

TAX: Sales and use  
 ISSUE: SKYBOXES  
 BILL NUMBER(S): SB 1670  
 SPONSOR(S): SEN. POSEY  
 MONTH/YEAR COLLECTION IMPACT BEGINS: 7/1/2003  
 DATE OF ANALYSIS: 3/25/03

**SECTION 1: NARRATIVE**

**a. Current Law:**

Section 212.031(9) F.S. exempts the rental, lease, sublease or license for the use of a skybox, luxury box, or other box seats for use during a high school or college football game from the sales and use tax when the charge for such rental lease, sublease or license is imposed by a 501(c)(3) non-profit organization.

**b. Proposed Change:**

Bill strikes exemption.

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

IRS data income of Florida Non-Profit 501(c)(3) for 2001  
 University of Florida Boosters  
 Florida Citrus Sports Association

**SECTION 3: ASSUMPTIONS & RATIONALE**

1. Annual Skybox Sales - UF \$1million  
     Florida Citrus Sports Ass (Citrus Bowl etc.): 28 Skyboxes @ \$17,500 per season = \$490,000
2. FSU annual skybox sales assumed at level similar to UF - \$1million
3. Gator Bowl annual skybox sales assumed at half of UF or FSU - \$500,000
4. UF construction of new skyboxes assumed to increase skybox sales by 50% or \$500,000
5. Other 501(c)(3)s identified by IRS with athletic activity codes and with names that do not suggest that they be excluded from organizations that may be affected by the sales tax exemption - annual income in 2001 of \$36m  
     HIGH estimate assumes 12% attributable to skybox sales, LOW estimate assumes 6% attributable to skybox sales

**SECTION 4: METHODOLOGY**

LOW = (\$3.5m + 6% \* \$36.0m) \* 6% = \$5.66m \* 6% = \$0.34m  
 HIGH = (\$3.5m + 12% \* \$36.0m) \* 6% = \$7.82m \* 6% = \$0.47m

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

State Impact - All Funds	FY 2003-2004 Annualized	FY 2003-2004 Cash	FY 2004-2005 Cash
High	\$ .47m	\$ .43m	\$ .47m
Middle	\$ .40m	\$ .37m	\$ .40m
Low	\$ .34m	\$ .31m	\$ .34m

Consensus Estimate Adopted: 3/28/03	FY 2003-2004 Annualized	FY 2003-2004 Cash	FY 2004-2005 Cash
General Revenue Solid Waste Management T.F.	.4 insignificant	.4 insignificant	.4 insignificant
Total State Impact	.4	.4	.4
Local Tax Impact	insignificant	insignificant	insignificant
Total Impact	.4	.4	.4