

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Saturday Sales Tax Holiday

Bill Number(s): SB 76

Entire Bill

Partial Bill:

Sponsor(s): Senator Garcia

Month/Year Impact Begins: July 1, 2018 with a one month lag to collections

Date of Analysis: October 6, 2018

Section 1: Narrative

a. **Current Law:** No such provision exists under current law.

b. **Proposed Change:**

Section 1. Small Business Saturday sales tax holiday. —

(1) As used in this section, the term “small business” means a dealer, as defined in s. 212.06, Florida Statutes, who registered with the Department of Revenue and began operation no later than January 8, 2018, and who owed and remitted to the Department of Revenue less than \$200,000 in total tax under chapter 212, Florida Statutes, for the 1-year period ending September 30, 2018. If the dealer has not been in operation for a 1-year period as of September 30, 2018, the dealer must have owed and remitted less than \$200,000 in total tax under chapter 212, Florida Statutes, for the period beginning on the day the dealer began operation and ending September 30, 2018, in order to qualify as a small business under this section. If the dealer is eligible to file a consolidated return pursuant to s. 212.11(1)(e), Florida Statutes, the total tax under chapter 212, Florida Statutes, owed and remitted from all of the dealer’s places of business must be less than \$200,000 for the applicable period ending September 30, 2018.

(2) Subject to subsection (3), the tax levied under chapter 212, Florida Statutes, may not be collected by a small business during the period from 12:01 a.m. on November 24, 2018, through 11:59 p.m. on November 24, 2018, on the retail sale, as defined in s. 212.02(14), Florida Statutes, of any item of tangible personal property, as defined in s. 212.02(19), Florida Statutes, having a sales price of \$1,000 or less per item.

(3) At its option, a small business may choose not to participate in the sales and use tax exemption provided in subsection (2) and may collect tax on all sales made on November 24, 2018.

(4) The Department of Revenue may, and all conditions are deemed to be met to, adopt emergency rules pursuant to ss. 120.536(1) and 120.54, Florida Statutes, to implement this section.

Section 2. For the 2018-2019 fiscal year, the sum of \$200,000 of nonrecurring funds is appropriated from the General Revenue Fund to the Department of Revenue for the purpose of implementing this act.

This act shall take effect July 1, 2018.

Section 2: Description of Data and Sources

2014, 2015, and 2016 Department of Revenue Annual Sales Tax Data Files

Total sales tax growth rate REC General Revenue 8/2017

Section 3: Methodology (Include Assumptions and Attach Details)

Taxable sales for filers with less than \$200,000 in sales tax owed or remitted were found using DOR annual sales files. Consolidated filers were combined into one entry, and assessed using the same \$200,000 threshold. The total sales tax amount due was divided by 365 to get the average daily sales tax collections for all qualifying filers. The \$1,000 per item limit means that for some types of business not all transactions should be included. Reduction factors were used to reduce the taxable sales affected by the sales tax holiday to reflect the per item limit. Further, it is assumed that some portion of purchases from the surrounding days would get shifted onto the sales tax holiday. The high estimate assumes 7 additional days. The middle estimate assumes 4 additional days, and the low estimate assumes 2 additional days.

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Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	\$(82.3 M)		\$(51.4 M)		\$(30.9 M)	
2019-20						
2020-21						
2021-22						
2022-23						

List of affected Trust Funds:

Sales and Use Tax Trust Fund Group

Section 5: Consensus Estimate (Adopted: 10/06/2017): The Conference adopted the average of the middle and low estimate, plus a 10% reduction to account for the opt-out clause.

	GR		Trust		Revenue Sharing		Local Half Cent	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(32.8)	0.0	(Insignificant)	0.0	(1.1)	0.0	(3.1)	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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

	Local Option		Total Local		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2018-19	(4.2)	0.0	(8.4)	0.0	(41.2)	0.0
2019-20	0.0	0.0	0.0	0.0	0.0	0.0
2020-21	0.0	0.0	0.0	0.0	0.0	0.0
2021-22	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

