Florida Senate - 2006

By Senator Rich

34-991-06 1 A bill to be entitled 2 An act relating to local occupational license 3 taxes; amending s. 205.0535, F.S.; updating 4 provisions authorizing reclassification and new 5 rate-structure revisions to local occupational б license taxes by ordinance; deleting counties 7 from such authorization provisions; providing 8 construction relating to decreasing or repealing such taxes; providing an effective 9 10 date. 11 12 Be It Enacted by the Legislature of the State of Florida: 13 Section 1. Section 205.0535, Florida Statutes, is 14 amended to read: 15 205.0535 Reclassification and rate structure 16 17 revisions.--(1) By October 1, 2007 1995, any municipality that has 18 adopted by ordinance an occupational license tax after October 19 1, 1995, or county may, by ordinance, reclassify businesses, 20 21 professions, and occupations and may establish new rate 22 structures, if the conditions specified in subsections (2) and 23 (3) are met. A person who is engaged in the business of providing local exchange telephone service or a pay telephone 2.4 service in a municipality or in the unincorporated area of a 25 county and who pays the occupational license tax under the 26 27 category designated for telephone companies or a pay telephone 2.8 service provider certified pursuant to s. 364.3375 is deemed to have but one place of business or business location in each 29 30 municipality or unincorporated area of a county. Pay telephone 31

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1 service providers may not be assessed an occupational license 2 tax on a per-instrument basis. 3 (2) Before adopting a reclassification and revision 4 ordinance, the municipality or county must establish an equity study commission and appoint its members. Each member of the 5 б study commission must be a representative of the business 7 community within the local government's jurisdiction. Each 8 equity study commission shall recommend to the appropriate 9 local government a classification system and rate structure for local occupational license taxes. 10 (3)(a) After the reclassification and rate structure 11 12 revisions have been transmitted to and considered by the 13 appropriate local governing body, it may adopt by majority vote a new occupational license tax ordinance. Except that a 14 minimum license tax of up to \$25 is permitted, the 15 reclassification shall not increase the occupational license 16 17 tax by more than the following: for licenses costing \$150 or 18 less, 200 percent; for licenses costing more than \$150 but not more than \$500, 100 percent; for licenses costing more than 19 \$500 but not more than \$2,500, 75 percent; for licenses 20 21 costing more than \$2,500 but not more than \$10,000, 50 22 percent; and for licenses costing more than \$10,000, 10 23 percent; however, in no case may any license be increased more than \$5,000. 2.4 (b) The total annual revenue generated by the new rate 25 structure for the fiscal year following the fiscal year during 26 27 which the rate structure is adopted may not exceed: 2.8 1. For municipalities, the sum of the revenue base and 10 percent of that revenue base. The revenue base is the sum 29 of the occupational license tax revenue generated by licenses 30 issued for the most recently completed local fiscal year or 31 2

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1 the amount of revenue that would have been generated from the 2 authorized increases under s. 205.043(1)(b), whichever is 3 greater, plus any revenue received from the county under s. 205.033(4). 4 2. For counties, the sum of the revenue base, 10 5 б percent of that revenue base, and the amount of revenue 7 distributed by the county to the municipalities under s. 8 205.033(4) during the most recently completed local fiscal year. The revenue base is the occupational license tax revenue 9 generated by licenses issued for the most recently completed 10 local fiscal year or the amount of revenue that would have 11 12 been generated from the authorized increases under s. 13 205.033(1)(b), whichever is greater, but may not include any revenues distributed to municipalities under s. 205.033(4). 14 (c) In addition to the revenue increases authorized by 15 paragraph (b), revenue increases attributed to the increases 16 17 in the number of licenses issued are authorized. (4) After the conditions specified in subsections (2) 18 and (3) are met, municipalities and counties may, every other 19 year thereafter, increase by ordinance the rates of local 20 21 occupational license taxes by up to 5 percent. The increase, 22 however, may not be enacted by less than a majority plus one 23 vote of the governing body. This chapter does not prohibit a municipality or county from decreasing or repealing any 2.4 license tax authorized under this chapter. 25 (5) <u>A No license may not shall</u> be issued unless the 26 27 federal employer identification number or social security 2.8 number is obtained from the person to be licensed. 29 Section 2. This act shall take effect upon becoming a 30 law. 31

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SB 1	1592
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2	SENATE SUMMARY
3	Updates provisions that authorize reclassification and
4	new rate-structure revisions to local occupational license taxes to be effected by ordinance. Deletes counties from such authorization provisions. Provides
5	that the act does not prohibit a local government's decreasing or eliminating an occupational license tax.
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