

TAX: Corporate income tax/Sales tax/Other taxes  
 ISSUE: Tax refund for hiring disabled persons  
 BILL NUMBER(S): HB 1255 Amendment  
 SPONSOR(S): Committee on Workforce & Economic Development/Representative Brummer  
 MONTH/YEAR COLLECTION IMPACT BEGINS: UBL  
 DATE OF ANALYSIS: March 15, 2004

**SECTION 1: NARRATIVE**

**a. Current Law:** There is not presently available a refund of corporate income tax, insurance premium tax, sales and use tax, intangible personal property tax, emergency excise tax, excise tax on documents, or ad valorem tax, for hiring a person who has a disability.

**b. Proposed Change:** Creates a provision within the Laws of Florida authorizing a refund of wages paid to persons who are disabled. This bill authorizes a refund of eligible taxes certified by the Division of Vocational Rehabilitation that were paid by a business which hired a disabled person. The refund is computed as 20 percent of the actual monthly wages, which exceed the federal minimum wage, paid to eligible employees in this state. The refund cannot exceed \$6,000 per eligible employee per fiscal year. A business may receive an additional amount of \$70 per month for each eligible employee who is covered by a health insurance plan. A business may claim refunds for no more than five eligible employees.

Refunds are subject to appropriation by the Legislature. If an amount appropriated by the Legislature is insufficient to pay all refund claims the Division of Vocational Rehabilitation is to amend the written order to prorate the refunds to the businesses for the fiscal year. This section is repealed June 30, 2010. The amount of \$2,820,000 is appropriated from the General Revenue Fund to the Department of Education for payment of refunds during fiscal year 2004-2005, as provided in this bill.

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

Current population survey, March 2003, Bureau of the Census.  
 Census 2000 Summary File 3, Bureau of the Census.  
 Job Openings and Labor Turnover Estimates, Bureau of Labor Statistics.

**SECTION 3: ASSUMPTIONS & RATIONALE**

See attached.

**SECTION 4: METHODOLOGY**

See attached.

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

State Impact—All Funds	FY 2004-05 Annualized	FY 2004-05 Cash	FY 2005-06 Cash
High			
Middle		(\$2.8) Million	
Low			

Consensus Estimate: Adopted: 3/16/04	FY 2004-05 Annualized	FY 2004-05 Cash	FY 2005-06 Cash
General Revenue			
Total State Impact			
Total Local Impact			
Total Impact	0	0	0

*The maximum amount of credits allowed will be set annually by the Appropriations Act.*

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People in FL who have a disability and are employed			
	Number	Mean Earnings	max credit/person
Apr-00 2002	1,192,024	36,110	\$6,840
<b>Total potential refund</b>			
	\$8,153,444,160		

Labor turnover rate	Assumed	Tax
	Labor Turnover	Refund Claimed
	8.0%	-\$652,275,533
	4.0%	-\$326,137,766
	3.3%	-\$269,063,657

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<i>Sales and Use Tax</i>	FY 2004-05	Cash 2004-05	FY 2005-06
	-\$521,820,426	-\$260,910,213	-\$537,475,039
	-\$260,910,213	-\$130,455,107	-\$268,737,520
	-\$215,250,926	-\$107,625,463	-\$221,708,454

<i>Corporate Income Tax</i>	FY 2004-05	Cash 2004-05	FY 2005-06
	-\$130,455,107	-\$32,613,777	-\$134,368,760
	-\$65,227,553	-\$16,306,888	-\$67,184,380
	-\$53,812,731	-\$13,453,183	-\$55,427,113

<b>Impact</b>	FY 2004-05	Cash 2004-05	FY 2005-06
	High Middle Low		(\$2.8) Million