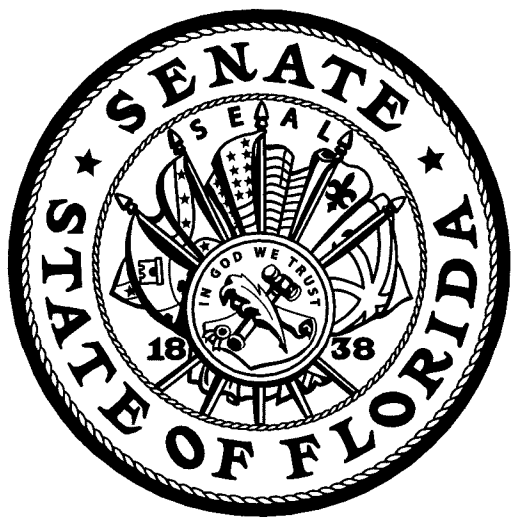
2007
FLORIDA TAX HANDBOOK
Including
Fiscal Impact of Potential Changes



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Office of
Economic & Demographic Research

Florida Department of Revenue
Office of Resource Management

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NOTE

The estimates in this book are as accurate as possible given the scope of the study. An attempt has been made to provide point estimates of fiscal impact for all current exemptions, refunds and allowances and for potential rate changes. Such point estimates, however, may imply greater accuracy than was possible with the time and resources available. In many cases the estimates should be viewed more as an indication of the approximate or relative impact of a law change. As specific legislation is identified during the course of the session, and more work is done, these estimates may be revised.

It should also be noted that estimates presented in these analyses reflect an annual collection period for fiscal year 2006-07. **The estimates presented in this book represent what the revenue impact would be if the proposed tax law change were in effect for the entire year. Normal delays caused by effective dates, as well as collection and implementation lags, will reduce the actual revenue impact in the first year.** To the extent that tax law changes may only affect revenues for part of a year, these estimates will have to be adjusted. In addition, these estimates make no adjustments for the changes in quantity demanded resulting from changes in the tax rate nor do these estimates reflect potential losses due to tax avoidance behavior or unusual compliance and enforcement problems.

Please note that the underlying revenue estimates will be updated in April 2007 and late fall 2007. These estimates can be viewed on-line at www.myflorida.com\edr\

FOREWORD

The staffs of the Senate Committee on Finance and Tax, the House Policy and Budget Council, the Office of Economic and Demographic Research, and the Department of Revenue, Office of Resource Management are pleased to provide the 2007 edition of the Florida Tax Handbook Including Fiscal Impact of Potential Changes. The Handbook reviews Florida state finances, provides statutory and administering authority for all specific revenue sources, together with a review of tax collections and disposition. Base and rate information and a brief history of sources are provided. The Handbook also gives current revenue estimates, and provides a comprehensive and systematic look at the revenue potential of selected alternative tax sources. The information can be used to analyze the revenue effects of proposals for tax relief, tax increases, dealer allowances, changes in exemptions, or alterations to the mix of the existing tax structure.

The study is divided into seven sections.

Section I presents an overview of Florida's state finances.

Section II presents an analysis of nineteen major state taxes and sixteen minor state revenue sources. For each major tax source, estimates are provided for the value of an incremental change (increase or decrease) in the existing rate. In addition, for each major tax, estimates are provided for the value of all major exemptions, refunds or credits, dealer allowances, deductions, and current distributions. Where possible, estimates are also provided for alternative bases. Value of rate changes are not made for the sixteen minor state revenue sources.

Section III analyzes a number of revenue sources available to local governments. As in Section II, estimates and analyses are provided where available. In addition, a summary of exemptions as "tax expenditures" is provided.

Section IV analyzes a number of alternative tax sources. Attempts have been made, where information for analyses is available, to present estimates of revenues generated by these alternative taxes. A brief summary of the major advantages and disadvantages of each source is usually presented.

Section V discusses various issues which may be of possible interest for the 2007 session.

Section VI discusses major pending litigation which may affect Florida's tax revenues in the future.

Section VII provides Governmental Internet Data Sources.

If further information is desired, you may contact the staff of: the Senate Committee on Finance and Tax, Room 207, the Capitol, (850) 487-5920; the House Policy and Budget Council, Room 418, the Capitol, (850) 488-1601; the Office of Economic and Demographic Research, Room 576, Claude Pepper Building, (850) 487-1402; or the Department of Revenue, Office of Resource Management, Room 235, Carlton Building, (850) 488-2900, Tallahassee, Florida.

Notice of any errors appearing in this publication should be sent to the staff of the Senate Committee on Finance and Tax as well as any suggestions for improvement of future editions. Inquiries should be made to the Senate Committee on Finance and Tax Room 207, The Capitol, 404 South Monroe Street, (850) 487-5920, Tallahassee, Florida 32399-1100.

The Florida Tax Handbook can be accessed on-line at: http://www.state.fl.us/edr/Reports/Special_Reports/2006handbook.pdf

FLORIDA STATE FINANCES

FLORIDA STATE TREASURY FUNDS

All money received by any state agency is required to be deposited into the treasury, unless specifically exempted from this requirement. Receipts of any fund may be by direct deposit or by transfer from another fund. Disbursements from the treasury are by warrant drawn upon the treasury by the Chief Financial Officer upon initiative of the agency authorized to make the expenditure.

The state treasury consists of three types of funds in the custody of the Chief Financial Officer: (1) The General Revenue Fund; (2) Trust Funds; and (3) The Budget Stabilization Fund.

1. The General Revenue Fund consists of all moneys received by the state from every source, except moneys deposited into trust funds and the Budget Stabilization Fund. About forty-two percent of all taxes, licenses, fees, and other operating receipts are credited to General Revenue, either directly upon deposit into the treasury or by transfer from various clearing and distribution accounts of the trust funds. A 7.3 percent service charge is deducted from moneys and trust funds enumerated in s. 215.20(4), F.S., and a 7 percent service charge is deducted from all other trust funds not specifically exempt by s. 215.22, F.S., and deposited into the General Revenue Fund.

