

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Ensure Lower Taxes- The bill returns to law certain tax exemptions for certain facilities.

B. EFFECT OF PROPOSED CHANGES:

Current Situation

Effective July 1, 2006, s. 55 of ch. 2002-218, L.O.F., repeals several provisions of law relating to tax exemptions on services charges for admissions, labor services, and certain surcharges for certain facilities.

Effective July 1, 2006, s. 55 of ch. 2002-218, L.O.F., repeals s. 212.031(1)(a)12., F.S., providing an exemption from any tax to be paid by a convention hall, exhibition hall, auditorium, stadium, theatre, arena, civic center, performing arts center, or publicly owned recreational facility that is renting, leasing, subleasing, or licensing to a concessionaire using the facility for selling souvenirs, novelties, or other event-related products. The exemption applies only to that portion of tax based on a percentage of sales and not based on a fixed price.

Effective July 1, 2006, s. 55 of ch. 2002-218, L.O.F., repeals a provision contained in s. 212.031(3), F.S., requiring that the tax due on the rental, lease, or license for the use of a convention hall, exhibition hall, auditorium, stadium, theater, arena, civic center, performing arts center, or publicly owned recreational facility for an event no lasting longer than 7 days be collected at the time of the payment for the rental, lease or license but is not due to the Department of Revenue until the first day of the month following the last day of the event for which the payment is held. The payment is considered delinquent on the 21st day of that month.

Effective July 1, 2006, s. 55 of ch. 2002-218, L.O.F., repeals s. 212.031(10), F.S., providing a tax exemption for rental or license fees on separately stated charges imposed by a convention hall, exhibition hall, auditorium, stadium, theater, arena, civic center, performing arts center, or publicly owned recreational facility upon a lessee or licensee for food, drink, or services required in connection with a lease or license to use real property. This exemption includes charges for laborers, stagehands, ticket takers, event staff, security personnel, cleaning staff, and other event-related personnel, advertising, and credit card processing.

Effective July 1, 2006, s. 55 of ch. 2002-218, L.O.F., repeals provisions contained in s. 212.04(1)(b) providing that for purposes of calculating the admissions tax, the sale price for admission is the price remaining after deduction of federal taxes and state or locally imposed or authorized seat surcharges, taxes, or fees, if any, imposed upon admission, and that the actual sale price does not include separately stated ticket service charges that are imposed and added to a separately stated, established ticket price.

Effective July 1, 2006, s. 55 of ch. 2002-218, L.O.F., repeals s. 212.04(2)(a)b. prohibiting tax on admission charges to an event that is sponsored percent by a governmental entity, sports authority, or sports commission when held in a convention hall, exhibition hall, auditorium, stadium, theatre, arena, civic center, performing arts center, or publicly owned recreational facility. The governmental entity, sports authority, or sports commission must be responsible for 100 percent of the risk of success or failure and must be responsible for 100 percent of the funds at risk for the event and student or faculty talent is not exclusively used. The terms "sports authority" and "sports commission" mean a nonprofit organization that is exempt from federal income tax under s. 501(c) (3) of the Internal Revenue Code

and that contracts with a county or municipal government for the purpose of promoting and attracting sports-tourism events to the community with which it contracts.

Effective July 1, 2006, s. 55 of ch. 2002-218, L.O.F., repeals provisions contained in s. 212.04(3) providing that the tax on the admission to an event scheduled at a convention hall, exhibition hall, auditorium, stadium, theatre, arena, civic center, performing arts center, or publicly owned recreational facility shall be collected at the time of payment for admission, but is not due to the Department of Revenue until the first day of the month following the actual date of the event, and that the payment will be considered delinquent on the 21st day of that month.

Proposed Changes

The bill returns each of these provisions to law as they exist in the 2004 Florida Statutes.

C. SECTION DIRECTORY:

Section 1: Amends s. 212.031, F.S., saving from repeal a tax exemption from any tax to be paid by a certain facilities renting, leasing, subleasing, or licensing to a concessionaire using the facility for selling souvenirs, novelties, or other event-related products.

Section 2: Providing that s. 212.031, F.S., is not repealed and is readopted.

Section 3: Amends s. 212.04, F.S., saving from repeal certain tax exemptions relating to surcharges for admissions to events for certain facilities under certain circumstances.

Section 4: Provides that the bill will take effect on July 1, 2005, unless otherwise provided.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

A similar proposal was reviewed last the Revenue Estimating Conference on March 24, 2004. The REC determined there to be a negative impact on state revenues of \$2.2 million to \$2.6 million.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill has not been referred to the Revenue Estimating Conference.

D. FISCAL COMMENTS:

The Department of Revenue reports that the operational impact is to be determined.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenues.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

None.