

MAJOR TAX REDUCTION PACKAGE

CS/SB 140 — Sales Tax Holiday

by Conference Committee on Tax Reduction; Fiscal Resource Committee; and Senators Cowin and Webster

This bill establishes the “Florida Residents Tax Relief Act of 1999,” providing that no sales and use tax shall be collected on sales of clothing, wallets, or bags, including handbags, backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags, having a selling price of \$100 or less during the period from 12:01 a.m., July 31, 1999, through midnight, August 8, 1999.

Clothing is defined to mean any article of wearing apparel, including all footwear, except for skis, swim fins, roller blades, and skates, intended to be worn on or about the human body and does not include watches, watchbands, jewelry, umbrellas, or handkerchiefs.

The exemption does not apply to sales within a theme park or entertainment complex, within a public lodging establishment, or within an airport.

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

Vote: Senate 34-2; House 118-0

CS/SB 172 — Taxpayer Fairness, Tax Reductions

by Conference Committee on Tax Reduction; Fiscal Resource Committee; and Senators Horne, Grant and Lee

This bill addresses several issues related to taxpayer fairness, tax collection, reduction in certain taxes, school impact fees, and revenue sharing. This bill amends s. 95.091, F.S., reducing the statute of limitations for actions to collect taxes from five years to three years. It amends s. 196.063, F.S., requiring the property appraiser to grant a 30 day extension for the filing of personal property tax returns, and allowing an additional 15 day extension. Sections 212.07 and 212.18, F.S., are amended to require sales tax resale certificates to be issued annually to active dealers, and providing a mechanism by which sellers can verify the validity of resale certificates. Section 212.11, F.S., is amended to raise the threshold for which sales tax dealers must make estimated payments, and decreasing the percentage of the previous year’s taxes which must be paid as estimated

taxes. This bill creates s. 213.235, F.S., which provides for interest on deficient taxes to be based on the market interest rate, and it creates s. 213.255, F.S., which provides for payment of interest on tax refunds after 90 days.

This bill also amends ss. 561.501 and 561.121, F.S., reducing the surcharge on on-premises consumption of alcoholic beverages, and changing the disposition of surcharge revenue to hold harmless the Children and Adolescents Substance Abuse Trust Fund.

This bill prohibits the imposition of a new school impact fee or the increase of an existing fee from May 1, 1999 to July 1, 2000, and creates the Florida School Construction Finance Commission to study alternative methods of funding school construction.

This bill amends s. 218.251, F.S., to provide additional revenue sharing to be distributed to Duval County. This bill also provides appropriations to the Department of Revenue and to the Legislative Committee on Intergovernmental Relations.

If approved by the Governor, these provisions take effect July 1, 1999, except as otherwise provided.

Vote: Senate 37-1; House 119-0

CS/SB 318 — Intangible Property Taxes

by Conference Committee on Tax Reduction; Fiscal Resource Committee and Senator Lee

This bill reduces the rate of the annual tax on intangible personal property from 2 mills to 1.5 mills. It also allows an affiliated group of limited liability companies to file a consolidated intangibles tax return.

If approved by the Governor, these provisions take effect January 1, 2000.

Vote: Senate 36-1; House 117-0

MISCELLANEOUS TAX REDUCTIONS

HB 47 — Sales Tax Exemption for Travel Centers/Truck Stop Facilities

by Rep. Fuller and others (SB 142 by Senators Holzendorf and Thomas)

This bill provides an exemption from sales tax on the renting or leasing of travel center/truck stop facilities. A “travel center/truck stop facility” is any facility that has declared its primary business activity as the sale of diesel fuel at retail and which operates a minimum of 6 diesel fuel dispensers.

If approved by the Governor, these provisions take effect July 1, 1999.

Vote: Senate 40-0; House 110-2

HB 105 — Sales Tax Exemption for Phosphate Mining Equipment

by Rep. Putnam and others (CS/SB 110 by Fiscal Resource Committee and Senator McKay)

This bill expands the sales tax exemption for the purchase of industrial machinery and equipment used by new and expanding businesses to include those purchases made by phosphate or other solid mineral severance, mining, or processing operations. The exemption is granted by way of a prospective credit against severance tax. In order to qualify for the exemption and credit, a phosphate or other solid mineral severance, mining, or processing operation must create “new Florida jobs” as defined in this bill.

If approved by the Governor, these provisions take effect July 1, 1999.

Vote: Senate 40-0; House 112-2

CS/HB 221 — Sales Tax Exemption for Coins, Currency and Bullion

by Financial Services Committee and Rep. Trovillion and others (SB 132 by Senators Klein, Laurent and Bronson)

This bill provides a sales and use tax exemption for coins or currency transactions over \$500 when the coins or currency are sold for amounts in excess of their face value. This bill also provides for a sales tax exemption for gold, silver, and/or platinum bullion transactions over \$500. This bill also provides an exemption for all U.S. coins.

If approved by the Governor, these provisions take effect July 1, 1999.

