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: Fabruary 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.,

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			

SECTION 4: PROPOSED FISCAL IMPACT

	FY 2009-10	FY 2010-11
State Impact—All Funds	Cash	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	FY 2008-09
	FY 2007-08 Annualized	Cash	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	FY 2010-11
	Cash	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)

	С	D	Е	F	G	Н	Ι	J	Κ	L	М	Ν
MICR	OIRRIGA	TION										
	JIMMUA											
-												
December 199	1 Estimatos									1998 Acreage		
December 199.	I LSumaies									1998 Acreuge		
CROP		Total	N	licroirrigatio	n Acreage	<u>،</u>	Cost (\$ pe	er Acre)		CROP		Irrigated
		Acreage	Pote	0	0	rent	Initial	Annual				Acreage
Fruit	Citrus	732,800	100%	732,800	53%	385,000	1,000	30				0
1	Other	34,480	95%	32,880	18%	6,015	1,000	25				
Vegetable	Tomato	55,800	100%	55,800	21%	11,450	1,200	125				
	Green Pepper	23,100	100%	23,100	9%	2,000	1,200	125		Fruit	Citrus	814,000
1	Watermelon	53,000	38%	20,000	10%	2,000	1,370	180			Other	26,600
]	Cucumber	17,100	58%	10,000	10%	1,000	1,370	180		Vegetable		328,500
]	Strawberry	5,400	100%	5,400	74%	4,000	1,370	180		Ornamental		66,600
]	Potato	45,500	100%	45,500	0%	-	1,070	70		Field		801,300
J	Sweet Corn	58,200	34%	20,000	0%	-	1,070	70		Pasture/Hay		196,000
	Other	163,545	15%	25,050	9%	2,300	1,240	480				
Ornamental		92,245	14%	13,075	33%	4,270	13,075	435		TOTAL		2,233,000
Field	Sugarcane	434,000	10%	43,400		-	750	300				
	Tobacco	6,900	100%	6,900		-	1,370	180		Microirrigation		578,000
	Other	429,000	0%	-		-	-	-				25.9%
Pasture/Hay	Other	2,460,000	0%	-			-	-				25.9%
TOTAL		2,460,000 4,611,070	0% 22%	- - 1,033,905	40%	- 418,035	-					
Pasture/Hay TOTAL Source: 1993 1	Other FAS Taskforce on M	2,460,000 4,611,070	0% 22%		40%		-			Source: 1998 IFA	S - Irrigated Ac	
		2,460,000 4,611,070	0% 22%		40%		-			Source: 1998 IFA	S - Irrigated Ac	
Pasture/Hay TOTAL Source: 1993 1		2,460,000 4,611,070	0% 22%		40%					Source: 1998 IFA	S - Irrigated Ac	
TOTAL Source: 1993 1		2,460,000 4,611,070	0% 22%		40%					Source: 1998 IFA	S - Irrigated Ac	
TOTAL Source: 1993 1 Updates		2,460,000 4,611,070 <i>ficroirrigation in</i>	0% 22% n Florida	1,033,905		418,035		-				
TOTAL Source: 1993 1 Updates		2,460,000 4,611,070 ficroirrigation in	0% 22% n Florida		on Acreage	418,035	- - Material Cost Initial	- (\$ per Acre)	New	Annual Expend	ditures (in \$ m)	
TOTAL Source: 1993 1 Updates		2,460,000 4,611,070 <i>ficroirrigation in</i>	0% 22% n Florida	1,033,905	on Acreage	418,035	Material Cost Initial	- (\$ per Acre) Annual	New 10%			reage in Flor
