

STORAGE NAME: s0932z.bdt
DATE: June 7, 2000

****AS PASSED BY THE LEGISLATURE****
CHAPTER #: 2000-206, Laws of Florida

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
BUSINESS DEVELOPMENT & INTERNATIONAL TRADE
FINAL ANALYSIS**

BILL #: SB 932

RELATING TO: Sales Tax Registration Fee

SPONSOR(S): Senator Sebesta

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) BUSINESS DEVELOPMENT & INTERNATIONAL TRADE
 - (2)
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

This bill repeals the additional fee charged for a certificate of registration to a dealer who had taxable sales or purchases of \$30,000 or more during the previous calendar year. In addition, the bill repeals the provision for deposit of the additional registration fee into the Solid Waste Management Trust Fund.

There is an estimated annual recurring fiscal impact of (\$7.7m) to the Solid Waste management Trust Fund of the Department of Environmental Protection.

This bill would take effect upon becoming law.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Section 212.18, Florida Statutes, provides for the administration of law relating to sales tax collections and the registration of dealers required to collect such taxes. Subsection (3) of that section requires every person who conducts business as a dealer in this state, leases or rents specified property or accommodations, or collects admissions to file an application for a certificate of registration for each place of business. A \$5 registration fee is required to accompany the application.

Subsection (5) of that same section provides that, in addition to any other fee imposed by the chapter, persons who hold a certificate of registration granted under subsection (3) and who had taxable sales or purchases during the preceding calendar year of \$30,000 or more shall pay an additional annual registration fee for each certificate of registration granted. For certificate holders with taxable sales or purchases during the preceding calendar year of at least \$30,000, but not more than \$200,000, the fee is \$25. For certificate holders with taxable sales or purchases during the preceding calendar year of \$200,000 or more, the fee is \$50. The maximum fee for any dealer filing a consolidated return is capped at \$10,000.

The revenues generated by the collection of the fee are transferred to the Treasurer and deposited in the Department of Environmental Protection's Solid Waste Management Trust Fund.

In 1988, the Legislature created the Solid Waste Management Trust Fund to fund the solid waste activities of the Department of Environmental Protection (DEP), make grants and awards to local governments, and provide funding for research, demonstration, and training by state and private universities and colleges (s. 403.709(1), F.S.). While DEP administers the fund, funding is generated from many sources. Sources of revenue for which the Department of Revenue collects and makes distributions to the fund include the waste tire fee (s. 403.718, F.S.), a sales tax collection allowance of .2 percent (s. 212.20(6)(f)2., F.S.), and an annual sales tax registration fee collected from certain dealers (s. 212.18(5), F.S.).

C. EFFECT OF PROPOSED CHANGES:

This bill repeals subsection (5) of s. 212.18, F.S., to abolish the additional annual registration fee charged for each certificate of registration granted to a dealer who had taxable sales or purchases of \$30,000 or more during the previous calendar year. The bill also repeals s. 212.20(6)(d), F.S., which provides for distribution of the additional registration fee in the Solid Waste Management Trust Fund. The bill amends other provisions to conform to the repeal.

D. SECTION-BY-SECTION ANALYSIS:

Section 1 abolishes the additional fee charged for a certificate of registration and repeals subsection (5) of s. 212.18, F.S.

Section 2 deletes the requirement that the proceeds from the fee be deposited in the Solid Waste Management Trust Fund within the DEP and deletes the requirement for the Department of Revenue to transfer the funds generated from the collection of the fee to the Treasurer. The section amends subsection (1) of s. 212.20, F.S., and repeals paragraph (d) of that subsection.

Section 3 changes cross references to reflect the repeal of paragraph (d) of subsection (1) of s. 212.20, F.S., and amends subsections (5) and (6) of s. 218.65, F.S.

Section 4 changes cross references to reflect the repeal of paragraph (d) of subsection (1) of s. 212.20, F.S., and amends s. 288.1169, F.S.

Section 5 provides that the bill will take effect upon becoming a law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The repeal of the additional sales tax dealer registration fee will reduce revenues in the Solid Waste Management Trust Fund on a recurring basis by an estimated \$7.7 million.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Eliminating the supplemental fee would benefit every business that collects over \$30,000 a year in sales tax.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

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VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COMMITTEE ON BUSINESS DEVELOPMENT & INTERNATIONAL TRADE:

Prepared by:

Staff Director:

Lisa Munroe

J. Paul Whitfield, Jr.

FINAL ANALYSIS PREPARED BY THE COMMITTEE ON BUSINESS DEVELOPMENT & INTERNATIONAL TRADE:

Prepared by:

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