	A	B	C	D	E	F	G
9	Annual Totals for Business without estimated payments with less than \$200,000 Remitted or owed for purchases of \$1,000 or less						
10		Taxable Sales (\$M)	Sales Tax at 6% (\$M)				
11	2014 w/ Reduction factors	\$ 48,567	\$ 2,914				
12	2015 w/ Reduction factors	\$ 51,213	\$ 3,073				
13	2016 w/ Reduction factors	\$ 52,656	\$ 3,159				
14	CY to FY 2015-16	\$ 51,935	\$ 3,116				
15							
16	Daily Values (B16/365)	\$ 142.29	\$ 8.54				
17							
18	Grown at Total Sales tax Growth						
19	2015-16	5.5%	\$ 9.0				
20	2016-17	4.7%	\$ 9.4				
21	2017-18	4.4%	\$ 9.8				
22	2018-19	4.5%	\$ 10.3				
23	2019-20	4.4%	\$ 10.7				
24	2020-21	4.3%	\$ 11.2				
25	2021-22	4.0%	\$ 11.7				
26	2022-23	3.9%	\$ 12.1				
27							
28	The High estimate assumes 7 additional days of shifted purchases			7			
29	The Middle estimate assumes 4 additional days of shifted purchases			4			
30	The Low estimate assumes 2 additional days of shifted purchases			2			
31							
32							
33		High		Middle		Low	
34		Cash	Recurring	Cash	Recurring	Cash	Recurring
35	2018-19	\$ (82.3 M)		\$ (51.4 M)		\$ (30.9 M)	
36	2019-20						
37	2020-21						
38	2021-22						
39	2022-23						

