

TAX: sales tax /corporate income tax  
 ISSUE: sales tax/corporate income tax credit for former offender new hires  
 BILL NUMBER(S): SB 2448  
 SPONSOR(S): Senator Miller  
 EFFECTIVE DATE: July 1, 2003  
 DATE OF ANALYSIS: March 28, 2003

**SECTION 1: NARRATIVE**

**a. Current Law:**

Currently, there is no \$1,000 corporate income tax or sales tax voucher for employing former offenders.

**b. Proposed Change:**

Provides a \$1,000 voucher for use against any tax liability created under chapter 212 or chapter 220, F.S. The voucher is for businesses defined in s. 212.02, F.S., that employ a former offender after July 1, 2003. The business must document:

1. that the position was continuously filled for at least 12 full months;
2. that the salary for such position is at least \$9 per hour; and
3. that the offender performs duties in connection with the operations of the business on a regular full time basis for an average of at least 36 hour per week per month throughout the year.

**SECTION 2: DESCRIPTION OF DATA & SOURCES**

Florida Statistical Abstract 1993-2001  
 Statistical Abstract of the United States  
 Florida Department of Corrections, Bureau of Research and Data Analysis  
 REC 3/2003

**SECTION 3: ASSUMPTIONS & RATIONALE**

- Assume the released offenders age 18-64 is 90% of the total released offenders
- Assume the released offenders age 18-64 is 0.37% of Florida population age 16-64 when the data is not available
- Assume 50% factor up to include other offenders supervised by state and county systems
- Assume 20% reduction factor for some offenders in prison more than once and disability
- Assume 50% former offenders are currently employed
- Assume ex offenders have higher turnover rate than the general population
- Assume 50% former offender new hires meet the credit requirement

**SECTION 4: METHODOLOGY SEE THE ATTACHED SPREADSHEET**

SEE THE ATTACHED SPREADSHEET

**SECTION 5: IMPACT SUMMARY (DETAILS ATTACHED)**

State Impact - All Funds	FY 2003-04 Annualized	FY 2003-04 Cash	FY 2004-05 Cash
High			
Middle	-\$137.2m	\$0	-\$68.6m
Low			

Consensus Estimate Adopted: 3 28 '03	FY 2003-04 Annualized	FY 2003-04 Cash	FY 2004-05 Cash
General Revenue	(120.7)		(60.4)
	(.3)		(.1)
Total State Impact	(121.0)		(60.5)
Total Local Impact	(24.3)		(12.1)
Total Impact	(145.3)		(72.6)

Rev. Sharing  
 Local Half Cent  
 Local Option

(4.2)  
 (12.1)  
 (8.0)

105

(2.1)  
 (6.0)  
 (4.0)

SB 2448 - Employment incentive for former offenders

released inmates and offenders from community control

	FI inmate population	release total	# offenders under control	# offenders active on June 30th	# release community control	total released offenders
FY1990	42,733	40,197				
FY1991	46,233	35,416				
FY1992	47,012	36,154				
FY1993	50,603	30,192	26,218	14,892	11,326	41,518
FY1994	56,052	26,184	26,278	14,926	11,352	37,536
FY1995	61,992	22,174	25,940	14,692	11,248	33,422
FY1996	64,333	22,720	27,849	14,465	13,384	36,104
FY1997	64,713	23,866	27,980	14,605	13,375	37,241
FY1998	66,280	23,065	28,001	13,895	14,106	37,171
FY1999	68,599	23,025	28,173	14,540	13,633	36,658
FY2000	71,233	24,317	28,623	13,651	14,972	39,289
FY2001	72,007	26,805	25,255	10,126	15,129	41,934
FY2002	73,553	26,299	24,593	9,766	14,827	41,126

	FI pop age 18-64	released offenders age 18-64	% of pop 18-64	% remain in working age in FY2003	remain in working age in FY2003	Florida pop	total FI civilian jobs	new jobs
FY1983	6,375,270	23,588		50.00%	11,794			
FY1984	6,572,423	24,318		52.50%	12,767			
FY1985	6,773,562	25,062		55.00%	13,784			
FY1986	6,972,525	25,798		57.50%	14,834			
FY1987	7,165,529	26,512		60.00%	15,907			
FY1988	7,345,657	27,179		62.50%	16,987			
FY1989	7,535,081	27,880		65.00%	18,122			
FY1990	7,747,141	28,664		67.50%	19,348			
FY1991	7,916,123	29,290		70.00%	20,503			
FY1992	8,046,590	29,772		72.50%	21,585			
FY1993	8,192,004	37,366	0.46%	75.00%	28,025	469,304	6,190,788	172,928
FY1994	8,374,318	33,782	0.40%	77.50%	26,181	446,415	6,356,657	165,869
FY1995	8,544,982	30,080	0.35%	80.00%	24,064	375,973	6,474,555	117,898
FY1996	8,723,872	32,494	0.37%	82.50%	26,807	353,187	6,606,667	132,112
FY1997	8,912,655	33,517	0.38%	85.00%	28,489	338,789	6,781,484	174,817
FY1998	9,100,859	33,454	0.37%	87.50%	29,272	310,441	6,917,489	136,005
FY1999	9,331,577	32,992	0.35%	90.00%	29,693	284,096	7,076,655	159,166
FY2000	9,580,652	35,360	0.37%	92.00%	32,531	268,884	7,221,253	144,598
FY2001	9,811,694	37,741	0.38%	94.00%	35,476	364,966	7,308,812	87,559
FY2002	10,032,365	37,013	0.37%	96.00%	35,533	415,659	7,376,687	67,875
FY2003	10,221,661	37,820	0.37%	98.00%	37,064	430,734	7,421,096	44,409
FY2004	10,403,708	38,494	0.37%	99.00%	38,109	393,963	7,617,767	196,671
FY2005	10,592,733	39,193	0.37%	100.00%	39,193	380,124	7,807,467	189,700
total FY03					498,768			

the average age at release is about 34 years and the number of released age 50-64 is about 6%

assume released offenders age 18-64 is 90% of the total released offenders

assume released offenders age 18-64 for FY2003 to FY2005 are 0.37% of FI pop age 18-64

factor up the estimate to include other offenders supervised by state and county systems

50% 748,151

assuming the reduction factor for some former offenders in prison more than once and some disabled is

20% 598,521

assume 50% are currently employed

50% 299,261

		turnover by							
ex offenders w no jobs	other unemployed	turnover rate 10%	total pop need jobs	total job available	ex offender 15% need jobs	ex offender 15% need jobs	% total need jobs		
299,261	131,474	737,669	1,168,403	782,078	110,650	409,911	35.08%		
ex offender new hire	50% meet 12 months	credit	impact						
274,376	137,188	\$1,000	137,188,177						

assume ex offenders have higher turnover rate

assume 50% of ex offender new hires meet the credit requirement

source: Florida Statistical Abstract 2001  
 Statistical Abstract of the United States: 2002  
 REC 3/2003

Florida Department of Corrections Release Report FY 2001-2002 106  
 Florida Department of Community Affairs on Empowerment Zone  
 Bureau of Research and Data Analysis, Florida Department of Corrections