

THE FLORIDA SENATE
2014 SUMMARY OF LEGISLATION PASSED
Committee on Appropriations

HB 5601 — Economic Development

by Finance and Tax Subcommittee; and Rep. Workman and others

The bill (Chapter 2014-38, L.O.F.) creates three temporary “tax holiday” periods during which sales of certain goods will be exempt from the sales tax:

- A three-day “back to school” holiday, beginning August 1, 2014, and ending August 3, 2014. During the holiday, the following items are exempt from the state sales tax and county discretionary sales surtaxes:
 - Clothing, footwear, wallets, and bags that cost \$100 or less.
 - School supplies that cost \$15 or less per item.
 - The first \$750 of the sales price for personal computers and related accessories purchased for noncommercial home or personal use, including tablets, laptops, monitors, input devices, and nonrecreational software.
- A nine-day hurricane supplies holiday, for the period beginning on May 31, 2014, and ending on June 8, 2014. During the holiday, the following items are exempt from the state sales tax and county discretionary sales surtaxes:
 - A portable self-powered light source selling for \$20 or less.
 - A portable self-powered radio, two-way radio, or weather band radio selling for \$50 or less.
 - A tarpaulin or other flexible waterproof sheeting selling for \$50 or less.
 - A self-contained first-aid kit selling for \$30 or less.
 - A ground anchor system or tie-down kit selling for \$50 or less.
 - A gas or diesel fuel tank selling for \$25 or less.
 - A package of AA-cell, C-cell, D-cell, 6-volt, or 9-volt batteries, excluding automobile and boat batteries, selling for \$30 or less.
 - A nonelectric food storage cooler selling for \$30 or less.
 - A portable generator selling for \$750 or less.
 - Reusable ice selling for \$10 or less.
- A three-day energy efficient products holiday for the period beginning on September 19, 2014, and ending on September 21, 2014, for the first \$1,500 of the sales price for a new ENERGY STAR product or WaterSense product.

The bill:

- Reduces the sales tax rate on electricity purchases and creates an additional gross receipts tax on electricity purchases that are subject to sales tax, effective July 1, 2014. The effect of these changes is to provide a small tax reduction to purchasers of electricity and to create additional revenue for construction and maintenance of educational facilities.
- Creates a three-year sales tax exemption for cement mixing drums, effective July 1, 2014.
- Creates a permanent sales tax exemption for child restraint systems and booster seats for use in motor vehicles, effective July 1, 2014.
- Creates a permanent sales tax exemption for bicycle helmets marketed for use by youth, effective July 1, 2014.

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- Creates a permanent sales tax exemption for therapeutic pet foods available through a licensed veterinarian, effective July 1, 2014.
- Creates a permanent sales tax exemption for college meal plans, effective July 1, 2014.
- Expands the amount of credits available under the New Markets Tax Credit program, effective July 1, 2014.
- Delays the repeal of the Community Contributions Tax Credit program for one year and increases the credits available for affordable housing, effective July 1, 2014.
- Amends the statutory definition of “prepaid calling arrangement” to provide that certain prepaid mobile communications services are subject to state and local sales taxes instead of state and local communications services taxes, effective July 1, 2014.
- Allows sales tax dealers to receive credits or refunds of sales taxes paid on purchases made with uncollectable private-label credit card accounts, effective July 1, 2014.
- Revises the calculation of the premium tax imposed on bail bond premiums so that the tax rate is applied only to the amount of the premium received by the insurance company, excluding amounts retained by the bail bondsman, effective January 1, 2015.
- Revises the calculation of the premium tax imposed on title insurance premiums so that the tax rate is applied only to any portion of the title insurance premium retained by a title insurance agent or agency, effective January 1, 2015.
- Increases cigarette tax revenue distributed to the Moffitt Cancer Center.
- Allows a local government to repeal or reduce local business taxes without establishing an equity study commission.
- Clarifies tourist development tax information sharing requirements to protect the identity of individual taxpayers.

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

Vote: Senate 37-0; House 114-0