

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA
APPROPRIATIONS SUBCOMMITTEE ON FINANCE AND
TAX
Senator Hukill, Chair
Senator Ring, Vice Chair

MEETING DATE: Wednesday, January 23, 2013
TIME: 1:30 —3:30 p.m.
PLACE: *Mallory Horne Committee Room, 37 Senate Office Building*

MEMBERS: Senator Hukill, Chair; Senator Ring, Vice Chair; Senators Abruzzo, Altman, Brandes, Clemens, Diaz de la Portilla, Evers, Gardiner, Margolis, Sachs, and Simmons

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	Presentation of the Department of Revenue's 2013 Legislative Concepts		Presented

Other Related Meeting Documents

DEPARTMENT OF REVENUE
2013 LEGISLATIVE CONCEPTS
GENERAL TAX ADMINISTRATION

GENERAL TAX ADMINISTRATION

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GENERAL TAX ADMINISTRATION

CORPORATE INCOME TAX

CORPORATE INCOME TAX “PIGGYBACK”

Statutory Reference: Section 220.03, Florida Statutes

Current Situation: Florida uses portions of the Internal Revenue Code as the starting point in calculating Florida corporate income tax. Each year, the Legislature decides what portions of the new code should be adopted by Florida.

Proposed Change: The proposal would adopt the 2013 version of the Internal Revenue Code.

SALES & USE TAX

CRIMINAL STATUTE GLITCH LANGUAGE

Statutory Reference: Sections 212.07, 212.12 and 212.18, Florida Statutes

Current Situation: Recent amendments to the criminal penalties imposed on registration and collection violations do not specifically state the level of offense. Additionally, including the registration violation and the failure to collect violation with the violation for filing of false or fraudulent returns may be confusing.

Proposed Change: The proposal would specify that a person who willfully fails to register after receiving notice commits a third degree felony and will establish graduated offense degrees for failure to collect taxes after notice. This proposal would clarify these penalties by moving the “failure to register after notice” provision to s. 212.18, F.S., and moving the “failure to collect” provision to s. 212.07, F.S., which are the respective provisions of the statutes that deal with these issues. No new penalties are being created by this proposal.

**DELINQUENT TAXPAYERS:
SECURITY REQUIREMENTS FOR NEW REGISTRATIONS**

Statutory Reference: Section 212.14, Florida Statutes

Current Situation: Delinquent sales tax dealers are able to close down their business with tax liabilities, and to reopen under a new name. This allows the business operators who were in actual control of the business and responsible for non-payment to repeatedly fail to remit sales and use tax for successive businesses.

In these instances, Florida Statutes require businesses to provide a cash deposit, bond, or other security as a condition to register the new business. However, the current provision does not clearly apply to all of the individuals that were operating the prior business.

Proposed Change: The proposed statutory revision would clearly authorize the Department to require security for individuals or entities that are responsible for prior delinquent tax accounts when they seek to register new businesses.

REEMPLOYMENT TAX

STANDARD RATE FOR NON-COMPLIANCE WITH AUDIT RECORD REQUESTS

Statutory Reference: Section 443.131, Florida Statutes

Current Situation: Florida law provides a standard reemployment tax (RT) rate. However, many businesses earn a lower, preferential rate if they are in compliance. When not in compliance, the law permits the rate to increase to the standard rate. However, this “non-compliance” treatment does not clearly apply to situations where the taxpayer is not complying with records requests during audits.

Proposed Change: This proposal would permit employer’s rates to increase to the standard rate when the business fails to comply with audit records requests. Once the requested records are provided, the earned rate will be restored.

FLOATING INTEREST RATE FOR REEMPLOYMENT TAX

Statutory Reference: Section 443.141, Florida Statutes

Current Situation: Reemployment assistance tax contributions or reimbursements that are unpaid on the due date bear an interest rate of 1 percent per month (an effective rate of 12 percent). Other taxes that are administered by the Department have an interest rate of prime plus 4 percent, not to exceed an effective rate of one percent per month, adjusted twice per year.

Proposed Change: This proposal would reduce and make interest rate provisions for reemployment tax the same as other taxes administered by the Department.

ADMINISTRATION

“ZAPPERS”

Statutory Reference: Section 213.295, Florida Statutes

Current Situation: Automated sales suppression devices or “zappers” are software programs that falsify the records of electronic cash registers and other point-of-sale systems. This technology allows dealers to fraudulently create a virtual second set of records in order to evade state and federal taxes. In the case of sales tax this results in the theft of taxes collected from citizens.

Proposed Change: This proposal would make it illegal to sell, purchase, install, transfer or possess sales suppression software or devices.

IDENTITY CONFIRMATION

Statutory Reference: Section 322.142, Florida Statutes

Current Situation: Currently, the Department tax staff does not have a way to verify the identity of business owners prior to visiting businesses. This situation makes it difficult for staff to ensure that the business owner is the person with whom staff is working during field visits.

Proposed Change: This proposal would permit the Department’s tax collection employees access to driver license photos thus providing a means to verify the identity of business owners.

