

**The Florida Senate**  
**COMMITTEE MEETING EXPANDED AGENDA**

**COMMERCE AND TOURISM**  
**Senator Detert, Chair**  
**Senator Abruzzo, Vice Chair**

**MEETING DATE:** Monday, February 3, 2014  
**TIME:** 4:00 —5:00 p.m.  
**PLACE:** *Toni Jennings Committee Room*, 110 Senate Office Building

**MEMBERS:** Senator Detert, Chair; Senator Abruzzo, Vice Chair; Senators Bean, Hays, Hukill, Margolis, Richter, Ring, Simpson, Stargel, and Thompson

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	<b>CS/SB 110</b> Military and Veterans Affairs, Space, and Domestic Security / Soto (Similar H 249)	Taxes on Businesses; Creating the "Florida Veterans Employment Act"; establishing a tax credit for the hiring of veterans; establishing an additional credit for the hiring of disabled veterans; authorizing the department to establish guidelines for qualifying credits; revising the order in which credits against the corporate income tax or franchise tax may be taken to include the hiring of veterans, etc.  MS 12/10/2013 Fav/CS CM 02/03/2014 Fav/CS AFT AP	Fav/CS Yeas 10 Nays 0
2	<b>SM 196</b> Margolis	Marketplace Fairness Act of 2013; Urging the House of Representatives to support passage of the Marketplace Fairness Act of 2013, etc.  CM 02/03/2014 Favorable RC	Favorable Yeas 10 Nays 0
3	<b>SB 330</b> Simmons (Identical H 231)	Admissions Tax; Revising the professional sporting events that are exempt from the admissions tax, etc.  CM 02/03/2014 Favorable CA AFT AP	Favorable Yeas 11 Nays 0
4	<b>SB 362</b> Bradley (Similar H 567)	Hurricane Preparedness; Providing an exemption from the sales and use tax for sales of certain tangible personal property for a certain period for certain purposes; providing for expiration; authorizing the Department of Revenue to adopt rules, etc.  CM 02/03/2014 Favorable AFT AP	Favorable Yeas 11 Nays 0

Other Related Meeting Documents

**COMMITTEE MEETING EXPANDED AGENDA**

Commerce and Tourism

Monday, February 3, 2014, 4:00 —5:00 p.m.

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TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
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An electronic copy of the Appearance Request form is available to download from any Senate committee page on the Senate's website, [www.flsenate.gov](http://www.flsenate.gov)

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**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Commerce and Tourism

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BILL: CS/CS/SB 110

INTRODUCER: Commerce and Tourism Committee, Military and Veterans Affairs, Space, and Domestic Security Committee, Senator Soto and others

SUBJECT: Corporate Income Tax

DATE: February 3, 2014      REVISED: \_\_\_\_\_

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Spaulding	Ryon	MS	Fav/CS
2. Askey	Hrdlicka	CM	Fav/CS
3. _____	_____	AFT	_____
4. _____	_____	AP	_____

**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

**I. Summary:**

CS/CS/SB 110 creates the “Florida Veterans Employment Act” to allow a business to qualify for a one-time corporate income tax credit of \$5,000 for each veteran the business hires. A business may qualify for an additional one-time \$5,000 corporate income tax credit for hiring a veteran with a service-connected disability.

There is a state-wide total limit of \$10 million per calendar year for these credits. The credits can be earned for veterans hired on or after January 1, 2015, and the credit will expire December 31, 2019.

**II. Present Situation:**

In the United States there are over 21 million living veterans, of which, over 1.6 million reside in Florida.<sup>1</sup> Florida is the state with the third largest veteran population. A person who has served in the active military and who has been honorably discharged or released from active duty under honorable conditions is eligible for a number of veterans’ benefits provided by the state of Florida.<sup>2</sup>

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<sup>1</sup> U.S. Census Bureau, Florida Quick Facts, <http://quickfacts.census.gov/qfd/states/12000.html>, last viewed January 17, 2014.

<sup>2</sup> Section 1.01(14), F.S.; see also Florida Department of Veterans’ Affairs, Benefits and Services, [http://floridavets.org/?page\\_id=9](http://floridavets.org/?page_id=9), last viewed January 27, 2014.

## Service-Connected Disabled Veterans

Florida also has the third largest population of disabled veterans in the nation.<sup>3</sup> The U.S. Department of Veterans Affairs (USDVA) is the federal agency tasked with making the official determination of the existence of a service-connected disability. The term “disabled veteran” is defined in the U.S. Code as an individual who has served on active duty in the armed forces, has been separated under honorable conditions, and has established the existence of a service-connected disability. Generally, a disabled veteran receives compensation, disability retirement benefits, or a pension pursuant to public statute administered by the USDVA or a military department.<sup>4</sup>

The term “service-connected” is further defined in the U.S. Code to mean that the disability or death suffered by the veteran was incurred or aggravated in the line of duty in active military, naval, or air service.<sup>5</sup> Veterans who have been determined by the USDVA to have a service-connected disability are eligible for monthly disability compensation. Disability compensation is a monetary benefit paid directly to the veteran by the USDVA. The amount of compensation varies with the degree of disability and the number of dependents the veteran has. After a medical examination, the USDVA assigns the veteran a disability rating in ten percent increments from 0 percent<sup>6</sup>-100 percent. This starts the process for which a disabled veteran is eligible to receive monthly disability compensation and certain USDVA medical benefits.<sup>7</sup> In 2012, the USDVA paid over \$3.3 billion in disability compensation to Florida veterans.<sup>8</sup>

The chart below shows the number of veterans in Florida by age range receiving disability compensation from the USDVA.<sup>9</sup>

**Veterans in Florida receiving disability compensation from the USDVA by age range (2012)**

	Under 45	Between 45-54	Between 55-74	Over 74	Total
<b>Service-connected disabled veteran</b>	23,193	77,936	124,359	46,749	272,168

There are instances in which a veteran’s service-connected disability is not determined by the USDVA. In this instance, the Department of Defense (DoD) would determine the existence of a disability and provide compensation to the veteran. This is the case when a service member acquires a medical condition or physical disability that renders him or her unfit to perform his or her required duties while on active duty. The service member may be separated or retired from the military for medical reasons. The process to determine medical fitness for continued duty involves the following two boards: the Medical Evaluation Board and the Physical Evaluation Board. The secretaries of the military departments have the authority to make the final

<sup>3</sup> Florida Department of Veterans’ Affairs, Fast Facts, [http://floridavets.org/?page\\_id=50](http://floridavets.org/?page_id=50), last viewed January 17, 2014.

<sup>4</sup> 5 USC § 2108(2).

<sup>5</sup> 38 USC § 101(16).

<sup>6</sup> A 0 percent disability rating means the USDVA has acknowledged a disability, but the disability is not severe enough to rate a monetary benefit. The disability can be reevaluated in the future if the disability worsens.

<sup>7</sup> Federal Benefits for Veterans, Dependents and Survivors, Chapter 1 Health Care Benefits [http://www.va.gov/opa/publications/benefits\\_book/benefits\\_chap01.asp](http://www.va.gov/opa/publications/benefits_book/benefits_chap01.asp), last viewed January 17, 2014; Federal Benefits for Veterans, Dependents and Survivors, Chapter 2 Service-Connected Disabilities, Disability Compensation, [http://www.va.gov/opa/publications/benefits\\_book/benefits\\_chap02.asp](http://www.va.gov/opa/publications/benefits_book/benefits_chap02.asp), last viewed January 17, 2014.

<sup>8</sup> Data provided by the Florida Department of Veterans Affairs, November 21, 2013. On file with the Military and Veterans Affairs, Space, and Domestic Security Committee.

<sup>9</sup> *Id.*

determination of disability in each case.<sup>10</sup> When the determination has been made that a service member must retire due to medical reasons related to the member's service in the military, the member may decide whether to receive military retirement benefits from the DoD or disability compensation from the USDVA.

### **Employment Initiatives for Veterans in Florida**

The general unemployment rate in the United States in 2012 was 7.9 percent.<sup>11</sup> The unemployment rate among veterans who have served in the armed forces since September 2001 was 9.9 percent during the same period.<sup>12</sup> Florida has been successful in creating opportunities specifically for veterans to find work in the state.

The Florida Department of Economic Opportunity offers a range of services to veterans including recruitment services, training grants, and links to federal programs offering certain employer incentives to hire veterans.<sup>13</sup> Workforce Florida, Inc., Hiring Florida's Heroes initiative works with employers to connect them with veterans possessing needed skills.<sup>14</sup> As part of the initiative, Workforce Florida, Inc., created the Employ Florida VETS portal within the Employ Florida Marketplace as a resource for veterans to find employment and employment-related service, to connect a veteran to the USDVA, and as a resource for employers to hire veterans.<sup>15</sup>

Currently, Florida does not offer any corporate tax incentive for a privately owned company to hire a veteran.

### **Corporate Income Tax in Florida**

Businesses in Florida must pay a corporate income tax of 5.5 percent on income earned in Florida. Taxable income earned in more than one state is taxed in Florida on an apportioned basis.<sup>16</sup> Current law provides an exemption for the first \$50,000 of net income for businesses in Florida.<sup>17</sup> The Revenue Estimating Conference recently estimated that 11,501 businesses have income in excess of \$50,000 that would be subject to the corporate income tax.<sup>18</sup>

## **III. Effect of Proposed Changes:**

**Section 1** creates s. 220.197, F.S., to establish the "Florida Veterans Employment Act" to encourage businesses to hire veterans, on a full-time basis. A business may qualify for a one-

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<sup>10</sup> 10 USC § 1201.