2. Trust funds consist of receipts that are earmarked for a specific purpose, either by general law, the Constitution, or a trust agreement. Each receipt is credited to the accounts which make up the trust funds. Based on their principal uses, trust fund accounts can be grouped into the following distinct types:

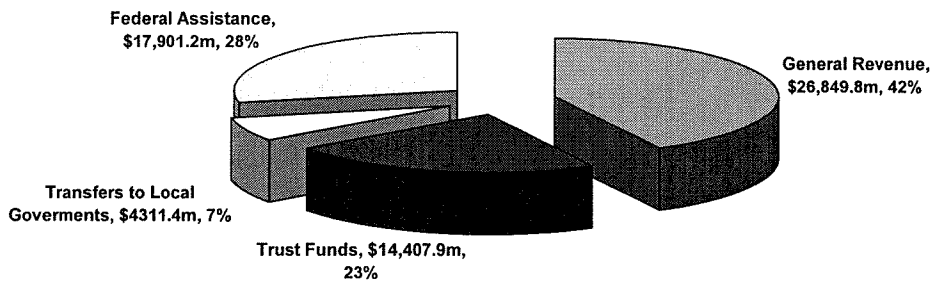
a. Operating - funding specific activities or programs;
b. Distribution - disbursing to local governments;
c. Distribution - disbursing to individuals;
d. Projects - funding construction projects;
e. Projects - funding repairs and replacements of damaged facilities;
f. Clearing - dividing receipts among other accounts; and
g. Revolving - providing loans, petty cash, or working capital funds.

3. The Budget Stabilization Fund is required by the Florida Constitution and must be maintained at not less than 5% of the previous year's General Revenue Collections. Moneys in the fund may only be used to cover revenue shortfalls in the General Revenue Fund and for emergencies as defined by general law. Expenditures from the fund must be restored in equal installments in each of the five succeeding fiscal years.

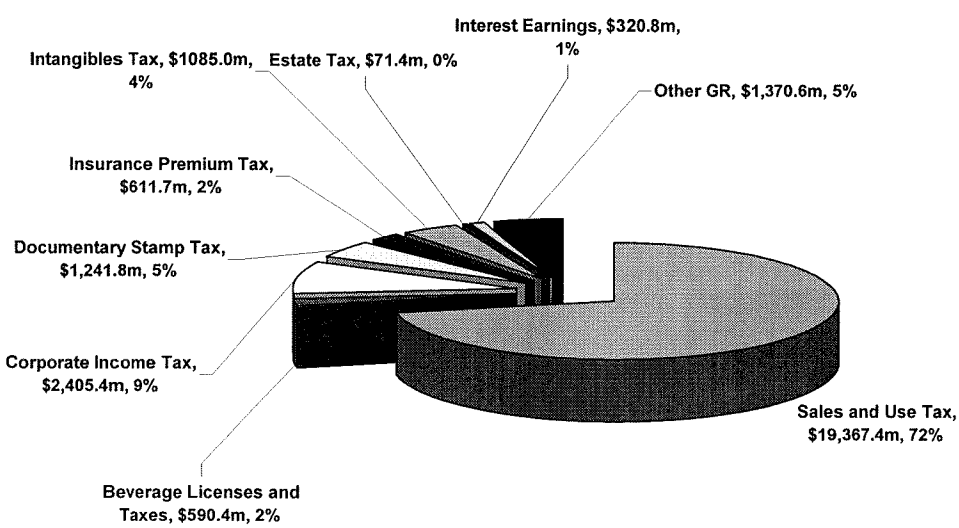
Until 2005, Florida law provided for a Working Capital Fund consisting of moneys in the General Revenue Fund which were in excess of the amount needed to meet General Revenue Fund appropriations. In 2005, the Working Capital Fund was repealed and the following language was added to the statute describing the General Revenue Fund; "Unallocated general revenue shall be considered the working capital balance of the state and shall consist of moneys in the General Revenue Fund that are in excess of the amount needed to meet General Revenue appropriations for the current fiscal year."

Constitution of Florida: Article III, Section 19.
Florida Statutes: Sections 201.15; 215.18; 215.20; 215.22; 215.31; 215.32; 216.222.
Laws of Florida: 22833(1945); 59-91; 59-257; 61-119; 73-196; 73-316; 87-247; 89-255; 89-356; 94-250; 98-73; 2000-371; 2001-376; 2005-152.

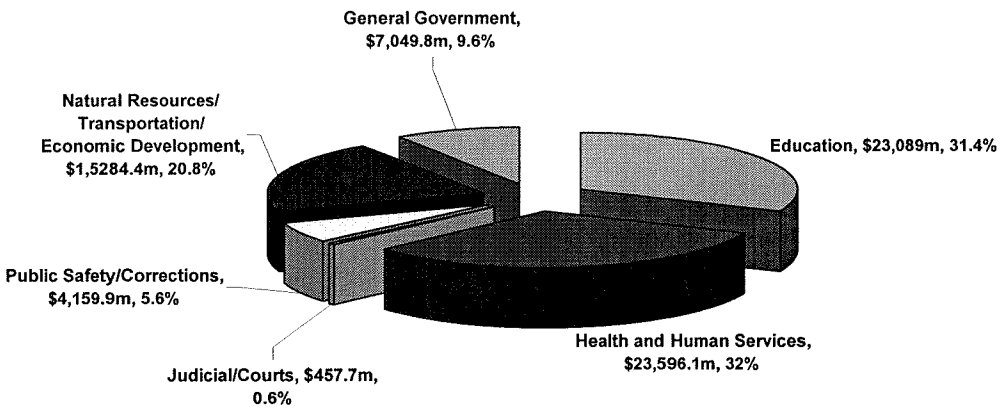
Sources of State Revenue
FY 2005-06
$63,470.3 million



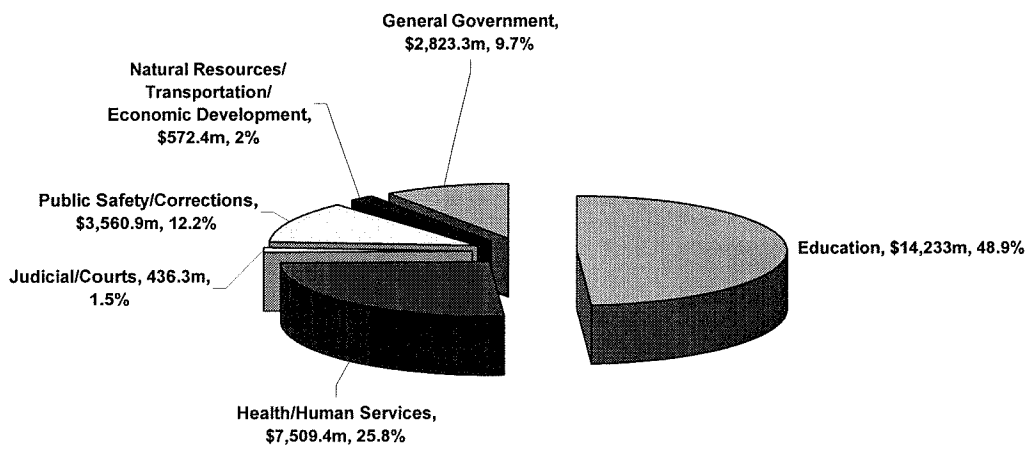
Sources of General Revenue
FY 2005-06
$27,064.5 million



