

INITIATIVE FINANCIAL INFORMATION STATEMENT

Extending existing sales tax to non-taxed services where exclusion fails to serve public purpose

SUMMARY OF INITIATIVE FINANCIAL INFORMATION STATEMENT

The amendment requires the legislature to review each service rendered for compensation that is not taxed under the existing sales tax authorized in Chapter 212, Florida Statutes. Except for the payment of employee salaries and benefits, any service not exempted by the legislature will be subject to tax beginning on January 1, 2009. The legislature may only exempt from taxation those services whose exemption is determined to advance or serve a public service.

The probable impact of the amendment on state and local government revenues is dependent on future actions of the legislature and cannot be determined. It is not known whether the legislature will exempt any service from taxation. If the legislature exempts all services that are currently non-taxed, state and local government revenues will not be affected. If the legislature fails to exempt one or more services that are currently non-taxed, state and local government revenues will increase.

The estimated value of the non-taxed services subject to the review is substantial. Based on the information contained in the 2005 Florida Tax Handbook, the Financial Impact Estimating Conference (FIEC) determined that the potential value of the services subject to review might exceed \$19 billion. However, this figure includes estimates of exemptions from the use tax, which may not be subject to review. The FIEC recognizes that the legislature and the courts may reach a different conclusion regarding which services are subject to review.

Many of the non-taxed services identified by the FIEC as subject to review may be deemed by the legislature to serve a public purpose and exempted.

Based on the information provided through public workshops and staff research, the FIEC expects that the proposed amendment will have the following financial effects:

State and Local Government Revenue Impacts – The impact on state and local government revenues cannot be determined at this time, as the impact will depend on future actions taken by the legislature.

State and Local Government Cost Impacts – There likely will be some additional state administrative costs associated with tax collection activities if some currently non-taxed services are taxed.

FINANCIAL IMPACT STATEMENT

Although state and local governments could potentially receive substantial revenue from non-taxed services subject to legislative review, the probable impact of the amendment is dependent upon future action of the legislature and cannot be determined. If the legislature exempts all services that are currently non-taxed, state and local government revenues will not be affected. If the legislature fails to exempt one or more services that are currently non-taxed, state and local government revenues will increase.

ANALYSIS

A. Text of the Proposed Amendment

Ballot Title:

Extending existing sales tax to non-taxed services where exclusion fails to serve public purpose.

Ballot Summary:

Except for the payment of employee salaries and benefits, all non-taxed services provided for compensation shall be reviewed by the Legislature to determine whether the exclusion of each service from taxation serves a public purpose. Upon completion of such review, services currently not taxed and which are not exempted from taxation by the Legislature shall be subject to the sales tax on January 1, 2009.

Full Text of Proposed Amendment:

Article III of the Florida Constitution is hereby amended to add the following as Section 22:

Extension of sales tax to non-taxed services.--

(a) The legislature shall, prior to July 1, 2008, review each service rendered for compensation that is not taxed under the existing sales tax authorized in Chapter 212, Florida Statutes, and shall exempt from future taxation only those services whose exemption is determined to advance or serve a public purpose. Except for the payment of employee salaries and benefits, all services that are not exempted by the legislature shall be subject to the existing sales tax effective January 1, 2009.

(b) To accomplish the public purpose review of each service that is mandated in this section, a single service shall be that rendered by a business, industry or profession with at least the same first four digits in its NAICS code number as described by the North American Industry Classification System code published by the United States Census Bureau, or its successor in function.

B. Background

Section 100.371, Florida Statutes, requires that the Financial Impact Estimating Conference (FIEC) "...complete an analysis and financial impact statement to be placed on the ballot of the estimated increase or decrease in any revenue or costs to state or local governments resulting from the proposed initiative."

As part of determining the fiscal impact of this proposed amendment, the FIEC held public workshops on September 16 and 23, and on October 3, 2005. The FIEC heard testimony or received written information on the fiscal effects of this amendment from representatives of proponents and opponents of the amendment.