<sup>11</sup> U.S. Department of Labor, Bureau of Labor Statistics, <http://www.bls.gov/news.release/vet.a.htm>, last viewed January 17, 2014.

<sup>12</sup> *Id.*

<sup>13</sup> Florida Department of Economic Opportunity, <http://www.floridajobs.org/job-seekers-community-services/job-search-and-career-planning/job-search-resources/for-veterans>, last viewed January 17, 2014.

<sup>14</sup> Workforce Florida, Hiring Florida's Heroes, <http://www.workforceflorida.com/PrioritiesInitiatives/vets/HiringFloridasHeroes.php>, last viewed January 17, 2014.

<sup>15</sup> Employ Florida, Veterans Portal, <https://www.employflorida.com/portals/veteran/default.asp?pg=welcme>, last viewed January 17, 2014.

<sup>16</sup> Florida Revenue Estimating Conference, *2013 Florida Tax Handbook*, p.63.

<sup>17</sup> Section 220.14, F.S.

<sup>18</sup> See Revenue Estimating Conference, Analysis: SB 134 (January 10, 2014), <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2014/pdf/page6-7.pdf>, last viewed January 17, 2014.

time corporate income tax credit of \$5,000 for hiring a veteran on or after January 1, 2015. Before a business can claim the tax credit, the business must pay \$5,000 in gross salary to the veteran. The business is eligible for an additional \$5,000 credit for hiring a veteran who has a service-connected disability recognized by the USDVA. To be eligible for the additional \$5,000 tax credit for hiring a disabled veteran, the business must pay an additional \$5,000 in gross salary to the veteran.

Veterans previously employed by another business of the same controlled group of corporations, as defined in 26 USC § 1563(a), may not be claimed by the business for purposes of this credit. To claim these credits, the business must submit an application and receive approval from the Department of Revenue (DOR). The credit will be approved on a first-come, first-served basis, based on completed applications received by the DOR. The DOR may not approve more than \$10 million in total tax credits per calendar year.

This act expires on December 31, 2019. A business that is awarded a credit may carry forward any unused credit for a period not to exceed two years. The bill authorizes the Department of Revenue to adopt rules to administer the tax credits.

**Section 2** amends s. 220.02 F.S., to designate that the corporate income tax credits provided in the bill will be applied to a business's state tax liability last after all other credits.

**Section 3** amends s. 220.13, F.S., to add the corporate income tax credits related to hiring veterans to factors associated with adjusted federal income. It also makes minor grammatical corrections to the section.

**Section 4** authorizes the executive director of the DOR to adopt emergency rules, for up to 1 year, to implement this act. This emergency rule making authority expires on July 1, 2017.

**Section 5** provides an effective date of July 1, 2014.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

The Revenue Estimating Conference adopted an estimate of a negative recurring fiscal impact on general revenue of \$10 million for FY 2015-16 through FY 2018-19.<sup>19</sup>

**B. Private Sector Impact:**

A business can claim a one-time corporate income tax credit of \$5,000 for each veteran that the business hires. A business may qualify for an additional one-time \$5,000 corporate income tax credit for hiring a veteran who is receiving disability payments from the USDVA or the DoD for a service-connected disability.

**C. Government Sector Impact:**

The DOR reported that there would be an insignificant increase in the DOR fiscal expenditures.<sup>20</sup>

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

The DOR is authorized to adopt rules governing the application for the tax credits and to establish guidelines to establish eligibility for the tax credits.

**VIII. Statutes Affected:**

This bill amends the following sections of the Florida Statutes: 220.02 and 220.13. This bill creates section 220.197 of the Florida Statutes.

**IX. Additional Information:****A. Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)**CS/CS by Commerce and Tourism on February 3, 2014:**

The committee substitute extends DOR's emergency rulemaking authority by 2 years, until July 1, 2017. The committee substitute clarifies that the veteran must be hired in the state for the business to claim the tax credit. Additionally, scrivener's errors were corrected related to subsection numbering.

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<sup>19</sup> Revenue Estimating Conference *Analysis: CS/SB 110*, (January 10, 2014).

<http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2014/pdf/page28-29.pdf>, last visited January 17, 2014.

<sup>20</sup> Department of Revenue, *Legislative Bill Analysis: CS/SB 110* (January 13, 2014).

**CS by Military and Veterans Affairs, Space, and Domestic Security on December 10, 2013:**

The committee substitute limits the Department of Revenue to the approval of no more than \$10 million of corporate tax credits per calendar year for the Florida Veterans Employment Act and creates an application process for the Department to approve and track the credit. It also changes the effective dates, allowing the Department sufficient time to update the corporate income tax form, draft emergency rules, and notify taxpayers of the availability of the credit. The term “controlled group” is defined using the same definition used by the Internal Revenue Service [26 USC § 1563(a)].

**B. Amendments:**

None.



943832

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/03/2014	.	
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The Committee on Commerce and Tourism (Abruzzo) recommended the following:

**Senate Amendment**

Delete line 36  
and insert:  
employment in this state in the operations of the qualifying  
business on or



191962

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/03/2014	.	
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The Committee on Commerce and Tourism (Abruzzo) recommended the following:

**Senate Amendment**

Delete line 180

and insert:

(3) This section expires July 1, 2017.

By the Committee on Military and Veterans Affairs, Space, and Domestic Security; and Senators Soto, Sachs, and Abruzzo

583-00802-14

2014110c1

A bill to be entitled

An act relating to taxes on businesses; creating s. 220.197, F.S.; providing a short title; establishing a tax credit for the hiring of veterans; providing eligibility requirements; establishing an additional credit for the hiring of disabled veterans; providing an application process; providing a cap on the total amount of tax credits allowed per year; authorizing the Department of Revenue to adopt rules; authorizing the department to establish guidelines for qualifying credits; providing for expiration of the tax credits; providing applicability; amending s. 220.02, F.S.; revising the order in which credits against the corporate income tax or franchise tax may be taken to include the hiring of veterans; amending s. 220.13, F.S.; revising the term "adjusted federal income" to include certain tax credits taken relating to the hiring of veterans; authorizing the executive director of the department to adopt emergency rules; providing for time of effect of emergency rules and for the expiration of such rule authority; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 220.197, Florida Statutes, is created to read:

220.197 Tax credit for employment of veterans.-

(1) This section may be cited as the "Florida Veterans

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**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.

583-00802-14

2014110c1

Employment Act."

(2) A business qualifies for a one-time credit against the tax imposed by this chapter in the amount of \$5,000 per individual for hiring a veteran, as defined in s. 1.01, after the business has paid \$5,000 in gross salary to the veteran. Veterans for whom the credit is claimed must first begin employment in the operations of the qualifying business on or after January 1, 2015, and perform duties in connection with the operations of the business for an average of at least 36 hours per week. Veterans who have been previously employed by the qualifying business or any other member of the same controlled group of corporations of which the qualifying business is a member may not be claimed for the tax credit. As used in this section, the term "controlled group of corporations" has the same meaning as provided in 26 U.S.C. s. 1563(a).

(3) A qualifying business is eligible for an additional one-time credit against the tax imposed by this chapter in the amount of \$5,000 per individual for hiring a veteran, as defined in s. 1.01, after the business has paid an additional \$5,000 in gross salary to the veteran if such veteran has an official letter from the United States Department of Veterans Affairs stating that he or she has a service-connected disability.

(4) In order to claim a tax credit under this section, a qualifying business must submit an application and receive approval from the department to claim the credit. Applications for credit under subsection (3) must include a copy of the veteran's official letter from the United States Department of Veterans Affairs stating that the veteran has a service-connected disability. Qualified applicants shall be approved on

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2014110c1

59 a first-come, first-served basis, based on the date the  
 60 completed application is received by the department. The  
 61 department may not accept an incomplete application as a  
 62 placeholder for the completed application, and the submission of  
 63 such incomplete application does not secure a place in the  
 64 first-come, first-served approval process.

65 (5) The department may not approve more than \$10 million in  
 66 tax credits per calendar year pursuant to this section.

67 (6) The department may adopt rules governing the manner and  
 68 form of application for the tax credits. The department may  
 69 establish guidelines for making an affirmative showing of  
 70 qualification for the tax credits under this section.

71 (5) This section expires December 31, 2019. However, a  
 72 qualifying business may carry forward any unused credit for up  
 73 to 2 taxable years after the year the credit is earned.

74 (6) This section applies to taxable years beginning on or  
 75 after January 1, 2015.