Total Funding by Program Area
FY 2006-07
$73,636.9 million



General Revenue Appropriations by Program Area
FY 2006-07
$29,135.2 million



TOTAL DIRECT REVENUE IN ALL FUNDS BY TYPE AND PRINCIPAL SOURCE, 2001-02 to 2005-06

(Millions of Dollars)

	2001-02		2002-03		2003-04		2004-05		2005-06	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
FROM OWN SOURCES:										
Sales and Use Tax	16,045.5	48.7%	16,372.0	47.0%	17,814.1	47.6%	19,870.3	48.3%	21,812.4	47.9%
Motor & Special Fuel Taxes	1,817.6	5.5%	1,904.2	5.5%	2,017.7	5.4%	2,161.7	5.3%	2,228.2	4.9%
Corporation Income Tax	1,218.5	3.7%	1,228.1	3.5%	1,344.7	3.6%	1,729.7	4.2%	2,405.4	5.3%
Documentary Stamp Tax	1,572.5	4.8%	2,001.5	5.7%	2,632.1	7.0%	3,365.2	8.2%	4,058.3	8.9%
Intangibles Tax	783.3	2.4%	826.8	2.4%	857.1	2.3%	981.1	2.4%	1,085.0	2.4%
Beverage Licenses and Tax	578.2	1.8%	591.6	1.7%	624.3	1.7%	655.6	1.6%	679.9	1.5%
Cigarette and Tobacco Products Tax	446.5	1.4%	441.2	1.3%	446.4	1.2%	468.2	1.1%	456.8	1.0%
Motor Veh. & Mobile Home Annual Reg.	561.4	1.7%	566.2	1.6%	608.3	1.6%	666.0	1.6%	702.7	1.5%
All Others	9,928.9	30.1%	10,932.9	31.4%	11,091.4	29.6%	11,246.6	27.3%	12,140.4	26.6%
TOTAL - OWN SOURCES	32,952.4	100.0%	34,864.5	100.0%	37,436.1	100.0%	41,144.4	100.0%	45,569.1	100.0%
FROM GRANTS & AIDS:										
Federal Aid	13,406.8	93.3%	14,917.0	96.5%	16,271.6	97.4%	17,368.9	99.0%	17,732.0	99.1%
Local Aid	92.3	0.6%	79.7	0.5%	81.3	0.5%	82.4	0.5%	60.9	0.3%
Other	872.5	6.1%	458.3	3.0%	349.7	2.1%	87.0	0.5%	108.3	0.6%
TOTAL GRANTS & AIDS	14,371.6	100.0%	15,455.0	100.0%	16,702.6	100.0%	17,538.3	100.0%	17,901.2	100.0%
TOTAL DIRECT REVENUE	47,324.0		50,319.5		54,138.7		58,682.7		63,470.3	
SUMMARY:										
From Own Sources	$32,952.4	69.6%	$34,864.5	69.3%	$37,436.1	69.1%	$41,144.4	70.1%	$45,569.1	71.8%
From Grants & Aids	$14,371.6	30.4%	$15,455.0	30.7%	$16,702.6	30.9%	$17,538.3	29.9%	$17,901.2	28.2%
TOTAL DIRECT REVENUE	$47,324.0	100.0%	$50,319.5	100.0%	$54,138.7	100.0%	$58,682.7	100.0%	$63,470.3	100.0%

Sources: 2007 Florida Tax Handbook, State Revenue Sources and the Florida Consensus Estimating Conference, Book 2, Revenue Analysis, Volume 22, Fall 2006.

NOTE: Revenues from some sources may have been revised for one or more years.

TOTAL DIRECT REVENUE, 2002-03 to 2005-06

(Thousands of Dollars)

REVENUE SOURCE	2002-03		2003-04		2004-05		2005-06		PER CAPITA*** 2005-06 (dollars)	
	Gen. Rev.	Trust	Gen. Rev.	Trust	Gen. Rev.	Trust	Gen. Rev.	Trust	Gen. Rev.	Trust
Auto Title & Lien	28,065	102,967	31,489	112,374	32,684	113,872	34,475	117,713	1.78	6.21
Beverage Licenses	--	19,699	--	20,580	0.00	20,131	--	24,095	--	1.10
Beverage Tax	538,962	19,972	572,509	21,453	575,651	22,505	593,972	25,501	31.37	1.23
Citrus Tax	--	48,499	--	48,938	--	30,841	--	33,675	--	1.68
Communication Services Tax	817,109	--	863,513	--	944,098	--	1,007,214	--	51.45	--
Corp. Fees	120,850	22,055	161,423	--	176,414	--	191,716	--	9.61	0.00
Corp. Income	1,228,100	--	1,344,777	--	1,729,700	--	2,405,400	--	94.27	--
Documentary Stamp	840,866	1,160,663	1,181,038	1,451,086	1,601,160	1,764,061	1,241,847	2,816,479	87.26	96.14
Drivers Licenses	61,204	72,796	66,388	92,677	73,538	100,896	73,708	107,207	4.01	5.50
Dry Cleaning Tax	--	10,659	--	9,472	--	10,687	--	11,005	--	0.58
Estate Tax	558,415	--	382,667	--	324,448	--	71,431	--	17.68	--
Gross Receipts Utilities Tax	--	786,034	--	826,593	--	882,158	--	975,793	--	48.08
Health Care Assessment	--	363,094	--	301,100	--	276,200	--	336,377	--	15.05
Hotels & Restaurants Licenses	--	19,863	--	23,661	--	23,581	--	26,015	--	1.29
Hunting & Fishing Licenses	--	26,715	--	30,701	--	28,423	--	29,489	--	1.55
Inspection Licenses	--	34,599	--	35,066	--	31,626	--	32,597	--	1.72
Insurance Licenses	--	42,306	--	42,836	--	42,667	--	53,088	--	2.33
Insurance Premium	411,100	104,300	492,056	85,700	545,700	75,900	611,700	66,600	29.74	4.14
Intangibles Tax	765,447	61,295	794,988	62,121	981,129	--	1,085,020	--	53.47	0.00
Interest	271,955	456,693	194,286	331,506	261,881	303,139	320,817	350,994	14.27	16.52
Intergovt. Aid	--	15,454,959	--	16,702,732	--	17,538,287	--	17,901,189	--	955.81
Lottery	--	1,035,178	--	1,051,658	--	1,028,558	--	1,224,651	--	56.05
Motorboat Licenses	--	6,463	--	6,168	--	6,248	--	6,384	--	0.34
Motor & Special Fuel*	--	1,904,196	--	2,017,721	--	2,161,680	--	2,228,182	--	117.81
Motor Vehicle Initial Reg. Fees	40,023	93,386	42,813	99,896	44,344	103,469	--	149,455	2.42	5.64
Motor Veh. & Mobile Home Licenses	788	645,189	751	690,055	750	719,228	751	730,664	0.04	39.20
Oil & Gas Production	3,950	1,350	4,692	1,608	6,100	2,300	7,100	2,500	0.33	0.13
Pari-mutuel	17,002	15,564	22,917	9,372	16,555	15,051	13,766	19,810	0.90	0.82
Pollutant	--	246,334	--	258,214	--	269,863	--	270,558	--	14.71

