

## REVENUE ESTIMATING CONFERENCE

**Tax:** Ad Valorem

**Issue:** Aquaculture

**Bill Number(s):** [SB 516](#)

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Senator Rodriguez

**Month/Year Impact Begins:** July 1, 2021

**Date of Analysis:** 02/12/2021

### Section 1: Narrative

#### a. Current Law:

Section 1. Paragraph (c) of subsection (6) of section 193.461, Florida Statutes, currently states: 193.461 Agricultural lands; classification and assessment; mandated eradication or quarantine program; natural disasters. — (6) 19 (c)1. For purposes of the income methodology approach to assessment of property used for agricultural purposes, irrigation systems, including pumps and motors, physically attached to the land shall be considered a part of the average yields per acre and shall have no separately assessable contributory value.

#### b. Proposed Change:

Structures and equipment used in the production of aquaculture products shall be assessed by the methodology described in subparagraph 1. However, if the tax assessed based on the income methodology exceeds the tax that would be assessed against the value of the structures and equipment, the property owner may request that its agriculture classification be removed for the land on which the structures and equipment are located.

### Section 2: Description of Data and Sources

Aquaculture market research

Previous aquaculture impact analysis

2020 Real Property and Tangible Personal Property tax rolls for NAICS code group 1125

### Section 3: Methodology (Include Assumptions and Attach Details)

The changes proposed by the bill have no impact on the Property Appraisers current process of creating an agricultural assessment based on the income methodology. Also, the changes proposed by the bill do not change how Property Appraisers assess non-agricultural property. The impact is broken down into three components.

The first section is based on new investment in aquaculture. The new investment in aquaculture numbers are based on market research regarding fin-fish aquaculture developments in Florida. The starting point for the valuation of either equipment or structures in the case would most likely be the cost of replacement. The language does appear to exclude any structure or equipment that is not used in the production of aquaculture products. Agricultural production stops at the point of harvest. The estimate uses an array of assumption to remove the portion of the structure or equipment that is used for post-harvest activities. The high estimate assumes that 95% of the structure and equipment is used in aquaculture production. The middle assumes 90% and the low assumes 85%. The amount of structures and equipment that would be eligible for this new treatment is estimated based on an investment schedule where equal portions of the starting point investment are made in three phases. The replacement cost is depreciated based on the year of installation by cohort and the millage rates are applied. The recurring impact is equal to the fifth-year cash value for this piece.

The second section is from the Tangible Personal Property tax roll. Accounts were identified by North American Industrial Classification System (NAICS) code 1125. The total value for both Furniture Fixtures & Equipment (FFE) and Leasehold Improvements could be subject to the changes made by the bill. The millage rates are applied, and the impact is held constant throughout the estimate window. The cash and recurring values are equal in each year.

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The third section comes from the Real Property Tax Rolls. The accounts found in the TPP data were matched back to parcels from the Real Property rolls. Parcels with use codes 67 (tropical fish, rabbits, bees, and poultry), 69 (ornamentals, miscellaneous agricultural), and 50 (improved agricultural) were used as the starting population for this impact. The non-residential and certain residential value was used as the value that would be impacted by this change. The just value was used for the school impact and the assessed value was used for the non-school impact. The millage rates are applied, and the impact is held constant throughout the estimate window. The cash and recurring values are equal in each year.

**The impact for this bill assumes that the structures and equipment would have no separate value outside of the agricultural yield per acre income valuation. This would, effectively, drop the roll value for all structures and equipment used in aquaculture production to zero.**

**Section 4: Proposed Fiscal Impact**

| Year    | High       |           | Middle    |           | Low       |           |
|---------|------------|-----------|-----------|-----------|-----------|-----------|
|         | Cash       | Recurring | Cash      | Recurring | Cash      | Recurring |
| 2021-22 | \$(4.4 M)  | \$(9.5 M) | \$(3.0 M) | \$(5.4 M) | \$(3.8 M) | \$(4.5 M) |
| 2022-23 | \$(7.4 M)  | \$(9.5 M) | \$(4.5 M) | \$(5.4 M) | \$(4.3 M) | \$(4.5 M) |
| 2023-24 | \$(10.2 M) | \$(9.5 M) | \$(6.0 M) | \$(5.4 M) | \$(4.8 M) | \$(4.5 M) |
| 2024-25 | \$(9.9 M)  | \$(9.5 M) | \$(5.7 M) | \$(5.4 M) | \$(4.6 M) | \$(4.5 M) |
| 2025-26 | \$(9.5 M)  | \$(9.5 M) | \$(5.4 M) | \$(5.4 M) | \$(4.5 M) | \$(4.5 M) |

**List of affected Trust Funds:**

Ad Valorem

**Section 5: Consensus Estimate (Adopted: 02/26/2021): The Conference adopted the high estimate. The Conference assumes the second sentence reflects current law and has no impact.**

|         | School |           | Non-School |           | Total Local/Other |           |
|---------|--------|-----------|------------|-----------|-------------------|-----------|
|         | Cash   | Recurring | Cash       | Recurring | Cash              | Recurring |
| 2021-22 | (1.7)  | (3.6)     | (2.7)      | (5.9)     | (4.4)             | (9.5)     |
| 2022-23 | (2.8)  | (3.6)     | (4.6)      | (5.9)     | (7.4)             | (9.5)     |
| 2023-24 | (3.9)  | (3.6)     | (6.4)      | (5.9)     | (10.2)            | (9.5)     |
| 2024-25 | (3.7)  | (3.6)     | (6.1)      | (5.9)     | (9.9)             | (9.5)     |
| 2025-26 | (3.6)  | (3.6)     | (5.9)      | (5.9)     | (9.5)             | (9.5)     |

|         | GR   |           | Trust |           | Local/Other |           | Total  |           |
|---------|------|-----------|-------|-----------|-------------|-----------|--------|-----------|
|         | Cash | Recurring | Cash  | Recurring | Cash        | Recurring | Cash   | Recurring |
| 2021-22 | 0.0  | 0.0       | 0.0   | 0.0       | (4.4)       | (9.5)     | (4.4)  | (9.5)     |
| 2022-23 | 0.0  | 0.0       | 0.0   | 0.0       | (7.4)       | (9.5)     | (7.4)  | (9.5)     |
| 2023-24 | 0.0  | 0.0       | 0.0   | 0.0       | (10.2)      | (9.5)     | (10.2) | (9.5)     |
| 2024-25 | 0.0  | 0.0       | 0.0   | 0.0       | (9.9)       | (9.5)     | (9.9)  | (9.5)     |
| 2025-26 | 0.0  | 0.0       | 0.0   | 0.0       | (9.5)       | (9.5)     | (9.5)  | (9.5)     |

|    | A                             | B           | C          | D          | E          | F          | G          |
|----|-------------------------------|-------------|------------|------------|------------|------------|------------|
| 1  | <b>Summary of All Impacts</b> |             |            |            |            |            |            |
| 2  |                               |             |            |            |            |            |            |
| 3  | <b>School Impact</b>          |             |            |            |            |            |            |
| 4  |                               | High        |            | Middle     |            | Low        |            |
| 5  | Year                          | Cash        | Recurring  | Cash       | Recurring  | Cash       | Recurring  |
| 6  | 2021-22                       | \$ (1.7 M)  | \$ (3.6 M) | \$ (1.1 M) | \$ (2.1 M) | \$ (1.1 M) | \$ (1.8 M) |
| 7  | 2022-23                       | \$ (2.8 M)  | \$ (3.6 M) | \$ (1.7 M) | \$ (2.1 M) | \$ (1.6 M) | \$ (1.8 M) |
| 8  | 2023-24                       | \$ (3.9 M)  | \$ (3.6 M) | \$ (2.3 M) | \$ (2.1 M) | \$ (2.1 M) | \$ (1.8 M) |
| 9  | 2024-25                       | \$ (3.7 M)  | \$ (3.6 M) | \$ (2.2 M) | \$ (2.1 M) | \$ (1.9 M) | \$ (1.8 M) |
| 10 | 2025-26                       | \$ (3.6 M)  | \$ (3.6 M) | \$ (2.1 M) | \$ (2.1 M) | \$ (1.8 M) | \$ (1.8 M) |
| 11 |                               |             |            |            |            |            |            |
| 12 | <b>Non-School Impact</b>      |             |            |            |            |            |            |
| 13 |                               | High        |            | Middle     |            | Low        |            |
| 14 | Year                          | Cash        | Recurring  | Cash       | Recurring  | Cash       | Recurring  |
| 15 | 2021-22                       | \$ (2.7 M)  | \$ (5.9 M) | \$ (1.8 M) | \$ (3.4 M) | \$ (2.7 M) | \$ (2.7 M) |
| 16 | 2022-23                       | \$ (4.6 M)  | \$ (5.9 M) | \$ (2.8 M) | \$ (3.4 M) | \$ (2.7 M) | \$ (2.7 M) |
| 17 | 2023-24                       | \$ (6.4 M)  | \$ (5.9 M) | \$ (3.7 M) | \$ (3.4 M) | \$ (2.7 M) | \$ (2.7 M) |
| 18 | 2024-25                       | \$ (6.1 M)  | \$ (5.9 M) | \$ (3.5 M) | \$ (3.4 M) | \$ (2.7 M) | \$ (2.7 M) |
| 19 | 2025-26                       | \$ (5.9 M)  | \$ (5.9 M) | \$ (3.4 M) | \$ (3.4 M) | \$ (2.7 M) | \$ (2.7 M) |
| 20 |                               |             |            |            |            |            |            |
| 21 | <b>Total Impact</b>           |             |            |            |            |            |            |
| 22 |                               | High        |            | Middle     |            | Low        |            |
| 23 | Year                          | Cash        | Recurring  | Cash       | Recurring  | Cash       | Recurring  |
| 24 | 2021-22                       | \$ (4.4 M)  | \$ (9.5 M) | \$ (3.0 M) | \$ (5.4 M) | \$ (3.8 M) | \$ (4.5 M) |
| 25 | 2022-23                       | \$ (7.4 M)  | \$ (9.5 M) | \$ (4.5 M) | \$ (5.4 M) | \$ (4.3 M) | \$ (4.5 M) |
| 26 | 2023-24                       | \$ (10.2 M) | \$ (9.5 M) | \$ (6.0 M) | \$ (5.4 M) | \$ (4.8 M) | \$ (4.5 M) |
| 27 | 2024-25                       | \$ (9.9 M)  | \$ (9.5 M) | \$ (5.7 M) | \$ (5.4 M) | \$ (4.6 M) | \$ (4.5 M) |
| 28 | 2025-26                       | \$ (9.5 M)  | \$ (9.5 M) | \$ (5.4 M) | \$ (5.4 M) | \$ (4.5 M) | \$ (4.5 M) |

|    | A   | B                 | C                           | D                             | E                             |
|----|---|-------------------|-----------------------------|-------------------------------|-------------------------------|
| 1  | <b>Legend</b>   |                   |                             |                               |                               |
| 2  | Replacement Cost New w/ Depreciation  |                   | RCN                         |                               |                               |
| 3  | Income Methodology  |                   | IM                          |                               |                               |
| 4  | Yield per acre  |                   | Yield/AC                    |                               |                               |
| 5  | Best use of Land by property type and Market  |                   | Best Use                    |                               |                               |
| 6  |   |                   |                             |                               |                               |
| 7  | <b>Type of Valuation</b>  |                   |                             |                               |                               |
| 8  |   |                   | Available Appraisal Models  |                               |                               |
| 9  | Tax Roll  | Property Types    | Non-ag                      | Ag Current                    | Ag SB516                      |
| 10 | Real Property   | Land              | Best Use                    | Yield/AC                      | Yield/AC                      |
| 11 | TPP   | Equipment         | RCN                         | RCN                           | Yield/AC                      |
| 12 | Real Property   | Structures        | RCN or IM                   | RCN or IM                     | Yield/AC                      |
| 13 | TPP/Real Property   | Pumps and Related | RCN*                        | Yield/AC                      | Yield/AC                      |
| 14 | *Non-ag Pumps and Related would most likely be included on the Real Property Roll as a special feature. |                   |                             |                               |                               |
| 15 | In most cases their value is negligible or too small to be valued separately.                           |                   |                             |                               |                               |
| 16 |   |                   |                             |                               |                               |
| 17 | <b>Valuation differences</b>  |                   |                             |                               |                               |
| 18 |   |                   | Available Appraisal Models  |                               |                               |
| 19 | Tax Roll  | Property Types    | Non-ag                      | Ag Current                    | Ag SB516                      |
| 20 | Real Property   | Land              | Higher than Ag              | No Diff. Btw. Ag and Ag SB516 | No Diff. Btw. Ag and Ag SB516 |
| 21 | TPP   | Equipment         | No Diff. Btw. Ag and Non-Ag | No Diff. Btw. Ag and Non-Ag   | No Separate Value             |
| 22 | Real Property   | Structures        | No Diff. Btw. Ag and Non-Ag | No Diff. Btw. Ag and Non-Ag   | No Separate Value             |
| 23 | TPP/Real Property   | Pumps and Related | Marginally higher than Ag   | No Diff. Btw. Ag and Ag SB516 | No Diff. Btw. Ag and Ag SB516 |

