

## Budget Subcommittee on Finance and Tax

### **CS/SJR 958 — State Revenue Limitation**

by Budget Subcommittee on Finance and Tax; Budget Subcommittee on Finance and Tax; and Senators Bogdanoff, Alexander, Gaetz, Negron, Hays, Evers, Bennett, and Richter

This joint resolution amends s. 1, Art. VII and creates s.19, Art. VII and s. 32, Art. XII, State Constitution. The joint resolution:

- Replaces the existing state revenue limitation based on Florida personal income growth with a new state revenue limitation based on changes in population and inflation.
- Requires excess revenues to be deposited into the Budget Stabilization Fund, used to support public schools by reducing property taxes used to fund education, or returned to the taxpayers.
- Adds fines and revenues used to pay debt service on bonds issued after July 1, 2012 to the state revenues subject to the limitation.
- Authorizes the Legislature to increase the revenue limitation by a supermajority vote.
- Authorizes the Legislature to place a proposed increase of the revenue limitation before the voters, requiring approval by 60 percent of the voters.

The proposed amendment will be submitted to the electors at the general election in 2012.

If approved by the electors, these provisions will first apply to the 2014-2015 state fiscal year.

*Vote: Senate 27-13; House 78-40*

## Budget Subcommittee on Finance and Tax

### **CS/HB 7185 — Corporate Income Tax**

by Economic Affairs Committee; Finance and Tax Committee; and Reps. Precourt and others (CS/CS/SB 1998 by Budget Committee; Budget Subcommittee on Finance and Tax; and Senators Alexander and Bogdanoff)

The bill updates the Florida Income Tax Code to adopt the federal Internal Revenue Code in effect on January 1, 2011, but expressly excludes the increases in depreciation and expensing deductions provided in federal legislation adopted in 2010. For the increased deductions, the bill allows Florida corporations to get the benefit by spreading the deductions over a 7-year period.

The bill also increases the corporate income tax exemption from \$5,000 to \$25,000.

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

*Vote: Senate 110-5; House 39-0*