TOTAL Source: 1993 I Updates CROP		2,460,000 4,611,070 ficroirrigation in	0% 22% n Florida	1,033,905	on Acreage	418,035	Material Cost	- (\$ per Acre) Annual		Annual Expend Replacement	ditures (in \$ m)	reage in Flor
TOTAL Source: 1993 I Updates CROP Fruit	FAS Taskforce on M	2,460,000 4,611,070 <i>licroirrigation ir</i> Irrigated Acreage	0% 22% n Florida M Cur	1,033,905	on Acreage Potenti	418,035	Material Cost Initial (exlcuding	- (\$ per Acre) Annual <i>pumps</i>)	10%	Annual Expend Replacement 5%	ditures (in \$ m) Annual	reage in Flor Total
TOTAL Source: 1993 I Updates CROP Fruit	FAS Taskforce on M Citrus	2,460,000 4,611,070 <i>licroirrigation in</i> Irrigated Acreage 824,602	0% 22% n Florida M Cur 79%	1,033,905 ficroirrigation rent 650,726	on Acreage Potenti 3%	418,035 e ial New 24,738	Material Cost Initial (exlcuding 500	- (\$ per Acre) Annual pumps) 30	10%	Annual Expend Replacement 5%	ditures (in \$ m) Annual	reage in Flor Total
TOTAL Source: 1993 I Updates CROP Fruit Vegetables	FAS Taskforce on M Citrus	2,460,000 4,611,070 <i>licroirrigation ir</i> Irrigated Acreage 824,602 19,101	0% 22% n Florida M Cur 79% 39%	1,033,905 ficroirrigation rent 650,726 7,541	on Acreage Potenti 3% 0%	418,035 e ial New 24,738	Material Cost Initial (exlcuding 500 500	- (\$ per Acre) Annual <i>pumps</i>) 30 263	10% 1.2	Annual Expend Replacement 5% 16.3	ditures (in \$ m) Annual 19.5	reage in Flor Total 37.0
TOTAL Source: 1993 I Updates CROP Fruit Vegetables	FAS Taskforce on M Citrus Other Fruit	2,460,000 4,611,070 <i>licroirrigation in</i> Irrigated Acreage 824,602 19,101 209,925	0% 22% n Florida M Cur 79% 39% 10%	1,033,905 ficroirrigation rent 650,726 7,541 21,025	on Acreage Potenti 3% 0% 0%	418,035 e ial New 24,738 - -	Material Cost Initial (exlcuding 500 500 500	- (\$ per Acre) Annual <i>pumps</i>) 30 263 263	10% 1.2	Annual Expend Replacement 5% 16.3 0.5	ditures (in \$ m) Annual 19.5 5.5	reage in Flor Total 37.0 6.1
TOTAL Source: 1993 I Updates CROP Fruit Vegetables	FAS Taskforce on M Citrus Other Fruit Field Corn	2,460,000 4,611,070 <i>licroirrigation in</i> Irrigated Acreage 824,602 19,101 209,925 28,967	0% 22% n Florida M Cur 79% 39% 10% 0%	1,033,905 flicroirrigation rent 650,726 7,541 21,025 72	on Acreage Potenti 3% 0% 0% 0%	418,035 e ial New 24,738 - -	Material Cost Initial (exlcuding 500 500 500 500	- (\$ per Acre) Annual pumps) 30 263 263 263	10% 1.2 -	Annual Expense Replacement 5% 16.3 0.5 0.0	ditures (in \$ m) Annual 19.5 5.5 0.0	Total 37.0 6.1 0.0