TOTAL DIRECT REVENUE, 2002-03 to 2005-06

(Thousands of Dollars)

REVENUE SOURCE	2002-03		2003-04		2004-05		2005-06		PER CAPITA*** 2005-06 (dollars)	
	Gen. Rev.	Trust	Gen. Rev.	Trust	Gen. Rev.	Trust	Gen. Rev.	Trust	Gen. Rev.	Trust
Prof. & Occup. Licenses & Fees	--	52,758	--	48,144	--	65,268	--	57,310	--	3.56
Refunds**	(393,500)	--	(371,500)	--	(293,600)	--	(317,300)	--	--	--
Sales & Use Tax	14,424,052	1,947,902	15,709,166	2,104,965	17,628,880	2,241,407	19,367,390	2,445,038	960.75	122.15
Securities Fees	11,233	--	11,020	--	11,372	--	10,802	--	0.62	--
Service Charges	386,417	(386,417)	432,772	(432,772)	493,993	(493,993)	532,055	(532,055)	26.92	--
Solid Minerals Severance	16,800	24,600	474	36,000	16,000	34,700	13,900	32,100	0.87	1.89
Tobacco Tax	272,766	168,469	276,203	168,203	287,355	180,864	277,629	179,165	15.66	9.86
Unemployment Comp.	--	694,188	--	931,052	--	1,151,969	--	1,233,269	--	62.78
Workers' Comp. Tax	--	328,542	--	305,537	--	326,360	--	321,822	--	17.79
Misc. Sources	--	4,750,371	--	4,820,612	--	4,635,385	--	5,118,829	--	252.62
TOTAL DIRECT REVENUE (NET)	19,984,186	30,335,241	21,823,870	32,315,029	24,969,383	33,713,331	27,074,829	36,395,499	1,475.54	1,983.50
% of Total: General Revenue and Trust	40%	60%	40%	60%	43%	57%	43%	57%		
TOTAL-ALL FUNDS	50,319,427		54,138,899		58,682,714		63,470,328			
Annual Change	6.33%		7.59%		8.39%		8.16%			

* Motor & Special Fuel tax figures include the following collection allowances: $3,563,758 in 2002-03, $3,712,246 in 2003-04, $3,943,219 in 2004-05 and $4,342,136 in 2005-06.

** Tax refunds from the General Revenue Fund are treated as deductions from revenue receipts, rather than as disbursements under appropriation authority of Section 215.26, Florida Statutes. Refunds from trust fund revenue receipts are treated as authorized disbursements from the same account into which receipts were deposited.

*** Per capita amounts for 2005-06, were computed based on the April 1, 2006 population estimate of 18,349,132 as published by the Bureau of Economic and Business Research of the University of Florida.

NOTE: Revenues from some sources may have been revised for one or more years.

BUDGET STABILIZATION FUND

The Budget Stabilization Fund (BSF) was created upon approval of a constitutional amendment placed on the November 1992 ballot by the Taxation and Budget Reform Commission. The relevant portion of that amendment states:

> (g) BUDGET STABILIZATION FUND. Beginning with the 1994-1995 fiscal year, at least 1% of an amount equal to the last completed fiscal year's net revenue collections for the General Revenue Fund shall be retained in the BSF. The BSF shall be increased to at least 2% of said amount for the 1995-1996 fiscal year, at least 3% of said amount for the 1996-1997 fiscal year, at least 4% of said amount for the 1997-1998 fiscal year, and at least 5% of said amount for the 1998-1999 fiscal year and thereafter. Subject to the provisions of this subsection, the BSF's principal balance shall be maintained at an amount equal to at least 5% of the last completed fiscal year's net revenue collections for the General Revenue Fund. The BSF's principal balance shall not exceed an amount equal to 10% of the last completed fiscal year's net revenue collections for the General Revenue Fund. The Legislature shall provide criteria for withdrawing funds from the BSF in a separate bill for the purpose only of covering revenue shortfalls of the General Revenue Fund or for the purpose of providing funding for an emergency, as defined by general law. General law shall provide for the restoration of this fund. The BSF shall be comprised of funds not otherwise obligated or committed for any purpose.

Section 215.32(2)(c), F.S., provides for restoration of expenditures from the BSF. Unless otherwise provided by law, expenditures must be returned in five equal annual installments, beginning in the third year after the withdrawal. Section 216.222, F.S., establishes criteria for transferring money from the BSF. The BSF may be used to offset a deficit in the General Revenue Fund and to provide funding for an emergency as defined in s. 252.34, F.S., which is part of the State Emergency Management Act. All required transfers to the BSF have been made to date. During FY 2004-05 and FY 2005-06, disbursements were made to the Casualty Insurance Risk Management Trust Fund. Interest earned on the BSF accrues to the General Revenue Fund.