Vote: Senate 37-1; House 112-4

HB 269 — Lead-acid Battery Fee

by Rep. Albright (SB 1122 by Senator Silver)

This bill limits the \$1.50 lead-acid battery fee currently assessed on every retail sale of these batteries to new or remanufactured batteries so that it will only be imposed one time on any battery. The Water Quality Assurance Trust Fund is held harmless.

If approved by the Governor, these provisions take effect October 1, 1999.

Vote: Senate 40-0; House 112-2

SB 290 — Community Contribution Tax Credit

by Senators Horne and Webster

This bill amends ss. 220.183 and 624.5105, F.S., increasing the Community Contribution Tax Credit from \$5 million to \$10 million.

If approved by the Governor, these provisions take effect July 1, 1999.

Vote: Senate 38-1; House 118-0

CS/CS/HB 291 — Additional Homestead Exemption

by General Government Appropriations Committee; Real Property & Probate Committee and Rep. Villalobos and others (CS/SB 184 by Fiscal Resource Committee; and Senator Diaz-Balart and others)

This bill authorizes counties and municipalities to enact, by ordinance, an additional homestead exemption of up to \$25,000 for homeowners 65 and over whose household incomes do not exceed \$20,000. It provides for the household income threshold to be indexed to the cost of living.

If approved by the Governor, these provisions take effect July 1, 1999.

Vote: Senate 40-0; House 118-0

HB 317 — Sales Tax Exemption for Franchised Cable Television Companies; Prepaid Calling Cards - Point of Sale

by Rep. Gay (CS/SB 1200 by Regulated Industries Committee and Senator Sullivan)

This bill creates a statutory exemption for franchised cable television companies from the taxation on leases, rentals and licenses for use of public and private rights-of-way. In addition, it extends the exemption to cover attachments related to providing wireless services. This bill also provides that the sales tax on prepaid calling cards will be assessed at the point of sale of the card instead of at the time of usage.

If approved by the Governor, these provisions take effect July 1, 1999.

Vote: Senate 39-0; House 114-0

CS/HB 397 — Sales Tax Exemption for Labor and Repair on Certain Machinery and Equipment

by Business Development & International Trade Committee and Rep. Feeney and others (CS/SB 992 by Fiscal Resource Committee and Senator Horne)

This bill provides a sales and use tax exemption for labor charges for the repair of industrial machinery and equipment which is used for manufacturing items of tangible personal property at a fixed location in Florida. The exemption would apply only to certain SIC codes that are the same codes as for the electricity exemption. The exemption is phased in over a four year period. Additionally, the exemption for electricity used in manufacturing is expanded to include the cigar industry.

If approved by the Governor, these provisions take effect July 1, 1999.

Vote: Senate 40-0; House 113-2

HB 537 — Sales Tax Rate Reduction for Food and Beverage Vending Machines

by Rep. Hart and others (CS/SB 818 by Fiscal Resource Committee and Senator Sullivan)

This bill creates a unified sales tax rate for food and beverages sold through a vending machine by setting the divisor for both food and beverages at the current rate for food.

If approved by the Governor, these provisions take effect July 1, 1999.

Vote: Senate 37-0; House 109-4

HB 561 — Sales Tax Exemption for Nonprofit Organizations

by Rep. Fasano and others (SB 120 by Senator Grant; CS/SB 682 by Fiscal Resource Committee and Senator Webster; SB 700 by Senator Forman; SB 1388 by Senators Cowin and others; CS/SB 1818 by Fiscal Resource Committee and Senator Campbell; SB 2374 by Senator Cowin)

This bill provides a sales and use tax exemption for the following nonprofit organizations: all qualified veterans' organizations and their auxiliaries; nonprofit consumer credit counseling organizations that provides free services to disadvantaged clients; nonprofit sports authorities that are funded primarily by county or municipal governments; nonprofit organizations whose sole or primary function is to raise funds for another organization or organizations currently holding a consumer's certificate of exemption issued by the Department of Revenue; nonprofit water systems; nonprofit library cooperatives; rental or lease of skyboxes for college or high school football games when the charge for such rental is imposed by a nonprofit sponsoring organization; and works of art donated to educational institutions.

If approved by the Governor, these provisions take effect July 1, 1999, except as otherwise provided.

Vote: Senate 34-0; House 116-0

HB 643 — Sales Tax Exemption for Printing Supplies

by Rep. Dockery and others (CS/SB 952 by Fiscal Resource Committee and Senators Bronson, Forman, Latvala, Meek and Scott)

This bill creates a sales and use tax exemption for film, photographic paper, dyes used for embossing and engraving, artwork, typography, lithographic plates, and negatives when used by printers. The printing industry is defined by reference to SIC codes.

If approved by the Governor, these provisions take effect July 1, 1999.

Vote: Senate 37-0; House 117-0

CS/CS/SB 888 — Tax Administration

by Commerce & Economic Opportunities Committee; Fiscal Resource Committee; and Senator Horne

This bill is the Department of Revenue's annual proposal for making administrative changes to the tax laws. The proposals remove administrative burdens from taxpayers while increasing the efficiency of tax administration.

