

REVENUE ESTIMATING CONFERENCE

TAX: Sales/Corporate/Insurance Premium Tax

ISSUE: Increase cap on Community Contribution Tax Credit to \$15 Million.

BILL NUMBER(S): CS/HB 15

SPONSOR(S): Rep. Goodlette

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2005

DATE OF ANALYSIS: February 17, 2005

SECTION 1: NARRATIVE

a. Current Law: The Community Contribution Tax Credit Program authorizes businesses that make donations to approved organizations to claim a credit equal to 50 percent of the donation against the corporate income tax, sales or use tax, or insurance premium tax, upon approval by the Governor’s Office of Tourism, Trade and Economic Development. The combined total amount of tax credits that can be approved is \$10 million annually. The program is set to expire June 30, 2005.

b. Proposed Change: This bill increases from \$10 million to \$15 million the total annual amount of tax credits that may be granted under the community contribution tax credit program. The bill extends the operation of the community contribution tax credit program through June 30, 2015.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

Corporate Income and Insurance Premium Tax Returns
Credits applied for and awarded

Florida Department of Revenue
OTTED

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

See attached.

SECTION 4: PROPOSED FISCAL IMPACT

State Impact—All Funds	FY 2005-06 Annualized	FY 2005-06 Cash	FY 2006-07 Cash
High			
Middle	(\$15) Million	(\$13.1) Million	(\$15) Million
Low			

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 2 / 18 / 05) The conference adopted the proposed estimate The loss is assumed to be split 80% Sales Tax, 20% Corporate Tax.

	FY 2005-06 Annualized	FY 2005-06 Cash	FY 2006-07 Cash
General Revenue—Sales	(10.7)	(9.3)	(10.7)
General Revenue--Corporate	(3.0)	(2.6)	(3.0)
State Trust	(insignificant)	(insignificant)	(insignificant)
Total State Impact	(13.7)	(11.9)	(13.7)
Revenue Sharing	(.4)	(.3)	(.4)
Local Gov’t Half Cent	(.9)	(.9)	(.9)
Total Local Impact	(1.3)	(1.2)	(1.3)
Total Impact	(15.0)	(13.1)	(15.0)