C. Current Situation

The Florida Constitution grants the legislature the power to tax and places certain limits on the exercise of this power. The legislature has exercised its power to enact a sales tax in Chapter 212, Florida Statutes, which is entitled, "Tax on Sales, Use and Other Transactions". Chapter 212 imposes a tax on the following:

- Transient rentals (s. 212.03, F.S.): Establishes a taxable privilege for engaging in the business of leasing or renting of hotel rooms, motel rooms, and apartments for periods of less than six months.
- Lease or rental of or license in real property (s. 212.031, F.S.): Establishes a taxable privilege for engaging in the business of renting, leasing, letting, or granting a license for the use of any real commercial property.
- Admissions (s. 212.04, F.S.): Establishes a taxable privilege for selling or receiving anything of value by way of admissions.
- Sale of tangible personal property (s. 212.05(1)(a), F.S.): Establishes a taxable privilege for engaging in the business of selling items or articles of tangible personal property.
- Use of tangible personal property (s. 212.05(1)(b)&(d), F.S.): Establishes a taxable privilege on items or articles of tangible personal property which are not sold but are used, consumed, distributed, or stored for use or consumption in Florida. The tax is based on the "cost price" of the article, which is a calculation of the cost of an item including materials, labor, service costs, transportation and any other expenses.
- Lease or rental of tangible personal property (s. 212.05(1)(c), F.S.): Establishes a taxable privilege for the lease or rental of tangible personal property.
- Prepaid calling arrangements, installation of telecommunication and telegraphic equipment and electricity (s. 212.05(1)(e), F.S.): Establishes a taxable privilege for the sale at retail of prepaid calling arrangements and charges for the installation of telecommunication and telegraphic equipment and charges for electrical power or energy. The rate for electrical power or energy is 7 percent. (Effective October 1, 2001, communications services were no longer taxable under Chapter 212, but became taxable under Chapter 202, the "Communications Services Tax" at a rate of 6.8%)
- Coin-operated amusement machines (s. 212.05(1)(h), F.S.): Establishes a taxable privilege for coin-operated amusement machine charges at the rate of 4 percent.
- Certain services (s. 212.05(1)(i), F.S.): Establishes a taxable privilege for the sale of detective, burglar protection, and other protective services and for the sale of nonresidential cleaning and nonresidential pest control services.
- Service Warranties (s. 212.0506, F.S.) Establishes a taxable privilege on every person who engages in the business of soliciting, offering, providing, entering into, issuing, or delivering any service warranty. "Service warranty" means any contract or agreement which indemnifies the holder of the contract or agreement for the cost of maintaining, repairing, or replacing tangible personal property.

Sales of services are not specifically exempt from sales tax in the statutes, rather they are excluded because Florida does not generally tax the sales of services nor does it generally tax the privilege of engaging in the sale of services. However, Florida specifically taxes some services. For example, the repair of tangible personal property, the sale of detective, burglar protection, and other protective services, and the sale of nonresidential cleaning and nonresidential pest control services are all taxable.

Currently, the legislature may review the appropriateness of excluding services from the sales tax at any time, but is not required to do so. Also, the legislature is not required to make a determination that an exclusion or exemption advances or serves a public purpose.

D. Effect of Proposed Amendment

The amendment requires that the legislature review each service rendered for compensation that is not taxed under the existing sales tax. The legislature may exempt from future taxation only those services whose exemption is determined to advance or serve a public purpose. With the exception of employee salaries and benefits, all services rendered for compensation that are not exempted will become subject to the sales tax.

The amendment also provides that, for purposes of conducting the public purpose review, services that are classified with at least the same first four digits in the North American Industry Classification System (NAICS) code number are to be considered a single service. The NAICS code is published by the United States Census Bureau. Appendix 1 contains a listing of services segregated by NAICS four digit codes.