|    | A                                | B                | C           | D           | E              | F | G |
|----|----------------------------------|------------------|-------------|-------------|----------------|---|---|
| 3  | Aquaculture investment           | 585,000,000      | 336,600,000 |             |                |   |   |
| 4  | years of investing               | 3                | 3           |             |                |   |   |
| 5  | Replacement Cost New Per Year    | 195,000,000      | 112,200,000 |             |                |   |   |
| 6  |                                  |                  |             |             |                |   |   |
| 7  |                                  | High             | Middle      | Low         |                |   |   |
| 8  | % Used in Production             | 95%              | 90%         | 85%         |                |   |   |
| 9  |                                  | 185,250,000      | 100,980,000 | 95,370,000  |                |   |   |
| 10 |                                  |                  |             |             |                |   |   |
| 11 | Tax Val by Roll year             | High             | Middle      | Low         | Build out year |   |   |
| 12 | 2021                             | 185,250,000      | 100,980,000 | 95,370,000  | 1              |   |   |
| 13 | 2022                             | 370,500,000      | 201,960,000 | 190,740,000 | 1              |   |   |
| 14 | 2023                             | 555,750,000      | 302,940,000 | 286,110,000 | 1              |   |   |
| 15 | 2024                             | 555,750,000      | 302,940,000 | 286,110,000 | 0              |   |   |
| 16 | 2025                             | 555,750,000      | 302,940,000 | 286,110,000 | 0              |   |   |
| 17 |                                  |                  |             |             |                |   |   |
| 18 | <b>TPP Depreciation schedule</b> |                  |             |             |                |   |   |
| 19 |                                  | Depreciable life |             |             |                |   |   |
| 20 | Effective age                    | 20               | 15          | 10          |                |   |   |
| 21 | 1                                | 97%              | 95%         | 92%         |                |   |   |
| 22 | 2                                | 93%              | 90%         | 84%         |                |   |   |
| 23 | 3                                | 90%              | 85%         | 76%         |                |   |   |
| 24 | 4                                | 86%              | 79%         | 67%         |                |   |   |
| 25 | 5                                | 82%              | 73%         | 58%         |                |   |   |
| 26 | 6                                | 78%              | 68%         | 49%         |                |   |   |
| 27 |                                  |                  |             |             |                |   |   |
| 28 | <b>Depreciated values</b>        |                  |             |             |                |   |   |
| 29 | Tax Val by Roll year             | High             | Middle      | Low         |                |   |   |
| 30 | 2021                             | 179,692,500      | 95,931,000  | 87,740,400  |                |   |   |
| 31 | 2022                             | 351,975,000      | 186,813,000 | 167,851,200 |                |   |   |
| 32 | 2023                             | 518,700,000      | 272,646,000 | 240,332,400 |                |   |   |
| 33 | 2024                             | 498,322,500      | 256,489,200 | 216,489,900 |                |   |   |
| 34 | 2025                             | 477,945,000      | 239,322,600 | 191,693,700 |                |   |   |
| 35 | 2026                             | 455,715,000      | 222,156,000 | 165,943,800 |                |   |   |
| 36 |                                  |                  |             |             |                |   |   |
| 37 | 2020 Millage Rates               |                  |             |             |                |   |   |
| 38 | Nonschool                        | 10.7629          |             |             |                |   |   |
| 39 | School                           | 6.3996           |             |             |                |   |   |
| 40 |                                  |                  |             |             |                |   |   |

|    | A                        | B          | C          | D          | E          | F          | G          |
|----|--------------------------|------------|------------|------------|------------|------------|------------|
| 41 | <b>School Impact</b>     |            |            |            |            |            |            |
| 42 |                          | High       |            | Middle     |            | Low        |            |
| 43 | Year                     | Cash       | Recurring  | Cash       | Recurring  | Cash       | Recurring  |
| 44 | 2021-22                  | \$ (1.1 M) | \$ (3.1 M) | \$ (0.6 M) | \$ (1.5 M) | \$ (0.6 M) | \$ (1.2 M) |
| 45 | 2022-23                  | \$ (2.3 M) | \$ (3.1 M) | \$ (1.2 M) | \$ (1.5 M) | \$ (1.1 M) | \$ (1.2 M) |
| 46 | 2023-24                  | \$ (3.3 M) | \$ (3.1 M) | \$ (1.7 M) | \$ (1.5 M) | \$ (1.5 M) | \$ (1.2 M) |
| 47 | 2024-25                  | \$ (3.2 M) | \$ (3.1 M) | \$ (1.6 M) | \$ (1.5 M) | \$ (1.4 M) | \$ (1.2 M) |
| 48 | 2025-26                  | \$ (3.1 M) | \$ (3.1 M) | \$ (1.5 M) | \$ (1.5 M) | \$ (1.2 M) | \$ (1.2 M) |
| 49 |                          |            |            |            |            |            |            |
| 50 | <b>Non-School Impact</b> |            |            |            |            |            |            |
| 51 |                          | High       |            | Middle     |            | Low        |            |
| 52 | Year                     | Cash       | Recurring  | Cash       | Recurring  | Cash       | Recurring  |
| 53 | 2021-22                  | \$ (1.9 M) | \$ (5.1 M) | \$ (1.0 M) | \$ (2.6 M) | \$ (1.9 M) | \$ (1.9 M) |
| 54 | 2022-23                  | \$ (3.8 M) | \$ (5.1 M) | \$ (2.0 M) | \$ (2.6 M) | \$ (1.9 M) | \$ (1.9 M) |
| 55 | 2023-24                  | \$ (5.6 M) | \$ (5.1 M) | \$ (2.9 M) | \$ (2.6 M) | \$ (1.9 M) | \$ (1.9 M) |
| 56 | 2024-25                  | \$ (5.4 M) | \$ (5.1 M) | \$ (2.8 M) | \$ (2.6 M) | \$ (1.9 M) | \$ (1.9 M) |
| 57 | 2025-26                  | \$ (5.1 M) | \$ (5.1 M) | \$ (2.6 M) | \$ (2.6 M) | \$ (1.9 M) | \$ (1.9 M) |
| 58 |                          |            |            |            |            |            |            |
| 59 | <b>Total Impact</b>      |            |            |            |            |            |            |
| 60 |                          | High       |            | Middle     |            | Low        |            |
| 61 | Year                     | Cash       | Recurring  | Cash       | Recurring  | Cash       | Recurring  |
| 62 | 2021-22                  | \$ (3.1 M) | \$ (8.2 M) | \$ (1.6 M) | \$ (4.1 M) | \$ (2.5 M) | \$ (3.2 M) |
| 63 | 2022-23                  | \$ (6.0 M) | \$ (8.2 M) | \$ (3.2 M) | \$ (4.1 M) | \$ (3.0 M) | \$ (3.2 M) |
| 64 | 2023-24                  | \$ (8.9 M) | \$ (8.2 M) | \$ (4.7 M) | \$ (4.1 M) | \$ (3.5 M) | \$ (3.2 M) |
| 65 | 2024-25                  | \$ (8.6 M) | \$ (8.2 M) | \$ (4.4 M) | \$ (4.1 M) | \$ (3.3 M) | \$ (3.2 M) |
| 66 | 2025-26                  | \$ (8.2 M) | \$ (8.2 M) | \$ (4.1 M) | \$ (4.1 M) | \$ (3.2 M) | \$ (3.2 M) |

|    | A   | B  | C                         | D                                | E                   | F                  | G                |
|----|---|--|---------------------------|----------------------------------|---------------------|--------------------|------------------|
| 1  | <b>NAICS Code Group 1125 TPP impact</b>                           |  |                           |                                  |                     |                    |                  |
| 2  |   |  |                           |                                  |                     |                    |                  |
| 3  | 112511  | Finfish Farming and Fish Hatcheries                            |                           |                                  |                     |                    |                  |
| 4  | 112512  | Shellfish Farming  |                           |                                  |                     |                    |                  |
| 5  | 112519  | Other Aquaculture - Alligator, algae, frog, seaweed, or turtle |                           |                                  |                     |                    |                  |
| 6  |   |  |                           |                                  |                     |                    |                  |
| 7  | NAICS Codes   | Total Just Value   | JV Leasehold Improvements | JV Furniture Fixture & Equipment | Tax Value           | Number of Accounts | Inclusion Factor |
| 8  | 112511  | \$ 4,616,603   | \$ 64,016                 | \$ 4,552,587                     | \$ 3,868,727        | 78                 | 100%             |
| 9  | 112512  | \$ 1,126,525   | \$ 161,319                | \$ 965,206                       | \$ 773,151          | 56                 | 100%             |
| 10 | 112519  | \$ 5,821,171   | \$ 129,734                | \$ 5,691,437                     | \$ 4,071,939        | 173                | 100%             |
| 11 | <b>Total</b>  | <b>\$ 11,564,299</b>   | <b>\$ 355,069</b>         | <b>\$ 11,209,230</b>             | <b>\$ 8,713,817</b> | <b>307</b>         |                  |
| 18 |   |  |                           |                                  |                     |                    |                  |
| 19 | <b>Total 2020 Taxable Value of FFE and Leasehold Improvements</b> |  |                           |                                  | <b>\$ 8,713,817</b> |                    |                  |
| 20 |   |  |                           |                                  |                     |                    |                  |
| 21 | <b>2020 Millage Rates</b>   |  |                           |                                  |                     |                    |                  |
| 22 | Nonschool   | 10.7629  |                           |                                  |                     |                    |                  |
| 23 | School  | 6.3996   |                           |                                  |                     |                    |                  |
| 24 |   |  |                           |                                  |                     |                    |                  |
| 25 | <b>School Impact</b>  |  |                           |                                  |                     |                    |                  |
| 26 |   | Middle   |                           |                                  |                     |                    |                  |
| 27 | Year  | Cash   | Recurring                 |                                  |                     |                    |                  |
| 28 | 2021-22   | \$ (0.06 M)  | \$ (0.06 M)               |                                  |                     |                    |                  |
| 29 | 2022-23   | \$ (0.06 M)  | \$ (0.06 M)               |                                  |                     |                    |                  |
| 30 | 2023-24   | \$ (0.06 M)  | \$ (0.06 M)               |                                  |                     |                    |                  |
| 31 | 2024-25   | \$ (0.06 M)  | \$ (0.06 M)               |                                  |                     |                    |                  |
| 32 | 2025-26   | \$ (0.06 M)  | \$ (0.06 M)               |                                  |                     |                    |                  |
| 33 |   |  |                           |                                  |                     |                    |                  |
| 34 | <b>Non-School Impact</b>  |  |                           |                                  |                     |                    |                  |
| 35 |   | Middle   |                           |                                  |                     |                    |                  |
| 36 | Year  | Cash   | Recurring                 |                                  |                     |                    |                  |
| 37 | 2021-22   | \$ (0.09 M)  | \$ (0.09 M)               |                                  |                     |                    |                  |
| 38 | 2022-23   | \$ (0.09 M)  | \$ (0.09 M)               |                                  |                     |                    |                  |
| 39 | 2023-24   | \$ (0.09 M)  | \$ (0.09 M)               |                                  |                     |                    |                  |
| 40 | 2024-25   | \$ (0.09 M)  | \$ (0.09 M)               |                                  |                     |                    |                  |
| 41 | 2025-26   | \$ (0.09 M)  | \$ (0.09 M)               |                                  |                     |                    |                  |
| 42 |   |  |                           |                                  |                     |                    |                  |
| 43 | <b>Total Impact</b>   |  |                           |                                  |                     |                    |                  |
| 44 |   | Middle   |                           |                                  |                     |                    |                  |
| 45 | Year  | Cash   | Recurring                 |                                  |                     |                    |                  |
| 46 | 2021-22   | \$ (0.15 M)  | \$ (0.15 M)               |                                  |                     |                    |                  |
| 47 | 2022-23   | \$ (0.15 M)  | \$ (0.15 M)               |                                  |                     |                    |                  |
| 48 | 2023-24   | \$ (0.15 M)  | \$ (0.15 M)               |                                  |                     |                    |                  |
| 49 | 2024-25   | \$ (0.15 M)  | \$ (0.15 M)               |                                  |                     |                    |                  |
| 50 | 2025-26   | \$ (0.15 M)  | \$ (0.15 M)               |                                  |                     |                    |                  |

|    | A  | B             | C                |
|----|--|---------------|------------------|
| 1  | <b>Real Property NAICS Code 1125 Group Impact</b>      |               |                  |
| 2  |  |               |                  |
| 3  | Commercial Property for Aquaculture (matched from TPP) |               |                  |
| 4  | JV_RESN_NON_RESN                                       | \$ 74,337,102 | School Value     |
| 5  | AV_RESN_NON_RESN                                       | \$ 63,795,369 | Non-School Value |
| 6  |  |               |                  |
| 7  | 2020 Millage Rates                                     |               |                  |
| 8  | Nonschool  | 10.7629       |                  |
| 9  | School   | 6.3996        |                  |
| 10 |  |               |                  |
| 11 | <b>School Impact</b>                                   |               |                  |
| 12 |  | Middle        |                  |
| 13 | Year   | Cash          | Recurring        |
| 14 | 2021-22  | \$ (0.48 M)   | \$ (0.48 M)      |
| 15 | 2022-23  | \$ (0.48 M)   | \$ (0.48 M)      |
| 16 | 2023-24  | \$ (0.48 M)   | \$ (0.48 M)      |
| 17 | 2024-25  | \$ (0.48 M)   | \$ (0.48 M)      |
| 18 | 2025-26  | \$ (0.48 M)   | \$ (0.48 M)      |
| 19 |  |               |                  |
| 20 | <b>Non-School Impact</b>                               |               |                  |
| 21 |  | Middle        |                  |
| 22 | Year   | Cash          | Recurring        |
| 23 | 2021-22  | \$ (0.69 M)   | \$ (0.69 M)      |
| 24 | 2022-23  | \$ (0.69 M)   | \$ (0.69 M)      |
| 25 | 2023-24  | \$ (0.69 M)   | \$ (0.69 M)      |
| 26 | 2024-25  | \$ (0.69 M)   | \$ (0.69 M)      |
| 27 | 2025-26  | \$ (0.69 M)   | \$ (0.69 M)      |
| 28 |  |               |                  |
| 29 | <b>Total Impact</b>                                    |               |                  |
| 30 |  | Middle        |                  |
| 31 | Year   | Cash          | Recurring        |
| 32 | 2021-22  | \$ (1.16 M)   | \$ (1.16 M)      |
| 33 | 2022-23  | \$ (1.16 M)   | \$ (1.16 M)      |
| 34 | 2023-24  | \$ (1.16 M)   | \$ (1.16 M)      |
| 35 | 2024-25  | \$ (1.16 M)   | \$ (1.16 M)      |
| 36 | 2025-26  | \$ (1.16 M)   | \$ (1.16 M)      |

## REVENUE ESTIMATING CONFERENCE

**Tax:** Sales and Use Tax

**Issue:** School Sales Tax Holiday, 10 Days, \$60 Clothing/\$15 Supplies/\$1,000 or Less Computers

**Bill Number(s):** CS for SB 598

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Senator Perry

**Month/Year Impact Begins:** The sales tax holiday will affect July and August 2020 activity and, subsequently, August and September collections.

**Date of Analysis:** February 26, 2021

### Section 1: Narrative

#### a. Current Law:

Under current law in Ch. 212, F.S., clothing, school supplies, and computers and related accessories are subject to the 6% Sales and Use Tax.

#### b. Proposed Change:

Duration: The sales tax holiday is proposed for a 10-day period beginning on Friday, July 30, through Sunday, August 8, 2021.

Clothing: The bill exempts sales of “clothing, wallets, or bags, including handbags, backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags” from the Sales and Use Tax as long as the sales price of the item does not exceed \$60. Clothing is defined as “any article of wearing apparel intended to be worn on or about the human body, excluding watches, watchbands, jewelry, umbrellas, and handkerchiefs,” and including all footwear except for “skis, swim fins, roller blades, and skates.”

School Supplies: During this same period, sales of school supplies having a sales price of \$15 or less per item are exempt from the Sales and Use Tax. School supplies are defined as “pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, binders, lunch boxes, construction paper, markers, folders, poster board, composition books, poster paper, scissors, cellophane tape, glue or paste, rulers, computer disks, staplers and staples used to secure paper products, protractors, compasses, and calculators.”