This bill creates s. 166.235, F.S., providing procedures and requirements for obtaining a refund for municipal service taxes collected in error. It amends s. 196.1975, F.S., allowing certain nonprofit homes for the aged to receive a property tax exemption. It makes several amendments to chapter 198, F.S., simplifying estate taxes for small estates. It amends ss. 199.106 and 201.165, F.S., intangible tax and documentary stamp tax, providing a credit for like taxes paid in another state. This bill amends s. 212.02, F.S., clarifying the conditions under which the sales tax does not apply to materials used in repairing a motor vehicle, airplane, or boat, and it makes several revisions in sections of chapter 212, F.S., relating to penalties for failure to file tax returns, false or fraudulent returns, or willful destruction of records with intent to evade payment of tax. Sections 212.07 and 212.18, F.S., are amended to require sales tax resale certificates to be issued annually to active dealers, and provide a mechanism by which sellers can verify the validity of resale certificates. Section 212.08, F.S., is amended, revising the sales tax exemption for electricity or steam used to operate machinery or equipment, and making changes in the law concerning motor vehicle purchases by out-of-state buyers. Tax collection and enforcement provisions in chapter 213, F.S. are amended.

Section 220.03, F.S., is amended to update the corporate income tax statute, and s. 220.151, F.S., is amended to allow citrus processing corporations to apportion their

income on the basis of their sales. Sections 220.21, 220.221, and 220.222, F.S., are amended to authorize filing corporate returns electronically. Sections 193.052 and 199.052, F.S., are amended to authorize filing tangible and intangible personal property taxes electronically. Section 443.163, F.S., is created to authorize electronic filing of unemployment compensation reports.

This bill provides procedures for certain downtown development districts to amend their boundaries.

If approved by the Governor, these provisions take effect upon becoming law, except as otherwise provided.

Vote: Senate 39-0; House 116-1

HB 1119 — Sales Tax Exemption for Certain Private Equity Clubs
by Rep. Sembler (CS/SB 970 by Fiscal Resource Committee and Senator Myers)

This bill creates a sales tax exemption for the membership interest in a private equity club.

If approved by the Governor, these provisions take effect July 1, 1999.

Vote: Senate 23-12; House 76-32

SB 1296 — Sales Tax Exemption on Manufactured Asphalt
by Senators Sullivan and Meek

This bill provides a 20 percent sales and use tax exemption on manufactured asphalt used in any state or local public works project.

If approved by the Governor, these provisions take effect July 1, 1999.

Vote: Senate 40-0; House 119-0

SB 1330 — Sales Tax Exemption for Advertising
by Senators Latvala, Clary, Casas, Childers, Saunders, Bronson and Dyer

This bill provides a sales and use tax exemption for certain items of tangible personal property when they are either: sold to an advertising agency acting as an agent for its client; produced or created by the advertising agency for its client and used in the performance of advertising services for its client; or sold by the advertising agency to its client in the performance of advertising services for its client.

If approved by the Governor, these provisions take effect July 1, 1999.

Vote: Senate 39-0; House 119-0

CS/SB 1502 — Sales Tax Exemption for Certain Food and Drink Concessions

by Fiscal Resource Committee and Senators Gutman, Hargrett, Childers, Grant, Cowin and Diaz-Balart

This bill revises the application of the sales and use tax exemption for property leased, subleased, licensed, or rented to a person providing food and drink concessionaire services to include both publicly and privately owned convention halls, exhibition halls, auditoriums, stadiums, theaters, arenas, civic centers, performing arts centers, and recreational facilities.

If approved by the Governor, these provisions take effect July 1, 1999.

Vote: Senate 38-1; House 118-0

CS/SB 1846 — Diesel Fuel Tax Refund for Certain Motor Coaches

by Fiscal Resource Committee and Senator Sebesta

This bill provides certain motor coach owners with a diesel fuel tax refund on fuel purchased and consumed in Florida by a “qualified motor coach” when the engine is idling to run climate control and electrical systems. In order to qualify, a motor coach must have the capacity to measure diesel fuel consumed in Florida during idling, separate from diesel fuel consumed to propel the vehicle in Florida, by way of an on-board computer. This bill limits the refund to once a year and provides that the refund must be offset by sales tax due under chapter 212 on the price of the diesel fuel, net of the diesel fuel tax paid.

If approved by the Governor, these provisions take effect January 1, 2000.

Vote: Senate 38-1; House 116-3

CS/SB 2028 — Sales Tax Exemption on NASA/DOD Contracts

by Fiscal Resource Committee and Senators Webster, Bronson, Kurth and Sullivan

This bill creates a sales tax exemption for tangible personal property that is used or consumed in NASA or defense contracts where title to the property vests in the government under the contract. The exemption is phased in over a five year period.

If approved by the Governor, these provisions take effect July 1, 1999.

Vote: Senate 35-0; House 118-0