

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

MEETING DATE: Thursday, January 9, 2014
TIME: 4:00 —6:00 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 2014 Legislative Concepts		Presented

Other Related Meeting Documents

**DEPARTMENT OF REVENUE
2014 LEGISLATIVE CONCEPTS**

ADMINISTRATIVE

*Confidentiality of Data Security Information..... 1

GENERAL TAX ADMINISTRATION

Corporate Income Tax "Piggyback" 2
Criminal Statute "Glitch" Language 2
Delinquent Taxpayers: Security Requirement for New Registrations..... 3
Floating Interest Rate for Reemployment Tax..... 3
*Extension of Employer Protest Period 4
Standard Rate for Non-Compliance with Audit Record Requests 4
"Zappers" 4
Clerks of the Court Remittances – Conforming Amendment..... 5
Increase Compromise Authority 5

PROPERTY TAX OVERSIGHT

*Classified Use Properties – Procedural Review..... 5

*New Issue for 2014

ADMINISTRATIVE

CONFIDENTIALITY OF DATA SECURITY INFORMATION

STATUTORY REFERENCE: Section 282.318, Florida Statutes

CURRENT SITUATION: Current law provides that certain data security information such as internal policies and procedures, audits, risk analysis information, etc., is confidential and exempt from the public record requirements of s. 119.07(1), F.S. A recent public records request has revealed that other data security information does not have the same protection.

PROPOSED CHANGE: The proposal would make Information security documents and related technical information confidential and exempt from the provisions of s. 119.07(1), F.S.

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 2014 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

FLOATING INTEREST RATE FOR REEMPLOYMENT TAX

STATUTORY REFERENCE: Section 443.141, Florida Statutes

CURRENT SITUATION: Reemployment tax contributions or reimbursements that are unpaid on the due date bear an interest rate of one percent per month (an effective rate of 12 percent). Other taxes that are administered by the Department have an interest rate of prime plus four percent, not to exceed an effective rate of one percent per month. The interest rate is adjusted twice per year and is currently seven percent.

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

EXTENSION OF EMPLOYER PROTEST PERIOD

STATUTORY REFERENCE: Section 443.141, Florida Statutes

CURRENT SITUATION: In 1996, the protest periods for reemployment tax rate notices and bills for benefit reimbursements were increased to 20 days. However the protest period for reemployment tax assessments was not increased and remains at 15 days.

PROPOSED CHANGE: This proposal would increase to 20 days the protest period for reemployment tax assessments. This will align the assessment protest period with other reemployment tax actions.

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.

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.

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.

PROPERTY TAX OVERSIGHT

CLASSIFIED USE PROPERTIES – PROCEDURAL REVIEW

STATUTORY REFERENCE: Section 195.096, Florida Statutes

CURRENT SITUATION: The Department is required by law to study the level of assessment of all classifications of property that comprise at least five percent of the assessed value in each county. Currently, there are only 22 predominantly rural counties where classified use properties such as agricultural, historical or high-water recharge properties are reviewed because of the five percent threshold.

PROPOSED CHANGE: The proposal would replace the requirement for a level of assessment review on classified use properties with a procedural review of property appraiser practices to ensure equity and uniformity.

CourtSmart Tag Report

Room: LL 37
Case: Senate Appropriations Finance and Taxation

Type:
Judge:

Started: 1/9/2014 4:04:11 PM
Ends: 1/9/2014 4:43:33 PM **Length:** 00:39:23

4:04:37 PM	Call to Order/Attendance
4:04:46 PM	Senator Hukill
4:05:01 PM	Marshall Stranburg, Exec. Director, Department of Revenue
4:07:52 PM	Senator Hukill
4:07:58 PM	Senator Margolis
4:08:24 PM	Senator Hukill
4:08:44 PM	Senator Margolis
4:08:51 PM	Marshall Stranburg
4:11:53 PM	Senator Hukill
4:12:00 PM	Senator Evers
4:12:13 PM	Marshall Stranburg
4:12:32 PM	Senator Evers
4:12:38 PM	Marshall Stranburg
4:13:29 PM	Senator Evers
4:13:40 PM	Marshall Stranburg
4:13:53 PM	Senator Evers
4:14:04 PM	Marshall Stranburg
4:14:34 PM	Senator Evers
4:15:11 PM	Marshall Stranburg
4:15:50 PM	Senator Evers
4:17:08 PM	Marshall Stranburg
4:17:52 PM	Senator Evers
4:18:21 PM	Senator Hukill
4:18:35 PM	Marshall Stranburg
4:18:53 PM	Senator Altman
4:19:12 PM	Marshall Stranburg
4:20:09 PM	Senator Hukill
4:20:16 PM	Senator Altman
4:20:21 PM	Senator Hukill
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4:27:36 PM	Marshall Stranburg
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4:32:02 PM	Senator Hukill
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4:34:37 PM	Marshall Stranburg
4:35:13 PM	Senator Evers
4:36:01 PM	Marshall Stranburg
4:39:03 PM	Senator Evers
4:39:52 PM	Marshall Stranburg
4:40:01 PM	Senator Evers
4:40:17 PM	Marshall Stranburg
4:42:51 PM	Senator Hukill
4:43:28 PM	Adjourn

THE FLORIDA SENATE

Senator Maria Lorts Sachs
Minority Leader Pro Tempore
District 34

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Vice Chair

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Education

Appropriations
Subcommittee on
Finance and Tax

Military Affairs, Space,
and Domestic Security

Regulated Industries

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Matthew Damsky
Legislative Assistant

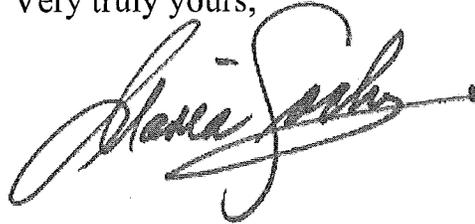
January 8, 2014

The Honorable Dorothy Hukill
210 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1100

Dear Chair Hukill,

I will not be able to attend the Appropriations Subcommittee on Finance and Tax meeting taking place at 4:00 PM on January 9th, 2014, due to unfavorable weather conditions and cancellation of my plane flight.

Very truly yours,



Senator Maria Sachs
District 34



CC: Jose Diez-Arguelles, *Staff Director*



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Governmental Oversight and Accountability, *Chair*
Appropriations Subcommittee on Finance and
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Appropriations
Appropriations Subcommittee on Transportation,
Tourism, and Economic Development
Banking and Insurance
Commerce and Tourism
Judiciary
Rules

JOINT COMMITTEES:
Joint Legislative Auditing Committee
Joint Select Committee on Collective Bargaining

SENATOR JEREMY RING
29th District

December 16, 2013

President Don Gaetz
409 Capitol
404 S. Monroe Street
Tallahassee, FL 32399-1100

Dear President Gaetz,

I am requesting to be excused from all Senate Business on January 9th and 10th due to my oldest son bar mitzvah taking place the weekend of January 11th

Thank you in advance for considering this request to be excused from all Senate business on these days due to this joyous occasion for our family. . Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in cursive that reads "Jeremy Ring".

Jeremy Ring
Senator District 29

CC: Debbie Brown, Secretary of the Senate

A handwritten signature in cursive, followed by the date "12-16-13" written below it.

REPLY TO:

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- 405 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5029

Senate's Website: www.flsenate.gov

DON GAETZ
President of the Senate

GARRETT RICHTER
President Pro Tempore