Computers: Also exempt are personal computers or personal computer-related accessories purchased for noncommercial home or personal use with a sales price of \$1,000 or less. Exempted items include “electronic book readers, laptops, desktops, handhelds, tablets, or tower computers” and related accessories including “keyboards, mice, personal digital assistants, monitors (not including devices with a television tuner), other peripheral devices, modems, routers, and nonrecreational software, regardless of whether the accessories are used in association with a personal computer base unit.” The exemption does not apply to “cellular telephones, video game consoles, digital media receivers, or devices that are not primarily designed to process data.” Related accessories do not include “furniture or systems, devices, software, or peripherals that are designed or intended primarily for recreational use.”

The tax exemptions do not apply to sales within a theme park or entertainment complex, within a public lodging establishment, or within an airport.

The bill allows a dealer to “opt out” of the sales tax holiday if “less than five percent of the dealer’s gross sales of tangible personal property in the prior calendar year are comprised of items that would be exempt” under the legislation. If the qualifying dealer chooses not to participate in the tax holiday, the dealer must notify the Department of Revenue in writing and post a copy of that notice in a conspicuous location at the place of business.

### Section 2: Description of Data and Sources

- Impact for Proposed Language, 3-Day Sales Tax Holiday (HB 7097), Revenue Estimating Impact Conference, 2/3/2020, <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2020/pdf/page355-361.pdf>
- Clothing and Shoes expenditures forecast, February 2021 National Economic Estimating Conference.
- Consumer Computer expenditures forecast, February 2021 National Economic Estimating Conference.
- U.S. Population (total and 65+), 3rd Quarter estimates, February 2021 National Economic Estimating Conference.
- Florida Population (total and 65+), 3rd Quarter estimates, November 2020 Demographic Estimating Conference.
- Estimates of Florida public school enrollment, January 2021 K-12 Enrollment Estimating Conference.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax

**Issue:** School Sales Tax Holiday, 10 Days, \$60 Clothing/\$15 Supplies/\$1,000 or Less Computers

**Bill Number(s):** CS for SB 598

- Estimates of Florida private school enrollment, Private School Annual Report 2019-2020 (Florida Department of Education). Available at <http://www.fldoe.org/schools/school-choice/private-schools/annual-reports.stml>. Last accessed 2/19/2021.
- Estimates of Florida public and private college/university fall enrollment, Integrated Postsecondary Education Data System (National Center for Education Statistics). Available at [www.nces.ed.gov/ipeds](http://www.nces.ed.gov/ipeds). Estimates include Florida College System institutions, State Universities, career centers, and private institutions eligible to participate in the EASE or ABLE tuition assistance programs. Last accessed 2/24/2021.
- Tax collections by kind code, FY 2019-20, Form 10, Florida Department of Revenue.
- Department of Revenue. 2020 Back-to-School Sales Tax Holiday Tax Information Publication (TIP). Available at: [https://revenue.law.floridarevenue.com/LawLibrary/Documents/2020/06/TIP-123084\\_TIP\\_20A01-04\\_FINAL\\_RLL.pdf](https://revenue.law.floridarevenue.com/LawLibrary/Documents/2020/06/TIP-123084_TIP_20A01-04_FINAL_RLL.pdf). Last accessed 2/24/2021.

**Section 3: Methodology (Include Assumptions and Attach Details)**

Clothing/Shoes/Backpacks: Florida expenditures for clothing and shoes are derived from total national expenditures for clothing and shoes using Florida population (adjusted for ages 65+), and adjusted for an assumed percentage of non-taxed mail order items. The total Florida expenditures are converted to a 10-day amount and assume that 71% of the expenditures would be under the \$60 limit. For backpacks, it is assumed that 20% of students would purchase a backpack, and each backpack is assumed to cost \$25. Both the 71% and 20% assumptions are then decreased by 2.5 percentage points to reflect the dealer opt out provision. Using the base 10-day matrix (which is derived from a matrix developed to estimate the impact for a prior hurricane sales tax holiday) to spread expenditures levels by each day of the forecast period, the level of spending for a 10-day holiday is derived (=100% of the 10-day total). The 100% factor is applied to the sales tax portion of 10 days of spending to estimate the impact for the 10-day holiday.

School Supplies: For school supplies (including staplers), an amount of expenditures is assumed per student, by grade level, for 10 days, which is multiplied by the estimated number of students enrolled in public or private elementary and secondary schools, Florida Colleges, State Universities, public technical colleges/career centers, and private colleges/universities. The estimated total expenditure by students is increased for advantage business spending. It is assumed that 75% of expenditures would be under the \$15 limit. The 75% assumption is then decreased by 2.5 percentage points to reflect the dealer opt out provision. The 100% factor is applied to the sales tax portion of 10 days of spending to estimate the impact for the 10-day holiday.

Computers: Florida expenditures are derived from total national expenditures for computers and peripherals using Florida population (adjusted for ages 65+), and adjusted for an assumed percentage of non-taxed online order items. The total Florida expenditures are adjusted for the percentage of expenditures assumed to occur during the third quarter of the calendar year (=23.6%) and for the percentage of total expenditures assumed to be exempt (=65%). The 65% assumption is then decreased by 2.5 percentage points to reflect the dealer opt out provision. It is assumed that 30% of third quarter purchases would be made during the 3-day holiday period. The 100% factor is applied to the sales tax portion of 10 days of spending to estimate the impact for the 10-day holiday.

**Section 4: Proposed Fiscal Impact:** The impact is nonrecurring for FY 2021-22 only.

| 2021-22                  | High |           | Middle          |           | Low  |           |
|--------------------------|------|-----------|-----------------|-----------|------|-----------|
|                          | Cash | Recurring | Cash            | Recurring | Cash | Recurring |
| Clothing/Shoes/Backpacks |      |           | (40.6 M)        |           |      |           |
| School Supplies          |      |           | (8.7 M)         |           |      |           |
| Computers                |      |           | (8.9 M)         |           |      |           |
| <b>Total</b>             |      |           | <b>(58.2 M)</b> |           |      |           |

**List of affected Trust Funds:** Sales and Use Tax Grouping

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax

**Issue:** School Sales Tax Holiday, 10 Days, \$60 Clothing/\$15 Supplies/\$1,000 or Less Computers

**Bill Number(s):** CS for SB 598

**Section 5: Consensus Estimate (Adopted: 02/26/2021): The Conference adopted the proposed estimate.**

|         | GR     |           | Trust           |           | Revenue Sharing |           | Local Half Cent |           |
|---------|--------|-----------|-----------------|-----------|-----------------|-----------|-----------------|-----------|
|         | Cash   | Recurring | Cash            | Recurring | Cash            | Recurring | Cash            | Recurring |
| 2021-22 | (51.5) | 0.0       | (Insignificant) | 0.0       | (1.7)           | 0.0       | (4.9)           | 0.0       |
| 2022-23 | 0.0    | 0.0       | 0.0             | 0.0       | 0.0             | 0.0       | 0.0             | 0.0       |
| 2023-24 | 0.0    | 0.0       | 0.0             | 0.0       | 0.0             | 0.0       | 0.0             | 0.0       |
| 2024-25 | 0.0    | 0.0       | 0.0             | 0.0       | 0.0             | 0.0       | 0.0             | 0.0       |
| 2025-26 | 0.0    | 0.0       | 0.0             | 0.0       | 0.0             | 0.0       | 0.0             | 0.0       |

|         | Local Option |           | Total Local |           | Total  |           |
|---------|--------------|-----------|-------------|-----------|--------|-----------|
|         | Cash         | Recurring | Cash        | Recurring | Cash   | Recurring |
| 2021-22 | (8.8)        | 0.0       | (15.5)      | 0.0       | (67.0) | 0.0       |
| 2022-23 | 0.0          | 0.0       | 0.0         | 0.0       | 0.0    | 0.0       |
| 2023-24 | 0.0          | 0.0       | 0.0         | 0.0       | 0.0    | 0.0       |
| 2024-25 | 0.0          | 0.0       | 0.0         | 0.0       | 0.0    | 0.0       |
| 2025-26 | 0.0          | 0.0       | 0.0         | 0.0       | 0.0    | 0.0       |

**Proposed Language**  
**Sales Tax Holiday - Clothing, School Supplies, Computers**

**10 Days, July 30 - August 8, 2021**

(NONRECURRING)

|                         |  | <b>2021-22</b>   |  |
|-------------------------|--|------------------|--|
| <b>Expenditure Type</b> |  | <b>PROPOSED</b>  |  |
| 1                       | Clothing & Shoes - \$60 or Less                              | \$ (40.6)        |  |
| 2                       | School Supplies - \$15 or Less                               | \$ (8.7)         |  |
| 3                       | Personal Computers and Related Accessories - \$1,000 or Less | \$ (8.9)         |  |
| 4                       | <b>Total Impact</b>  | <b>\$ (58.2)</b> |  |

*\*Estimates in millions of dollars*

**Proposed Language**  
**SALES TAX HOLIDAY - CLOTHING**

**10 Days, July 30 - August 8, 2021**  
**\$60 Limit**

| <b>2021-22</b>   | <b><u>Proposed</u></b> |
|--|------------------------|
| 1 National Personal Expenditure on Clothing and Shoes                | 406,418.3              |
| 2 Florida Share based on Population Forecast                         | 27,095.4               |
| 3 Florida Expenditures on Apparel & Shoes (adjusted for 65+)         | 25,948.4               |
| 4 Est. Florida-based Sales of Apparel & Shoes (10% mail order adj.)  | 23,353.6               |
| 5 Sales Tax at 6%  | 1,401.2                |
| 6 Exempted Amount (68.5% = 71% minus 2.5 dealer opt out)             | 959.8                  |
| Assumption (=71% - 71% - 66% minus opt out)                          | 0.6850                 |
| 7 Preliminary 10-day Fiscal Impact in Florida                        | (26.3)                 |
| 8 Seasonal Factor set to <b>1 (no seasonal factor)</b>               | 1.0                    |
| 9 Behavioral Factor based on New York History and Florida Experience | 1.5                    |
| 10 Adjusted 10-day Fiscal Impact in Florida                          | (39.4)                 |
| 11 Backpacks (17.5% = 20% minus 2.5 dealer opt out x \$25/backpack)  | (1.2)                  |
| <b>12 Total Impact 10 Day (100% Adjustment)</b>                      | <b>(\$40.6)</b>        |

Proposed Language  
 SALES TAX HOLIDAY - SCHOOL SUPPLIES (Incl Staplers, Flash Drives)

10 Days, July 30 - August 8, 2021  
 \$15 Limit

2021-22

| Row | Grade Level   | Expenditures per Student | Number of Students | Total Expenditures |
|-----|---|--------------------------|--------------------|--------------------|
| 1   | PreK  | 20.00                    | 69,647             | 1.4                |
| 2   | KG  | 20.00                    | 249,856            | 5.0                |
| 3   | 1   | 20.00                    | 229,949            | 4.6                |
| 4   | 2   | 20.00                    | 239,105            | 4.8                |
| 5   | 3   | 25.00                    | 247,274            | 6.2                |
| 6   | 4   | 27.00                    | 230,288            | 6.2                |
| 7   | 5   | 27.00                    | 250,647            | 6.8                |
| 8   | 6   | 32.00                    | 245,617            | 7.9                |
| 9   | 7   | 32.00                    | 252,582            | 8.1                |
| 10  | 8   | 32.00                    | 260,376            | 8.3                |
| 11  | 9   | 35.00                    | 261,801            | 9.2                |
| 12  | 10  | 35.00                    | 254,109            | 8.9                |
| 13  | 11  | 35.00                    | 235,666            | 8.2                |
| 14  | 12  | 35.00                    | 224,795            | 7.9                |
| 15  | <b>Total PK-12</b>  |                          | 3,251,711          | 93.4               |
| 16  | <b>Total HigherEd</b>   | 36.00                    | 1,142,503          | 41.1               |
| 17  | <b>Total All Students</b>   |                          | 4,394,214          | <b>134.5</b>       |
| 18  | <b>Advantage Buying by Business, General Public</b>                       |                          |                    |                    |
| 19  | <b>25% Factor + 10% for Expanded List</b>                                 |                          |                    | 47.1               |
| 20  | <b>School Supplies</b>  |                          | <u>Proposed</u>    |                    |
| 21  | <b>Total Sales Tax for 10 Days (72.5% = 75% minus 2.5 dealer opt out)</b> |                          | (8.7)              |                    |
|     | Assumption (85% - 75% - 65% minus opt out)                                |                          | 0.725              |                    |
| 22  | <b>Total Impact 10 Day (100% Adjustment)</b>                              |                          | <b>(8.7)</b>       |                    |

**Proposed Language**  
**SALES TAX HOLIDAY - COMPUTERS**

**10 Days, July 30 - August 8, 2021**  
**\$1,000 or Less**

| <b>2021-22</b> |   | <b><u>Proposed</u></b> |
|----------------|---|------------------------|
| 1              | National Consumer Expenditures on Computers                     | 68,770.4               |
| 2              | Florida Share based on Population Forecast                      | 4,584.8                |
| 3              | Florida Expenditures on Computers (adjusted for 65+)            | 4,390.8                |
| 4              | Estimated Florida-based Sales of Computers (7% e-commerce adj.) | 4,083.4                |
| 5              | Annual Sales Tax at 6%  | 245.0                  |
| 6              | CY Q1 Estimate (29.9%)  | 73.1                   |
| 7              | CY Q1 Estimate (17.5%)  | 43.0                   |
| 8              | CY Q1 Estimate (23.6%)  | 57.8                   |
| 9              | CY Q1 Estimate (29%)  | 71.1                   |
| 10             | Exempted Amount (51.5% = 54% minus 2.5 dealer opt out)          | 29.8                   |
|                | Assumption (64% - 54% - 54% minus opt out)                      | 0.515                  |
| 11             | Q3 Purchases Made During 10-Day Holiday (30%)                   | 8.9                    |
|                | Assumption (55% - 30% - 25%)                                    | 0.30                   |
| 12             | <b>Total Impact 10 Day (100% Adjustment)</b>                    | <b>(\$8.9)</b>         |

## REVENUE ESTIMATING CONFERENCE

**Tax:** Sales and Use Tax

**Issue:** 1 percentage point rate reduction for Commercial Rent

**Bill Number(s):** [Proposed Language](#)

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** N/A

**Month/Year Impact Begins:** July 1, 2021

**Date of Analysis:** February 26, 2021

### Section 1: Narrative

- a. **Current Law:** Section 212.031 Provides for a tax levied in an amount equal to 5.5% of and on the total rent or license fee charged for the exercise of the taxable privilege of engaging in the business of renting, leasing, letting, or granting a license for the use of any real property unless the property is one of 13 specifically identified types of property.
- b. **Proposed Change:** Reduces the tax levied on the taxable privilege of engaging in the business of renting, leasing, letting, or granting a license for the use of any real property from 5.5% to 4.5% effective July 1, 2021.