76 Section 2. Subsection (8) of section 220.02, Florida  
 77 Statutes, is amended to read:

78 220.02 Legislative intent.—

79 (8) It is the intent of the Legislature that credits  
 80 against ~~either~~ the corporate income tax or the franchise tax be  
 81 applied in the following order: those enumerated in s. 631.828,  
 82 those enumerated in s. 220.191, those enumerated in s. 220.181,  
 83 those enumerated in s. 220.183, those enumerated in s. 220.182,  
 84 those enumerated in s. 220.1895, those enumerated in s. 220.195,  
 85 those enumerated in s. 220.184, those enumerated in s. 220.186,  
 86 those enumerated in s. 220.1845, those enumerated in s. 220.19,  
 87 those enumerated in s. 220.185, those enumerated in s. 220.1875,

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2014110c1

88 those enumerated in s. 220.192, those enumerated in s. 220.193,  
 89 those enumerated in s. 288.9916, those enumerated in s.  
 90 220.1899, those enumerated in s. 220.194, ~~and~~ those enumerated  
 91 in s. 220.196, and those enumerated in s. 220.197.

92 Section 3. Paragraph (a) of subsection (1) of section  
 93 220.13, Florida Statutes, is amended to read:

94 220.13 "Adjusted federal income" defined.—

95 (1) The term "adjusted federal income" means an amount  
 96 equal to the taxpayer's taxable income as defined in subsection  
 97 (2), or such taxable income of more than one taxpayer as  
 98 provided in s. 220.131, for the taxable year, adjusted as  
 99 follows:

100 (a) *Additions*.—There shall be added to such taxable income:

101 1. The amount of any tax upon or measured by income,  
 102 excluding taxes based on gross receipts or revenues, paid or  
 103 accrued as a liability to the District of Columbia or any state  
 104 of the United States which is deductible from gross income in  
 105 the computation of taxable income for the taxable year.

106 2. The amount of interest which is excluded from taxable  
 107 income under s. 103(a) of the Internal Revenue Code or any other  
 108 federal law, less the associated expenses disallowed in the  
 109 computation of taxable income under s. 265 of the Internal  
 110 Revenue Code or any other law, excluding 60 percent of any  
 111 amounts included in alternative minimum taxable income, as  
 112 defined in s. 55(b)(2) of the Internal Revenue Code, if the  
 113 taxpayer pays tax under s. 220.11(3).

114 3. In the case of a regulated investment company or real  
 115 estate investment trust, an amount equal to the excess of the  
 116 net long-term capital gain for the taxable year over the amount

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583-00802-14

2014110c1

117 of the capital gain dividends attributable to the taxable year.

118 4. That portion of the wages or salaries paid or incurred  
119 for the taxable year which is equal to the amount of the credit  
120 allowable for the taxable year under s. 220.181. This  
121 subparagraph ~~expires shall expire~~ on the date specified in s.  
122 290.016 for the expiration of the Florida Enterprise Zone Act.

123 5. That portion of the ad valorem school taxes paid or  
124 incurred for the taxable year which is equal to the amount of  
125 the credit allowable for the taxable year under s. 220.182. This  
126 subparagraph ~~expires shall expire~~ on the date specified in s.  
127 290.016 for the expiration of the Florida Enterprise Zone Act.

128 6. The amount taken as a credit under s. 220.195 which is  
129 deductible from gross income in the computation of taxable  
130 income for the taxable year.

131 7. That portion of assessments to fund a guaranty  
132 association incurred for the taxable year which is equal to the  
133 amount of the credit allowable for the taxable year.

134 8. In the case of a nonprofit corporation that ~~which~~ holds  
135 a pari-mutuel permit and which is exempt from federal income tax  
136 as a farmers' cooperative, an amount equal to the excess of the  
137 gross income attributable to the pari-mutuel operations over the  
138 attributable expenses for the taxable year.

139 9. The amount taken as a credit for the taxable year under  
140 s. 220.1895.

141 10. Up to nine percent of the eligible basis of any  
142 designated project which is equal to the credit allowable for  
143 the taxable year under s. 220.185.

144 11. The amount taken as a credit for the taxable year under  
145 s. 220.1875. The addition in this subparagraph is intended to

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583-00802-14

2014110c1

146 ensure that the same amount is not allowed for the tax purposes  
147 of this state as both a deduction from income and a credit  
148 against the tax. This addition is not intended to result in  
149 adding the same expense back to income more than once.

150 12. The amount taken as a credit for the taxable year under  
151 s. 220.192.

152 13. The amount taken as a credit for the taxable year under  
153 s. 220.193.

154 14. Any portion of a qualified investment, as defined in s.  
155 288.9913, which is claimed as a deduction by the taxpayer and  
156 taken as a credit against income tax pursuant to s. 288.9916.

157 15. The costs to acquire a tax credit pursuant to s.  
158 288.1254(5) which ~~that~~ are deducted from or otherwise reduce  
159 federal taxable income for the taxable year.

160 16. The amount taken as a credit for the taxable year under  
161 ~~pursuant to~~ s. 220.194.

162 17. The amount taken as a credit for the taxable year under  
163 s. 220.196. The addition in this subparagraph is intended to  
164 ensure that the same amount is not allowed for the tax purposes  
165 of this state as both a deduction from income and a credit  
166 against the tax. The addition is not intended to result in  
167 adding the same expense back to income more than once.

168 18. The amount taken as a credit for the taxable year under  
169 s. 220.197.

170 Section 4. Emergency rules.

171 (1) The executive director of the Department of Revenue is  
172 authorized, and all conditions are deemed to be met, to adopt  
173 emergency rules pursuant to ss. 120.536(1) and 120.54(4),  
174 Florida Statutes, for the purpose of implementing this act.

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583-00802-14

2014110c1

175       (2) Notwithstanding any other provision of law, the  
176 emergency rules adopted pursuant to subsection (1) remain in  
177 effect for 6 months after adoption and may be renewed during the  
178 pendency of procedures to adopt permanent rules addressing the  
179 subject of the emergency rules.

180       (3) This section expires July 1, 2015.

181       Section 5. This act shall take effect July 1, 2014.

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

2/3/14  
Meeting Date

Topic Bill

Bill Number 110  
*(if applicable)*

Name Frank Meiners

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title \_\_\_\_\_

Address PO Box 1633  
Street

Phone (850) 595-0177

Tall FL 32501  
City State Zip

E-mail frank@chymar.com

Speaking:  For  Against  Information

Representing Assoc. Ind. of FL (AIE)

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

**This form is part of the public record for this meeting.**

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Commerce and Tourism

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BILL: SM 196

INTRODUCER: Senator Margolis

SUBJECT: Marketplace Fairness Act of 2013

DATE: January 31, 2014

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hrdlicka	Hrdlicka	CM	<b>Favorable</b>
2.			RC	

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**I. Summary:**

SM 196 urges the U.S. House of Representatives to pass the Marketplace Fairness Act of 2013 or similar legislation that authorizes states to collect sales tax on sales by remote retailers.

**II. Present Situation:**

Forty-five states and the District of Columbia impose sales and use taxes.<sup>1</sup> States that do not have a personal income tax – Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, and Wyoming – rely most heavily on sales tax collections.<sup>2</sup> Because Florida has no personal state income tax, the state primarily depends on sales taxes for its general revenue.<sup>3</sup> Sales tax collections make up over 70 percent of general revenue.<sup>4</sup>

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<sup>1</sup> Alaska, Delaware, Montana, New Hampshire, and Oregon do not impose a state sales and use tax, although Alaska permits local governments to impose sales and use taxes.

<sup>2</sup> New Hampshire and Tennessee both have income taxes, but the taxes are not imposed on wages or other income other than dividends and interest.

<sup>3</sup> Chapter 212, F.S., contains the statutory provisions authorizing the levying and collection of Florida's sales and use taxes, as well as the exemptions and credits applicable to certain items or uses under specified circumstances. A sales tax of 6 percent is levied on the sales price of tangible personal property sold at retail in Florida, and a use tax of 6 percent is levied on the cost price of tangible personal property when it is used, consumed, distributed, or stored, rather than sold, in Florida. s. 212.05(1), F.S. The statutes currently provide more than 200 different exemptions; for a list of exemptions and history, see Florida Revenue Estimating Conference (REC), 2013 Florida Tax Handbook. Exemptions are estimated to total about \$11.5 billion. Additionally, Florida counties are authorized to levy a discretionary sales surtax on all transactions subject to the state sales and use tax when the goods or services are sold, or delivered into the county. ss. 212.054 and 212.055, F.S. Currently, the maximum surtax actually imposed is 1.5 percent in several counties; however, the theoretical maximum rate ranges between 2 percent and 3.5 percent, depending on the specifics of each individual county. See Florida's Discretionary Sales Surtax, Department of Revenue, available at <http://dor.myflorida.com/dor/taxes/discretionary.html> (last visited 1/22/2014).

<sup>4</sup> See REC, 2013 Florida Tax Handbook. Revenues from the sales and use tax for FY 2012-13 totaled over \$18 billion.

### Remote (Out-of-State) Sales and Retailers<sup>5</sup>

States that impose a sales and use tax typically require the dealer to collect the tax at the time of a taxable sale.<sup>6</sup> The statute does not differentiate between a sale at a brick and mortar store within Florida or remotely.

However, a state's ability to compel a remote retailer to collect and remit sales tax on a remote sale is limited by the Commerce Clause and the Due Process Clause of the U.S. Constitution.<sup>7</sup> The U.S. Supreme Court has held that the states' disparate state and local sales tax systems make collecting taxes an undue burden on remote retailers.<sup>8</sup>

When the sales tax is not collected at the time of purchase, generally a "use" tax is due.<sup>9</sup> "Use" taxes are imposed on the use of a taxable item in the state. They function as complements to sales taxes.<sup>10</sup> Use taxes are difficult for states to enforce because states lack the information to know that a use tax liability exists. Therefore, states must rely primarily on purchasers voluntarily to remit the tax themselves.

