

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 932

SPONSOR: Senator Sebesta

SUBJECT: Sales Tax Registration Fee

DATE: March 20, 2000 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Keating</u>	<u>Wood</u>	<u>FR</u>	<u>Favorable</u>
2.	<u>Robinson Pierce</u>	<u>Maclure</u>	<u>CM</u>	<u>Favorable</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This bill would abolish 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.

This bill repeals the following sections of the Florida Statutes: 212.18(5) and 212.20(6)(d). The bill also amends the following sections of the Florida Statutes: 212.20(1), 212.65, and 288.1169.

II. Present Situation:

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.).

Dealers Sales Tax Registration Fees

Section 212.18, F.S., provides for the administration and enforcement of law by the Department of Revenue relating to sales tax collections and the registration of dealers required to collect such taxes. Subsection (5) of s. 212.18, F.S., 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.

Section 212.20(6)(d), F.S., provides that the additional annual registration fee imposed by s. 212.18(5), F.S., shall be deposited in the Solid Waste Management Trust Fund of the Department of Environmental Protection.

III. 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 into the Solid Waste Management Trust Fund.

The bill also amends ss. 212.20, 218.65, and 288.1169, F.S., to conform cross-references.

The bill shall take effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

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.

Issue/Fund	General Revenue		Trust		Local		Total	
	1st Year	Recurring	1st Year	Recurring	1st Year	Recurring	1st Year	Recurring

Issue/Fund	1st Year	Recurring	1st Year	Recurring	1st Year	Recurring	1st Year	Recurring
Repeal/ Add'l Reg.Fee	\$ 0.0	\$ 0.0	\$ (7.7)	\$ (7.7)	\$ 0.0	\$ 0.0	\$ (7.7)	\$ (7.7)

- * Insignificant
- ** Indeterminate

B. Private Sector Impact:

Sales tax dealers having taxable sales or purchases during the preceding calendar year of at least \$30,000, but not more than \$200,000, will no longer have to pay an additional annual registration fee of \$25, and dealers having taxable sales or purchases during the preceding calendar year of \$200,000 or more will no longer have to pay an additional annual registration of \$50.

C. Government Sector Impact:

The Solid Waste Management Trust Fund of the Department of Environmental Protection (DEP) will have an estimated recurring reduction in revenues of \$7.7 million which will have an impact on the number of solid waste management programs which can be funded annually. DEP states that although the bill will reduce the revenue stream going into the trust fund, it is not intended that disbursements which adhere to the trust fund's original intent be affected.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.