### Section 2: Description of Data and Sources

DOR Sales Tape 2018 & 2019 Calendar Years

DR-15 Line 3.C. (Taxable Commercial Rent) or 4.C. (Tax on Commercial Rent).

DR-15EZ line 3 (Total Taxable Sales) and line 4 (Total Tax Collected)

Instructions for DR-15EZ read in part: "If you only report tax collected for the lease or rental of commercial property, you may file a DR-15EZ return."

Business Investment Growth Rates from December 2020 General Revenue Estimating Conference

Nonresidential Property Growth Rates from December 2020 Ad Valorem Assessment Estimating Conference

December 13, 2019 REC Impact - Commercial Rent reduction analysis 5.5% to 5.0%

### Section 3: Methodology (Include Assumptions and Attach Details)

Using 2018 & 2019's Sales Tax Annual Data, the data for entities registered in Kind code 82 was broken into four groups:

Kind Code 82 – Form DR15 With line 4C > 0

Kind Code 82 – Form DR15 with line 4C = 0

Kind code 82 – Form DR15EZ

Kind code 82 – Form DR15 where the effective tax rate for all other tax paid was less than or equal to the effective rate of the tax paid on commercial rent for the respective county.

Additionally, the amount of taxable commercial rent reported on Form DR-15 line 3.C. for all sales tax dealers not in kind code 82 was identified for 2018 & 2019.

The high estimate starts with the sum of the Taxable Sales reported on line 3.C. for commercial rentals with values greater than zero; the taxable sales of DR15"EZ" filers in kind code 82; the taxable sales of those entities where the calculated effective rate of tax paid was less than the respective county wide rate paid on commercial rent; and finally the taxable sales of those dealers with commercial rent not found in Kind Code 82. The middle and the low use the same groups but exclude the effective rate taxable total.

Calendar year amounts were converted to fiscal year amounts and grown. For the high estimate, the five-year average of the taxable sales per kind code 82 in the DR-15, and the DR-15 "EZ" was applied to the Fiscal Year converted 2018-2019 taxable values into the forecast period. For the middle, the Business investment growth rate from December's General Revenue Conference was applied to the fiscal year converted taxable values. For the low, the December 2020 Ad Valorem Assessments Estimating Conference were used to grow the Fiscal Year converted 2018-2019 taxable values into the forecast period. The difference between the revenues generated at the 5.5% rate and those generated at the proposed 4.5% rate was calculated to determine the impact.

As the effective date is July 1, 2021, the 2020-21 impact is assumed to be 11.75/12 of the annualized 2020-21 amount. In a previous impact analysis, an analysis was done of the effective tax rate by county by month using 2017 and 2018 monthly sale tax data. The effective rates above 12% were excluded. Average effective rates were reduced by the local option tax in place to provide comparable state rates. The effective rates for December of 2017 and December of 2018 were compared to the other effective rates for 2017 and 2018 by county by month. For almost all counties, the December 2017 effective rate was the lowest for 2017. For

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax

**Issue:** 1 percentage point rate reduction for Commercial Rent

**Bill Number(s):** [Proposed Language](#)

numerous counties, the 2018 effective rate was the lowest for 2018. The amount that December 2017 was lower than the average for the other 12 months was approximately 0.1% in terms of rate, which was half of the rate reduction. For the cash, the rate reduction was assumed to be for 11.75 months.

**Section 4: Proposed Fiscal Impact**

|         | High        |             | Middle      |             | Low         |             |
|---------|-------------|-------------|-------------|-------------|-------------|-------------|
|         | Cash        | Recurring   | Cash        | Recurring   | Cash        | Recurring   |
| 2021-22 | \$(355.0 M) | \$(362.6 M) | \$(317.6 M) | \$(324.3 M) | \$(291.1 M) | \$(297.3 M) |
| 2022-23 | \$(380.9 M) | \$(380.9 M) | \$(331.8 M) | \$(331.8 M) | \$(308.7 M) | \$(308.7 M) |
| 2023-24 | \$(400.2 M) | \$(400.2 M) | \$(342.4 M) | \$(342.4 M) | \$(321.7 M) | \$(321.7 M) |
| 2024-25 | \$(420.4 M) | \$(420.4 M) | \$(352.3 M) | \$(352.3 M) | \$(336.1 M) | \$(336.1 M) |
| 2025-26 | \$(441.7 M) | \$(441.7 M) | \$(360.1 M) | \$(360.1 M) | \$(336.1 M) | \$(336.1 M) |

**List of affected Trust Funds:** Sales and Use Tax Group

**Section 5: Consensus Estimate (Adopted: 02/26/2021): The Conference adopted the middle estimate.**

|         | GR      |           | Trust           |                 | Revenue Sharing |           | Local Half Cent |           |
|---------|---------|-----------|-----------------|-----------------|-----------------|-----------|-----------------|-----------|
|         | Cash    | Recurring | Cash            | Recurring       | Cash            | Recurring | Cash            | Recurring |
| 2021-22 | (281.2) | (287.2)   | (Insignificant) | (Insignificant) | (9.4)           | (9.6)     | (27.0)          | (27.5)    |
| 2022-23 | (293.7) | (293.7)   | (Insignificant) | (Insignificant) | (9.9)           | (9.9)     | (28.2)          | (28.2)    |
| 2023-24 | (303.1) | (303.1)   | (Insignificant) | (Insignificant) | (10.2)          | (10.2)    | (29.1)          | (29.1)    |
| 2024-25 | (311.9) | (311.9)   | (Insignificant) | (Insignificant) | (10.5)          | (10.5)    | (29.9)          | (29.9)    |
| 2025-26 | (318.8) | (318.8)   | (Insignificant) | (Insignificant) | (10.7)          | (10.7)    | (30.6)          | (30.6)    |

|         | Local Option |           | Total Local |           | Total   |           |
|---------|--------------|-----------|-------------|-----------|---------|-----------|
|         | Cash         | Recurring | Cash        | Recurring | Cash    | Recurring |
| 2021-22 | 0.0          | 0.0       | (36.4)      | (37.1)    | (317.6) | (324.2)   |
| 2022-23 | 0.0          | 0.0       | (38.1)      | (38.1)    | (331.8) | (331.8)   |
| 2023-24 | 0.0          | 0.0       | (39.3)      | (39.3)    | (342.4) | (342.4)   |
| 2024-25 | 0.0          | 0.0       | (40.4)      | (40.4)    | (352.3) | (352.3)   |
| 2025-26 | 0.0          | 0.0       | (41.3)      | (41.3)    | (360.1) | (360.1)   |

|    | A  | B  | C  | D  | E   | F | G | H |
|----|--|--|--|--|---|---|---|---|
| 1  | Calendar Year 2018   | Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ) | Taxable Sales Reported on line 3C- Commercial Rentals                            | Number of Accounts   | 1/2*B3  |   |   |   |
| 2  | KindCode 82 - Form DR15 With line 4C > 0   |  | \$18,712,787,971   |  | 63,559  |   |   |   |
| 3  | KindCode 82 - Form DR15 with line 4C = 0   | \$1,632,080,634  |  |  | 12,638  |   |   |   |
| 4  | KindCode 82 Entries - Form DR15 W/ line 4C=0 <= County Wide Effective Rate for Commercial Rent | \$44,809,591   |  |  |   |   |   |   |
| 5  | Kindcode 82 - Form DR15EZ  | \$8,708,606,990  |  |  | 72,545  |   |   |   |
| 6  | Dealers with Commercial rental tax not in kindcode 82  | \$44,028,261,163   | \$2,695,602,134  |  | 12,742  |   |   |   |
| 7  |  |  |  |  |   |   |   |   |
| 8  | Statewide 2018   |  |  |  | 161,484   |   |   |   |
| 9  |  |  |  |  |   |   |   |   |
| 10 | Calendar Year 2019   | Sales/Services Taxable Sales (Line 3A DR-15 or Line 3 DR-15EZ) | Taxable Sales Reported on line 3C- Commercial Rentals                            | Number of Accounts   |   |   |   |   |
| 11 | KindCode 82 - Form DR15 With line 4C > 0   |  | \$20,644,358,808   |  | 66,954  |   |   |   |
| 12 | KindCode 82 - Form DR15 with line 4C = 0   | \$1,834,609,383  |  |  | 11,980  |   |   |   |
| 13 | KindCode 82 Entries - Form DR15 W/ line 4C=0 <= County Wide Effective Rate for Commercial Rent | \$26,667,483   |  |  |   |   |   |   |
| 14 | Kindcode 82 - Form DR15EZ  | \$9,079,164,714  |  |  | 72,272  |   |   |   |
| 15 | Dealers with Commercial rental tax not in kindcode 82  | \$44,031,831,104   | \$2,621,773,426  |  | 13,425  |   |   |   |
| 16 |  |  |  |  |   |   |   |   |
| 17 | Statewide 2018   |  |  |  | 164,631   |   |   |   |
| 18 |  |  |  |  |   |   |   |   |
| 19 | <b>Growth Rates</b>  |  |  |  |   |   |   |   |
| 20 |  |  | High   | Middle   | Low   |   |   |   |
| 21 |  |  | 5-year Average Growth in Taxable Sales   | Business Investment Growth Rate (GR-REC 12/20)               | NonResidential Property Growth Rate -3/2019 Ad Valorem Assessments Estimating Conference - used for High estimate |   |   |   |
| 22 |  | FY 2019-20   | 5.06%  | 1.30%  | 6.10%   |   |   |   |
| 23 |  | FY 2020-21   | 5.06%  | 1.10%  | -3.29%  |   |   |   |
| 24 |  | FY 2021-22   | 5.06%  | 1.40%  | -3.62%  |   |   |   |
| 25 |  | FY 2022-23   | 5.06%  | 2.30%  | 2.12%   |   |   |   |
| 26 |  | FY 2023-24   | 5.06%  | 3.20%  | 3.86%   |   |   |   |
| 27 |  | FY 2024-25   | 5.06%  | 2.90%  | 4.18%   |   |   |   |
| 28 |  | FY 2025-26   | 5.06%  | 2.20%  | 4.49%   |   |   |   |
| 29 |  |  |  |  |   |   |   |   |
| 30 |  |  | High Estimate  | Middle Estimate  | Low Estimate  |   |   |   |
| 31 | Total Est. State Taxable Sales - Commercial Rent   |  | Taxable Sales from Kind Code 82 line 3C, "EZ" line 3, & Non-Kind Code 82 Taxable | Taxable Sales With Cell C3 reduced by half @ Low Growth Rate | Taxable SalesTax With Cell B3 reduced by half @ NonResidential Property Growth Rate                               |   |   |   |
| 32 |  | 2018   | \$30,161,806,686   | \$30,116,997,095   | \$30,116,997,095  |   |   |   |
| 33 |  | 2019   | \$32,371,964,431   | \$32,345,296,948   | \$32,345,296,948  |   |   |   |
| 34 |  |  |  |  |   |   |   |   |
| 35 | <b>Convert to Fiscal Year</b>  | FY 2018-19   | \$31,266,885,558   | \$31,231,147,021   | \$31,231,147,021  |   |   |   |
| 36 |  | FY 2019-20   | \$32,848,989,968   | \$31,637,151,933   | \$30,203,642,284  |   |   |   |
| 37 |  | FY 2020-21   | \$34,511,148,860   | \$31,985,160,604   | \$29,110,270,434  |   |   |   |
| 38 |  | FY 2021-22   | \$36,257,412,992   | \$32,432,952,852   | \$29,727,408,167  |   |   |   |
| 39 |  | FY 2022-23   | \$38,092,038,090   | \$33,178,910,768   | \$30,874,886,122  |   |   |   |

|    | A | B          | C                | D                | E                | F | G | H |
|----|---|------------|------------------|------------------|------------------|---|---|---|
| 40 |   | FY 2023-24 | \$40,019,495,217 | \$34,240,635,913 | \$32,165,456,362 |   |   |   |
| 41 |   | FY 2024-25 | \$42,044,481,675 | \$35,233,614,354 | \$33,609,685,353 |   |   |   |
| 42 |   | FY 2025-26 | \$44,171,932,448 | \$36,008,753,870 | \$33,609,685,353 |   |   |   |