The U.S. Supreme Court has determined that in order to impose a sales tax collection requirement on a remote retailer, the retailer must have a "physical presence" (nexus) in the state.<sup>11</sup> Generally, this means that the retailer must have representatives or property within the taxing state.<sup>12</sup> Importantly, the U.S. Supreme Court has held that Congress has the clear authority to adopt another standard.<sup>13</sup>

According to the U.S. Census Bureau about 70 percent of U.S. households have Internet access.<sup>14</sup> The U.S. Census Bureau estimated that national e-commerce sales over the last 4 quarters exceeded \$250 billion dollars. However, e-commerce sales make up only about 5.5 percent of total retail sales in the U.S.<sup>15</sup>

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<sup>5</sup> For an in depth analysis, see Senate Budget Subcommittee on Finance and Tax, Interim Report 2012-107: Application of Florida's Sales Tax to Sales by Out-of-State Retailers (August 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/BFT1072012-107ft.pdf> (last visited 1/22/2014).

<sup>6</sup> See for example s. 212.07(1)(a), F.S.

<sup>7</sup> Due Process requires some minimal contact with the taxing state for a taxing statute to be upheld. Upholding a statute against a Commerce Clause challenge is dependent upon satisfying a 4-part test: (1) the tax is applied to an activity with a substantial nexus with the taxing state; (2) the tax is fairly apportioned; (3) the tax does not discriminate against interstate commerce; and (4) the tax is fairly related to a service provided by the taxing state. See Complete Auto Transit, Inc. v. Brady, 430 U.S. 274 (1977), rehearing denied, 430 U.S. 976 (1977). See AMJUR STATELOCL s. 157; 71 A.L.R.5th 671.

<sup>8</sup> See Closing the Online Tax Loophole, Blackston, Michelle, NCSL's State Legislatures, April 2008.

<sup>9</sup> See Department of Revenue (DOR), Florida Consumer Information website on remitting use tax for Internet sales, available at <http://dor.myflorida.com/dor/taxes/consumer.html> (last visited 1/22/2014).

<sup>10</sup> Scripto, Inc., v. Carson, 362 U.S. 207, 210 (1960).

<sup>11</sup> See Quill Corporation v. North Dakota, 504 U.S. 298 (1992).

<sup>12</sup> National Bellas Hess, Inc. v. Dept. of Revenue of State of Illinois, 386 U.S. 753, 757 (1967).

<sup>13</sup> Quill, 504 U.S. at 318 (1992).

<sup>14</sup> 2011 data available at <http://www.census.gov/population/www/socdemo/computer.html> (last visited 1/22/2014).

<sup>15</sup> Quarterly Retail E-Commerce Sales, 3<sup>rd</sup> Quarter 2013, available at [http://www.census.gov/retail/mrts/www/data/pdf/ec\\_current.pdf](http://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf) (last visited 1/22/2014).

The issue of sales and use taxes on e-commerce is important to the states for three main reasons:

- The continued growth in e-commerce points to an increasing number of transactions on which sales taxes will not be collected, resulting in sales tax revenue losses for state and local governments;
- Since remote retailers do not have to collect sales taxes, except in states where they have “nexus,” they enjoy a competitive advantage over “brick and mortar” local businesses; and
- Because of on-line retailers, consumers who can afford access to the Internet escape paying sales and use taxes while forcing those without access to shoulder a heavier burden of the sales tax.<sup>16</sup>

Studies estimate differing amounts of lost sales tax revenue. The most recent study, a September 2011 report by Arudin, Laffer, and Moore Econometrics, estimated tax revenue losses of \$374 million in 2010 and between \$449.6 million and \$454.0 million in 2012.<sup>17</sup> Other studies suggest that between \$280 million to \$800 million dollars of Florida state and local sales tax collections are not being remitted annually.<sup>18</sup> The actual amount of lost sales tax revenue is difficult to determine due to the more than 200 sales tax exemptions in Florida law and the 67 different state and local taxing jurisdictions in the state.

#### Actions of Other States

States have attempted to address the issue of taxing sales by remote retailers through various methods.

Some states have amended their sales tax laws in an attempt to erase the disparities between their taxing systems in hopes that Congress would pass legislation allowing them to require remote retailers to collect their taxes at the point of sale. These states fully participate in the Streamlined Sales and Use Tax Agreement (SSUTA) and have “modernized” their sales and use tax structures to create a uniform, simplified taxing system that would apply to all businesses collecting sales and use taxes.<sup>19</sup> However, participation in collecting sales tax under the agreement is voluntary for retailers who do not have a physical presence or “nexus” within a state. Currently, over 1,000 businesses have voluntarily agreed to collect taxes on remote sales.

Other states have enacted laws which attempt to define e-commerce relationships that create a physical presence for a remote retailer to collect and remit sales taxes. Some states take the approach of establishing nexus through existing state laws related to mail order sales.<sup>20</sup> Other states have elected to exempt certain retailers from collecting and remitting sales tax if the

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<sup>16</sup> Graham Williams, “Streamlined Sales Tax for the New Economy,” National Conference of State Legislatures, Nov./Dec. 2000, Vol. 8, No. 44.

<sup>17</sup> Report on file with the Senate Commerce and Tourism Committee.

<sup>18</sup> See the Florida Senate Budget Subcommittee on Finance and Tax Interim Report 2012-107 on the *Application of Florida’s Sales Tax to Sales by Out-of-state Retailers*.

<sup>19</sup> Florida legislative action in response to this project includes s. 213.27, F.S., which grants DOR authority to enter into contracts with public or private vendors to develop and implement a voluntary system for sales and use tax collection and administration, and ch. 2001-225, L.O.F., which among other things, created the Simplified Sales and Use Tax Act, authorizing Florida to participate in the next phase of discussions with other states for the purposes of developing the project. See the SSUTA website for more information: <http://www.streamlinedsalestax.org/>.

<sup>20</sup> See Pennsylvania Department of Revenue, Nexus Resources for Retailers, available at [http://www.revenue.state.pa.us/portal/server.pt/community/nexus\\_resources/20610](http://www.revenue.state.pa.us/portal/server.pt/community/nexus_resources/20610) (last visited 1/22/2014).

retailer agrees to make a substantial investment in the state in the form of a distribution center and create a certain number of jobs.<sup>21</sup>

States that have enacted laws or taken the above approaches have been challenged by remote retailers for violation of the U.S. Constitution. While some retailers have been awarded an injunction from enforcement of the state's statutes, in December 2013, the U.S. Supreme Court denied a hearing on two New York cases involving New York's approach to resolving the nexus issue where the Court of Appeals of New York upheld the state's laws.<sup>22</sup> There have been no definitive decisions affording a resolution of the issues.

#### Federal Involvement in the Issue

Since the power to regulate interstate commerce resides at the federal level, federal legislation appears to be the only comprehensive solution for states to have the authority to require remote retailers to collect sales tax. Multiple bills have been filed in Congress over the years to try to address the issue, but none have been passed into law.

The Marketplace Fairness Act of 2013 authorizes states meeting certain conditions to require the collection and remittance of sales tax by a remote retailers that has more than \$1 million of gross annual receipts in total remote sales in the U.S. in the preceding calendar year.<sup>23</sup>

Member states under the SSUTA<sup>24</sup> are authorized to require the collection and remittance of sales tax without a change in their current state laws.

Nonmember states must enact "minimum simplification requirements" in order to require remote retailers to collect and remit sales tax. "Minimum simplification requirements" include:

- Specifying a single state tax administration entity for all state and local sales taxes, including a single audit and tax return;
- Establishing tax return filing and other requirements on remote retailers that are similar to those for other retailers;
- Creating a uniform base for state and local jurisdictions, by specifying which taxes the remote retailers would be required to collect, the products and services that are exempt, and by sourcing the sale to location where the product or service is delivered to the purchaser;<sup>25</sup>
- Providing free software through certified software providers for remote retailers that calculates sales tax due, files tax returns, and is updated for tax rate changes;

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<sup>21</sup> For example, South Carolina's statute requires a \$125 million investment and 2,000 new jobs in exchange for exemption from sales tax collections until 2016. However, the exemption is repealed if Congress passes a law permitting the collection of the tax on remote retailers. S.C. Code s. 12-36-2691.

<sup>22</sup> Overstock.com, Inc. v. New York State Dept. of Taxation and Finance 134 S.Ct. 682 (2013), and Amazon.com, LLC v. New York State Dept. of Taxation and Finance 134 S.Ct. 682 (2013).

<sup>23</sup> See the summary for S. 743 – Marketplace Fairness Act of 2013 (113<sup>th</sup> Congress), available at <http://beta.congress.gov/bill/113th-congress/senate-bill/743> (last visited 1/22/2014).

<sup>24</sup> Twenty-three states are full members of the SSUTA. See State Info, Streamlined Sales Tax Governing Board, Inc., available at <http://www.streamlinedsalestax.org/index.php?page=state-info> (last visited 1/22/2014).