BUDGET STABILIZATION FUND

Fiscal Year	July 1 Balance	Transfers into Fund	Disbursements	June 30 Balance
2007-08*	$1,229,561,872	$ 124,128,128	-0-	$ 1,353,690,000
2006-07*	1,078,048,784	160,294,739	8,781,651	1,229,561,872
2005-06	995,804,685	92,890,874	10,646,775	1,078,048,784
2004-05	966,390,000	32,800,000	3,385,315	995,804,685
2003-04	958,890,000	7,500,000	-0-	966,390,000
2002-03	940,890,000	18,000,000	-0-	958,890,000
2001-02	893,990,000	46,900,000	-0-	940,890,000
2000-01	846,990,000	47,000,000	-0-	893,990,000
1999-00	786,890,000	61,100,000	-0-	846,990,000
1998-99	685,990,000	100,900,000	-0-	786,890,000

* Estimated (assumes all loans are repaid by the end of FY 2007-08)

CONSENSUS ESTIMATING PROCESS

Consensus Forecasting -- Economic, demographic, caseload and revenue forecasts are essential for a variety of governmental planning and budgeting functions. The Governor's budget recommendations and the legislative appropriations process, in particular, require a wide range of forecasts. Economic and demographic forecasts are used to support estimates of revenues and demands for state services. Revenue estimates are needed to develop a state financial plan and to ensure that the State meets the constitutional balanced budget requirement. Caseload estimates are needed to support financial models for education, criminal justice, retirement, social service programs, and the child welfare system.

In Florida, the professional staffs from the Legislative, Executive and Judicial branches meet in a series of regularly scheduled Consensus Estimating Conferences to provide the forecasts needed to support the planning and budgeting process. These conferences are held at least three times a year, once in the fall to provide forecasts for the Governor's budget recommendations, once in the winter to provide final estimates for the Legislature's appropriation process, and once in the spring to adjust the winter forecast to reflect legislative changes. Impact conferences are held when estimates are needed to determine the impact of changes or proposed changes to current law or current administration.

Consensus estimating began on an official basis in 1970 and was limited to forecasts of the General Revenue Fund. The use of consensus forecasting to support planning and budgeting processes has expanded in recent years and there are now ten estimating conferences.

1. Economic (Nation & State)
2. Demographic
3. Revenue
4. Education
5. Criminal Justice
6. Social Services
7. Work Force
8. Early Learning Programs
9. Self-Insurance
10. Actuarial Assumption

Statutory authority for the consensus forecasts is provided in ss. 216.133 to 216.137, F.S., which specify the duties of each conference and designate the conference principals and participants. Conference principals can call conferences and are generally responsible for developing and choosing the forecasts. Participants may be requested to provide alternative forecasts and to generate supporting information. All conferences are open, public meetings. Conference forecasts are made under the assumption of current law and current administration.

Consensus forecasting requires the conference principals to arrive at agreed-upon forecasts. The procedure is truly by consensus with each principal having a veto. Section 216.133(3), F.S., defines "consensus" as "the unanimous consent of all of the principals." All parties must agree on the forecasts before they are finalized. All state agencies must use the official results of the conference in carrying out their duties under the state planning and budgeting system. The Legislature is not bound by law to use the official consensus forecasts. Nevertheless, since 1970, the Florida Legislature has consistently used the results of these conferences in its official duties.

Revenue Estimates -- Revenue estimating in Florida is carried on as part of the state's overall consensus estimating process described in the previous section. Section 216.136(3), F.S., provides that the principals of the Revenue Estimating Conference are the Executive Office of the Governor, the coordinator of the Office of Economic and Demographic Research, and professional staff of the House and Senate who have forecasting expertise, or their designees.

CONSENSUS ESTIMATING PROCESS
(Continued)

Historically, the representatives of the House and Senate have been the staff directors of the tax committees, and the policy coordinator overseeing tax issues has represented the Governor's Office.

The principals for the national and state economic forecasting conferences are identical to those on the revenue estimating conference. The Office of Economic and Demographic Research, the Finance and Economic Analysis Unit of the Governor's Office of Planning and Budgeting, and the Department of Revenue maintain econometric forecasting models of the state's economy on which most revenue estimates are based. The Revenue Estimating Conference makes estimates for the General Revenue Fund. In addition, estimates are made for all tax sources, including transportation revenues, gross receipts taxes, lottery revenues, tobacco settlement revenues, and statewide and county taxable value for ad valorem tax purposes.

Trust Fund Estimates -- Primary responsibility for estimating resources in the various Trust Fund accounts is borne by the agency for whose use the funds are dedicated. Exceptions to this include transportation revenues and public education funding sources. In addition, exceptions occur when a particular revenue source is divided between the General Revenue Fund and some earmarked purpose. The reasonableness of agency revenue estimates for each Trust Fund is subject to review by the Executive Office of the Governor in preparing the Governor's budget recommendations. It is also subject to review by House and Senate staff when working on the General Appropriations Bills.

Overriding Financial Limitations -- Florida's Constitution forbids any borrowing for operating purposes. The result is that despite any legislative appropriations or authorization of a larger amount of spending, no more can be expended from any fund than the amount of cash resources available in that fund during the fiscal year for which appropriations are authorized.

The Chief Financial Officer, who draws all state warrants for payment from the treasury, will refuse any voucher calling for any expenditure beyond available cash funds. An anticipated shortfall in the General Revenue Fund budget must be met either by the Governor and Cabinet reducing the spending rate or by the Chief Financial Officer, if the Governor and Cabinet fail to act.

SUMMARY OF THE CONSTITUTIONAL STATE REVENUE LIMITATION

In November 1994, the voters approved a constitutional amendment to limit state revenues. (Section 1. Art VII, FL Const.) Placed before the voters by act of the Legislature (HJR 2053), the amendment limits state revenues to a specific dollar amount which is increased annually by the growth rate in the Florida economy. If more revenue is collected than is permitted by this limit, it may not be spent; excess revenues must be deposited in the Budget Stabilization Fund unless the Legislature, by two-thirds vote of both houses, decides to do otherwise. In any year, the revenue limit is determined by multiplying the average annual growth rate in Florida personal income over the previous five years by the amount of revenue permitted under the cap in the previous year.

State revenue is defined as taxes, licenses, fees, and charges for services (but not for goods) imposed by the Legislature on individuals, businesses or agencies outside of state government. The definition of state revenues includes the proceeds of lottery ticket sales. Exempt from the limitation, either implicitly, through the definition of revenue, or explicitly, through specific exemption, are the following items:

1. Lottery receipts returned as prizes;
2. Balances carried forward from prior years;
3. The proceeds of sales of goods (e.g., land, buildings, surplus property);
4. Funds used for debt service and other payments related to debt;
5. State funds used to match federal money for *most of* Medicaid (see below);
6. Receipts of the Hurricane Catastrophe Trust Fund; and
7. Revenues required to be imposed by amendment to the Constitution after July 1, 1994.