|    | A   | B                | C               | D               | E               | F            | G            | H             |
|----|---|------------------|-----------------|-----------------|-----------------|--------------|--------------|---------------|
| 43 |   |                  |                 |                 |                 |              |              |               |
| 44 | <b>Collections at Current Rate by Fiscal Year</b> |                  |                 |                 |                 |              |              |               |
| 45 |   |                  | High Estimate   | Middle Estimate | Low Estimate    |              |              |               |
| 46 | Existing Rate                                     | FY 2021-22       | \$1,994,157,715 | \$1,783,812,407 | \$1,635,007,449 |              |              |               |
| 47 | 5.50%   | FY 2022-23       | \$2,095,062,095 | \$1,824,840,092 | \$1,698,118,737 |              |              |               |
| 48 |   | FY 2023-24       | \$2,201,072,237 | \$1,883,234,975 | \$1,769,100,100 |              |              |               |
| 49 |   | FY 2024-25       | \$2,312,446,492 | \$1,937,848,789 | \$1,848,532,694 |              |              |               |
| 50 |   | FY 2025-26       | \$2,429,456,285 | \$1,980,481,463 | \$1,848,532,694 |              |              |               |
| 51 |   |                  |                 |                 |                 |              |              |               |
| 52 | <b>Collections at New Rate by Fiscal Year</b>     | Sales Tax @ 4.5% | High Estimate   | Middle Estimate | Low Estimate    |              |              |               |
| 53 |   | FY 2021-22       | \$1,631,583,585 | \$1,459,482,878 | \$1,337,733,368 |              |              |               |
| 54 | New Rate  | FY 2022-23       | \$1,714,141,714 | \$1,493,050,985 | \$1,389,369,875 |              |              |               |
| 55 | 4.50%   | FY 2023-24       | \$1,800,877,285 | \$1,540,828,616 | \$1,447,445,536 |              |              |               |
| 56 |   | FY 2024-25       | \$1,892,001,675 | \$1,585,512,646 | \$1,512,435,841 |              |              |               |
| 57 |   | FY 2025-26       | \$1,987,736,960 | \$1,620,393,924 | \$1,512,435,841 |              |              |               |
| 58 |   |                  |                 |                 |                 |              |              |               |
| 59 | <b>First year Cash Months of Collections</b>      |                  | 11.75           |                 |                 |              |              |               |
| 60 | <b>Impact</b>                                     |                  | High Estimate   | Middle Estimate | Low Estimate    |              |              |               |
| 61 |   | 2021-22 Cash     | (355,020,502)   | (317,572,663)   | (291,080,872)   |              |              |               |
| 62 |   | FY 2021-22       | (362,574,130)   | (324,329,529)   | (297,274,082)   |              |              | (297,274,082) |
| 63 |   | FY 2022-23       | (380,920,381)   | (331,789,108)   | (308,748,861)   |              |              | (308,748,861) |
| 64 |   | FY 2023-24       | (400,194,952)   | (342,406,359)   | (321,654,564)   |              |              | (321,654,564) |
| 65 |   | FY 2024-25       | (420,444,817)   | (352,336,144)   | (336,096,854)   |              |              | (336,096,854) |
| 66 |   | FY 2025-26       | (441,719,324)   | (360,087,539)   | (336,096,854)   |              |              | (336,096,854) |
| 67 |   |                  |                 |                 |                 |              |              |               |
| 68 |   |                  |                 |                 |                 |              |              |               |
| 69 |   |                  | High Estimate   | Middle Estimate | Low Estimate    |              |              |               |
| 70 |   | Cash             | Recurring       | Cash            | Recurring       | Cash         | Recurring    |               |
| 71 |   | FY 2021-22       | \$ (355.0 M)    | \$ (362.6 M)    | \$ (317.6 M)    | \$ (324.3 M) | \$ (291.1 M) | \$ (297.3 M)  |
| 72 |   | FY 2022-23       | \$ (380.9 M)    | \$ (380.9 M)    | \$ (331.8 M)    | \$ (331.8 M) | \$ (308.7 M) | \$ (308.7 M)  |
| 73 |   | FY 2023-24       | \$ (400.2 M)    | \$ (400.2 M)    | \$ (342.4 M)    | \$ (342.4 M) | \$ (321.7 M) | \$ (321.7 M)  |
| 74 |   | FY 2024-25       | \$ (420.4 M)    | \$ (420.4 M)    | \$ (352.3 M)    | \$ (352.3 M) | \$ (336.1 M) | \$ (336.1 M)  |
| 75 |   | FY 2025-26       | \$ (441.7 M)    | \$ (441.7 M)    | \$ (360.1 M)    | \$ (360.1 M) | \$ (336.1 M) | \$ (336.1 M)  |
| 76 |   |                  |                 |                 |                 |              |              |               |
| 77 |   |                  |                 |                 |                 |              |              |               |
| 78 |   |                  |                 |                 |                 |              |              |               |

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Documentary Stamp Tax

**Issue:** Exemption on Federal Loans – State of Emergency

**Bill Number(s):** CS/SB 734 – Section 1

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** Commerce and Tourism; Gruters

**Month/Year Impact Begins:** upon becoming a law

**Date of Analysis:** 02/26/2021

**Section 1: Narrative**

**a. Current Law:**

Section 201.25, F.S., provides tax exemptions for the following two loans: any loan made by the Florida Small Business Emergency Bridge Loan Program in response to a disaster that results in a state of emergency declared by executive order or proclamation of the Governor pursuant to s. 252.36 (Subsection 201.25(1), F.S.), and any loan made by Agricultural Economic Development Program pursuant to s. 570.82 (Subsection 201.25(2), F.S.).

**b. Proposed Change:**

This bill adds a subsection to s. 201.25, F.S., to read: “Any federal loan made in response to a state of emergency declared by executive order or proclamation of the Governor under s. 252.36”.

**Section 2: Description of Data and Sources**

PPP loan Data

Executive Orders, 2018 - 2020

**Section 3: Methodology (Include Assumptions and Attach Details)**

The impact is indeterminate because of the uncertain nature in predicting weather or other disaster events. There are various reasons for which a state of emergency can be declared and the potential duration of a state of emergency is also unpredictable.

**Section 4: Proposed Fiscal Impact**

|         | High |           | Middle |           | Low  |           |
|---------|------|-----------|--------|-----------|------|-----------|
|         | Cash | Recurring | Cash   | Recurring | Cash | Recurring |
| 2021-22 |      |           | (**)   | (**)      |      |           |
| 2022-23 |      |           | (**)   | (**)      |      |           |
| 2023-24 |      |           | (**)   | (**)      |      |           |
| 2024-25 |      |           | (**)   | (**)      |      |           |
| 2025-26 |      |           | (**)   | (**)      |      |           |

**List of affected Trust Funds:** Doc Stamps

**Section 5: Consensus Estimate (Adopted: 02/26/2021):** The Conference adopted the proposed recurring estimate but adopted 0/(\*\*) for the cash estimate.

|         | GR     |           | Trust  |           | Local/Other |           | Total  |           |
|---------|--------|-----------|--------|-----------|-------------|-----------|--------|-----------|
|         | Cash   | Recurring | Cash   | Recurring | Cash        | Recurring | Cash   | Recurring |
| 2021-22 | 0/(**) | (**)      | 0/(**) | (**)      | 0.0         | 0.0       | 0/(**) | (**)      |
| 2022-23 | 0/(**) | (**)      | 0/(**) | (**)      | 0.0         | 0.0       | 0/(**) | (**)      |
| 2023-24 | 0/(**) | (**)      | 0/(**) | (**)      | 0.0         | 0.0       | 0/(**) | (**)      |
| 2024-25 | 0/(**) | (**)      | 0/(**) | (**)      | 0.0         | 0.0       | 0/(**) | (**)      |
| 2025-26 | 0/(**) | (**)      | 0/(**) | (**)      | 0.0         | 0.0       | 0/(**) | (**)      |

## REVENUE ESTIMATING CONFERENCE

**Tax:** Sales and Use Tax  
**Issue:** Vacation Rentals  
**Bill Number(s):** CS/SB 522

- Entire Bill**  
 **Partial Bill:**

**Sponsor(s):** the Committee on Regulated Industries; and Senator Diaz

**Month/Year Impact Begins:** Upon becoming law

**Date of Analysis:** February 26, 2021

### Section 1: Narrative

- a. Current Law:** Advertising platforms are not defined under current law.

Transient Rentals are currently taxable under Section 212.03 F.S.

Excerpted from Paragraph 212.03 (1) (a) F.S.: "It is hereby declared to be the legislative intent that every person is exercising a taxable privilege who engages in the business of renting, leasing, letting, or granting a license to use any living quarters or sleeping or housekeeping accommodations in, from, or a part of, or in connection with any hotel, apartment house, roominghouse, tourist or trailer camp, mobile home park, recreational vehicle park, condominium, or timeshare resort. .... For the exercise of such taxable privilege, a tax is hereby levied in an amount equal to 6 percent of and on the total rental charged for such living quarters or sleeping or housekeeping accommodations by the person charging or collecting the rental. Such tax shall apply to hotels, apartment houses, roominghouses, tourist or trailer camps, mobile home parks, recreational vehicle parks, condominiums, or timeshare resorts, whether or not these facilities have dining rooms, cafes, or other places where meals or lunches are sold or served to guests."

Excerpted from Subsection 212.03 (2) F.S.: "...The same duties imposed by this chapter upon dealers in tangible personal property respecting the collection and remission of the tax; the making of returns; the keeping of books, records, and accounts; and the compliance with the rules and regulations of the department in the administration of this chapter shall apply to and be binding upon all persons who manage or operate hotels, apartment houses, roominghouses, tourist and trailer camps, and the rental of condominium units, and to all persons who collect or receive such rents on behalf of such owner or lessor taxable under this chapter."

- b. Proposed Change:** The Proposed Language provides the new definition for "Advertising platform" replacing the current subsection 509.013(1) F.S.: "Advertising platform" means a person who:

(a) Provides an online application, software, website, or system through which a vacation rental located in this state is advertised or held out to the public as available to rent for transient occupancy;

(b) Provides or maintains a marketplace for the renting by transient occupancy of a vacation rental; and

(c) Provides a reservation or payment system that facilitates a transaction for the renting by transient occupancy of a vacation rental and for which the person collects or receives, directly or indirectly, a fee in connection with the reservation or payment service provided for such transaction.

Paragraph 212.03 (2) (b) is created: If a guest uses a payment system on or through an advertising platform, as defined in s. 509.013, to pay for the rental of a vacation rental located in this state, the advertising platform shall collect and remit taxes as provided in this paragraph.

(b) A local law, ordinance, or regulation may regulate activities that arise when a property is used as a vacation rental if the law, ordinance, or regulation applies uniformly to all residential properties without regard to whether the property is used as a vacation rental as defined in s. 509.242, the property is used as a long-term rental subject to chapter 83, or the property owner chooses not to rent the property. However, a local law, ordinance, or regulation may not prohibit vacation rentals or regulate the duration or frequency of rentals

1. An advertising platform, as defined in s. 509.013, that owns, operates or manages a vacation rental or that is related within the meaning of s. 1504, s. 267(b), or s. 707(b) of the Internal Revenue Code of 1986, to a person that owns, operates, or manages a vacation rental shall collect and remit all taxes due under this section and ss. 125.0104, 125.0108, 205.044, 212.0305, and 212.055 related to the rental.

2. An advertising platform to which subparagraph 1. does not apply shall collect and remit all taxes due from the owner, operator or manager under this section and ss. 125.0104, 125.0108, 205.044, 212.0305, and 212.055 related to the rental. Of the total amount paid by the lessee or rentee, the amount retained by the advertising platform for reservation or payment service is not taxable under this section and ss. 125.0104, 125.0108, 205.044, 212.0305, and 212.055.

In order to facilitate the remittance of such taxes, the department and counties that have elected to self-administer the taxes imposed under chapter 125 must allow advertising platforms to register, collect, and remit such taxes.

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax  
**Issue:** Vacation Rentals  
**Bill Number(s):** CS/SB 522

**Section 2: Description of Data and Sources**

**Section 3: Methodology (Include Assumptions and Attach Details)**

The proposed changes do not appear to provide for planning opportunities that do not currently exist in the market today. The middle estimate shows a zero impact for the proposed language under the assumptions that there will be no business model changes or material changes to the amount collected due to the proposed language. However, the tax base is quite large (over \$20 billion), so even small changes at the margins of the industry may generate an impact above the significance level. There are also a variety of organizational structures between the owners, the operators, and the platforms. For these two reasons, it is not possible to quantify what changes, if any, may occur outside of the middle estimate. Therefore, the proposed impact uses a positive indeterminate for the high estimate and a negative indeterminate for the low estimate.

This bill is effective upon becoming law, and the estimate assumes July 1, 2021 for the effective date. If the bill is effective before that date, then there may be a fiscal impact for the current fiscal year. The first-year cash values are equal to eleven months of the recurring due to the lag in collections.

**Section 4: Proposed Fiscal Impact**

State Impact

|         | High |           | Middle |           | Low  |           |
|---------|------|-----------|--------|-----------|------|-----------|
|         | Cash | Recurring | Cash   | Recurring | Cash | Recurring |
| 2020-21 | **   | **        | 0      | 0         | (**) | (**)      |
| 2021-22 | **   | **        | 0      | 0         | (**) | (**)      |
| 2022-23 | **   | **        | 0      | 0         | (**) | (**)      |
| 2023-24 | **   | **        | 0      | 0         | (**) | (**)      |
| 2024-25 | **   | **        | 0      | 0         | (**) | (**)      |

List of affected Trust Funds: Sales tax Group

**Section 5: Consensus Estimate (Adopted: 02/26/2021): The Conference adopted the middle impact.**

|         | GR   |           | Trust |           | Local/Other |           | Total |           |
|---------|------|-----------|-------|-----------|-------------|-----------|-------|-----------|
|         | Cash | Recurring | Cash  | Recurring | Cash        | Recurring | Cash  | Recurring |
| 2021-22 | 0.0  | 0.0       | 0.0   | 0.0       | 0.0         | 0.0       | 0.0   | 0.0       |
| 2022-23 | 0.0  | 0.0       | 0.0   | 0.0       | 0.0         | 0.0       | 0.0   | 0.0       |
| 2023-24 | 0.0  | 0.0       | 0.0   | 0.0       | 0.0         | 0.0       | 0.0   | 0.0       |
| 2024-25 | 0.0  | 0.0       | 0.0   | 0.0       | 0.0         | 0.0       | 0.0   | 0.0       |
| 2025-26 | 0.0  | 0.0       | 0.0   | 0.0       | 0.0         | 0.0       | 0.0   | 0.0       |

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Sales and Use Tax

**Issue:** Remote Sales/Purchase – Prospective Treatment of Wayfair

**Bill Number(s):** [CS/SB50 - Section 12 - Proposed Amendment](#)

**Entire Bill**

**Partial Bill:** Section 12

**Sponsor(s):**

**Month/Year Impact Begins:** July 1, 2021

**Date of Analysis:**

**Section 1: Narrative**

- a. Current Law:** Florida law requires a dealer to calculate the tax on the sales price of a taxable good or service, display it separately at the time of purchase, and then collect it from the purchaser. Historically, sales tax on out-of-state sales to Florida has been collected through the state’s use tax. This has resulted in low compliance rates of sales tax collections on out-of-state sales when the seller does not otherwise have Florida nexus. In 2018, the U.S. Supreme Court decided South Dakota v. Wayfair which expands the states’ ability to require remote sellers to collect sales tax. Since the Wayfair case, 43 states have enacted remote seller laws and 38 states have enacted marketplace provider laws.
- b. Proposed Change:** The Section 12 proposed amendment relieves remote sellers of liability for tax, penalty and interest due on remote sales that occurred before the effective date if they register with the Department before October 1, 2021. Also provides relief to a marketplace seller for sales made through a marketplace provider before the effective date. Marketplace providers with nexus in Florida are provided relief from remote sales made on behalf of a marketplace seller. This relief does not apply to a person under audit, or issued a bill, notice or demand for payment; or is under administrative or judicial proceedings prior to July 1, 2021. Prohibits the Department from using data received from marketplace providers in identifying use tax liabilities prior to July 1, 2021.

**Section 2: Description of Data and Sources**

**Section 3: Methodology (Include Assumptions and Attach Details)**

Section 12 as contained in CS/SB50 has not been analyzed. The Conference adopted the original bill (SB50) with the assumption that the bill was prospective only. This proposed amendment would replace Section 12 in the CS and has been tailored narrowly to insure the effect of the bill is prospective only. This language should reflect current law, current administration and have no fiscal impact.