<sup>25</sup> If the delivery address is unknown, the sale is sourced to the purchaser's billing address or the retailer's address from which the remote sale was made.

- Exempting remote retailers and certified software providers from liability for incorrect collection, remittance, or noncollection of sales and use taxes for reliance on erroneous or inaccurate information; and
- Providing remote retailers and certified software providers with 90 days' notice of tax rate changes.

In May 2013, the U.S. Senate passed S. 743, the Marketplace Fairness Act of 2013. The U.S. House of Representatives has yet to take up the issue.

### III. Effect of Proposed Changes:

**Resolution:** SM 196 urges the U.S. House of Representatives to pass the Marketplace Fairness Act of 2013 or similar legislation that authorizes states to collect sales tax on sales by remote retailers.

**Rationale for Resolution:** SM 196 states that the two U.S. Supreme Court cases denied states the authority to require a remote retailer to collect sales tax when the remote retailer did not have a physical presence in the taxing state. The memorial stipulates that the future viability of sales tax as a stable revenue source is threatened by the combination of the Court decisions and tax base erosion from electronic commerce and that a 2009 university report estimated that in FY 2012, states collectively lost out on \$23 billion in uncollected sales tax revenues from remote sales.<sup>26</sup>

SM 196 states that the Marketplace Fairness Act, which was introduced in both houses of Congress, authorizes states meeting certain conditions to require retailers to collect and remit sales tax for remote sales. The memorial stipulates that the U.S. Senate passed the act on May 6, 2013, and that the President of the United States has indicated that he would sign the legislation.

**Circulation:** Copies of this memorial are to be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

None.

#### B. Public Records/Open Meetings Issues:

None.

#### C. Trust Funds Restrictions:

None.

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<sup>26</sup> The memorial cites "State and Local Sales Tax Revenue Losses from E-Commerce Estimates as of April 2009" by Dr. Donald Bruce and Dr. William Fox, Center for Business and Economic Research, University of Tennessee.

**V. Fiscal Impact Statement:**

## A. Tax/Fee Issues:

None.

## B. Private Sector Impact:

None.

## C. Government Sector Impact:

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

None.

**IX. Additional Information:**

## A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

## B. Amendments:

None.

By Senator Margolis

35-00299-14

2014196\_\_

## Senate Memorial

A memorial to the Congress of the United States,  
urging the House of Representatives to support passage  
of the Marketplace Fairness Act of 2013.

WHEREAS, the 1967 *Bellas Hess v. Illinois* and the 1992  
*Quill Corp. v. North Dakota* Supreme Court decisions denied  
states the authority to require the collection of sales and use  
taxes by out-of-state sellers that have no physical presence in  
the taxing state, and

WHEREAS, the combined weight of the inability to collect  
sales and use taxes due on remote sales through traditional  
carriers and the tax erosion from electronic commerce threatens  
the future viability of the sales tax as a stable revenue source  
for state and local governments, and

WHEREAS, a report from the Center for Business and Economic  
Research at the University of Tennessee estimates that in fiscal  
year 2012, states lost more than \$23 billion in uncollected  
sales tax revenues from out-of-state sales, and

WHEREAS, the Marketplace Fairness Act was introduced in  
both houses of Congress to authorize each member state under the  
Streamlined Sales and Use Tax Agreement to require all sellers  
not qualifying for a small-seller exception to collect and remit  
sales and use taxes with respect to remote sales and allow a  
state that is not a member state under the agreement to require  
sellers to collect and remit sales and use taxes with respect to  
remote sales sourced to such state if the state adopts and  
implements certain minimum simplification requirements, and

WHEREAS, the United States Senate passed the Marketplace

Page 1 of 2

**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.

35-00299-14

2014196\_\_

Fairness Act on May 6, 2013, by a vote of 69-27 and the  
President has indicated that he would sign the legislation, NOW,  
THEREFORE,

Be It Resolved by the Legislature of the State of Florida:

That the State of Florida urges the United States House of  
Representatives to pass the Marketplace Fairness Act of 2013 or  
similar legislation authorizing remote sales tax collection by  
states.

BE IT FURTHER RESOLVED that copies of this memorial be  
dispatched to the President of the United States, to the  
President of the United States Senate, to the Speaker of the  
United States House of Representatives, and to each member of  
the Florida delegation to the United States Congress.

Page 2 of 2

**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.



The Florida Senate

## Committee Agenda Request

RECEIVED

OCT 22 2013

COMMERCE

**To:** Senator Nancy C. Detert, Chair  
Commerce & Tourism Committee

**Subject:** Committee Agenda Request

**Date:** October 17, 2013

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I respectfully request that **Senate Memorial #196**, urging the U. S. House of Representatives to pass the Marketplace Fairness Act, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in black ink, appearing to read "Gwen Margolis".

---

Senator Gwen Margolis  
Florida Senate, District 35

**THE FLORIDA SENATE**  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

2-3-14

*Meeting Date*

Topic Marketplace Fairness Act

Bill Number 196  
*(if applicable)*

Name Kurt Wenner

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title Vice President of Tax Research

Address 106 N. Bronough

Phone 222-5052

*Street*

Tallahassee FL 32301

*City*

*State*

*Zip*

E-mail kwenner@floridatxwatch.org

Speaking:  For  Against  Information

Representing Florida TaxWatch

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

***This form is part of the public record for this meeting.***

S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

2/3/14  
Meeting Date

Topic \_\_\_\_\_

Bill Number 194  
*(if applicable)*

Name Frank Meiners

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title \_\_\_\_\_

Address PO Box 1633  
Street

Phone \_\_\_\_\_

Tall FL 32801  
City State Zip

E-mail \_\_\_\_\_

Speaking:  For  Against  Information

Representing AIF

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

**THE FLORIDA SENATE**  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

2/3/14  
Meeting Date

Topic MARKET PLACE FAIRNESS

Bill Number SM 196  
(if applicable)

Name RANDY MILLON

Amendment Barcode \_\_\_\_\_  
(if applicable)

Job Title EX VICE PRESIDENT

Address 227 S ADAMS  
Street

Phone 222-4082

TALLAHASSEE FL 32301  
City State Zip

E-mail RMILLON@FRF.ORG

Speaking:  For  Against  Information

Representing FLORIDA RETAIL FEDERATION

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

**THE FLORIDA SENATE**  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

2/3/14

*Meeting Date*

Topic Marketplace Fairness

Bill Number SB 196  
*(if applicable)*

Name Carolyn Johnson

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title Policy Director

Address 136 S Bronough St

Phone 521-1235

*Street*

Tallahassee

FL

32311

E-mail cjohnson@flchamber.com

*City*

*State*

*Zip*

Speaking:  For  Against  Information

Representing Florida Chamber of Commerce

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

***This form is part of the public record for this meeting.***

S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3 Feb 14  
Meeting Date

Topic MARKET PLACE FAIRNESS ACT Bill Number 196  
(if applicable)

Name CHARLES MILSTED Amendment Barcode \_\_\_\_\_  
(if applicable)

Job Title ASSOCIATE STATE DIRECTOR

Address 200 WEST COLLEGE AVENUE Phone 850-577-5190  
Street

Tallahassee, FL 32301 E-mail CMilsted@aacfp.org  
City State Zip

Speaking:  For  Against  Information

Representing AARP

Appearing at request of Chair:  Yes  No Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Commerce and Tourism

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BILL: SB 330

INTRODUCER: Senator Simmons and others

SUBJECT: Admissions Tax

DATE: January 31, 2014

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hrdlicka	Hrdlicka	CM	<b>Favorable</b>
2.			CA	
3.			AFT	
4.			AP	

**I. Summary:**

SB 330 creates an additional exemption from the tax on admissions for Major League Soccer all-star games. The bill also clarifies the current exemption for events related to the National Basketball Association All-Star weekend.

The Revenue Estimating Conference adopted a zero cash impact estimate, with the recurring impact being negative indeterminate. The estimated impact if an all-star event for either league occurred is negative \$100,000.

**II. Present Situation:**

**State Taxes on Admissions**

Section 212.04, F.S., establishes a taxable privilege for selling or receiving anything of value by way of admissions. Admissions are taxed at 6 percent of the sales price or actual value received. The sales price or actual value of admission is the price remaining after deducting federal taxes, state and local seat surcharges, taxes, or fees imposed upon admission, and ticket office or ticketing service charges.

The statute provides for several events for which tax on admissions is not levied.<sup>1</sup> Related to professional sporting events, the tax is not levied on admissions to the National Football League championship game, admissions to a Major League Baseball (MLB), National Basketball Association (NBA), or National Hockey League all-star game, admissions to the MLB Home Run Derby, or admissions to the NBA Rookie Challenge, Celebrity Game, 3-Point Shooting Contest, or Slam Dunk Challenge.<sup>2</sup>

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<sup>1</sup> See s. 212.04(2), F.S.

<sup>2</sup> Section 212.04(2)(a)4., F.S.