The revenues of cities, counties, school districts and special districts are not subject to the revenue limitation. In particular, required local effort millage levied by school districts and local option taxes authorized by state law, but levied at the discretion of local governments, are not subject to the revenue limitation. However, state revenues, such as the motor fuel tax, cigarette tax and sales tax, which are levied and collected by the state and shared, in part, with local governments through a variety of statutory revenue sharing formulas, are subject to the revenue limitation.

State funds used to match federal funds for Medicaid are partially exempt from the revenue limitation. A portion of the state money used to match federal Medicaid funds is appropriated from the Public Medical Assistance Trust Fund (PMATF), a fund originally established for discretionary Medicaid programs. A tax on hospitals, some cigarette tax revenues, and an annual appropriation from the general fund provide state support for the PMATF. Since the reason for exempting Medicaid from the revenue limitation is that it is in large part a federal mandate, and since the programs funded from the PMATF were, at least initially, voluntary, the revenues of the PMATF were made subject to the revenue limitation. However, other revenues used to match federal Medicaid money were exempted from the revenue limitation. Additionally, state matching funds for expansions of the Medicaid program voluntarily undertaken by the state after July 1, 1994, are subject to the revenue limitation.

The Constitution requires the legislature to establish, by general law, the procedures necessary to administer the revenue limitation; such legislation has not yet been enacted. In addition, the legislature is required to provide general law guidelines for adjusting the state revenue limit when the responsibility for providing specific governmental services is transferred between the state and other levels of government.

Impacts of the Constitutional Revenue Limitation

In the first few years after the adoption of the revenue limitation, actual revenues were close to the constitutional cap, but revenues subject to the cap have generally grown more slowly than personal income. Also, since 1999, the Florida Legislature has enacted several measures to reduce state revenue. The intangibles tax, sales and use tax, beverage tax, corporate income tax, vehicle emissions testing, health care assessments, unemployment tax, and pari-mutuel tax have all been reduced by the Legislature. Additionally, changes in federal law eliminated Florida's estate tax. These changes in

tax laws contributed to a widening gap between actual revenues and the revenue limit through FY 2002-03 when revenues were almost $5 billion below the limit. After FY 2002-03 and despite the tax reductions mentioned above, state revenues grew faster than allowed under the limit through FY 2005-06 when actual revenues were approximately $500 million below the cap. This surge in revenues was related to the boom in real estate activity and associated construction spending as well as the tax revenues derived from rebuilding following the hurricanes in 2004 and 2005. However, in 2006-07 and thereafter, revenue growth is expected to slow dramatically and revenues are expected to be below the revenue limit.

STATE REVENUE SOURCES

AUTO TITLE AND LIEN FEES

Florida Statutes: Chapter 319

Administered by: Department of Highway Safety and Motor Vehicles

Fiscal Year	Total Collections	Annual Change %	General Revenue	State Transportation Trust Fund	Non-game Wildlife Trust Fund
2007-08*	$151,700,000	1.99	$34,400,000	$114,400,000	$2,900,000
2006-07*	148,700,000	-0.02	33,800,000	112,100,000	2,800,000
2005-06	152,187,909	3.82	34,474,783	114,821,003	2,892,123
2004-05	146,555,980	1.87	32,684,421	110,914,706	2,956,853
2003-04	143,862,850	9.8	31,489,144	109,638,508	2,735,198
2002-03	131,031,848	5.35	28,065,435	100,514,630	2,451,783
2001-02	124,374,007	-.44	27,736,583	94,204,138	2,433,286

* Est.

SUMMARY

Fees are imposed on motor vehicles titled in Florida. For each original certificate of title and for each duplicate copy, the fee is $24. An additional $4 fee is imposed on each original certificate of title issued for a motor vehicle previously registered outside Florida.

DISPOSITION

General Revenue Fund: $3 per each original certificate of title and each duplicate copy of a certificate of title and all other fees collected by the department not specifically earmarked for deposit into a trust fund.

State Transportation Trust Fund: $21 per each original certificate of title and each duplicate copy of a certificate of title.

Non-game Wildlife Trust Fund: An additional $4 per each original certificate of title issued for a vehicle previously registered outside Florida.

BASE AND RATE

$24.00 fee and $4.25 service charge for: original certificate of title and duplicates of title of all motor vehicles except for a motor vehicle for hire registered under s. 320.08(6), F.S. There is also a $4.25 service charge for the transfer of any certificate of title and a $2.00 fee for assignment by a lien holder, memorandum certificates, and noting a lien and its satisfaction. There is a $1.25 service charge for the recordation or notation of a lien which is not in connection with the purchase of a vehicle. An additional service charge of not more than $.50 may be imposed by any tax collector when any of the above mentioned transactions occur at any tax collector's branch office. Application for title must be made within 30 days of acquisition, subject to a $10.00 late fee penalty.

AUTO TITLE AND LIEN FEES
(Continued)

HISTORY

In 1923, Florida passed an act to protect the title of motor vehicles within the state. The act provided for the issuance and registration of certificates of ownership. The motor vehicle title law was revised in 1941 and fees were imposed for the first time. Fees were increased in 1947 and 1967. In 1990, the fee for each original certificate of title and each duplicate copy of a certificate of title on all motor vehicles, except those for hire, was increased from $3 to $24. The $21 increase is for deposit into the State Transportation Trust Fund. Chapter 98-397, L.O.F., requires the Department of Highway Safety and Motor Vehicles to charge a fee of $7.00 for each lien placed on a motor vehicle by the state child support enforcement program for deposit into the General Revenue Fund. Effective July 1, 2000, ch. 2000-257, L.O.F., eliminated the 7 percent General Revenue Service Charge on the $24 original certificate of title fee and each duplicate copy fee, which increases the distribution to the State Transportation Trust Fund. Chapter 2002-235, L.O.F., requires all auto title and lien revenues collected by county officials to be submitted by electronic funds transfer to the State Treasury no later than 5 working days, instead of 7 working days as provided for in Chapter 116, after the close of the business day in which the funds were received.

OTHER STATES

All states, plus the District of Columbia, assess a fee or a tax for issuing a certificate of title or ownership. Most states charge a fee, ranging from $1.00 to $35.00, while others incorporate title fees into auto sales excise taxes. The most frequently occurring fees are in the range of $1.00 to $10.00.