**Section 4: Proposed Fiscal Impact**

|         | High |           | Middle |           | Low  |           |
|---------|------|-----------|--------|-----------|------|-----------|
|         | Cash | Recurring | Cash   | Recurring | Cash | Recurring |
| 2021-22 |      |           | 0      | 0         |      |           |
| 2022-23 |      |           | 0      | 0         |      |           |
| 2023-24 |      |           | 0      | 0         |      |           |
| 2024-25 |      |           | 0      | 0         |      |           |
| 2025-26 |      |           | 0      | 0         |      |           |

**List of affected Trust Funds:** Sales and Use Tax

**Section 5: Consensus Estimate (Adopted: 02/26/2021): The Conference adopted the proposed estimate.**

|         | GR   |           | Trust |           | Local/Other |           | Total |           |
|---------|------|-----------|-------|-----------|-------------|-----------|-------|-----------|
|         | Cash | Recurring | Cash  | Recurring | Cash        | Recurring | Cash  | Recurring |
| 2021-22 | 0.0  | 0.0       | 0.0   | 0.0       | 0.0         | 0.0       | 0.0   | 0.0       |
| 2022-23 | 0.0  | 0.0       | 0.0   | 0.0       | 0.0         | 0.0       | 0.0   | 0.0       |
| 2023-24 | 0.0  | 0.0       | 0.0   | 0.0       | 0.0         | 0.0       | 0.0   | 0.0       |
| 2024-25 | 0.0  | 0.0       | 0.0   | 0.0       | 0.0         | 0.0       | 0.0   | 0.0       |
| 2025-26 | 0.0  | 0.0       | 0.0   | 0.0       | 0.0         | 0.0       | 0.0   | 0.0       |

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Various Taxes and Fees

**Issue:** Department of Revenue Legislative Concepts – General Tax

**Bill Number(s):**

[Proposed Language](#)

**Entire Bill**

**Partial Bill:**

**Sponsor(s):** N/A

**Month/Year Impact Begins:** Section 10: Upon Becoming Law. All other sections: January 1, 2022

**Date of Analysis:** February 26, 2021

**Section 1: Narrative**

a. **Current Law:** Please see attached section-by-section analysis

b. **Proposed Change:** Please see attached section-by-section analysis

**Section 2: Description of Data and Sources**

**Section 3: Methodology (Include Assumptions and Attach Details)**

The proposed language was reviewed for potential impacts section by section. The potential impacts, if any, are listed in the section-by-section analysis and summarized in the section 4 table below.

**Section 4: Proposed Fiscal Impact**

|         | High |           | Middle |           | Low  |           |
|---------|------|-----------|--------|-----------|------|-----------|
|         | Cash | Recurring | Cash   | Recurring | Cash | Recurring |
| 2021-22 |      |           | 0      | 0/(*)     |      |           |
| 2022-23 |      |           | 0/(*)  | 0/(*)     |      |           |
| 2023-24 |      |           | 0/(*)  | 0/(*)     |      |           |
| 2024-25 |      |           | 0/(*)  | 0/(*)     |      |           |
| 2025-26 |      |           | 0/(*)  | 0/(*)     |      |           |

**List of affected Trust Funds:**

Ad Valorem

**Section 5: Consensus Estimate (Adopted: 02/26/2021): The Conference adopted the proposed estimate.**

|         | GR   |           | Trust |           | Local/Other |           | Total |           |
|---------|------|-----------|-------|-----------|-------------|-----------|-------|-----------|
|         | Cash | Recurring | Cash  | Recurring | Cash        | Recurring | Cash  | Recurring |
| 2021-22 | 0.0  | 0.0       | 0.0   | 0.0       | 0.0         | 0/(*)     | 0.0   | 0/(*)     |
| 2022-23 | 0.0  | 0.0       | 0.0   | 0.0       | 0/(*)       | 0/(*)     | 0/(*) | 0/(*)     |
| 2023-24 | 0.0  | 0.0       | 0.0   | 0.0       | 0/(*)       | 0/(*)     | 0/(*) | 0/(*)     |
| 2024-25 | 0.0  | 0.0       | 0.0   | 0.0       | 0/(*)       | 0/(*)     | 0/(*) | 0/(*)     |
| 2025-26 | 0.0  | 0.0       | 0.0   | 0.0       | 0/(*)       | 0/(*)     | 0/(*) | 0/(*)     |

|   | B       | C                          | D                        | I   | J   | K                                       |
|---|---------|----------------------------|--------------------------|---|---|---|
| 1 | Section | Issue                      | Statute Section          | Current Language  | Draft Language  | Fiscal Impact                           |
| 2 | 1       | Installment plan Penalties | <a href="#">197.222</a>  | (a) The first payment of one-quarter of the total amount of estimated taxes due must be made by June 30 of the year in which the taxes are assessed. A 6 percent discount applied against the amount of the installment shall be granted for such payment. The tax collector may accept a late payment of the first installment through July 31, and the late payment must be accompanied by a penalty of 5 percent of the amount of the installment due.   | (a) The first payment of one-quarter of the total amount of estimated taxes due must be made by June 30 of the year in which the taxes are assessed. A 6 percent discount applied against the amount of the installment shall be granted for such payment. The tax collector <del>shall</del> <u>may</u> accept a late payment of the first installment through July 31, <del>and the late payment must be accompanied by a penalty of 5 percent of the amount of the installment due.</del>  |   |
| 3 | 2       | Discontinued TO2 Index     | <a href="#">211.3106</a> | (e) In the event the producer price index for titanium dioxide is discontinued, then a comparable index shall be selected by the department and adopted by rule.  | (e) <del>If in the event</del> the producer price index for titanium dioxide is discontinued <u>or can no longer be calculated</u> , then a comparable index <u>must shall</u> be selected by the department and adopted by rule. <u>If there is no comparable index, the tax rate for the immediately preceding year must be used.</u>   | No Impact                               |
| 4 | 3       | Forwarding Agents          | <a href="#">212.06</a>   | No section  | (m) The term “dealer” also means a forwarding agent as defined in sub-subparagraph (5)(b)1.b. who has applied for and received a Florida Certificate of Forwarding Agent Address from the department.   | no impact - Documentation Clarification |
| 5 |         | Forwarding Agents          |                          | 5)(a)1. Except as provided in subparagraph 2., it is not the intention of this chapter to levy a tax upon tangible personal property imported, produced, or manufactured in this state for export, provided that tangible personal property may not be considered as being imported, produced, or manufactured for export unless the importer, producer, or manufacturer delivers the same to a licensed exporter for exporting or to a common carrier for shipment outside the state or mails the same by United States mail to a destination outside the state; or, in the case of aircraft being exported under their own power to a destination outside the continental limits of the United States, by submission to the department of a duly signed and validated United States customs declaration, showing the departure of the aircraft from the continental United States; and further with respect to aircraft, the canceled United States registry of said aircraft; or in the case of parts and equipment installed on aircraft of foreign registry, by submission to the department of documentation, the extent of which shall be provided by rule, showing the departure of the aircraft from the continental United States; nor is it the intention of this chapter to levy a tax on any sale which the state is prohibited from taxing under the Constitution or laws of the United States. Every retail sale made to a person physically present at the time of sale shall be presumed to have been delivered in this state. | (5)(a)1. Except as provided in subparagraph 2., it is not the intention of this chapter to levy a tax upon tangible personal property imported, produced, or manufactured in this state for export, provided that tangible personal property may not be considered as being imported, produced, or manufactured for export unless the importer, producer, or manufacturer delivers the same to a <u>forwarding agent licensed exporter</u> for exporting or to a common carrier for shipment outside <u>this the state</u> or mails the same by United States mail to a destination outside <u>this the state</u> ; or, in the case of aircraft being exported under their own power to a destination outside the continental limits of the United States, by submission to the department of a duly signed and validated United States customs declaration, showing the departure of the aircraft from the continental United States; and further with respect to aircraft, the canceled United States registry of said aircraft; or in the case of parts and equipment installed on aircraft of foreign registry, by submission to the department of documentation <u>as</u> , <del>the extent of which shall be</del> provided by rule, showing the departure of the aircraft from the continental United States; nor is it the intention of this chapter to levy a tax on any sale <u>that which</u> the state is prohibited from taxing under the Constitution or laws of the United States. Every retail sale made to a person physically present at the time of sale <u>is shall be</u> presumed to have been delivered in this state. | no impact - Documentation Clarification |

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| 6 |   | Forwarding Agents |   | 2.a. Notwithstanding subparagraph 1., a tax is levied on each sale of tangible personal property to be transported to a cooperating state as defined in sub-subparagraph c., at the rate specified in sub-subparagraph d. However, a Florida dealer will be relieved from the requirements of collecting taxes pursuant to this subparagraph if the Florida dealer obtains from the purchaser an affidavit setting forth the purchaser's name, address, state taxpayer identification number, and a statement that the purchaser is aware of his or her state's use tax laws, is a registered dealer in Florida or another state, or is purchasing the tangible personal property for resale or is otherwise not required to pay the tax on the transaction. The department may, by rule, provide a form to be used for the purposes set forth herein.  | 2.a. Notwithstanding subparagraph 1., a tax is levied on each sale of tangible personal property to be transported to a cooperating state as defined in sub-subparagraph c., at the rate specified in sub-subparagraph d. However, a Florida dealer <del>is</del> <u>will be</u> relieved from the requirements of collecting taxes pursuant to this subparagraph if the Florida dealer obtains from the purchaser an affidavit <del>providing setting forth</del> the purchaser's name, address, state taxpayer identification number, and a statement that the purchaser is aware of his or her state's use tax laws, is a registered dealer in Florida or another state, or is purchasing the tangible personal property for resale or is otherwise not required to pay the tax on the transaction. The department may, by rule, provide a form to be used for the purposes <del>of this sub-subparagraph</del> <u>set forth herein</u> .  | no impact - Documentation Clarification |
| 7 |   | Forwarding Agents |   | For purposes of this subparagraph, "a cooperating state" is one determined by the executive director of the department to cooperate satisfactorily with this state in collecting taxes on mail order sales. No state shall be so determined unless it meets all the following minimum requirements: (I) It levies and collects taxes on mail order sales of property transported from that state to persons in this state, as described in s. 212.0596, upon request of the department. (II) The tax so collected shall be at the rate specified in s. 212.05, not including any local option or tourist or convention development taxes collected pursuant to s. 125.0104 or this chapter. (III) Such state agrees to remit to the department all taxes so collected no later than 30 days from the last day of the calendar quarter following their collection. (IV) Such state authorizes the department to audit dealers within its jurisdiction who make mail order sales that are the subject of s. 212.0596, or makes arrangements deemed adequate by the department for auditing them with its own personnel. (V) Such state agrees to provide to the department records obtained by it from retailers or dealers in such state showing delivery of tangible personal property into this state upon which no sales or use tax has been paid in a manner similar to that provided in sub-subparagraph g. | b. For purposes of this subparagraph, <del>the term "a cooperating state" means a state is one-</del> determined by the executive director of the department to cooperate satisfactorily with this state in collecting taxes on mail order sales. <del>To be determined a cooperating state, a</del> <u>No state must meet shall be so determined unless it meets</u> all the following minimum requirements: (I) It levies and collects taxes on mail order sales of property transported from that state to persons in this state, as described in s. 212.0596, upon request of the department. (II) The tax so collected must be shall be at the rate specified in s. 212.05, not including any local option or tourist or convention development taxes collected pursuant to s. 125.0104 or this chapter. (III) Such state agrees to remit to the department all taxes so collected no later than 30 days from the last day of the calendar quarter following their collection. (IV) Such state authorizes the department to audit dealers within its jurisdiction who make mail order sales that are the subject of s. 212.0596, or makes arrangements deemed adequate by the department for auditing them with its own personnel. (V) Such state agrees to provide to the department records obtained by it from retailers or dealers in such state showing delivery of tangible personal property into this state upon which no sales or use tax has been paid in a manner similar to that provided in sub-subparagraph g. | no impact - Documentation Clarification |
| 8 |   | Forwarding Agents |   | c. For purposes of this subparagraph, "sales of tangible personal property to be transported to a cooperating state" means mail order sales to a person who is in the cooperating state at the time the order is executed, from a dealer who receives that order in this state.   | c. For purposes of this subparagraph, <u>the term</u> "sales of tangible personal property to be transported to a cooperating state" means mail order sales to a person who is in the cooperating state at the time the order is executed, from a dealer who receives that order in this state.   | no impact - Documentation Clarification |

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| 9  |   | Forwarding Agents |   | d. The tax levied by sub-subparagraph a. shall be at the rate at which such a sale would have been taxed pursuant to the cooperating state’s tax laws if consummated in the cooperating state by a dealer and a purchaser, both of whom were physically present in that state at the time of the sale.  | d. The tax levied by sub-subparagraph a. shall be at the rate at which such a sale would have been taxed pursuant to the cooperating state’s tax laws if consummated in the cooperating state by a dealer and a purchaser, both of whom were physically present in that state at the time of the sale.  | no impact - Documentation Clarification |
| 10 |   | Forwarding Agents |   | e. The tax levied by sub-subparagraph a., when collected, shall be held in the State Treasury in trust for the benefit of the cooperating state and shall be paid to it at a time agreed upon between the department, acting for this state, and the cooperating state or the department or agency designated by it to act for it; however, such payment shall in no event be made later than 30 days from the last day of the calendar quarter after the tax was collected. Funds held in trust for the benefit of a cooperating state shall not be subject to the service charges imposed by s. 215.20. | e. The tax levied by sub-subparagraph a., when collected, shall be held in the State Treasury in trust for the benefit of the cooperating state and shall be paid to it at a time agreed upon between the department, acting for this state, and the cooperating state or the department or agency designated by it to act for it; however, such payment shall in no event be made later than 30 days from the last day of the calendar quarter after the tax was collected. Funds held in trust for the benefit of a cooperating state <del>are shall</del> not be subject to the service charges imposed by s. 215.20.  | no impact - Documentation Clarification |
| 11 |   | Forwarding Agents |   | f. The department is authorized to perform such acts and to provide such cooperation to a cooperating state with reference to the tax levied by sub-subparagraph a. as is required of the cooperating state by sub-subparagraph b.  | f. The department is authorized to perform such acts and to provide such cooperation to a cooperating state with reference to the tax levied by sub-subparagraph a. as is required of the cooperating state by sub-subparagraph b.  | no impact - Documentation Clarification |
| 12 |   | Forwarding Agents |   | g. In furtherance of this act, dealers selling tangible personal property for delivery in another state shall make available to the department, upon request of the department, records of all tangible personal property so sold. Such records shall include a description of the property, the name and address of the purchaser, the name and address of the person to whom the property was sent, the purchase price of the property, information regarding whether sales tax was paid in this state on the purchase price, and such other information as the department may by rule prescribe.       | g. In furtherance of this act, dealers selling tangible personal property for delivery in another state shall make available to the department, upon request of the department, records of all tangible personal property so sold. Such records <del>shall</del> <u>must</u> include a description of the property, the name and address of the purchaser, the name and address of the person to whom the property was sent, the purchase price of the property, information regarding whether sales tax was paid in this state on the purchase price, and such other information as the department may by rule prescribe.  | no impact - Documentation Clarification |
| 13 |   | Forwarding Agents |   |   | (b)1. <u>As used in this subsection, the term:</u> a. “Certificate” means a Florida Certificate of Forwarding Agent Address. b. “Facilitating” means preparation for or arranging for export. c. “Forwarding agent” means a person or business whose principal business activity is facilitating for compensation the export of property owned by other persons. d. “NAICS” means those classifications contained in the North American Industry Classification System as published in 2007 by the Office of Management and Budget, Executive Office of the President. e. “Principal business activity” means the activity from which the person or business derives the <del>highest percentage of its total receipts.</del> | no impact - Documentation Clarification |