## **Local Government Taxes on Admissions**

Sections 212.054 and 212.055, F.S., authorize Florida counties to charge a discretionary sales surtax, in addition to the state tax, on all transactions subject to the state sales and use tax. Only those surtaxes specifically designated may be levied.<sup>3</sup> The surtax does not apply to a sales amount above \$5,000 on any item of tangible personal property. The maximum discretionary sales surtax that any county can levy depends upon the county's eligibility for the taxes listed in s. 212.055, F.S. Currently, the maximum surtax actually imposed is 1.5 percent in several counties;<sup>4</sup> however, the theoretical maximum rate ranges between 2 percent and 3.5 percent, depending on the specifics of each individual county. In general, the levy of a particular tax is subject to county voter approval.

## **Administration of Taxes**

The Florida Department of Revenue (DOR) is responsible for administering, collecting, and enforcing all sales taxes. Collections of discretionary sales surtaxes received by the DOR are returned monthly to the county imposing the tax. Further, there are several state-shared revenue programs that allocate some portion of the state sales and use tax to local governments. A few revenue sharing programs require as a prerequisite that the county or municipality meet eligibility criteria. While general law restricts the use of some shared revenues, proceeds derived from other shared revenues may be used for the general revenue needs of local governments.<sup>5</sup>

## **Sporting Events – All-Star Games**

The NBA holds an all-star weekend.<sup>6</sup> Events include charity games, a dunk contest, 3-point shot contest, and an all-star game. Since the all-star game was first played in 1951, the game has taken place in Florida only three times – in 1990 in Miami, and in 1992 and 2012 in Orlando. The 2014 NBA all-star weekend will take place in New Orleans, Louisiana. Florida has two NBA teams – the Miami Heat (1988), and the Orlando Magic (1989).

Major League Soccer (MLS) has hosted an all-star game since 1996.<sup>7</sup> The MLS all-star game has only been held in Florida once – in 1998 in Orlando. The 2014 all-star game will be held in Portland, Oregon. Florida has previously been the home to two now-defunct MLS franchises, the Tampa Bay Mutiny (1996 – 2001) and the Miami Fusion F.C. (1998 – 2001).<sup>8</sup> However, in November 2013, Orlando was granted an expansion team for the MLS, called the Orlando City

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<sup>3</sup> The tax rates, duration of the surtax, method of imposition, and proceed uses are individually specified in s. 212.055, F.S. General limitations, administration, and collection procedures are set forth in s. 212.054, F.S.

<sup>4</sup> See DOR Form DR-15 DSS, Discretionary Sales Surtax Information, available at [http://dor.myflorida.com/dor/forms/current/dr15dss\\_1113.pdf](http://dor.myflorida.com/dor/forms/current/dr15dss_1113.pdf) (last visited 1/27/2014).

<sup>5</sup> For more information see Revenue Estimating Conference, *2013 Florida Tax Handbook*.

<sup>6</sup> NBA, All-Star, available at <http://www.nba.com/allstar/> (last visited 1/27/2014).

<sup>7</sup> MLS, All-Star Game, available at <http://www.mlssoccer.com/all-star/2013> (last visited 1/27/2014).

<sup>8</sup> MLS, Tampa Bay Mutiny, available at <http://www.mlssoccer.com/history/club/tampabay>, and Miami Fusion F.C., available at <http://www.mlssoccer.com/history/club/miami>, (last visited 1/27/2014).

Soccer Club, to join the league in 2015.<sup>9</sup> There have also been news reports of a possible expansion team for Miami, with a possible announcement by the MLS in February 2014.<sup>10</sup>

### III. Effect of Proposed Changes:

SB 330 creates an additional exemption from the tax on admissions for Major League Soccer all-star games.

The bill also clarifies the current exemption for events related to the National Basketball Association (NBA) All-Star weekend. The bill repeals reference to specific event names, and instead exempts NBA all-star events produced by the NBA and “held at a facility such as an arena, convention center, or municipal facility.”

The bill provides an effective date of July 1, 2014.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

Article VII, s. 18, Florida Constitution, excuses counties and municipalities from complying with laws requiring them to spend funds or to take an action unless certain conditions are met.

Subsection (b) of the provision prohibits the Legislature from “enacting, amending, or repealing any general law if the anticipated effect” is to reduce county or municipal aggregate revenue generating authority as it existed on February 1, 1989. The exception to this prohibition is if the Legislature passes such a law by 2/3 of the membership of each chamber.

Subsection (c) of the provision prohibits the Legislature from “enacting, amending, or repealing any general law if the anticipated effect” is to reduce the percentage of a state tax shared with counties and municipalities. The exception to this prohibition is if the Legislature passes such a law by 2/3 of the membership of each chamber.

Subsection (d) provides an exemption from the prohibitions. Laws determined to have an “insignificant fiscal impact,” which means an amount not greater than the average statewide population for the applicable fiscal year times \$0.10 are exempt (the estimated population as of April 1, 2013, is about 19.3 million).<sup>11</sup>

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<sup>9</sup> MLS, “Major League Soccer names Orlando City SC as 21<sup>st</sup> franchise, set for 2015 debut,” available at <http://www.mlssoccer.com/news/article/2013/11/19/major-league-soccer-names-orlando-city-21st-franchise-set-2015-debut> (last visited 1/27/2014).

<sup>10</sup> For example, see Davis, Craig, Sun-Sentinel, “Miami may be on verge of getting MLS team,” available at <http://www.sun-sentinel.com/sports/soccer/fl-mls-decision-miami-february-0117-20140116.0.3028261.story> (last visited 1/27/2014).

<sup>11</sup> Office of Economic and Demographic Research, Florida Population Estimates for Counties and Municipalities, April 1, 2013, available at [http://edr.state.fl.us/Content/population-demographics/data/2013\\_Pop\\_Estimates.pdf](http://edr.state.fl.us/Content/population-demographics/data/2013_Pop_Estimates.pdf) (last visited 1/27/2014).

The Revenue Estimating Conference estimated that the new exemptions created by this bill will have a negative indeterminate fiscal impact on local governments. If either all-star event occurs in this state, the estimated total impact is negative \$100,000.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**V. Fiscal Impact Statement:**

**A. Tax/Fee Issues:**

The Revenue Estimating Conference considered this bill on January 17, 2014, and adopted a zero cash impact estimate, with the recurring impact being negative indeterminate. The estimated impact of an all-star event in Florida for either league is negative \$100,000.<sup>12</sup>

**B. Private Sector Impact:**

Individuals attending these sporting events will not have to pay sales tax on the tickets they purchase. Additionally, the venues or teams hosting these events will not need to collect sales tax on the tickets sold to such events.

Generally, organizers of these events set the price of admission and print admission tickets. The price printed on the ticket is the actual amount paid by an attendee. Consequently, any sales tax due is currently borne by the tournament organizer, the host organization, or facility. The existence of a sales tax exemption for these tickets may make a Florida locale vying to bring such an event to Florida more competitive in comparison with other locations.

**C. Government Sector Impact:**

The DOR has indicated that the provisions of the bill would have an insignificant impact on their operations.<sup>13</sup>

**VI. Technical Deficiencies:**

None.

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<sup>12</sup> Revenue Estimating Conference, Analysis HB 231/SB 330, January 17, 2014, available at <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2014/pdf/page70-72.pdf> (last visited 1/27/2014).

<sup>13</sup> DOR, 2014 Bill Analysis SB 330 (December 31, 2013).

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill amends section 212.04 of the Florida Statutes.

**IX. Additional Information:**

**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.

---

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

---

By Senator Simmons

10-00496-14

2014330\_\_

A bill to be entitled

An act relating to the admissions tax; amending s. 212.04, F.S.; revising the professional sporting events that are exempt from the admissions tax; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (a) of subsection (2) of section 212.04, Florida Statutes, is amended to read:

212.04 Admissions tax; rate, procedure, enforcement.—

(2) (a) A tax may not be levied on:

1. ~~No tax shall be levied on~~ Admissions to athletic or other events sponsored by elementary schools, junior high schools, middle schools, high schools, community colleges, public or private colleges and universities, deaf and blind schools, facilities of the youth services programs of the Department of Children and Families ~~Family Services~~, and state correctional institutions ~~if when~~ only student, faculty, or inmate talent is used. However, this exemption does ~~shall~~ not apply to admission to athletic events sponsored by a state university, and the proceeds of the tax collected on such admissions shall be retained and used by each institution to support women's athletics as provided in s. 1006.71(2)(c).

2. ~~a. No tax shall be levied on~~ Dues, membership fees, and admission charges imposed by not-for-profit sponsoring organizations. To receive this exemption, the sponsoring organization must qualify as a not-for-profit entity under ~~the provisions of~~ s. 501(c)(3) of the Internal Revenue Code of 1954,

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**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.

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2014330\_\_

as amended.

~~3.b. No tax shall be levied on~~ Admission charges to an event sponsored by a governmental entity, sports authority, or sports commission ~~if when~~ held in a convention hall, exhibition hall, auditorium, stadium, theater, arena, civic center, performing arts center, or publicly owned recreational facility and ~~if when~~ 100 percent of the risk of success or failure lies with the sponsor of the event and 100 percent of the funds at risk for the event belong to the sponsor, and student or faculty talent is not exclusively used. As used in this subparagraph ~~sub-subparagraph~~, the terms "sports authority" and "sports commission" mean a nonprofit organization that is exempt from federal income tax under s. 501(c)(3) of the Internal Revenue Code and that contracts with a county or municipal government for the purpose of promoting and attracting sports-tourism events to the community with which it contracts.