	A	C	D	E	G	H	J	K	L
1	All values Are in (\$M)								
2		Taxable Sales			Reduced Taxable Sales		CY to FY		
3	Row Labels	2015	2016	Reduction factor	2015	2016	2015-16	Sales Tax @ 6% 2015-16	Daily Sales Tax collections
4	01: Food & Beverage Stores	5,493.18	5,742.95	0%	\$ 5,493.18	\$ 5,742.95	\$ 5,618.06	\$ 337.08	\$ 0.92
5	02: Meat Markets, Poultry	66.80	81.43	0%	\$ 66.80	\$ 81.43	\$ 74.12	\$ 3.53	\$ 0.01
6	03: Seafood Dealers	38.25	38.77	0%	\$ 38.25	\$ 38.77	\$ 38.51	\$ 2.16	\$ 0.01
7	04: Vegetable & Fruit Markets, Fruit Juice Stands	24.92	26.94	0%	\$ 24.92	\$ 26.94	\$ 25.93	\$ 1.50	\$ 0.00
8	05: Bakeries	292.95	324.88	0%	\$ 292.95	\$ 324.88	\$ 308.92	\$ 17.00	\$ 0.05
9	06: Eating & Drinking Places (not restaurants)	299.12	327.38	0%	\$ 299.12	\$ 327.38	\$ 313.25	\$ 16.77	\$ 0.05
10	07: Candy, Nut, Confectionary & Dairy Product Stores	308.66	310.32	0%	\$ 308.66	\$ 310.32	\$ 309.49	\$ 18.10	\$ 0.05
11	08: Restaurants, Lunchrooms, Catering Services	18,016.73	18,876.24	10%	\$ 16,215.06	\$ 16,988.61	\$ 16,601.84	\$ 938.23	\$ 2.57
12	09: Drinking Places (Alcoholic beverages served on premises)	1,422.30	1,424.70	0%	\$ 1,422.30	\$ 1,424.70	\$ 1,423.50	\$ 83.41	\$ 0.23
13	10: Apparel & Accessory Stores	2,057.62	2,068.39	0%	\$ 2,057.62	\$ 2,068.39	\$ 2,063.00	\$ 120.87	\$ 0.33
14	11: Shoe Stores	285.85	280.72	0%	\$ 285.85	\$ 280.72	\$ 283.29	\$ 17.17	\$ 0.05
15	17: Feed & Seed Stores, Retail Nurseries	346.44	347.93	50%	\$ 173.22	\$ 173.97	\$ 173.59	\$ 9.94	\$ 0.03
16	18: Paint, Wallpaper & Hardware Dealers	987.40	1,009.11	25%	\$ 740.55	\$ 756.83	\$ 748.69	\$ 43.90	\$ 0.12
17	19: Farm Implements & Equipment Suppliers	247.94	241.99	90%	\$ 24.79	\$ 24.20	\$ 24.50	\$ 1.52	\$ 0.00
18	20: General Miscellaneous Merchandise Stores	5,691.20	5,893.92	0%	\$ 5,691.20	\$ 5,893.92	\$ 5,792.56	\$ 334.67	\$ 0.92
19	21: Used Merchandise Stores, Second-Hand Stores, Antique Shops	648.83	661.19	0%	\$ 648.83	\$ 661.19	\$ 655.01	\$ 37.93	\$ 0.10
20	22: Sewing, Needlework & Piece Goods Stores	106.11	102.74	0%	\$ 106.11	\$ 102.74	\$ 104.43	\$ 6.22	\$ 0.02
21	23: Automotive Dealers (Sale & Lease), Tag Agencies & Tax Collectors	3,478.80	3,691.41	50%	\$ 1,739.40	\$ 1,845.71	\$ 1,792.55	\$ 102.50	\$ 0.28
22	24: Automotive Accessories & Parts	1,648.96	1,693.90	25%	\$ 1,236.72	\$ 1,270.42	\$ 1,253.57	\$ 72.56	\$ 0.20
23	25: Gasoline Service Stations	533.22	540.42	50%	\$ 266.61	\$ 270.21	\$ 268.41	\$ 15.69	\$ 0.04
24	26: Automobile Repair & Services	3,317.69	3,460.92	25%	\$ 2,488.27	\$ 2,595.69	\$ 2,541.98	\$ 145.96	\$ 0.40
