstanding tax warrant;
- Authorizes the Department of Revenue to notify financial institutions or other entities by electronic means or personal service when those entities possess assets to be garnished;
- Revises the distribution of the ninth-cent fuel tax on motor fuel and diesel fuel;
- Conforms cross-references in unemployment compensation statutes;
- Provides for the treatment of a single-member limited liability company as the employer for purposes of unemployment compensation law, consistent with Internal Revenue Service regulations;
- Increases penalties for erroneous, incomplete, or insufficient reports submitted by employers to the Department of Revenue for unemployment compensation tax purposes;
- Integrates enforcement of tax laws, by permitting the Department of Revenue, after a conference with the taxpayer, to revoke a taxpayer's certificate(s) of registration, permit, or license for any tax when the taxpayer owes any tax liability and a tax warrant, notice of lien, or judgment lien certificate has been issued;
- Prohibits the Department of Revenue from issuing a certificate of registration, permit, or license to a taxpayer whose certificate of registration, permit, or license has been revoked and requires security as a condition of issuing a new certificate of registration to such person;
- Repeals s. 195.095, F.S., relating to the authority of the Department of Revenue to develop lists of bidders that are approved to contract with property appraisers, tax collectors, or county commissions for assessment or collection services because counties now engage in these services without assistance from the department; and
- Repeals s. 213.054, F.S., relating to monitoring and reporting on the use of a tax deduction claimed by international banking institutions.

If approved by the Governor, except as otherwise expressly provided in the act, these provisions take effect upon becoming law. Several provisions in the bill take effect July 1, 2010, or are retroactive to July 1, 2008.

Vote: Senate 39-0; House 112-0