

The Florida Senate
PROFESSIONAL STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Prepared By: Agriculture Committee

BILL: SB 1968

INTRODUCER: Senator Atwater

SUBJECT: Sales Tax/Agricultural and Farm Items

DATE: March 14, 2007 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	D'Eramo	Poole	AG	Favorable
2.	_____	_____	FT	_____
3.	_____	_____	GA	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill provides that purchases of low volume irrigation equipment for use in agriculture are exempt from the sales and use tax. It removes from one section of the statutes a sales tax exemption for generators and liquefied fuel used in poultry operations, because the exemption is provided elsewhere.

This bill substantially amends sections 212.08(5)(a) and 212.02 of the Florida Statutes.

II. Present Situation:

Section 212.08, F.S., provides for specific exemptions from the sales and use tax imposed by chapter 212, F.S. Exemptions for sixteen different categories based on their use are set forth in s. 212.08(5), F.S., in which subsection (a) details exemptions for items in agricultural use. Section 212.08(3), F.S., exempts from sales tax power farm equipment used exclusively on a farm. Low volume irrigation equipment used in agricultural production is not explicitly listed in either of these sections.

Section 212.08(5)(a), F.S., exempts generators and liquefied fuel used in poultry operations from sales tax. This duplicates exemptions contained in s. 212.08(3), F.S., for power farm equipment which would include generators and s. 212.08(5)(e), F.S., for liquefied fuel used on a farm.

III. Effect of Proposed Changes:

Section 1 amends s. 212.08(5)(a), F.S., to exempt low-volume irrigation equipment or components used in agricultural production from sales tax. It also removes the exemptions for generators used on a poultry farm and liquefied fuel used to heat certain poultry structures, because the exemption is provided elsewhere.

Section 2 amends s. 212.02, F.S., to add subsection (33) which defines “low-volume or micro-irrigation” to mean frequent application of small quantities of water through emitters placed along delivery pipes. The physical components of low volume irrigation systems include equipment and system components.

Section 3 provides that this act shall take effect on July 1, 2007.

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:

None.

B. Private Sector Impact:

The financial savings to the private sector reflects the loss of revenue to the Government Sector, as indicated in the following section.

C. Government Sector Impact:

The 2007 Revenue Estimating Conference estimates that this legislation will result in the following negative fiscal impact (amounts are in millions):

	FY 2007-08 annualized	FY's 2007-08 cash
General Revenues of the State	(2.9)	(2.7)
Total State Impact		
Total Local Impact	(0.7)	(0.7)
Total State & Local Impact	(3.6)	(3.4)

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

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

VIII. Summary of Amendments:

None.

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