25	27: Aircraft Dealers	191.65	198.93	90%	\$ 19.17	\$ 19.89	\$ 19.53	\$ 1.17	\$ 0.00
26	28: Boat Dealers	717.77	714.35	95%	\$ 35.89	\$ 35.72	\$ 35.80	\$ 2.10	\$ 0.01
27	29: Home Furniture, Furnishings & Equipment	1,911.48	1,929.52	25%	\$ 1,433.61	\$ 1,447.14	\$ 1,440.37	\$ 85.41	\$ 0.23
28	30: Household Appliances & Accessories	345.84	340.99	80%	\$ 69.17	\$ 68.20	\$ 68.68	\$ 4.19	\$ 0.01
29	31: Store & Office Equipment, Office Supplies	300.97	271.22	25%	\$ 225.73	\$ 203.42	\$ 214.57	\$ 13.87	\$ 0.04
30	32: Radio, Television, Consumer Electronics, Computers, Music Stores	1,505.43	1,456.79	25%	\$ 1,129.07	\$ 1,092.59	\$ 1,110.83	\$ 67.18	\$ 0.18
31	33: Building Contractors	839.60	902.73	95%	\$ 41.98	\$ 45.14	\$ 43.56	\$ 2.38	\$ 0.01
32	34: Heating & Air Conditioning	380.14	375.68	80%	\$ 76.03	\$ 75.14	\$ 75.58	\$ 4.57	\$ 0.01
33	35: Electrical, Plumbing, Well Drilling, Pipes	263.32	288.51	50%	\$ 131.66	\$ 144.25	\$ 137.96	\$ 7.48	\$ 0.02
34	36: Decorating, Painting, Papering, Drapery Installation	635.76	637.24	50%	\$ 317.88	\$ 318.62	\$ 318.25	\$ 18.49	\$ 0.05
35	37: Roofing & Sheet Metal	47.32	51.31	90%	\$ 4.73	\$ 5.13	\$ 4.93	\$ 0.29	\$ 0.00
36	38: Lumber and Other Building Materials Dealers	896.34	889.77	25%	\$ 672.25	\$ 667.33	\$ 669.79	\$ 39.84	\$ 0.11
37	39: Hotel/Motel Accommodations, Rooming Houses, Camps & Other Lodging Places	4,925.74	5,033.55	90%	\$ 492.57	\$ 503.35	\$ 497.96	\$ 28.69	\$ 0.08
38	41: Barber Shops, Beauty Shops & Personal Appearance Services	316.14	309.27	10%	\$ 284.53	\$ 278.34	\$ 281.43	\$ 17.04	\$ 0.05
39	42: Book Stores	140.91	134.02	0%	\$ 140.91	\$ 134.02	\$ 137.46	\$ 8.39	\$ 0.02
40	43: Tobacco Stores & Stands	225.34	247.00	0%	\$ 225.34	\$ 247.00	\$ 236.17	\$ 12.89	\$ 0.04
41	44: Florists	232.68	229.85	0%	\$ 232.68	\$ 229.85	\$ 231.26	\$ 13.61	\$ 0.04
42	45: Fuel Dealers, LP Gas Dealers	103.80	105.00	95%	\$ 5.19	\$ 5.25	\$ 5.22	\$ 0.32	\$ 0.00
43	46: Funeral Directors, Crematories & Monuments	17.49	18.95	75%	\$ 4.37	\$ 4.74	\$ 4.55	\$ 0.26	\$ 0.00
44	47: Scrap Metal, Junk Yards, Salvaged Material	42.75	40.61	90%	\$ 4.27	\$ 4.06	\$ 4.17	\$ 0.25	\$ 0.00
45	48: Itinerant Vendors, Peddlers, Direct Selling Establishments	451.11	496.47	0%	\$ 451.11	\$ 496.47	\$ 473.79	\$ 24.71	\$ 0.07
46	49: Laundry, Garment, Linen & Other Cleaning Services	99.68	99.03	95%	\$ 4.98	\$ 4.95	\$ 4.97	\$ 0.30	\$ 0.00
47	50: Machine Shops, Foundries, Iron Work	134.14	139.43	95%	\$ 6.71	\$ 6.97	\$ 6.84	\$ 0.40	\$ 0.00