TOTAL Source: 1993 I Updates CROP Fruit Vegetables	FAS Taskforce on M Citrus Other Fruit Field Corn Potatoes	2,460,000 4,611,070 ficroirrigation in ficroirrigated Acreage 824,602 19,101 209,925 28,967 33,196	0% 22% n Florida M Cur 79% 39% 10% 0% 3%	1,033,905 ficroirrigation rent 650,726 7,541 21,025 72 949	on Acreage Potenti 3% 0% 0% 0%	418,035 e ial New 24,738 - - -	Material Cost Initial (exlcuding 500 500 500 500 500 500 500 500 500 500	- (\$ per Acre) Annual pumps) 30 263 263 263 263 263	10% 1.2 - -	Annual Expense Replacement 5% 16.3 0.5 0.0 0.0 0.0	ditures (in \$ m) Annual 19.5 5.5 0.0 0.2	Total 37.0 6.1 0.0 0.3
TOTAL Source: 1993 1 Updates CROP Fruit Vegetables Field Crops	FAS Taskforce on M Citrus Other Fruit Field Corn Potatoes Other Field	2,460,000 4,611,070 ficroirrigation in ficroirrigated Acreage 824,602 19,101 209,925 28,967 33,196 6,989	0% 22% n Florida M Cur 79% 39% 10% 0% 3% 0%	1,033,905 ficroirrigation rent 650,726 7,541 21,025 72 949 10	on Acreage Potenti 3% 0% 0% 0% 0%	418,035 aial New 24,738 - - - -	Material Cost Initial (exlcuding 500 500 500 500 500 500 500	- (\$ per Acre) Annual pumps) 30 263 263 263 263 263 263	10% 1.2 - -	Annual Expense Replacement 5% 16.3 0.5 0.0 0.0 0.0 0.0	ditures (in \$ m) Annual 19.5 5.5 0.0 0.2 0.0	Total 37.0 6.1 0.0 0.3 0.0
TOTAL Source: 1993 1 Updates CROP Fruit Vegetables Field Crops Ornamentals	FAS Taskforce on M Citrus Other Fruit Field Corn Potatoes Other Field Field Grown	2,460,000 4,611,070 ficroirrigation in ficroirrigated Acreage 824,602 19,101 209,925 28,967 33,196 6,989 24,190	0% 22% n Florida M Cur 79% 39% 10% 0% 3% 0% 19%	1,033,905 ficroirrigation rent 650,726 7,541 21,025 72 949 10 4,484	on Acreage Potenti 3% 0% 0% 0% 0% 0%	418,035 e ial New 24,738 - - - - - - - - - - - - - -	Material Cost Initial (exlcuding 500 500 500 500 500 500 500 500 1,000	- (\$ per Acre) Annual pumps) 30 263 263 263 263 263 263 263 263	10% 1.2 - -	Annual Expense Replacement 5% 16.3 0.5 0.0 0.0 0.0 0.0 0.0 0.0 0.2	ditures (in \$ m) Annual 19.5 5.5 0.0 0.2 0.0 2.2	Total 37.0 6.1 0.0 0.3 0.0 2.5
Pasture/Hay TOTAL Source: 1993 1 Updates CROP Fruit Vegetables Field Crops Ornamentals	FAS Taskforce on M Citrus Other Fruit Field Corn Potatoes Other Field Field Grown Greehouse Grow	2,460,000 4,611,070 ficroirrigation in ficroirrigated Acreage 824,602 19,101 209,925 28,967 33,196 6,989 24,190 5,664	0% 22% n Florida N Cur 79% 39% 10% 0% 3% 0% 19% 5%	1,033,905 ficroirrigation rent 650,726 7,541 21,025 72 949 10 4,484 278	on Acreage Potenti 3% 0% 0% 0% 0% 0% 0% 0%	418,035 418,035 all New 24,738 - - - - - - - - - - - - -	Material Cost Initial (exlcuding 500 500 500 500 500 500 500 500 1,000 1,000	- (\$ per Acre) Annual pumps) 30 263 263 263 263 263 263 263 263	10% 1.2 - -	Annual Expense Replacement 5% 16.3 0.5 0.0 0.0 0.0 0.0 0.0 0.2 0.0	ditures (in \$ m) Annual 19.5 5.5 0.0 0.2 0.0 2.2 0.1	Total 37.0 6.1 0.0 0.3 0.0 2.5 0.2