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| 14 |   | Forwarding Agents |   |   | 2. A forwarding agent engaged in international export may apply to the department for a certificate.   | no impact - Documentation Clarification |
| 15 |   | Forwarding Agents |   |   | 3. Each application must include: a. The designation of an address for the forwarding agent. b. A certification that: (I) The tangible personal property delivered to the designated address for export originates with a United States vendor; (II) The tangible personal property delivered to the designated address for export is irrevocably committed to export out of the United States through a continuous and unbroken exportation process; and (III) The designated address is used exclusively by the forwarding agent for such export. c. A copy of the forwarding agent's last filed federal income tax return showing the entity's principal business activity classified under NAICS code 488510, except as provided under subparagraph 4. or subparagraph 5. d. A statement of the total revenues of the forwarding agent. e. A statement of the amount of revenues associated with international export of the forwarding agent. f. A description of all business activity that occurs at the designated address. g. The name and contact information of a designated contact person of the forwarding agent. h. The forwarding agent's website address. i. Any additional information the department requires by rule to demonstrate eligibility for the certificate and a signature attesting to the validity of the information provided. | no impact - Documentation Clarification |
| 16 |   | Forwarding Agents |   |   | 4. <u>An applicant that has not filed a federal return for the preceding tax year under NAICS code 488510 shall provide:</u><br>a. <u>A statement of estimated total revenues.</u><br>b. <u>A statement of estimated revenues associated with international export.</u><br>c. <u>The NAICS code under which the forwarding agent intends to file a federal return.</u>   | no impact - Documentation Clarification |
| 17 |   | Forwarding Agents |   |   | 5. <u>If an applicant does not file a federal return identifying a NAICS code, the applicant shall provide documentation to support that its principal business activity is that of a forwarding agent as described in sub-subparagraph (b)1.c. and that the applicant is otherwise eligible for the certificate.</u>  | no impact - Documentation Clarification |
| 18 |   | Forwarding Agents |   |   | 6. <u>A forwarding agent that applies for and receives a certificate shall register as a dealer with the department.</u>   | no impact - Documentation Clarification |
| 19 |   | Forwarding Agents |   |   | 7. <u>A forwarding agent shall remit the tax imposed under this chapter on any tangible personal property shipped to the designated forwarding agent address if no tax was collected and the tangible personal property remained in this state or when delivery to the purchaser or purchaser's representative occurs in this state. This subparagraph does not prohibit the forwarding agent from collecting such tax from the consumer of the tangible personal property.</u>  | no impact - Documentation Clarification |

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| 20 |   | Forwarding Agents |   |   | <p><u>8. A forwarding agent shall maintain the following records:</u></p> <p><u>a. Copies of sales invoices or receipts between the vendor and the consumer identifying each purchase.</u></p> <p><u>b. Copies of federal returns evidencing the forwarding agent’s NAICS principal business activity code.</u></p> <p><u>c. Copies of invoices evidencing shipment to the forwarding agent.</u></p> <p><u>d. Invoices between the forwarding agent and the consumer or other documentation evidencing the ship-to destination outside the United States.</u></p> <p><u>e. Invoices for foreign postal or transportation services.</u></p> <p><u>f. Bills of lading.</u></p> <p><u>g. Any other export documentation.</u></p> <p><u>Such records must be kept in an electronic format and made available for the department’s review pursuant to subparagraph 9 and ss. 212.13 and 213.35.</u></p>   | no impact - Documentation Clarification |
| 21 |   | Forwarding Agents |   |   | <p><u>9. Each certificate expires 5 years after the date of issuance, except as specified in this subparagraph.</u></p> <p><u>a. At least 30 days before expiration, a new application must be submitted to renew the certificate and the application must contain the information required in subparagraph 3. Upon application for renewal, the certificate is subject to the review and reissuance procedures prescribed by this chapter and department rule.</u></p> <p><u>b. Each forwarding agent shall update its application information annually or within 30 days of any material change.</u></p> <p><u>c. The department shall verify that the forwarding agent is actively engaged in facilitating the international export of tangible personal property.</u></p> <p><u>d. The department may suspend or revoke the certificate of any forwarding agent that fails to respond within 30 days to a written request for information regarding its business transactions.</u></p> | no impact - Documentation Clarification |
| 22 |   | Forwarding Agents |   |   | <p><u>10. A dealer may accept a copy of the certificate in lieu of collecting the tax imposed under this chapter when the property is required by terms of the sale to be shipped to the designated address on the certificate.</u></p> <p><u>a. A dealer who accepts a valid copy of a certificate in good faith and ships purchased tangible personal property to the address on the certificate is not liable for any tax due on sales made during the effective dates indicated on the certificate.</u></p> <p><u>b. The dealer must maintain a copy of the certificate or record of other method of verification in its books and records pursuant to s. 212.13.</u></p>  | no impact - Documentation Clarification |

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| 23 |   | Forwarding Agents |   |   | <u>11. The department shall establish an online system for verification of valid certificates on the department’s website and may also provide a list of forwarding agents’ addresses on the electronic address database webpage on the department’s website.</u>  | no impact - Documentation Clarification |
| 24 |   | Forwarding Agents |   |   | <u>12. The department may revoke a forwarding agent’s certificate for noncompliance with this paragraph. Any person found to fraudulently use the address on the certificate for the purpose of evading tax is subject to the penalties provided in s. 212.085.</u>  | no impact - Documentation Clarification |
| 25 |   | Forwarding Agents |   |   | <u>13. The department may adopt rules to administer this paragraph, including rules relating to procedures, application and eligibility requirements, and forms.</u>   | no impact - Documentation Clarification |
| 26 |   | Forwarding Agents |   | (b)1. Notwithstanding the provisions of paragraph (a), it is not the intention of this chapter to levy a tax on the sale of tangible personal property to a nonresident dealer who does not hold a Florida sales tax registration, provided such nonresident dealer furnishes the seller a statement declaring that the tangible personal property will be transported outside this state by the nonresident dealer for resale and for no other purpose. The statement shall include, but not be limited to, the nonresident dealer’s name, address, applicable passport or visa number, arrival-departure card number, and evidence of authority to do business in the nonresident dealer’s home state or country, such as his or her business name and address, occupational license number, if applicable, or any other suitable requirement. The statement shall be signed by the nonresident dealer and shall include the following sentence: “Under penalties of perjury, I declare that I have read the foregoing, and the facts alleged are true to the best of my knowledge and belief.” | <u>(c)1.</u> Notwithstanding the provisions of paragraph (a), it is not the intention of this chapter to levy a tax on the sale of tangible personal property to a nonresident dealer who does not hold a Florida sales tax registration, provided such nonresident dealer furnishes the seller a statement declaring that the tangible personal property will be transported outside this state by the nonresident dealer for resale and for no other purpose. The statement <u>must shall</u> include, but not be limited to, the nonresident dealer’s name, address, applicable passport or visa number, arrival-departure card number, and evidence of authority to do business in the nonresident dealer’s home state or country, such as his or her business name and address, occupational license number, if applicable, or any other suitable requirement. The statement <u>must shall</u> be signed by the nonresident dealer and <u>must shall</u> include the following sentence: “Under penalties of perjury, I declare that I have read the foregoing, and the facts alleged are true to the best of my knowledge and belief.” | no impact - Documentation Clarification |
| 27 |   | Forwarding Agents |   | 2. The burden of proof of subparagraph 1. rests with the seller, who must retain the proper documentation to support the exempt sale. The exempt transaction is subject to verification by the department.  | 2. The burden of proof of subparagraph 1. rests with the seller, who must retain the proper documentation to support the exempt sale. The exempt transaction is subject to verification by the department.   | no impact - Documentation Clarification |
| 28 |   | Forwarding Agents |   | (c) Notwithstanding the provisions of paragraph (a), it is not the intention of this chapter to levy a tax on the sale by a printer to a nonresident print purchaser of material printed by that printer for that nonresident print purchaser when the print purchaser does not furnish the printer a resale certificate containing a sales tax registration number but does furnish to the printer a statement declaring that such material will be resold by the nonresident print purchaser.   | <u>(d)(e)</u> Notwithstanding <del>the provisions of</del> paragraph (a), it is not the intention of this chapter to levy a tax on the sale by a printer to a nonresident print purchaser of material printed by that printer for that nonresident print purchaser when the print purchaser does not furnish the printer a resale certificate containing a sales tax registration number but does furnish to the printer a statement declaring that such material will be resold by the nonresident print purchaser.   | no impact - Documentation Clarification |

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| 29 | 4 | Provision of Electronic Books & Records | <a href="#">212.13</a> | (2) Each dealer, as defined in this chapter, shall secure, maintain, and keep as long as required by s. 213.35 a complete record of tangible personal property or services received, used, sold at retail, distributed or stored, leased or rented by said dealer, together with invoices, bills of lading, gross receipts from such sales, and other pertinent records and papers as may be required by the department for the reasonable administration of this chapter; all such records which are located or maintained in this state shall be open for inspection by the department at all reasonable hours at such dealer's store, sales office, general office, warehouse, or place of business located in this state. Any dealer who maintains such books and records at a point outside this state must make such books and records available for inspection by the department where the general records are kept. Any dealer subject to the provisions of this chapter who violates these provisions is guilty of a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083. If, however, any subsequent offense involves intentional destruction of such records with an intent to evade payment of or deprive the state of any tax revenues, such subsequent offense shall be a felony of the third degree, punishable as provided in s. 775.082 or s. 775.083. | (2) Each dealer, as defined in this chapter, shall secure, maintain, and keep as long as required by s. 213.35 a complete record of tangible personal property or services received, used, sold at retail, distributed or stored, leased or rented by said dealer, together with invoices, bills of lading, gross receipts from such sales, and other pertinent records and papers as may be required by the department for the reasonable administration of this chapter. <u>All such records must be made available to the department at reasonable times and places and by reasonable means, including in an electronic format when so kept by the dealer which are located or maintained in this state shall be open for inspection by the department at all reasonable hours at such dealer's store, sales office, general office, warehouse, or place of business located in this state. Any dealer who maintains such books and records at a point outside this state must make such books and records available for inspection by the department where the general records are kept.</u> Any dealer subject to the provisions of this chapter who violates <u>this subsection commits these provisions is guilty of</u> a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083. If, however, any subsequent offense involves intentional destruction of such records with an intent to evade payment of or deprive the state of any tax revenues, such subsequent offense <u>is shall be</u> a felony of the third degree, punishable as provided in s. 775.082 or s. 775.083. | No Revenue Impact   |
| 30 | 5 | Criminal Fines                          | <a href="#">212.15</a> | (2) Any person who, with intent to unlawfully deprive or defraud the state of its moneys or the use or benefit thereof, fails to remit taxes collected under this chapter commits theft of state funds, punishable as follows:<br>(a) If the total amount of stolen revenue is less than \$1,000, the offense is a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083. Upon a second conviction, the offender commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083. Upon a third or subsequent conviction, the offender commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.<br>(b) If the total amount of stolen revenue is \$1,000 or more, but less than \$20,000, the offense is a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.<br>(c) If the total amount of stolen revenue is \$20,000 or more, but less than \$100,000, the offense is a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.<br>(d) If the total amount of stolen revenue is \$100,000 or more, the offense is a felony of the first degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.   | (2) Any person who, with intent to unlawfully deprive or defraud the state of its moneys or the use or benefit thereof, fails to remit taxes collected under this chapter commits theft of state funds, punishable as follows:<br>(a) If the total amount of stolen revenue is less than \$1,000, the offense is a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083. Upon a second conviction, the offender commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083. Upon a third or subsequent conviction, the offender commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.<br>(b) If the total amount of stolen revenue is \$1,000 or more, but less than \$20,000, the offense is a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.<br>(c) If the total amount of stolen revenue is \$20,000 or more, but less than \$100,000, the offense is a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.<br>(d) If the total amount of stolen revenue is \$100,000 or more, the offense is a felony of the first degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.<br><u>The amount of stolen revenue may be aggregated in determining the grade of the offense.</u>   | Codification of existing practice. Fines go to each Clerk of Court's Fine and Forfeiture Fund under S.142.01 F.S. |