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48	51: Horse, Cattle & Pet Dealers	40.79	44.35	50%	\$ 20.39	\$ 22.18	\$ 21.29	\$ 1.18	\$ 0.00
49	52: Camera & Photographic Supply Stores	139.31	126.74	25%	\$ 104.48	\$ 95.06	\$ 99.77	\$ 6.40	\$ 0.02
50	53: Shoe Repair Shops, Shoe-shine Parlors & Hat Cleaning Shops	9.55	9.75	0%	\$ 9.55	\$ 9.75	\$ 9.65	\$ 0.57	\$ 0.00
51	54: Storage & Warehousing	368.77	396.47	100%	\$ -	\$ -	\$ -	\$ -	\$ -
52	55: Gifts, Cards, Novelty, Hobby, Crafts & Toy Stores	736.84	718.06	0%	\$ 736.84	\$ 718.06	\$ 727.45	\$ 44.26	\$ 0.12
53	56: Newsstands & News Dealers	4.58	3.34	50%	\$ 2.29	\$ 1.67	\$ 1.98	\$ 0.14	\$ 0.00
54	57: Social, Fraternal, Commercial Clubs & Associations (All Dues)	146.50	139.26	75%	\$ 36.63	\$ 34.81	\$ 35.72	\$ 2.20	\$ 0.01
55	58: Industrial Machinery	608.29	612.06	90%	\$ 60.83	\$ 61.21	\$ 61.02	\$ 3.68	\$ 0.01
56	59: Admissions, Amusement & Recreation Services	2,041.91	2,074.36	50%	\$ 1,020.95	\$ 1,037.18	\$ 1,029.07	\$ 59.43	\$ 0.16
57	60: Holiday Season Vendors	30.28	32.68	0%	\$ 30.28	\$ 32.68	\$ 31.48	\$ 1.87	\$ 0.01
58	61: Rental of Tangible Personal Property	1,361.90	1,327.54	90%	\$ 136.19	\$ 132.75	\$ 134.47	\$ 8.03	\$ 0.02
59	62: Fabrication & Sales of Cabinets, Windows, Doors, etc.	631.61	633.35	75%	\$ 157.90	\$ 158.34	\$ 158.12	\$ 9.26	\$ 0.03
60	63: Manufacturing	2,622.72	2,724.02	98%	\$ 52.45	\$ 54.48	\$ 53.47	\$ 3.07	\$ 0.01
61	64: Bottlers	55.37	67.46	100%	\$ -	\$ -	\$ -	\$ -	\$ -
62	65: Pawn Shops	145.37	164.35	0%	\$ 145.37	\$ 164.35	\$ 154.86	\$ 8.70	\$ 0.02
63	66: Communication, Telephone, Telegraph, Radio & Television Stations	243.14	278.74	75%	\$ 60.78	\$ 69.68	\$ 65.23	\$ 3.48	\$ 0.01
64	67: Transportation, Railroads, Airlines, Bus, Trucking Lines	400.19	493.55	100%	\$ -	\$ -	\$ -	\$ -	\$ -
65	68: Graphic Arts, Printing, Publishing, Engraving, Binding, Blueprinting	814.84	808.47	80%	\$ 162.97	\$ 161.69	\$ 162.33	\$ 9.70	\$ 0.03
66	69: Insurance, Banking, Savings & Loans, Research Information Services	239.61	277.97	95%	\$ 11.98	\$ 13.90	\$ 12.94	\$ 0.69	\$ 0.00
67	70: Sanitary & Industrial Supplies	186.39	191.35	50%	\$ 93.20	\$ 95.68	\$ 94.44	\$ 5.60	\$ 0.02
68	71: Packaging Materials, Paper, Box, Bag Dealers	82.52	85.29	25%	\$ 61.89	\$ 63.97	\$ 62.93	\$ 3.82	\$ 0.01
69	72: Repair of Tangible Personal Property	1,383.47	1,426.95	50%	\$ 691.74	\$ 713.48	\$ 702.61	\$ 40.17	\$ 0.11
70	73: Advertising	165.18	165.46	90%	\$ 16.52	\$ 16.55	\$ 16.53	\$ 0.97	\$ 0.00
71	74: Mining, Drilling, Top Soil, Clay, Sand, Fill Dirt	169.23	156.70	25%	\$ 126.92	\$ 117.53	\$ 122.23	\$ 7.25	\$ 0.02
72	76: Nurseries, Landscapes, Tree Experts	401.01	412.13	25%	\$ 300.76	\$ 309.10	\$ 304.93	\$ 17.76	\$ 0.05
73	77: Vending Machine Operators	131.64	129.68	25%	\$ 98.73	\$ 97.26	\$ 98.00	\$ 5.81	\$ 0.02
74	78: Importing & Exporting	265.44	271.94	90%	\$ 26.54	\$ 27.19	\$ 26.87	\$ 1.55	\$ 0.00
75	79: Medical, Dental, Surgical, Optical & Related Professional Services	279.89	305.47	90%	\$ 27.99	\$ 30.55	\$ 29.27	\$ 1.66	\$ 0.00
76	80: Wholesale Dealers	2,999.22	3,232.74	100%	\$ -	\$ -	\$ -	\$ -	\$ -
77	81: Schools, Colleges & Educational Services	105.74	112.46	95%	\$ 5.29	\$ 5.62	\$ 5.45	\$ 0.33	\$ 0.00
78	82: Lease or Rental of Commercial Real Property	16,478.60	17,148.36	95%	\$ 823.93	\$ 857.42	\$ 840.67	\$ 48.47	\$ 0.13
79	83: Privately Owned Parking Lots, Boat Docks & Aircraft Hangars	416.40	426.63	95%	\$ 20.82	\$ 21.33	\$ 21.08	\$ 1.23	\$ 0.00
80	84: Utilities, Electric, Gas, Water, Sewer	96.24	101.97	100%	\$ -	\$ -	\$ -	\$ -	\$ -
81	not used	74.87	75.21	0%	\$ 74.87	\$ 75.21	\$ 75.04	\$ 4.56	\$ 0.01
82	89: Exempt Facilities	28.16	29.80	90%	\$ 2.82	\$ 2.98	\$ 2.90	\$ 0.16	\$ 0.00
83	90: Flea Market Management & Space Providers	29.76	28.82	0%	\$ 29.76	\$ 28.82	\$ 29.29	\$ 1.83	\$ 0.01
84	92: Other Professional Services	699.36	768.72	95%	\$ 34.97	\$ 38.44	\$ 36.70	\$ 2.01	\$ 0.01
85	93: Taxable Services (per Chapter 212, F.S.)	868.23	877.48	95%	\$ 43.41	\$ 43.87	\$ 43.64	\$ 2.60	\$ 0.01
86	94: Veterinary Services	56.97	49.14	95%	\$ 2.85	\$ 2.46	\$ 2.65	\$ 0.21	\$ 0.00
87	not used	43.09	46.74	0%	\$ 43.09	\$ 46.74	\$ 44.92	\$ 2.37	\$ 0.01
88	not used	2.68	3.91	0%	\$ 2.68	\$ 3.91	\$ 3.30	\$ 0.15	\$ 0.00
89	98: Commercial Fishing	5.97	7.03	95%	\$ 0.30	\$ 0.35	\$ 0.32	\$ 0.02	\$ 0.00
90	99: Miscellaneous	607.45	85.41	50%	\$ 303.72	\$ 42.71	\$ 173.22	\$ 20.17	\$ 0.06
91	104: Aggregate Value for all businesses w/o Kind codes or with too few entities	655.70	993.10	50%	\$ 327.85	\$ 496.55	\$ 412.20		
92	Grand Total	\$ 98,928.17	\$ 102,137.44		\$ 51,212.94	\$ 52,656.47	\$ 51,934.71	\$ 2,993.39	\$ 8.25