The legislature must complete its review by July 1, 2008, and all services that are not exempted by the legislature will be subject to the sales tax on January 1, 2009.

E. Fiscal Impact of Proposed Constitutional Amendment

Although state and local governments could potentially receive substantial revenue from non-taxed services subject to legislative review, the probable impact of the amendment is dependent upon future action of the legislature and cannot be determined. If the legislature exempts all services that are currently non-taxed, state and local government revenues will not be affected. If the legislature fails to exempt one or more services that are currently non-taxed, state and local government revenues will increase.

In preparing the financial impact of the proposed amendment on state and local governments, the FIEC relied on the information contained in the 2005 Florida Tax Handbook (Handbook). The Handbook is prepared by legislative staff and staff of the Florida Department of Revenue's Office of Tax Research. The Handbook is available on the Internet at: <http://www.myflorida.com/edr/reports.htm>.

Pages 107-120 of the Handbook contain information regarding the sales and use tax, including a brief history of collections and law changes. Of particular use to the FIEC was the list of exclusions from the sales and use tax beginning on page 117. This list includes the services excluded from the sales and use tax, along with an estimate of the tax revenue the state would receive if each service became taxable.

The estimates contained in the Handbook are rough approximations. Also, the estimates assume that taxes on services would be implemented in the same manner as in the 1987 Services Tax legislation (Chapters 87-06, 87-99, 87-101, Laws of Florida). For example, the 1987 law contained a fairly narrow resale exemption, an exemption for exports, and a use tax for taxable services purchased out of state.

Using the information in the Handbook, the FIEC prepared Attachment I. The Attachment identifies the exclusions contained in the Handbook that are subject to review based on the

FIEC's interpretation of the proposed amendment. This exercise shows that \$19 billion in exclusions will be subject to review by the legislature and will become taxable if not reenacted by the legislature. This figure includes estimates of exclusions from the use tax, which may not be subject to review. The FIEC recognizes that its classifications are not a legal interpretation of the proposed amendment and that others may reach a different conclusion regarding whether a particular transaction is subject to review.

In addition to the exclusions from the sales and use tax mentioned in the Handbook, there are other services which will be subject to review by the legislature. Some of these services are taxed under other provisions of the statutes. For example, Chapter 202, Florida Statutes, imposes a tax on communications services. Potential revenues from taxing those services have not been included in this analysis.

ATTACHMENT 1

FINANCIAL IMPACT ESTIMATING CONFERENCE
Extending existing sales tax to non-taxed services where exclusion fails to serve a public purpose
(in \$millions)

SUMMARY TABLE

**ALL SERVICES IDENTIFIED IN THE 2005 FLORIDA TAX HANDBOOK
FOR PURPOSES OF DISCUSSING THE INITIATIVE**

	<u>6% Annualized Receipts SFY 2005/2006</u>
<u>SUBTOTAL:</u> ALL PERSONAL SERVICES	192.1
<u>SUBTOTAL:</u> ALL PROFESSIONAL SERVICES	5,030.3
<u>SUBTOTAL:</u> ALL BUSINESS SERVICES	384.8
<u>SUBTOTAL:</u> ALL FINANCIAL SERVICES	5,617.1
<u>SUBTOTAL:</u> ALL MEDIA SERVICES	681.6
<u>SUBTOTAL:</u> ALL ENTERTAINMENT AND SPORTS SERVICES	107.0
<u>SUBTOTAL:</u> ALL CONSTRUCTION SERVICES	3,997.5
<u>SUBTOTAL:</u> ALL INSTITUTIONAL SERVICES	445.9
<u>SUBTOTAL:</u> ALL TRANSPORTATION SERVICES	786.0
<u>SUBTOTAL:</u> ALL HEALTH SERVICES	2,612.7
<u>TOTAL STATE 6% SALES & USE TAX ON SERVICE TRANSACTIONS:</u>	19,855.0

Notes: All estimates were obtained from the *2005 Florida Tax Handbook*, prepared by legislative staff and staff of the Florida Department of Revenue's Office of Tax Research. The estimates are rough approximations. The estimates could vary dramatically depending on how the tax is implemented, especially with respect to purchases for resale. The estimates presume an exemption for Florida sales of services consumed out of state, and a use tax on services consumed in Florida. Also, the construction service estimates presume no internal pyramiding.