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| 31 | 6 | Publishing Data | <a href="#">212.053</a> | <p>(5) This section does not prevent the department from:</p> <p>(a) Publishing statistics so classified as to prevent the identification of particular accounts, reports, declarations, or returns; or</p> <p>(b) Using telephones, e-mail, facsimile machines, or other electronic means to:</p> <ol style="list-style-type: none"> <li>1. Distribute information relating to changes in law, tax rates, interest rates, or other information that is not specific to a particular taxpayer;</li> <li>2. Remind taxpayers of due dates;</li> <li>3. Respond to a taxpayer to an electronic mail address that does not support encryption if the use of that address is authorized by the taxpayer; or</li> <li>4. Notify taxpayers to contact the department.</li> </ol> | <p>Section 6. Subsection (5) of section 213.053, Florida Statutes, is amended to read:</p> <p>213.053 Confidentiality and information sharing.—</p> <p>(5) This section does not prevent the department from <u>any of the following</u>:</p> <p>(a) Publishing statistics so classified as to prevent the identification of particular accounts, reports, declarations, or returns; or</p> <p><u>(b) Publishing a list of forwarding agents' addresses, which may not contain the business names of the forwarding agents, on the electronic database webpage pursuant to s. 212.06(5)(b)11.; or</u></p> <p><del>(c)</del><u>(b)</u> Using telephones, e-mail, facsimile machines, or other electronic means to <u>do any of the following</u>:</p> <ol style="list-style-type: none"> <li>1. Distribute information relating to changes in law, tax rates, interest rates, or other information that is not specific to a particular taxpayer;</li> <li>2. Remind taxpayers of due dates;</li> <li>3. Respond to a taxpayer to an electronic mail address that does not support encryption if the use of that address is authorized by the taxpayer; or</li> <li>4. Notify taxpayers to contact the department.</li> </ol> | No revenue Impact                              |
| 32 | 7 | Current Law     | <a href="#">197.222</a> | <a href="#">192.0105</a>   | The right to discounts for early payment on all taxes and non-ad valorem assessments collected by the tax collector, except for partial payments as defined in s. 197.374, the right to pay installment payments with discounts, and the right to pay delinquent personal property taxes under a payment program when implemented by the county tax collector (see ss. 197.162, 197.3632(8) and (10)(b)3., 197.222(1), and 197.4155).  | No revenue Impact - Reenactment of Current Law |

|    | B  | C           | D                      | I                      | J   | K  |
|----|----|-------------|------------------------|------------------------|---|--|
| 33 | 8  | Current Law | <a href="#">212.06</a> | <a href="#">212.07</a> | <p>Section 8. For the purpose of incorporating the amendment made by this act to section 212.06, Florida Statutes, in a reference thereto, paragraph (c) of subsection (1) of section 212.07, Florida Statutes, is reenacted to read:</p> <p>212.07 Sales, storage, use tax; tax added to purchase price; dealer not to absorb; liability of purchasers who cannot prove payment of the tax; penalties; general exemptions.—</p> <p>(1)</p> <p>(c) Unless the purchaser of tangible personal property that is incorporated into tangible personal property manufactured, produced, compounded, processed, or fabricated for one’s own use and subject to the tax imposed under s. 212.06(1)(b) or is purchased for export under s. 212.06(5)(a)1. extends a certificate in compliance with the rules of the department, the dealer shall himself or herself be liable for and pay the tax.</p>  | No revenue Impact - Reenactment of Current Law |
| 34 | 9  | Current Law | <a href="#">212.13</a> | <a href="#">212.08</a> | <p>Section 9. For the purpose of incorporating the amendment made by this act to section 212.13, Florida Statutes, in a reference thereto, paragraph (f) of subsection (18) of section 212.08, Florida Statutes, is reenacted to read:</p> <p>212.08 Sales, rental, use, consumption, distribution, and storage tax; specified exemptions.—The sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this chapter.</p> <p>(18) MACHINERY AND EQUIPMENT USED PREDOMINANTLY FOR RESEARCH AND DEVELOPMENT.—</p> <p>(f) Purchasers shall maintain all documentation necessary to prove the exempt status of purchases and fabrication activity and make such documentation available for inspection pursuant to the requirements of s. 212.13(2)</p> | No revenue Impact - Reenactment of Current Law |
| 35 | 10 | Rule Making | <a href="#">120.54</a> | <a href="#">212.06</a> | <p>Section 10. (1) <u>The Department of Revenue is authorized, and all conditions are deemed met, to adopt emergency rules pursuant to s. 120.54(4), Florida Statutes, for the purpose of implementing the amendment made by this act to s. 212.06, Florida Statutes.</u></p> <p>(2) <u>Notwithstanding any other law, emergency rules adopted pursuant to subsection (1) are effective for 6 months after adoption and may be renewed during the pendency of procedures to adopt permanent rules addressing the subject of the emergency rules.</u></p> <p>(3) <u>This section shall take effect upon becoming a law and expires January 1, 2025.</u></p>  | No Revenue Impact - Emergency Rule Making      |
| 36 | 11 | Eff. Date   |                        |                        | <p>Section 11. Except as otherwise expressly provided in this act and except for this section, which shall take effect upon becoming a law, this act shall take effect January 1, 2022.</p>   | No Impact - Effective Date                     |

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Various Taxes and Fees

**Issue:** Remote Sellers

**Bill Number(s):** CS SB 50

**Entire Bill**

**Partial Bill:** Section 5

**Sponsor(s):** Gruters

**Month/Year Impact Begins:** 04/01/2022

**Date of Analysis:** 02/26/2021

**Section 1: Narrative**

- a. **Current Law:** Section 365.172, F.S. charges the E911 prepaid wireless fee. Section 403.718, F.S. charges the \$1 waste tire fee on each tire sold. Section 403.7185, F.S. charges the \$1.50 lead acid battery fee on each car battery sold. These fees are required to be collected by remote sellers at the time of sale. Currently, compliance rates are low for sales where the remote seller is located out-of-state.
- b. **Proposed Change:** Effective April 1, 2022, marketplace providers would be responsible for collecting and remitting the E911 prepaid wireless fee charged per section 365.172, F.S., the \$1 waste tire fee charged per section 403.718, F.S., and the \$1.50 lead acid battery fee charged per section 403.7185, F.S. Prepaid calling arrangements are subject to sales tax under 212.05 (1)(e), F.S. Retail sellers of prepaid wireless services are required to collect a fee of 40 cents on the sale of each prepaid wireless service that allows a caller to connect to, and interact with, the Enhanced 911 (E911) System. This includes calling cards, plans, replenishments, or devices sold with prepaid wireless service. Retail sellers must separately state or disclose the fee on an invoice, receipt, or similar document provided to the consumer, or otherwise disclosed to the consumer. The prepaid wireless E911 fee is not subject to sales tax.

**Section 2: Description of Data and Sources**

Phone and email communication with DOR staff  
 Transportation REC held 12/9/2020  
 Draft Tax Handbook for 2021  
 IBIS World December 2019  
 E911 Fee Board Annual Reports

**Section 3: Methodology (Include Assumptions and Attach Details)**

The current forecast for the lead acid battery fee comes directly from the most recent Transportation REC. For the current forecast of the waste tire fee, FY 2019-2020 Actual and FY's 2020-2021 and 2021-2022 forecast come from the draft 2021 Tax Handbook. FY's 2022-2023 through 2025-2026 were grown by motor fuel growth rates from Transportation REC. The analysis assumes that retail represents half of the market for both tires and car batteries. According to IBIS World, online sales make up 5% of the retail market share for tires. The assumed online market share for car batteries is assumed to be 10%, double the share for tires. Of that amount, it is assumed that 20% is currently not collected. The resulting increase is \$0.01M annually for the waste tire fee and \$0.2M annually for the lead acid battery fee. The first year's cash impact is lower due to the April 1, 2022 effective date.

E911 fees are assumed to be 100% sold at retail. Data that would be between prepaid sales done online versus in a box store isn't readily available. An assumption that half of the sales are done online was made. Of those online sales, it was assumed that 25% of online sales are made on marketplace sites such as Amazon and Ebay and are not collecting the E911 fee. The fee forecast is grown by population.

**Section 4: Proposed Fiscal Impact**

| Trust   | High |           | Middle |           | Low  |           |
|---------|------|-----------|--------|-----------|------|-----------|
|         | Cash | Recurring | Cash   | Recurring | Cash | Recurring |
| 2021-22 |      |           | 0.3    | 3.6       |      |           |
| 2022-23 |      |           | 3.7    | 3.7       |      |           |
| 2023-24 |      |           | 3.7    | 3.7       |      |           |
| 2024-25 |      |           | 3.8    | 3.8       |      |           |
| 2025-26 |      |           | 3.8    | 3.8       |      |           |

**REVENUE ESTIMATING CONFERENCE**

**Tax:** Various Taxes and Fees

**Issue:** Remote Sellers

**Bill Number(s):** CS SB 50

**List of affected Trust Funds:**

Solid Waste Management Trust Fund

Water Quality Assurance Trust Fund

Emergency Communications Number E911 System Fund

**Section 5: Consensus Estimate (Adopted: 02/26/2021) The Conference adopted the proposed estimate.**

|         | GR            |           | Trust |           | Local/Other |           | Total |           |
|---------|---------------|-----------|-------|-----------|-------------|-----------|-------|-----------|
|         | Cash          | Recurring | Cash  | Recurring | Cash        | Recurring | Cash  | Recurring |
| 2021-22 | Insignificant | 0.3       | 0.3   | 3.3       | 0.0         | 0.0       | 0.3   | 3.6       |
| 2022-23 | 0.3           | 0.3       | 3.4   | 3.4       | 0.0         | 0.0       | 3.7   | 3.7       |
| 2023-24 | 0.3           | 0.3       | 3.4   | 3.4       | 0.0         | 0.0       | 3.7   | 3.7       |
| 2024-25 | 0.3           | 0.3       | 3.5   | 3.5       | 0.0         | 0.0       | 3.8   | 3.8       |
| 2025-26 | 0.3           | 0.3       | 3.5   | 3.5       | 0.0         | 0.0       | 3.8   | 3.8       |

|    | A  | B                              | C                       | D             | E            | F                              | G                              | H             |
|----|--|--------------------------------|-------------------------|---------------|--------------|--------------------------------|--------------------------------|---------------|
| 1  | <b>\$1 Waste Tire Fee (millions)</b>   |                                |                         |               |              |                                |                                |               |
| 2  |  | Current Forecast               | Motor Fuel Growth Rates |               | Retail Sales | Online                         | Unregistered marketplace sales | 1st year cash |
| 3  | FY 2019-2020   | \$ 21.30                       |                         |               | 50%          | 5%                             | 20%                            |               |
| 4  | FY 2020-2021   | \$ 19.80                       |                         |               |              |                                |                                |               |
| 5  | FY 2021-2022   | \$ 21.10                       |                         |               | \$ 10.55     | \$ 0.53                        | \$ 0.1                         | \$ 0.0        |
| 6  | FY 2022-2023   | \$ 21.75                       | 3.09%                   |               | \$ 10.88     | \$ 0.54                        | \$ 0.1                         |               |
| 7  | FY 2023-2024   | \$ 22.03                       | 1.29%                   |               | \$ 11.02     | \$ 0.55                        | \$ 0.1                         |               |
| 8  | FY 2024-2025   | \$ 22.19                       | 0.71%                   |               | \$ 11.09     | \$ 0.55                        | \$ 0.1                         |               |
| 9  | FY 2025-2026   | \$ 22.30                       | 0.52%                   |               | \$ 11.15     | \$ 0.56                        | \$ 0.1                         |               |
| 10 |  |                                |                         |               |              |                                |                                |               |
| 11 | Note: FY 2019-2020 Actual and FY's 2020-2021 and 2021-22 from draft Tax Handbook. FY's 2022-23 |                                |                         |               |              |                                |                                |               |
| 12 | through 2025-26 grown by motor fuel growth rates from Transportation REC.                      |                                |                         |               |              |                                |                                |               |
| 13 |  |                                |                         |               |              |                                |                                |               |
| 14 | <b>\$1.50 Lead Acid Battery Fee (millions)</b>   |                                |                         |               |              |                                |                                |               |
| 15 |  | Current Forecast               |                         | Retail Sales  | Online       | Unregistered marketplace sales | 1st year cash                  |               |
| 16 | FY 2019-2020   | \$ 12.20                       |                         | 50%           | 10%          | 20%                            |                                |               |
| 17 | FY 2020-2021   | \$ 12.70                       |                         |               |              |                                |                                |               |
| 18 | FY 2021-2022   | \$ 12.90                       |                         | \$ 6.45       | \$ 0.65      | \$ 0.2                         | \$ 0.01                        |               |
| 19 | FY 2022-2023   | \$ 13.10                       |                         | \$ 6.55       | \$ 0.66      | \$ 0.2                         |                                |               |
| 20 | FY 2023-2024   | \$ 13.30                       |                         | \$ 6.65       | \$ 0.67      | \$ 0.2                         |                                |               |
| 21 | FY 2024-2025   | \$ 13.40                       |                         | \$ 6.70       | \$ 0.67      | \$ 0.2                         |                                |               |
| 22 | FY 2025-2026   | \$ 13.50                       |                         | \$ 6.75       | \$ 0.68      | \$ 0.2                         |                                |               |
| 23 |  |                                |                         |               |              |                                |                                |               |
| 24 | Note: Current Forecast from Transportation REC   |                                |                         |               |              |                                |                                |               |
| 25 |  |                                |                         |               |              |                                |                                |               |
| 26 | <b>E911 Prepaid Wireless Fee (millions)</b>  |                                |                         |               |              |                                |                                |               |
| 27 |  | Current Forecast               | Pop growth              | Retail Sales  | Online       | Unregistered marketplace sales | 1st year cash                  |               |
| 28 | FY 2019-2020   | \$ 24.40                       | 1.83%                   | 100%          | 50%          | 25%                            |                                |               |
| 29 | FY 2020-2021   | \$ 24.74                       | 1.38%                   |               |              |                                |                                |               |
| 30 | FY 2021-2022   | \$ 25.11                       | 1.51%                   | \$ 25.11      | \$ 12.55     | \$ 3.3                         | \$ 0.28                        |               |
| 31 | FY 2022-2023   | \$ 25.46                       | 1.39%                   | \$ 25.46      | \$ 12.73     | \$ 3.4                         |                                |               |
| 32 | FY 2023-2024   | \$ 25.79                       | 1.31%                   | \$ 25.79      | \$ 12.90     | \$ 3.4                         |                                |               |
| 33 | FY 2024-2025   | \$ 26.11                       | 1.25%                   | \$ 26.11      | \$ 13.06     | \$ 3.5                         |                                |               |
| 34 | FY 2025-2026   | \$ 26.42                       | 1.18%                   | \$ 26.42      | \$ 13.21     | \$ 3.5                         |                                |               |
| 35 |  |                                |                         |               |              |                                |                                |               |
| 36 |  |                                |                         |               |              |                                |                                |               |
| 37 |  |                                | Retailers               | Collections   |              |                                |                                |               |
| 38 |  | 2018-19                        | 1,895                   | \$ 23,961,737 |              |                                |                                |               |
| 39 |  | 2017-18                        | 1,900                   | \$ 23,577,499 |              |                                |                                |               |
| 40 |  | 2016-17                        | 2,100                   | \$ 22,010,071 |              |                                |                                |               |
| 41 |  | 2015-16                        | 2,100                   | \$ 20,984,221 |              |                                |                                |               |
| 42 |  | e911 Board annual report       |                         |               |              |                                |                                |               |
| 43 | <b>Total (millions)</b>  |                                |                         |               |              |                                |                                |               |
| 44 |  | Unregistered marketplace sales | 1st year cash           |               |              |                                |                                |               |
| 45 | FY 2021-2022   | \$ 3.6                         | \$ 0.3                  |               |              |                                |                                |               |
| 46 | FY 2022-2023   | \$ 3.7                         |                         |               |              |                                |                                |               |
| 47 | FY 2023-2024   | \$ 3.7                         |                         |               |              |                                |                                |               |
| 48 | FY 2024-2025   | \$ 3.8                         |                         |               |              |                                |                                |               |
| 49 | FY 2025-2026   | \$ 3.8                         |                         |               |              |                                |                                |               |