CLERKS OF THE COURT REMITTANCES – CONFORMING AMENDMENT

Statutory Reference: Section 213.13, Florida Statutes

Current Situation: In 2010, the Legislature changed the remittance date for funds collected by the Clerks of the Court from the 20th to the 10th day of the month immediately after the month in which the funds are collected. The provision in Section 213.13, Florida Statutes, regarding electronic remittance and distribution of funds by the Clerks of the Court was not updated in the legislation.

Proposed Change: This proposal would amend Section 213.13, Florida Statutes, concerning electronic remittance and distribution of funds from the 20th to the 10th, to conform and be consistent with the 2010 legislation.

INCREASE COMPROMISE AUTHORITY

Statutory Reference: Section 213.21, Florida Statutes

Current Situation: The current statute allows the Executive Director to enter into a closing agreement compromising tax if there is a “doubt as to liability” or “doubt as to collectability” of the tax assessed. The statute limits the Department’s compromise authority to reduce the tax by \$250,000 or less.

Proposed Change: This proposal would amend Section 213.21, Florida Statutes, to allow the Executive Director to compromise tax up to \$500,000.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Military Affairs, Space, and Domestic Security, *Chair*
Appropriations Subcommittee on Criminal and
Civil Justice
Appropriations Subcommittee on Finance and Tax
Children, Families, and Elder Affairs
Criminal Justice
Environmental Preservation and Conservation

JOINT COMMITTEE:
Joint Committee on Public Counsel Oversight

SENATOR THAD ALTMAN
16th District

January 22, 2013

The Honorable Dorothy L. Hukill, Chair
Senate Appropriations Subcommittee on Finance and Tax
210 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399

Dear Chairwoman Hukill:

I respectfully request an excused absence for the Appropriations Subcommittee on Finance and Tax meeting on January 23rd, 2013 at 1:30 PM. Please contact me or my Legislative Assistant Rick Kendust if you have any questions.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Thad Altman".

Thad Altman

CC: Jose Diez-Arguelles, Staff Director, 201 The Capitol

A handwritten signature in cursive script that reads "Dorothy L. Hukill".

REPLY TO:

- 6767 North Wickham Road, Suite 211, Melbourne, Florida 32940 (321) 752-3138
- 314 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5016

Senate's Website: www.flsenate.gov

DON GAETZ
President of the Senate

GARRETT RICHTER
President Pro Tempore

CourtSmart Tag Report

Room: LL 37

Case:

Caption: Appropriations Subcommittee on Finance and Tax

Type:

Judge:

Started: 1/23/2013 1:32:44 PM

Ends: 1/23/2013 2:06:06 PM

Length: 00:33:23

1:32:45 PM Sen, Hukill - Meeting called to order
1:32:56 PM
1:32:57 PM Quorum
1:33:18 PM Sen. Hukill
1:34:15 PM Marshall Stranburg -Interim Executive Director, Department of Revenue, Presentation
1:35:20 PM Sen. Clemens - Question
1:35:27 PM Marshall Stranburg
1:35:42 PM Sen. Hukill
1:35:49 PM Jose Diez-Arguelles, Staff Director, Finance and Tax
1:36:11 PM Marshall Stranburg
1:37:25 PM Sen. Hukill
1:37:28 PM Marshall Stranburg
1:38:38 PM Sen. Hukill
1:38:41 PM Marshall Stranburg
1:40:05 PM Sen. Hukill
1:40:09 PM Marshall Stranburg
1:41:30 PM Sen. Hukill
1:41:34 PM Marshall Stranburg
1:42:55 PM Sen. Hukill - Question
1:43:08 PM Marshall Stranburg
1:43:48 PM Sen. Clemens - Question
1:43:53 PM Marshall Stranburg
1:44:36 PM Sen. Hukill
1:44:39 PM Marshall Stranburg
1:45:56 PM Sen. Hukill - Question
1:46:15 PM Marshall Stranburg
1:47:17 PM Sen. Hukill
1:47:22 PM Marshall Stranburg
1:49:30 PM Sen. Margolis - Question
1:49:49 PM Marshall Stranburg
1:51:11 PM Sen. Margolis
1:51:23 PM Sen. Hurkill
1:51:32 PM Marshall Stranburg
1:53:00 PM Sen. Hukill
1:53:05 PM Sen. Margolis
1:53:10 PM Sen. Hukill
1:53:28 PM Marshall Stranburg
1:53:55 PM Sen. Hukill
1:54:06 PM Marshall Stranburg
1:54:19 PM Sen. Margolis
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1:57:36 PM Sen. Margolis
1:57:45 PM Marshall Stranburg
1:58:38 PM Sen. Margolis
1:59:24 PM Marshall Stranburg
2:00:12 PM Sen. Hukill
2:00:19 PM Sen. Sachs - Question

2:01:55 PM Marshall Stranburg
2:04:20 PM Sen. Sachs
2:05:13 PM Sen. Hukill
2:06:06 PM Adjourn