

**REVENUE ESTIMATING CONFERENCE**

**TAX:** Sales and Use Tax  
**ISSUE:** Exemption for Micro-irrigation Equipment and Supplies  
**BILL NUMBER(S):** HB 245  
**SPONSOR(S):** Rep. Troutman  
**MONTH/YEAR COLLECTION IMPACT BEGINS:** July 1, 2007  
**DATE OF ANALYSIS:** February 7, 2007

**SECTION 1: NARRATIVE**

**a. Current Law:**

Low volume or micro-irrigation equipment is currently subject to the sales and use tax.

**b. Proposed Change:**

Amends s. 212.08(5)a), F.S., to provide a sales tax exemption for low-volume or micro-irrigation equipment or components; provides a definition for “low volume or micro-irrigation” and a list of the components of such a system. Deletes the exemption in s.212.08(5) (a), F.S, for generators used on poultry farms and liquefied petroleum gas or other fuel used to heat a structure in which started pullets or broilers are raised.

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

University of Florida – Institute for Food and Agricultural Sciences  
 Water Withdrawals, Use, Discharge, and Trends in Florida, 2000 – prepared by Richard L. Marella & Fl. Dept of Environmental Protection  
 2006 DOR estimate - various publications and conversations with agricultural engineering staff

**SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)**

see attached

Although the exemptions for generators used on poultry farms and fuel used to heat poultry structures are deleted from s. 212.08(5)(a), these items remain exempt based on the exemption for “power farm equipment” provided in s. 212.08(3) and the exemption for gas used for certain agricultural purposes provided in s. 212.08(5)(e), F.S.,

**SECTION 4: PROPOSED FISCAL IMPACT**

State Impact—All Funds	FY 2007-08 Annualized	FY 2007-08 Cash	FY 2008-09 Cash
High			
Middle	(\$ 3.3 m)	(\$3.0 m)	(\$ 3.3 m)
Low			

State Impact—All Funds	FY 2009-10 Cash	FY 2010-11 Cash
High		
Middle	(\$ 3.3 m)	(\$ 3.3 m)
Low		

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**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 2 / 9 / 07 )** The conference adopted the proposed estimate.

	FY 2007-08 Annualized	FY 2007-08 Cash	FY 2008-09 Cash
General Revenue	(2.9)	(2.7)	(2.9)
State Trust	(Insignificant)	(Insignificant)	(Insignificant)
Total State Impact	(2.9)	(2.7)	(2.9)
Revenue Sharing	(.1)	(.1)	(.1)
Local Gov't Half Cent	(.3)	(.3)	(.3)
Local Option	(.3)	(.3)	(.3)
Total Local Impact	(.7)	(.7)	(.7)
Total Impact	(3.6)	(3.4)	(3.6)

	FY 2009-10 Cash	FY 2010-11 Cash
General Revenue	(2.9)	(2.9)
State Trust	(Insignificant)	(Insignificant)
Total State Impact	(2.9)	(2.9)
Revenue Sharing	(.1)	(.1)
Local Gov't Half Cent	(.3)	(.3)
Local Option	(.3)	(.3)
Total Local Impact	(.7)	(.7)
Total Impact	(3.6)	(3.6)

	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	<b>MICROIRRIGATION</b>													
2														
3														
4														
5	<i>December 1991 Estimates</i>							<i>1998 Acreage</i>						
6														
7	<b>CROP</b>		<b>Total Acreage</b>	<b>Microirrigation Acreage</b>				<b>Cost (\$ per Acre)</b>						
8				<b>Potential</b>	<b>Current</b>		<b>Initial</b>	<b>Annual</b>						
9	<b>Fruit</b>	<b>Citrus</b>	732,800	100%	732,800	53%	385,000	1,000	30					
10		<b>Other</b>	34,480	95%	32,880	18%	6,015	1,000	25					
11	<b>Vegetable</b>	<b>Tomato</b>	55,800	100%	55,800	21%	11,450	1,200	125					
12		<b>Green Pepper</b>	23,100	100%	23,100	9%	2,000	1,200	125					
13		<b>Watermelon</b>	53,000	38%	20,000	10%	2,000	1,370	180					
14		<b>Cucumber</b>	17,100	58%	10,000	10%	1,000	1,370	180					
15		<b>Strawberry</b>	5,400	100%	5,400	74%	4,000	1,370	180					
16		<b>Potato</b>	45,500	100%	45,500	0%	-	1,070	70					
17		<b>Sweet Corn</b>	58,200	34%	20,000	0%	-	1,070	70					
18		<b>Other</b>	163,545	15%	25,050	9%	2,300	1,240	480					
19	<b>Ornamental</b>		92,245	14%	13,075	33%	4,270	13,075	435					
20	<b>Field</b>	<b>Sugarcane</b>	434,000	10%	43,400	-	-	750	300					
21		<b>Tobacco</b>	6,900	100%	6,900	-	-	1,370	180					
22		<b>Other</b>	429,000	0%	-	-	-	-	-					
23	<b>Pasture/Hay</b>		2,460,000	0%	-	-	-	-	-					
24	<b>TOTAL</b>		4,611,070	22%	1,033,905	40%	418,035							
25	<i>Source: 1993 IFAS Taskforce on Microirrigation in Florida</i>							<i>Source: 1998 IFAS - Irrigated Acreage in Florida</i>						
26														
27														
28	<b>Updates</b>													
29														
30	<b>CROP</b>		<b>Irrigated Acreage</b>	<b>Microirrigation Acreage</b>				<b>Material Cost (\$ per Acre)</b>		<b>Annual Expenditures (in \$ m)</b>				
31				<b>Current</b>	<b>Potential New</b>		<b>Initial</b>	<b>Annual</b>	<b>New 10%</b>	<b>Replacement 5%</b>	<b>Annual</b>	<b>Total</b>		
32							<i>(excluding pumps)</i>							
33	<b>Fruit</b>	<b>Citrus</b>	824,602	79%	650,726	3%	24,738	500	30	1.2	16.3	19.5	37.0	
34		<b>Other Fruit</b>	19,101	39%	7,541	0%	-	500	263					
35	<b>Vegetables</b>		209,925	10%	21,025	0%	-	500	263	-	0.5	5.5	6.1	
36	<b>Field Crops</b>	<b>Field Corn</b>	28,967	0%	72	0%	-	500	263	-	0.0	0.0	0.0	
37		<b>Potatoes</b>	33,196	3%	949	0%	-	500	263	-	0.0	0.2	0.3	
38		<b>Other Field</b>	6,989	0%	10	0%	-	500	263	-	0.0	0.0	0.0	
39	<b>Ornamentals &amp; Grasses</b>	<b>Field Grown</b>	24,190	19%	4,484	0%	-	1,000	500		0.2	2.2	2.5	
40		<b>Greenhouse Grown</b>	5,664	5%	278	0%	-	1,000	500		0.0	0.1	0.2	
41		<b>Container Grown</b>	36,387	47%	17,062	0%	-	1,000	500	-	0.9	8.5	9.4	
42		<b>Pasture hay</b>	130,028	0%	11	0%	-	1,000	500	-	0.0	0.0	0.0	
43														
44														
45	<b>TOTAL</b>		<b>1,319,049</b>	<b>53%</b>	<b>702,158</b>								<b>55.4</b>	
46												<b>Sales Tax</b>	<b>3.3</b>	
47														