

**TAX: SALES TAX**

**ISSUE:** Amend sub-subparagraph 212.08(5)(h) 9.d., F.S. requires that items eligible for the refund of sales tax paid on purchases of business property to be used in an enterprise zone have a minimum sales price of \$500 per unit.

**BILL NUMBER (S): HB-809 (SECTION 2)**

**SPONSOR (S):** Representative Kilmer & Davis

**MONTH/YEAR COLLECTION IMPACT BEGINS:** Upon becoming Law.

**DATE OF ANALYSIS: MARCH 7, 2003**

**SECTION 1: NARRATIVE**

**a. Current Law:**

Requires that items eligible for refund of sales tax paid on purchases of business property to be used in an enterprise zone have a minimum sales price of \$ 5,000 per unit.

**b. Proposed Change:**

Reduces the minimum sales price threshold from \$5,000 per unit to \$500 per unit, allowing for more applications for refunds to be filed.

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

Department of Revenue reports of refunds issued in prior years.

**SECTION 3: ASSUMPTIONS & RATIONALE**

Applications for refunds will increase by 21% due to "New Filers" taking advantage of the lower threshold.

Average amount of refund will increase by 15%, to an estimated amount per refund of \$4,000 for all filers.

High ; Low = + - 10%

**SECTION 4: METHODOLOGY**

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

State Impact - All Funds	FY 2003-04 Annualized	FY 2003-04 Cash	FY 2004-05 Cash
High	(\$1.4m)	(\$.70m)	(\$1.4m)
Middle	(\$1.3m)	(\$.64m)	(\$1.3m)
Low	(\$1.2m)	(\$.58m)	(\$1.2m)

Consensus Estimate Adopted: 3/28/03	FY 2003-04 Annualized	FY 2003-04 Cash	FY 2004-05 Cash
General Revenue	(1.2)	(.6)	(1.2)
Solid Waste Management T.F.	(insignificant)	(insignificant)	(insignificant)
Total State Impact	(1.2)	(.6)	(1.2)
Local Tax Impact	(.3)	(.1)	(.3)
Total Impact	(1.5)	(.7)	(1.5)

Revenue Sharing ) (insignificant) (.1)  
 Local Half Cent ) (.1) (.1)  
 Local Option ) (insignificant) (.1)