FINANCIAL IMPACT ESTIMATING CONFERENCE

Extending existing sales tax to non-taxed services where exclusion fails to serve a public purpose

ESTIMATED REVENUE FROM SERVICE TRANSACTIONS SUBJECT TO REVIEW

1997 NAICS Code(s)	Business Type	(1) 6% Annualized Receipts SFY 2005/06 \$m
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PERSONAL SERVICES

812 Personal and Laundry Services

8121	Personal Care Services (includes Beauty and Barber Shops)	96.0
8123	Dry-cleaning and Laundry Services	81.7
8129	Other Personal Services (Pet Care, Photo Finishing, Valet Parking, Parking Lots and Garages)	14.4

Subtotal: All Personal Services..... 192.1

PROFESSIONAL SERVICES

531 Real Estate

5312	Offices of Real Estate Agents and Brokers	326.5
5313	Activities Related to Real Estate (Property Managers and Appraisers)	185.7

533	Lessors of Non-Financial Intangible Assets (except Copyrighted Work) Buying, Licensing, Leasing of Industrial Designs, Franchises, Brand Names, Patents, Trademarks	38.2
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541 Professional, Scientific, and Technical Services

5411	Legal Services - For Profit (includes Title Search and Abstract Services)	588.8
5411	Legal Services - Not For Profit	5.0
5412	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	300.5
5413	Architectural, Engineering, and Related Services	370.6
5414	Specialized Design Services (Interior, industrial, Graphic, Fashion, and other Design Services)	82.5
5415	Computer Systems Design and Related Services	395.9
5416	Management, Scientific, and Technical Consulting Services	367.6
5417	Scientific Research and Development Services - For Profit	8.4
5417	Scientific Research and Development Services - Not For Profit	3.5
5418	Advertising and Related Services	162.2
5419	Other Professional, Scientific, and Technical Services (Marketing Research, Photographic, Veterinary, Translation Services)	81.0

551 Management of Companies and Enterprises

551111	Offices of Bank Holding Companies	20.9
551112	Offices of Other Holding Companies	33.5
551114	Corporate, Subsidiary, and Regional Managing Offices	12.8

561 Administrative and Support Services

5611	Office Administrative Services	149.7
5612	Facilities Support Services	39.7
5613	Employment Services	1278.7
5614	Business Support Services (includes Credit and Collection Agencies, Secretarial and Court Reporting Services)	202.6
5615	Travel Arrangement and Reservation Services (Travel Agencies and Tour Operators)	55.5
5616	Investigation and Security Services	0.0
5617	Services to Buildings and Dwellings (includes Cleaning and Pest Control)	90.8
5619	Other Support Services (Packaging and Labeling Services, Convention and Trade Show Organizers)	90.1

Notes: All estimates were obtained from the *2005 Florida Tax Handbook*, prepared by legislative staff and staff of the Florida Department of Revenue's Office of Tax Research. The estimates are rough approximations. The estimates could vary dramatically depending on how the tax is implemented, especially with respect to purchases for resale. The estimates presume an exemption for Florida sales of services consumed out of state, and a use tax on services consumed in Florida. Also, the construction service estimates presume no internal pyramiding.

