

SB 1014 — Florida Corporate Income Tax Code Annual Update

by Senator Haridopolos

This bill updates the Florida Corporate Income Tax Code to reflect changes in the U.S. Internal Revenue Code enacted by Congress during 2006. This definition provides for “piggybacking” each change made during 2006 in the Internal Revenue Code.

If approved by the Governor, these provisions take effect upon becoming law and shall operate retroactively to January 1, 2007.

Vote: Senate 40-0; House 116-0

CS/SB 1456 — Sales Tax Holiday on Clothing and School Supplies

by the General Government Appropriations Committee and Senators Webster, Baker, Fasano, Lynn, and Crist

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. August 4, 2007, through midnight, August 13, 2007. 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.

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

Vote: Senate 40-0; House 114-0

CS/SB 2482 — Tax Administration

by Finance and Tax Committee and Senator Haridopolos

CS/SB 2482 is the Department of Revenue’s annual tax administration bill. The bill improves the administration and enforcement of our tax laws and eases taxpayer compliance. Specifically, the bill:

- Authorizes the Department of Revenue (DOR) to waive the service fee for dishonored tax payments.
- Allows homeowners who lost their homes in the 2004 hurricanes to keep their homestead status if they begin rebuilding by January 1, 2008.
- Provides relief for persons whose primary residence was damaged by the tornadoes which struck Florida on December 25, 2006, and February 2, 2007, by reimbursing up to \$1,500 of property taxes levied on storm-damaged homesteads as well as reimbursing up to \$1,500 of sales tax paid on the purchase or replacement of certain mobile homes.

- Reduces electronic filing thresholds from \$30,000 to \$20,000.
- Allows DOR to issue temporary motor fuel licenses during a declared state of emergency or a declared disaster.
- Provides that property owned by a limited liability company, the sole member of which is an exempt entity, is treated as if the property were owned directly by the exempt entity.
- Requires the property appraiser to set forth the specific requirements an applicant failed to meet in order to qualify for an exemption and to set forth the specific reasons the applicant was determined to have failed to meet such requirements. If the property appraiser's notification fails to comply with the requirements, the denial is invalid.
- Provides that property owned by an exempt entity will be deemed to be used for religious purposes if the institution has taken affirmative steps to prepare the property for use as a house of public worship.
- Clarifies the procedures for DOR to administer resale certificates issued to dealers under the communications services tax.
- Requires DOR to make adjustments to the proceeds of the communications services tax distributed under s. 202.18, F.S., that are necessary to reflect the proper amounts due to individual jurisdictions or trust funds.
- Removes the requirement that personal representatives of deceased Floridians file zero estate tax returns during the period that the federal Economic Growth and Tax Relief Reconciliation Act of 2001 is in effect, eliminating an estimated 6,000 estate tax returns annually.
- Authorizes DOR to issue a credit or refund for an overpayment of insurance premium tax when DOR determines a credit or refund is due, even when a refund has not been requested by the taxpayer.
- Clarifies that separately stated delivery charges that can be avoided at the option of the purchaser is exempt from sales and use tax, which according to DOR, is currently exempt under DOR rule.
- Authorizes the department's General Tax Administration program to disclose taxpayer information to the Department's Child Support Enforcement (CSE) program for purposes of administering the CSE program. The taxpayer information will continue to remain confidential in the CSE program.
- Directs DOR to work with Florida banks to develop a pilot program for identifying account holders with tax liens.
- Adds language to the criminal provisions for tax payments made by electronic funds transfer that covers prima facie intent and identity when an electronic transfer to DOR is used and either not honored or refused because the taxpayer, knowingly at the time of the transaction, does not have sufficient funds on deposit or credit with the financial institution.

- Establishes the process for documenting a taxpayers' intentional failure or refusal to register and collect sales tax and create a penalty scale from a misdemeanor to first degree felony charge, depending on the amount of uncollected tax, for a taxpayers' repeated or continued failure or refusal to register and collect tax after written notification from DOR.
- Authorizes DOR to bill Agency for Workforce Innovation for the full reimbursement of their indirect costs associated with the collection of UC taxes, instead of the current 10% cap. This results in a savings to the General Revenue Fund because the reimbursement from AWI is made from federal funds. Under current law, costs above the 10% cap came from the General Revenue Fund. (FY 2005-06 costs were 19.8%).

If approved by the Governor, except as otherwise expressly provided in this act, this act shall take effect July 1, 2007.

Vote: Senate 39-0; House 113-0