~~4.3. No tax shall be levied on~~ An admission paid by a student, or on the student's behalf, to any required place of sport or recreation if the student's participation in the sport or recreational activity is required as a part of a program or activity sponsored by, and under the jurisdiction of, the student's educational institution ~~if, provided~~ his or her attendance is as a participant and not as a spectator.

~~5.4. No tax shall be levied on~~ Admissions to the National Football League championship game or Pro Bowl; ~~on~~ admissions to any semifinal game or championship game of a national collegiate tournament; ~~on~~ admissions to a Major League Baseball, Major League Soccer, National Basketball Association, or National Hockey League all-star game; ~~on~~ admissions to the Major League

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**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.

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2014330\_\_

59 Baseball Home Run Derby held before the Major League Baseball  
60 All-Star Game; or ~~on~~ admissions to ~~the~~ National Basketball  
61 Association all-star events produced by the National Basketball  
62 Association and held at a facility such as an arena, convention  
63 center, or municipal facility ~~Rookie Challenge, Celebrity Game,~~  
64 ~~3-Point Shooting Contest, or Slam Dunk Challenge.~~

65 ~~6.5-~~ A participation fee or sponsorship fee imposed by a  
66 governmental entity as described in s. 212.08(6) for an athletic  
67 or recreational program if is exempt when the governmental  
68 entity by itself, or in conjunction with an organization exempt  
69 under s. 501(c)(3) of the Internal Revenue Code of 1954, as  
70 amended, sponsors, administers, plans, supervises, directs, and  
71 controls the athletic or recreational program.

72 ~~7.6. Also exempt from the tax imposed by this section to~~  
73 ~~the extent provided in this subparagraph~~ are Admissions to live  
74 theater, live opera, or live ballet productions in this state  
75 which are sponsored by an organization that has received a  
76 determination from the Internal Revenue Service that the  
77 organization is exempt from federal income tax under s.  
78 501(c)(3) of the Internal Revenue Code of 1954, as amended, if  
79 the organization actively participates in planning and  
80 conducting the event, is responsible for the safety and success  
81 of the event, is organized for the purpose of sponsoring live  
82 theater, live opera, or live ballet productions in this state,  
83 has more than 10,000 subscribing members and has among the  
84 stated purposes in its charter the promotion of arts education  
85 in the communities ~~which~~ it serves, and will receive at least 20  
86 percent of the net profits, if any, of the events ~~which~~ the  
87 organization sponsors and will bear the risk of at least 20

10-00496-14

2014330\_\_

88 percent of the losses, if any, from the events ~~which~~ it sponsors  
89 if the organization employs other persons as agents to provide  
90 services in connection with a sponsored event. ~~Before~~ Prior to  
91 March 1 of each year, such organization may apply to the  
92 department for a certificate of exemption for admissions to such  
93 events sponsored in this state by the organization during the  
94 immediately following state fiscal year. The application must  
95 ~~shall~~ state the total dollar amount of admissions receipts  
96 collected by the organization or its agents from such events in  
97 this state sponsored by the organization or its agents in the  
98 year immediately preceding the year in which the organization  
99 applies for the exemption. Such organization shall receive the  
100 exemption only to the extent of \$1.5 million multiplied by the  
101 ratio that such receipts bear to the total of such receipts of  
102 all organizations applying for the exemption in such year;  
103 however, ~~in no event shall~~ such exemption granted to any  
104 organization may not exceed 6 percent of such admissions  
105 receipts collected by the organization or its agents in the year  
106 immediately preceding the year in which the organization applies  
107 for the exemption. Each organization receiving the exemption  
108 shall report each month to the department the total admissions  
109 receipts collected from such events sponsored by the  
110 organization during the preceding month and shall remit to the  
111 department an amount equal to 6 percent of such receipts reduced  
112 by any amount remaining under the exemption. Tickets for such  
113 events sold by such organizations may shall not reflect the tax  
114 otherwise imposed under this section.

115 ~~8.7. Also exempt from the tax imposed by this section are~~  
116 Entry fees for participation in freshwater fishing tournaments.

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2014330

117 ~~9.8. Also exempt from the tax imposed by this section are~~  
118 Participation or entry fees charged to participants in a game,  
119 race, or other sport or recreational event if spectators are  
120 charged a taxable admission to such event.

121 ~~10.9. No tax shall be levied on~~ Admissions to any  
122 postseason collegiate football game sanctioned by the National  
123 Collegiate Athletic Association.

124 Section 2. This act shall take effect July 1, 2014.



The Florida Senate

## Committee Agenda Request

**To:** Senator Nancy Detert, Chair  
Committee on Commerce and Tourism

**Subject:** Committee Agenda Request

**Date:** November 12, 2013

---

I respectfully request that **Senate Bill 330**, relating to Admissions Tax, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in black ink, appearing to read "David Simmons", written over a horizontal line.

Senator David Simmons  
Florida Senate, District 10



while some counties do not have a surtax.<sup>2</sup> Rates currently range from .5-1.5 percent.<sup>3</sup> Under s. 212.054, F.S., the local discretionary sales surtaxes apply to all transactions “subject to the state tax imposed on sales, use, services, rentals, admissions, and other transactions by this chapter and communications services as defined for purposes of ch. 202.”<sup>4</sup> The surtax does not apply to any sales amount above \$5,000 on any item of tangible personal property.<sup>5</sup>

In 2004, the Florida Office of Insurance Regulation (OIR) estimated a gross probable loss of over \$25 billion due to hurricanes that year with 1,651,711 claims reported and 48,839 total loss claims. In 2005, OIR estimated a gross probable loss of close to \$11 billion due to hurricanes with 1,155,824 claims reported and 23,093 total loss claims.<sup>6</sup> The Florida Division of Emergency Management (DEM) recommends having a plan and preparing your home to prevent damage. Additionally, DEM recommends having a disaster supply kit with items such as a battery operated radio, flashlight, batteries, and first-aid kit.<sup>7</sup>

### III. Effect of Proposed Changes:

SB 362 establishes a sales tax exemption for specified items related to hurricane preparedness during a period of 12 consecutive days beginning on June 1, 2014 (Section 1). The timing of this period coincides with the start of hurricane season.<sup>8</sup> The exempted items are:

- 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 that is used to provide light or communications or preserve food in the event of a power outage selling for \$750 or less.

The bill also provides that the Department of Revenue may adopt rules to implement the exemption period of this bill. Section 1 of this bill will expire on September 30, 2014.

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<sup>2</sup>Florida Department of Revenue, *Florida's Discretionary Sales Surtax*, <http://dor.myflorida.com/dor/forms/current/gt800019.pdf> (last visited Jan. 22, 2014).

<sup>3</sup>Florida Department of Revenue, *Discretionary Sales Surtax Information*, [http://dor.myflorida.com/dor/forms/current/dr15dss\\_1113.pdf](http://dor.myflorida.com/dor/forms/current/dr15dss_1113.pdf) (last visited Jan. 22, 2014).

<sup>4</sup>Section 212.054, F.S.

<sup>5</sup>Section 212.054(2)(b)1., F.S.

<sup>6</sup>Florida Office of Insurance Regulation, *Florida Office of Insurance Regulation Hurricane Summary Data*, <http://www.floir.com/siteDocuments/HurricaneSummary20042005.pdf> (last visited Jan. 22, 2014).

<sup>7</sup>Florida Division of Emergency Management, *Disaster Supply Kit*, <http://www.floridadisaster.org/supplykit.htm> (last visited Jan. 22, 2014).

<sup>8</sup>National Oceanic & Atmospheric Administration, *Frequently Asked Questions*, <http://www.aoml.noaa.gov/hrd/tcfaq/G1.html> (last visited Jan. 22, 2014).

The bill appropriates \$221,400 from the General Revenue Fund to the Department of Revenue for purposes of administering this bill.

This bill provides that the act shall take effect upon becoming a law.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

Article VII, s. 18 of the Florida Constitution, excuses counties and municipalities from complying with laws requiring them to spend funds or to take an action unless certain conditions are met.

Subsection (b) of the provision prohibits the Legislature from “enacting, amending, or repealing any general law if the anticipated effect” is to reduce county or municipal aggregate revenue generating authority as it existed on February 1, 1989. The exception to this prohibition is if the Legislature passes such a law by two-thirds of the membership of each chamber.

Subsection (c) of the provision prohibits the Legislature from “enacting, amending, or repealing any general law if the anticipated effect” is to reduce the percentage of a state tax shared with counties and municipalities. The exception to this prohibition is if the Legislature passes such a law by 2/3 of the membership of each chamber.

Subsection (d) provides an exemption from the prohibitions. Laws determined to have an “insignificant fiscal impact,” which means an amount not greater than the average statewide population for the applicable fiscal year times \$0.10 are exempt (April 1, 2013, statewide population estimate was about 19.3 million)<sup>9</sup>.

The Revenue Estimating Conference estimated that the provisions of this bill will have a fiscal impact of \$700,000 at the local level.

##### **B. Public Records/Open Meetings Issues:**

None.

##### **C. Trust Funds Restrictions:**

None.

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<sup>9</sup> Office of Economic and Demographic Research, Florida Population Estimates for Counties and Municipalities, April 1, 2013, available at [http://edr.state.fl.us/Content/population-demographics/data/2013\\_Pop\\_Estimates.pdf](http://edr.state.fl.us/Content/population-demographics/data/2013_Pop_Estimates.pdf) (last visited 1/29/2014).