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1997 NAICS Code(s)	Business Type	(1) 6% Annualized Receipts SFY 2005/06 \$m
813 Professional Organizations		
8132	Grant making and Giving Services	11.5
8133	Social Advocacy Organizations	11.7
8134	Civic and Social Organizations	10.3
8139	Business, Professional, Labor, Political, and Similar Organizations	106.3
Subtotal: All Professional Services.....		5030.3
BUSINESS SERVICES		
115 Support Activities for Agriculture and Forestry		
1151	Support Activities for Crop Production	69.7
1152	Support Activities for Animal Production	75.8
1153	Support Activities for Forestry	37.5
213 Support Activities for Mining		
213111	Drilling Oil and Gas Wells	0.9
213112	Support Activities for Oil and Gas Operations	1.4
213113	Support Activities for Coal Mining	0.5
323 Printing and Related Support Activities		
323122	Prepress Services	7.6
492 Couriers and Messengers		
4921	Couriers	177.3
4922	Local Messengers and Local Delivery	14.2
Subtotal: All Business Services.....		384.8
FINANCIAL SERVICES		
522 Credit Intermediation and Related Activities		
5221	Depository Credit Intermediation (Banks, S&Ls, Credit Unions, et al)	1237.3
5222	Non-depository Credit Intermediation (Credit Cards, Sales Financing, Consumer Lending, Real Estate Credit)	626.2
5223	Activities Related to Credit Intermediation (Loan Brokers, EFT Networks, Clearinghouse Associations, Credit Card Services)	272.4
523 Securities, Commodity Contracts, and Other Financial Investments		
5231	Securities and Commodity Contracts Intermediation and Brokerage	356.8
524 Insurance Carriers and Related Activities		
5241	Insurance Carriers	2717.6
5242	Agencies, Brokerages, and Other Insurance Related Activities	370.5
525 Funds, Trusts, and other Financial Vehicles		
5259	Other Investment Pools and Funds (UITs, REITs, etc.)	36.3
Subtotal: All Financial Services.....		5617.1

Notes: All estimates were obtained from the *2005 Florida Tax Handbook*, prepared by legislative staff and staff of the Florida Department of Revenue's Office of Tax Research. The estimates are rough approximations. The estimates could vary dramatically depending on how the tax is implemented, especially with respect to purchases for resale. The estimates presume an exemption for Florida sales of services consumed out of state, and a use tax on services consumed in Florida. Also, the construction service estimates presume no internal pyramiding.

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1997 NAICS Code(s)	Business Type	(1) 6% Annualized Receipts SFY 2005/06 \$m
MEDIA SERVICES		
511 Publishing Industries		
5112	Software Publishers	153.4
512 Motion Picture and Sound Recording Industries		
5121	Motion Picture and Video Industries	69.5
515 Broadcasting and Telecommunications		
5151	Radio and Television Broadcasting	181.5
5152	Cable Networks and Program Distribution	175.3
518 ISPs, Web Search Portals, and Data Processing Services		
5181	ISPs and Web Search Portals	11.1
5182	Data Processing, Hosting, and related Services	90.9
Subtotal: All Media Services.....		681.6
ENTERTAINMENT & SPORTS SERVICES		
711 Performing Arts, Spectator Sports, and Related Industries		
7111	Performing Arts Companies - for profit	2.6
7111	Performing Arts Companies - not for profit	0.6
7112	Spectator Sports (Sports Teams and Clubs, Racetracks, etc.)	11.3
7113	Promoters of Performing Arts, Sports, and Similar Events - for profit	40.6
7113	Promoters of Performing Arts, Sports, and Similar Events - not for profit	10.1
7114	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	6.6
7115	Independent Artists, Writers, and Performers	13.7
713 Amusement, Gambling, and Recreation Industries		
7139	Other Amusement and Recreation Industries - for profit (includes Physical Fitness Facilities, Dance Studios, Golf Courses, etc.)	18.7
7139	Other Amusement and Recreation Industries - not for profit	2.8
Subtotal: All Entertainment and Sports Services.....		107.0
CONSTRUCTION SERVICES		
236 Building, Developing, and General Contracting		
2361	Residential Building Construction	473.0
2362	Nonresidential Building Construction	263.7
237 Heavy Construction		
2371	Utility System Construction	202.5
2372	Land Subdivision and Land Development	201.9
2373	Highway, Street, and Bridge Construction	148.7
2379	Other Heavy Construction	174.5
238 Special Trade Contractors		
2381	Building Foundation and Exterior Contractors	569.0
2382	Building Equipment Contractors	968.8
2383	Building Finishing Contractors	538.9
2389	Other Special Trade Contractors	456.6
Subtotal: All Construction Services.....		3997.5