VALUE OF RATE CHANGE AND EXEMPTIONS

RATE CHANGE	2007-08 (millions)
Value of $1 on all titles issued	$7.2
VALUE OF EXEMPTIONS	
$21 exemption/for-hire vehicles	17.3
$22 exemption/salvage certificate of title	1.3

BEVERAGE LICENSES

Florida Statutes: Chapters 561 to 568

Administered by: Department of Business and Professional Regulation, Division of Alcoholic Beverages and Tobacco

			Distributions		
Fiscal Year	Collections	Annual Change %	Cities	Counties	Trust Fund
2007-08*	$37,500,000	1.90	$6,800,000	$6,200,000	$24,500,000
2006-07*	36,800,000	-0.45	6,700,000	6,100,000	24,000,000
2005-06	36,965,152	13.17	6,764,269	6,105,727	24,095,156
2004-05	32,661,999	-0.16	5,868,368	6,662,629	20,131,002
2003-04	32,715,757	5.76	5,861,730	6,274,095	20,579,932
2002-03	30,933,250	-4.20	5,674,938	5,559,486	19,698,796
2001-02	29,227,872	-1.81	5,812,251	5,744,295	17,671,326

* Est.

SUMMARY

Beverage licenses are required for any person or entity that would manufacture, bottle, distribute, sell, or in any way deal with the commerce of alcoholic beverages.

DISPOSITION

24% of the base license tax imposed and collected within a county is returned to the county tax collector; 38% of the license tax imposed and collected within an incorporated municipality is returned to the municipality; the remainder plus 100% of the surtax on beer and wine licenses is deposited into the Alcoholic Beverage and Tobacco Trust Fund.

BASE AND RATE

Beer: Vendor, on-premises $40 - $200 depending on the size of the county; off-premises 50% of on-premises rate; surtax of 40% of license fee. Manufacturers of malt liquor $3,000. Distributors $1,250. Vendor/manufacturers of malt liquor $500.

Wine: Vendor, on-premises $120 - $280 depending on the size of county; off premises 50% of on-premises rate; surtax of 40% of license fee. Manufacturers of wine $1,000; wine and cordials $2,000. Distributors $50 - $1250.

Spirits: Vendor, on-premises $624 - $1,820 depending on the size of county and the number of locations on the premises where consumption occurs; off-premises is 75% of on-premises rate. Manufacturers distilling liquors - $4,000; blending liquors - $4,000. Distributors - $4,000. Different rates for vendor licenses apply to transportation companies, night clubs, private clubs, race tracks, and jai-alai frontons. License rates are stated as state, county and city licenses.

BEVERAGE LICENSE
(Continued)

HISTORY

Florida legalized the manufacturing and selling of alcoholic beverages in 1933, subject to county approval. The same form and rates of licenses were in effect from 1935 until 1971. The 1971 Legislature rewrote the alcoholic beverage laws. License fees were increased substantially for vendors of wine and liquor. Vendors' licenses are limited to one per 2,500 residents, but special licenses are issued to certain organizations. Until 1986, distributions of license revenues were as follows: 24% to county where collected; 38% to city where collected; remainder to the General Revenue Fund. Beginning July 1, 1986, all beverage license revenue, less distributions to counties and cities, was earmarked for deposit into the Alcoholic Beverage and Tobacco Trust Fund, to be used to operate the Division of Alcoholic Beverages and Tobacco. A surtax of 40% of license fees for beer and wine vendors was imposed, for deposit into the trust fund. Bottle clubs became subject to the licensing provisions of chapter 561 in 1990, with an annual license fee of $500. In 1992, the Legislature expanded the definition of "licensed premises" to include sidewalks and other outside cafes, increased the fee for a new liquor license from $5,000 to $10,750, and revised the formula for the issuance of quota alcoholic beverage licenses. The Legislature also provided for the issuance of a special license for consumption on- premises only, for a qualified performing arts center.

In 1997, the Legislature amended s. 561.24, F.S., to prohibit a wine manufacturer from being dually licensed as a distributor and registered as an exporter. A grandfather clause exempts any manufacturer of wine that holds a distributors license on April 1, 1997, from the new prohibition. An additional exemption is provided for certified Florida Farm Wineries as defined in s. 599.004, F.S., to hold a manufacturer's license and a distributor's license. The Legislature also clarified that the licensure of distributors of spirituous or vinous beverages does not apply for cider. Chapter 2000-191, L.O.F., provided the following changes to the Beverage License Laws: increased the quota license restriction from one license for every 5,000 residents to one license for every 7,500 residents in a county; required that a transfer fee equal to fifty times the annual license fee be assessed on the transfer of any quota license issued after October 1, 2000, which is in addition to the transfer fees assessed in s. 561.32(3)(a), F.S.; and created a special alcoholic beverage license for caterers.

OTHER STATES

Every state that allows alcoholic beverages to be sold by private industry imposes a vendor's license fee. All states impose a license fee on manufacturing or distribution of alcoholic beverages. Some states charge a licensing fee for importers in addition to wholesale license fees. There is no uniform rate schedule among the states for comparisons, but in amount of revenues raised, Florida ranks high.

BEVERAGE TAX

Florida Statutes: Chapters 561 to 568

Administered by: Department of Business and Professional Regulation, Division of Alcoholic Beverages and Tobacco

Fiscal Year	Total Collections	Annual Change %	Excise Tax on Spirits, Wine and Beer	On-Premise Consumption Surcharge**
2007-08*	$630,200,000	-4.59	$624,800,000	$5,400,000
2006-07*	660,500,000	2.73	609,900,000	50,600,000
2005-06	642,926,021	3.20	593,972,124	48,953,897
2004-05	622,967,604	5.31	575,901,018	47,066,586
2003-04	591,551,078	5.50	546,620,627	44,930,451
2002-03	560,694,331	2.38	518,941,586	41,752,745
2001-02	547,682,590	0.40	505,234,062	42,448,528

	Excise Tax Collections by Source			Beverage Tax Distributions		
Fiscal Year	Spirits(a)	Wine(a)	Beer(a)	General Revenue	CASA Trust Fund***	Alcoholic Beverage and Tobacco Trust Fund
2007-08*	$217,800,000	$129,100,000	$277,900,000	$624,800,000	$ -0-	$11,600,000
2006-07*	211,900,000	126,200,000	271,800,000	609,900,000	12,800,000	11,300,000
2005-06	204,351,444	123,680,556	265,967,717	593,972,124	12,298,491	13,203,125
2004-05	197,909,824	118,030,632	259,993,728	575,651,463	12,273,160	10,231,410
2003-04	183,963,249	113,557,687	249,099,467	572,508,552	11,321,456	10,131,312
2002-03	172,801,896	104,113,763	242,021,814	538,961,680	10,650,940	9,621,175
2001-02	166,444,497	97,690,462	240,788,547	525,990,743	10,512,311	9,397,426

* Est.