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

The Revenue Estimating Conference met on November 20, 2013, and estimated the total impact of this bill to be nonrecurring, negative \$3.6 million for FY 2013-14. The nonrecurring impact is estimated to be: General Revenue (\$2.9 million); State Trust Funds (insignificant); and local (\$700,000).<sup>10</sup>

**B. Private Sector Impact:**

During the period of June 1-12, 2014, the enumerated hurricane preparedness items can be purchased for 6-7.5 percent less, depending on the local discretionary sales surtax rate. The timing of the tax-free period will provide an incentive for Floridians to save money and to prepare themselves prior to the usual heightened tropical storm and hurricane threat period.

**C. Government Sector Impact:**

The bill currently appropriates \$221,400 from the General Revenue Fund to the Department of Revenue for the purposes of administering this act.

Department of Revenue analysis projects that this bill will have an impact of \$285,262 to pay for printing and mailing tax information publications to the 566,000 sales and use tax dealers.<sup>11</sup>

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

The Department of Revenue analysis and Revenue Estimating Conference state first aid kits are already sales-tax exempt under s. 212.08(2)(a), F.S.<sup>12</sup>

**VIII. Statutes Affected:**

This bill creates general law not contained in a designated section of the Florida Statutes.

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<sup>10</sup> Office of Economic and Demographic Research, *Revenue Estimating Conference*, <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2014/pdf/Impact1120.pdf> (last visited 1/29/14).

<sup>11</sup> Department of Revenue, *Senate Bill 362 Agency Analysis* (Dec. 31, 2013).

<sup>12</sup> Department of Revenue, *Senate Bill 362 Agency Analysis* (Dec. 31, 2013); Revenue Estimating Conference, <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2014/pdf/page25-27.pdf> (last visited Jan. 22, 2014).

**IX. Additional Information:**

**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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562782

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
02/03/2014	.	
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The Committee on Commerce and Tourism (Hukill) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Hurricane preparedness tax suspension.-

(1) Effective May 31, 2014, through June 14, 2014, no tax levied pursuant to chapter 212, Florida Statutes, shall be collected on the sale of:

(a) A portable self-powered light source selling for \$20 or less.



562782

- 11       (b) A portable self-powered radio, two-way radio, or  
12 weather band radio selling for \$75 or less.
- 13       (c) A tarpaulin or other flexible waterproof sheeting  
14 selling for \$50 or less.
- 15       (d) An item typically sold or advertised as a ground anchor  
16 system or tie-down kit selling for \$50 or less.
- 17       (e) A gas or diesel fuel tank selling for \$25 or less.
- 18       (f) A package of AAA-cell, AA-cell, C-cell, D-cell, 6-volt,  
19 or 9-volt batteries, excluding automobile and boat batteries,  
20 selling for \$30 or less.
- 21       (g) A cell phone battery selling for \$60 or less.
- 22       (h) A cell phone charger selling for \$40 or less.
- 23       (i) A nonelectric food storage cooler selling for \$30 or  
24 less.
- 25       (j) A portable generator that is used to provide light or  
26 communications or preserve food in the event of a power outage  
27 selling for \$1,000 or less.
- 28       (k) A storm shutter device selling for \$200 or less. As  
29 used in this paragraph, the term "storm shutter device" means a  
30 material or product manufactured, rated, and marketed  
31 specifically for the purpose of preventing window damage from  
32 storms.
- 33       (l) A carbon monoxide detector selling for \$75 or less.
- 34       (m) A reusable ice selling for \$10 or less.
- 35       (n) A single product consisting of two or more of the items  
36 listed in paragraphs (a)-(m) selling for \$75 or less.
- 37       (2) This section does not apply to sales within a public  
38 lodging establishment as defined in s. 509.013(4), Florida  
39 Statutes, within a theme park or entertainment complex as



562782

40 defined in s. 509.013(9), Florida Statutes, or within an airport  
41 as defined in s. 330.27(2), Florida Statutes.

42 (3) The Department of Revenue may adopt rules to implement  
43 this section.

44 (4) This section expires September 30, 2014.

45 Section 2. The sum of \$311,183 is appropriated from the  
46 General Revenue Fund to the Department of Revenue for purposes  
47 of administering this act.

48 Section 3. This act shall take effect upon becoming a law.

49  
50 ===== T I T L E A M E N D M E N T =====

51 And the title is amended as follows:

52 Delete everything before the enacting clause  
53 and insert:

54 A bill to be entitled  
55 An act relating to hurricane preparedness; providing  
56 an exemption from the sales and use tax for sales of  
57 certain tangible personal property for a certain  
58 period for certain purposes; providing an exception  
59 for sales within a public lodging establishment, theme  
60 park, entertainment complex, or airport; authorizing  
61 the Department of Revenue to adopt rules; providing  
62 for expiration; providing an appropriation; providing  
63 an effective date.

By Senator Bradley

7-00514-14

2014362\_\_

A bill to be entitled

An act relating to hurricane preparedness; providing an exemption from the sales and use tax for sales of certain tangible personal property for a certain period for certain purposes; providing for expiration; authorizing the Department of Revenue to adopt rules; providing an appropriation; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Hurricane preparedness tax suspension.—

(1) Effective June 1, 2014, through June 12, 2014, no tax levied pursuant to chapter 212, Florida Statutes, shall be collected on the sale of:

(a) A portable self-powered light source selling for \$20 or less.

(b) A portable self-powered radio, two-way radio, or weather band radio selling for \$50 or less.

(c) A tarpaulin or other flexible waterproof sheeting selling for \$50 or less.

(d) A self-contained first-aid kit selling for \$30 or less.

(e) A ground anchor system or tie-down kit selling for \$50 or less.

(f) A gas or diesel fuel tank selling for \$25 or less.

(g) 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.

(h) A nonelectric food storage cooler selling for \$30 or

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**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.

7-00514-14

2014362\_\_

less.

(i) A portable generator that is used to provide light or communications or preserve food in the event of a power outage selling for \$750 or less.

(2) The Department of Revenue may adopt rules to implement this section.

(3) This section expires September 30, 2014.

Section 2. The sum of \$221,400 is appropriated from the General Revenue Fund to the Department of Revenue for purposes of administering this act.

Section 3. This act shall take effect upon becoming a law.

Page 2 of 2

**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.



The Florida Senate

## Committee Agenda Request

**To:** Senator Nancy Detert, Chair  
Committee on Commerce and Tourism

**Subject:** Committee Agenda Request

**Date:** December 9, 2013

---

I respectfully request that **Senate Bill # 362**, relating to Hurricane Preparedness, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in black ink, appearing to read "Rob Bradley".

---

Senator Rob Bradley  
Florida Senate, District 7

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/3/14

Meeting Date

Topic \_\_\_\_\_

Name Frank Meiners

Job Title \_\_\_\_\_

Address \_\_\_\_\_

Street

City

State

Zip

Speaking:  For  Against  Information

Representing

AIF

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

Bill Number 362

(if applicable)

Amendment Barcode \_\_\_\_\_

(if applicable)

Phone 850 591-0177

E-mail frank@comcast.com

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

**THE FLORIDA SENATE**  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

2/3/14

*Meeting Date*

Topic Hurricane Preparedness

Bill Number SB 362  
*(if applicable)*

Name Carolyn Johnson

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title Policy Director

Address 136 S Bronough St

Phone 521-1235

*Street*

Tallahassee

FL

32311

E-mail cjohnson@flchamber.com

*City*

*State*

*Zip*

Speaking:  For  Against  Information

Representing Florida Chamber of Commerce

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

***This form is part of the public record for this meeting.***

S-001 (10/20/11)

# CourtSmart Tag Report

**Room:** EL 110

**Case:**

**Type:**

**Caption:** Commerce and Tourism Committee **Judge:**

**Started:** 2/3/2014 3:59:17 PM

**Ends:** 2/3/2014 4:23:30 PM **Length:** 00:24:14

**3:59:20 PM** Call to order and roll  
**3:59:51 PM** Tab 4 SB 362 Senator Bradley  
**4:02:12 PM** Roll call on SB 362  
**4:02:40 PM** Bill passes  
**4:02:45 PM** Tab 3 SB 330 Senator Simmons  
**4:04:38 PM** Senator Bean  
**4:06:06 PM** Roll call on SB 330  
**4:06:15 PM** Bill passes  
**4:06:33 PM** Tab 1 CS/SB 110 Senator Soto  
**4:08:21 PM** Amendment 1 barcode 943832  
**4:09:01 PM** Amendment 2 barcode 191962  
**4:09:29 PM** Senator Hays  
**4:10:43 PM** Amendments pass  
**4:11:02 PM** Senator Hays  
**4:15:51 PM** Roll call on SB 110  
**4:16:08 PM** Bill passes  
**4:16:19 PM** Tab 2 SB 196 Senator Margolis  
**4:18:18 PM** Senator Thompson  
**4:19:20 PM** Randy Miller representing Florida Retail Federation  
**4:22:23 PM** Roll call on SB 196  
**4:22:35 PM** Bill passes  
**4:22:55 PM** Adjournment