Notes: All estimates were obtained from the *2005 Florida Tax Handbook*, prepared by legislative staff and staff of the Florida Department of Revenue's Office of Tax Research. The estimates are rough approximations. The estimates could vary dramatically depending on how the tax is implemented, especially with respect to purchases for resale. The estimates presume an exemption for Florida sales of services consumed out of state, and a use tax on services consumed in Florida. Also, the construction service estimates presume no internal pyramiding.

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INSTITUTIONAL SERVICES

562 Waste Management and Remediation Services

5621	Waste Collection	85.0
5622	Waste Treatment and Disposal	23.1
5629	Remediation and Other Waste Management Services	30.7

611 Educational Services - For Profit

6114	Business Schools and Computer and Management Training	41.8
6115	Technical and Trade Schools	42.6
6116	Other Schools and Instruction	35.1
6117	Educational Support Services	7.2

611 Educational Services - Not For Profit

6114	Business Schools and Computer and Management Training	1.0
6115	Technical and Trade Schools	2.7
6116	Other Schools and Instruction	6.6
6117	Educational Support Services	1.4

624 Social Assistance - For Profit

6241	Individual and Family Services	12.8
6242	Community Food and Housing, and Emergency and Other Relief Services	0.3
6243	Vocational Rehabilitation Services	5.9
6244	Child Day Care Services	53.6

624 Social Assistance - Not For Profit

6241	Individual and Family Services	58.1
6242	Community Food and Housing, and Emergency and Other Relief Services	11.4
6243	Vocational Rehabilitation Services	12.8
6244	Child Day Care Services	13.9

Subtotal: All Institutional Services..... 445.9

TRANSPORTATION SERVICES

481 Air Transportation

481111	Scheduled Passenger Air Transportation	84.2
481112	Scheduled Freight Air Transportation	20.3
481211	Nonscheduled Chartered Passenger Air Transportation	7.1
481212	Nonscheduled Chartered Freight Air Transportation	2.7
481219	Other Nonscheduled Air Transportation	0.7

482 Rail Transportation

482111	Line-Haul Railroads (Long Distance Cargo and Passenger)	52.0
482112	Short Line Railroads (Short Distance Cargo)	13.0

483 Water Transportation

4831	Deep Sea, Coastal, and Great Lakes Water Transportation	19.3
4832	Inland Water Transportation	3.6

484 Truck Transportation

4841	General Freight Trucking	227.8
4842	Specialized Freight Trucking	113.6

Notes: All estimates were obtained from the *2005 Florida Tax Handbook*, prepared by legislative staff and staff of the Florida Department of Revenue's Office of Tax Research. The estimates are rough approximations. The estimates could vary dramatically depending on how the tax is implemented, especially with respect to purchases for resale. The estimates presume an exemption for Florida sales of services consumed out of state, and a use tax on services consumed in Florida. Also, the construction service estimates presume no internal pyramiding.