Pasture/Hay TOTAL Source: 1993 1 Updates CROP Fruit Vegetables Field Crops Ornamentals	FAS Taskforce on M Citrus Other Fruit Field Corn Potatoes Other Field Field Grown Greehouse Grown Container Growr	2,460,000 4,611,070 ficroirrigation in ficroirrigated Acreage 824,602 19,101 209,925 28,967 33,196 6,989 24,190 5,664 36,387	0% 22% n Florida N Cur 79% 39% 10% 0% 3% 0% 19% 5% 47%	1,033,905 ficroirrigation rent 650,726 7,541 21,025 72 949 10 4,484 278 17,062	on Acreage Potenti 3% 0% 0% 0% 0% 0% 0% 0% 0%	418,035 418,035 all New 24,738 - - - - - - - - - - - - -	Material Cost Initial (exlcuding 500 500 500 500 500 500 500 0 0 0 0 0	- (\$ per Acre) Annual pumps) 30 263 263 263 263 263 263 263 263	10% 1.2 - -	Annual Expense Replacement 5% 16.3 0.5 0.0 0.0 0.0 0.0 0.0 0.0 0.2 0.0 0.0 0.9	ditures (in \$ m) Annual 19.5 5.5 0.0 0.2 0.0 2.2 0.1 8.5	Total 37.0 6.1 0.0 0.3 0.0 2.5 0.2 9.4
Pasture/Hay TOTAL Source: 1993 1 Updates CROP Fruit Vegetables Field Crops Ornamentals & Grasses	FAS Taskforce on M Citrus Other Fruit Field Corn Potatoes Other Field Field Grown Greehouse Grown Container Growr	2,460,000 4,611,070 ficroirrigation in ficroirrigated Acreage 824,602 19,101 209,925 28,967 33,196 6,989 24,190 5,664 36,387	0% 22% n Florida N Cur 79% 39% 10% 0% 0% 0% 0% 0% 19% 5% 47% 0%	1,033,905 ficroirrigation rent 650,726 7,541 21,025 72 949 10 4,484 278 17,062	on Acreage Potenti 3% 0% 0% 0% 0% 0% 0% 0% 0%	418,035 418,035 all New 24,738 - - - - - - - - - - - - -	Material Cost Initial (exlcuding 500 500 500 500 500 500 500 0 0 0 0 0	- (\$ per Acre) Annual pumps) 30 263 263 263 263 263 263 263 263	10% 1.2 - -	Annual Expense Replacement 5% 16.3 0.5 0.0 0.0 0.0 0.0 0.0 0.0 0.2 0.0 0.0 0.9	ditures (in \$ m) Annual 19.5 5.5 0.0 0.2 0.0 2.2 0.1 8.5	Total 37.0 6.1 0.0 0.3 0.0 2.5 0.2 9.4 0.0
Pasture/Hay TOTAL Source: 1993 1 Updates CROP Fruit Vegetables Field Crops Ornamentals	FAS Taskforce on M Citrus Other Fruit Field Corn Potatoes Other Field Field Grown Greehouse Grown Container Growr	2,460,000 4,611,070 ficroirrigation in ficroirrigated Acreage 824,602 19,101 209,925 28,967 33,196 6,989 24,190 5,664 36,387	0% 22% n Florida N Cur 79% 39% 10% 0% 3% 0% 19% 5% 47%	1,033,905 ficroirrigation rent 650,726 7,541 21,025 72 949 10 4,484 278 17,062	on Acreage Potenti 3% 0% 0% 0% 0% 0% 0% 0% 0%	418,035 418,035 all New 24,738 - - - - - - - - - - - - -	Material Cost Initial (exlcuding 500 500 500 500 500 500 500 0 0 0 0 0	- (\$ per Acre) Annual pumps) 30 263 263 263 263 263 263 263 263	10% 1.2 - -	Annual Expense Replacement 5% 16.3 0.5 0.0 0.0 0.0 0.2 0.0 0.9 0.0	ditures (in \$ m) Annual 19.5 5.5 0.0 0.2 0.0 2.2 0.1 8.5	Total 37.0 6.1 0.0 0.3 0.0 2.5 0.2 9.4