

Committee on Appropriations Subcommittee on Finance and Tax

HJR 7001 — Supermajority Vote for State Taxes or Fees

by Ways and Means Committee and Reps. Leek and others (SJR 1742 by Senator Stargel)

HJR 7001 proposes an amendment to the State Constitution providing that no state tax or fee may be imposed, authorized, raised by the legislature, or authorized by the Legislature to be raised, except through legislation approved by two-thirds of the membership of each house of the legislature. The joint resolution also requires that any proposed state tax or fee imposition, authorization or increase must be contained in a separate bill that contains no other subject.

The joint resolution specifies that the proposed amendment does not authorize the imposition of any state tax or fee otherwise prohibited by the State Constitution, and does not apply to any tax or fee imposed by, or authorized to be imposed by, a county, municipality, school board, or special district.

The amendment proposed in the joint resolution will take effect on January 8, 2019, if approved by sixty percent of the voters during the 2018 general election or earlier special election.

If approved by the voters, these provisions take effect January 8, 2019.

Vote: Senate 25-13; House 80-29

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HB 7093 — Corporate Income Tax

by Ways and Means Committee; and Rep. Renner (CS/SB 502 by Appropriations Committee and Senator Stargel)

The bill adopts provisions of the Internal Revenue Code in effect on January 1, 2018, for purposes of Florida's corporate income tax; however, the bill decouples from the bonus depreciation provisions of the Tax Cuts and Jobs Act of 2017. A taxpayer must add back the bonus depreciation amount deducted in the first year but is allowed to subtract one-seventh of the amount from Florida taxable income over seven years.

The bill provides that, if Fiscal Year 2018-2019 corporate income tax receipts exceed the corporate income tax estimate by more than seven percent, the amount over seven percent must be refunded to taxpayers, and the corporate income tax rate is decreased for taxable years beginning on or after January 1, 2019, but before January 1, 2020.

The bill requires the Department of Revenue to study the effects of the Tax Cuts and Jobs Act of 2017 on Florida's corporate income tax structure and revenues. The department is required to hold public workshops, receive public input, and file reports with the Legislature and Governor.

If approved by the Governor, these provisions take effect upon becoming law and operate retroactively to January 1, 2018.

Vote: Senate 25-11; House 81-26