FINANCIAL IMPACT ESTIMATING CONFERENCE

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ESTIMATED REVENUE FROM SERVICE TRANSACTIONS SUBJECT TO REVIEW

1997 NAICS Code(s)	Business Type	(1) 6% Annualized Receipts SFY 2005/06 \$m
485 Transit and Ground Passenger Transportation		
4851	Urban Transit Systems	2.0
4852	Interurban and Rural Bus Transportation	3.8
4853	Taxi and Limousine Service	8.9
4854	School and Employee Bus Transportation	2.4
4855	Charter Bus Industry	5.2
4859	Other Transit and Ground Passenger Transportation	9.9
486 Pipeline Transportation		
4862	Pipeline Transportation of Natural Gas	5.8
487 Scenic and Sightseeing Transportation		
4871	Scenic and Sightseeing Transportation, Land	1.3
4872	Scenic and Sightseeing Transportation, Water	14.3
4879	Scenic and Sightseeing Transportation, Other	0.4
488 Support Activities for Transportation		
4881	Support Activities for Air Transportation (Air Traffic Control and Airport Terminal Services)	52.9
4882	Support Activities for Rail Transportation (Loading Services, Terminal Services, Rail Car Rentals)	10.3
4883	Support Activities for Water Transportation (Port and Harbor Operations, Cargo Handling, Navigational Services)	22.3
4884	Support Activities for Road Transportation (Auto Towing, Terminal and Service Facilities)	16.3
4885	Freight Transportation Arrangement	66.8
4889	Other Support Activities for Transportation	19.0
Subtotal: All Transportation Services.....		786.0
HEALTH SERVICES		
621 Ambulatory Health Care Services		
6211	Offices of Physicians	971.6
6212	Offices of Dentists	248.6
6213	Offices of Other Health Practitioners	100.5
6214	Outpatient Care Centers - for profit	77.2
6214	Outpatient Care Centers - not for profit	49.5
6215	Medical and Diagnostic Laboratories	77.7
6216	Home Health Care Services - for profit	106.5
6216	Home Health Care Services - not for profit	33.0
6219	Other Ambulatory Health Care Services - for profit	16.5
6219	Other Ambulatory Health Care Services - not for profit	14.7
622 Hospitals - For Profit		
6221	General Medical and Surgical Hospitals	112.2
6222	Psychiatric and Substance Abuse Hospitals	3.9
6223	Specialty (except Psychiatric and Substance Abuse) Hospitals	6.3
622 Hospitals - Not For Profit		
6221	General Medical and Surgical Hospitals	332.2
6222	Psychiatric and Substance Abuse Hospitals	6.9
6223	Specialty (except Psychiatric and Substance Abuse) Hospitals	6.9

Notes: All estimates were obtained from the 2005 Florida Tax Handbook, prepared by legislative staff and staff of the Florida Department of Revenue's Office of Tax Research. The estimates are rough approximations. The estimates could vary dramatically depending on how the tax is implemented, especially with respect to purchases for resale. The estimates presume an exemption for Florida sales of services consumed out of state, and a use tax on services consumed in Florida. Also, the construction service estimates presume no internal pyramiding.

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1997 NAICS Code(s)	Business Type	(1) 6% Annualized Receipts SFY 2005/06 \$m
623 Nursing and Residential Care Facilities - For Profit		
6231	Nursing Care Facilities	262.3
6232	Residential Mental Retardation/Health and Substance Abuse Facilities	12.3
6233	Community Care Facilities for the Elderly	53.9
6239	Other Residential Care Facilities	3.0
623 Nursing and Residential Care Facilities - Not For Profit		
6231	Nursing Care Facilities	47.9
6232	Residential Mental Retardation/Health and Substance Abuse Facilities	19.8
6233	Community Care Facilities for the Elderly	42.2
6239	Other Residential Care Facilities	7.2
Subtotal: All Health Services.....		2612.7
TOTAL STATE 6% SALES & USE TAX ON SERVICE TRANSACTIONS		19855.0

Notes: All estimates were obtained from the *2005 Florida Tax Handbook*, prepared by legislative staff and staff of the Florida Department of Revenue's Office of Tax Research. The estimates are rough approximations. The estimates could vary dramatically depending on how the tax is implemented, especially with respect to purchases for resale. The estimates presume an exemption for Florida sales of services consumed out of state, and a use tax on services consumed in Florida. Also, the construction service estimates presume no internal pyramiding.