

HB 237 — Sales Tax Holiday and Motor Fuel Tax Holiday

by Rep. Kilmer and others (CS/SB 244 and 1566 by Finance and Taxation Committee and Senators Cowin, Webster, Fasano, Crist, and Haridopolos)

The bill provides that no sales and use tax will be collected on sales 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 24, 2004, through midnight on Sunday, August 1, 2004. The bill also provides that no sales and use tax shall be collected on sales of school supplies having a selling price of \$10 per item or less during that same period of time. The Department of Revenue may adopt rules to administer the provisions of the sales tax holiday. The sum of \$206,000 is appropriated from the General Revenue Fund to the Department of Revenue for the purpose of administering the sales tax holiday.

The bill creates the “Florida Motor Fuel Tax Relief Act of 2004,” which reduces the sales tax rate on motor fuel, as identified in s. 206.41(1)(g), F.S., by 8 cents per gallon for the month of August, 2004. This is accomplished by reducing the current state motor fuel tax rate from 20.05 cents per gallon to 12.05 cents per gallon for that period. The bill provides legislative intent that the tax reduction be passed on to the consumer and provides that the Attorney General may investigate violations of the act. The bill provides that it is a felony of the third degree for sellers of motor fuel to retain any part of the tax reduction. The Office of Statewide Prosecution is granted authority to investigate and prosecute violations of the act. Persons who violate the act will lose their license to sell motor fuel in Florida. The Department of Revenue may adopt rules to administer the provisions of the motor fuel tax holiday. The sum of \$310,000 is appropriated from the General Revenue Fund to the Department of Revenue for the purpose of developing and implementing a public awareness campaign for and administering the motor fuel tax holiday.

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

Vote: Senate 34-4; House 107-8

CS/SB 2444 — Property Tax Administration

by Finance and Taxation Committee and Senator Margolis

This bill makes several changes in the statutes relating to property tax administration.

Section 1

Increases the length of time, from 10 days to 15 days before a value adjustment board hearing, that evidence must be provided by a petitioner to the board. The property appraiser’s evidence must be provided no later than 7 days before the hearing if the petitioner provides his or her

required information and if the petitioner requests the property appraiser's evidence in writing. If the property appraiser does not timely provide his or her evidence, the hearing will be rescheduled.

Section 2

Requires that a petitioner to the value adjustment board be notified 25 days before the scheduled appearance, instead of 20 days.

Section 3

Allows the Department of Revenue to change its current manual of instructions for property appraisers to include all settled court decisions and to update the guidelines for technical changes and other changes in assessment practices.

Section 4

Repeals s. 373.516, F.S., an obsolete provision that requires the governing board of the South Florida Water Management District to assess benefits to rights-of-way of railroads at \$4,000 per mile.

Section 5

Creates s. 689.261, F.S., to require that a purchaser of residential property be notified that the property will be re-assessed following the sale, which may result in the taxes being higher than the taxes levied in the current year. This disclosure summary must be attached to the contract for sale at or before executing the contract for sale, unless a substantially similar disclosure is included in the contract for sale. The bill provides the form with which the disclosure summary must substantially comply.

Section 6

Creates s. 193.017, F.S., to provide requirements for assessing property that is subject to a low-income housing tax credit. This new provision is substantially identical to ss. 420.5093(5) and (6), and 420.5099(5) and (6), F.S. This section provides that the tax credits granted and the financing generated by the tax credits may not be considered as income to the property, the actual rental income from rent-restricted units in such a property shall be recognized by the property appraiser, and any costs paid for by tax credits and costs paid for by additional financing proceeds received under ch. 420, F.S., may not be included in the valuation of the property. Furthermore, if an extended low-income housing agreement is filed in the official public records of the county in which the property is located, the agreement must be considered a land-use regulation and a limitation on the highest and best use of the property during the term of the agreement, amendment, or supplement.

Section 7

Allows a person other than the property owner to contest the valuation of property if that person is responsible for the entire property tax payment pursuant to a contract and has the written consent of the property owner. It also specifies that the tax collector shall be the defendant in legal challenges related to applications for tax deeds, but not challenges regarding the deeds themselves.

Section 8

This section defines “contiguous” for purposes of notifying owners of contiguous property before a tax deed is granted on a parcel, and clarifies that submerged sovereignty lands are not considered contiguous property under this requirement. It also provides that the search of public records required by law to locate owners of contiguous property shall be by direct and inverse search. This section also streamlines the process by which property available for taxes escheats to the county where it is located, by providing self-executing cancellation of all tax certificates, taxes, and other liens including governmental liens.

Section 9

Allows the tax collector to contract for higher limits of liability than are allowed under s. 627.7843(3), F.S., for title or abstract companies that perform title searches or abstracts required to issue tax deeds. This section also streamlines the process by which property available for taxes escheats to the county where it is located, by providing self-executing cancellation of all tax certificates, taxes, and other liens including governmental liens.

Section 10

Amends s. 193.501, F.S., to clarify that when land development rights have been restricted or conservation restrictions have been covenanted for land used for an outdoor recreational purpose, normal use and maintenance of the land shall not be restricted.

Section 11

Amends s. 1011.62, F.S., to direct the Department of Revenue to use the assessed value of residential parcels subject to Save Our Homes in its certification of level of assessment for equalizing required local effort. (Current practice is to use the just value of these parcels.)

Section 12

Directs the department to use the new methodology for the 2004 levels of assessment and thereafter, and ratifies previous certifications using the old methodology.

If approved by the Governor, these provisions take effect January 1, 2005.

Vote: Senate 39-0; House 115-1

SB 1826 — Corporate Income Tax Update

by Senator Margolis

Senate Bill 1826 updates the Florida Income Tax Code to reflect changes in the U.S. Internal Revenue Code enacted by Congress since January 1, 2003. This definition provides for “piggybacking” each change made during 2003 in the Internal Revenue Code. This bill will effectively adopt the provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003, which was enacted by Congress on May 18, 2003, after the adjournment of the 2003 Florida Legislative Session. This act raised the bonus depreciation amount from 30 percent, as provided by the Federal Job Creation and Worker Assistance Act of 2002 (P.L.107-147) and adopted by the Florida Legislature in ch. 2002-395, L.O.F., to 50 percent for qualified investments made after May 5, 2003. It also extended the cutoff date for investments to qualify for bonus depreciation from September 11, 2004 to December 31, 2004.

If approved by the Governor, these provisions take effect upon becoming law and shall operate retroactively to January 1, 2004.

Vote: Senate 28-10; House 84-34

SB 3110 — Hardee County Economic Development Authority

by Senator Alexander

The bill creates the Hardee County Economic Development Authority (authority) in accordance with s. 211.3103(3)(b)3., F.S. The purpose of the authority is to solicit, rank, and fund projects that provide economic development opportunities and infrastructure within the geographic boundaries of Hardee County and to otherwise maximize the use of federal, local, and private resources as provided by s. 211.3103(5), F.S. The bill provides for membership and powers of the authority. In addition, the bill provides that the current rural area of critical economic concern distribution of the phosphate rock tax to Hardee County is to be distributed to the authority instead. The bill also provides application procedures for grants-in-aid from the authority.

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

Vote: Senate 40-0; House 106-12