** The surcharge was reduced by one-third on September 1, 1999 and again by one-half on July 1, 2000. It will be repealed on July 1, 2007.

*** The distribution to the Children and Adolescents Substance Abuse Trust Fund from the on-premise consumption surcharge was discontinued due to the repeal of the surcharge effective July 1, 2007.

(a) Spirits, Wine, and Beer figures are from the Department of Business and Professional Regulation's fiscal year report and do not add to total collections due to the fact that the Department's accounting system (SAMAS) is on an accrual accounting basis versus the comptroller's records which are on a cash basis of accounting.

BEVERAGE TAX
(Continued)

SUMMARY

Taxes on alcoholic beverages are levied in two different ways in Florida. An excise tax is imposed on the distributor or manufacturer on each gallon as follows: beer at $.48 per gallon; wine at $2.25 to $3.50 per gallon; and spirits at $6.50 to $9.53 per gallon, with rates varying with the alcohol content of the beverage. Additionally, a surtax must be paid by each seller of alcoholic beverages for consumption on the premises at the rate of $.0334 per ounce of spirits or 4 ounces of wine, $.0134 per 12 ounces of beer, and $.02 per 12 ounces of cider. The surtax will be repealed effective July 1, 2007.

DISPOSITION

Viticulture Trust Fund: 50% of all revenue collected from the excise taxes imposed on wine products produced by Florida manufacturers from products grown in the state, less 7.3% General Revenue Service Charge.

Alcoholic Beverage and Tobacco Trust Fund: 2% of Excise Tax collections, less 7.3% General Revenue Service Charge. Effective July 1, 2007, until June 30, 2007, the distribution is discontinued.

Children and Adolescents Substance Abuse Trust Fund: Until June 30, 2007, 27.2% of On-Premises Consumption Surcharge, less 7% General Revenue Service Charge. Effective July 1, 2007, the distribution is discontinued.

Grants and Donations Trust Fund: $15 million annually, Department of Elderly Affairs, 2004-05 and 2005-06 only.

Biomedical Research Fund: $6 million annually, 2004-05 and 2005-06 only.

Florida State University School of Chiropractic Medicine: $9 million annually, 2004-05 and 2005-06 only.

General Revenue Fund: Receives the remainder of the proceeds.

BASE AND RATE

Type of Beverage	Alcohol By Volume	Per Gallon	Surcharge
Beer	All	$ .48	$.0134/ 12 ounces
Wine	Less than 17. 259%	2.25	.0334/ 4 ounces
Wine	17.259% or more	3.00	.0334/ 4 ounces
Sparkling Wine	All	3.50	.0334/ 4 ounces
Wine Coolers	All	2.25	.0334/ 4 ounces
Liquor	Less than 17.259%	2.25	.0334/ 1 ounce
Liquor	17.259% - 55.780%	6.50	.0334/ 1 ounce
Liquor	55.780% or more	9.53	.0334/ 1 ounce

Beer distributors are allowed 2.5% of taxes collected and remitted, liquor distributors are allowed 1.0% of taxes collected and remitted, and wine distributors are allowed 1.9% of taxes collected and remitted as a dealer collection allowance.

HISTORY

In 1933, Florida authorized the sale of alcoholic beverages and a tax was placed on manufacturers, distributors, and

vendors. In 1935, the beverage tax was extended to include beer, wine, and liquor. In 1949, the primary tax rates were raised substantially and the classification of beverages was established as they now exist. Rates were also increased in 1971, 1977, and 1983 on all alcoholic beverages. The drinking age was increased from 19 to 21 in 1985. In 1986, the measurement for alcoholic content was changed from % of alcohol by weight to % of alcohol by volume. In 1985, a lower tax rate was imposed for wines and liquors manufactured from Florida citrus products and sugarcane. In 1988, the Supreme Court of Florida ruled that the lower state tax rates for wines and liquors were unconstitutional. The 1988 Legislature imposed an import tax on alcoholic beverages imported into the state, which was later declared unconstitutional by the 2nd Judicial Circuit Court. As a result, all alcoholic beverages sold in the state became subject to the full state excise tax. In 1990, a surcharge of $.10 per ounce of liquor, $.10 per 4 ounces of wine, and $.04 per 12 ounces of beer was imposed on alcoholic beverages sold for on-premise consumption, to be paid by the retail vendor. In 1997, several provisions increasing enforcement for unlawful shipments of beverages from out-of-state were passed, and the surcharge rate on cider was reduced from $.10 per four ounce for unlawful serving to $.06 per 12 ounce serving. In 1999, all surcharge tax rates were reduced by 1/3, and in 2000 they were reduced by 1/2. In 2001, the Legislature removed the 8, 12, and 16-ounce restrictions on container sizes of malt beverages sold at retail, allowing malt beverages to be sold in individual containers of any size of 32 ounces or less. In 2004, ch. 2004-2, Laws of Florida, directed the following distributions from Beverage Excise Tax collections: Grants and Donations Trust Fund, Department of Elderly Affairs - $15 million annually; Biomedical Research Trust Fund - $6 million annually; and the Florida State University School of Chiropractic Medicine - $9 million annually.

2006 LEGISLATIVE CHANGES

Ch. 2006-182, Laws of Florida, eliminated the distributions to the Grants and Donations Trust Fund in the Department of Elderly Affairs, the Biomedical Research Trust Fund, and the Florida State University School of Chiropractic Medicine and restored the funds to the General Revenue Fund. Ch. 2006-162, Laws of Florida, repealed the on-premises consumption surcharge, effective July 1, 2007.

OTHER STATES

All states, plus the District of Columbia, tax the sale of alcoholic beverages. Among the states for which comparisons can be made, Alaska is the only state with higher excise tax rates for some categories of wine and distilled spirits. Hawaii, North Carolina, Alabama, South Carolina, and Alaska have higher excise tax rates on beer.

VALUE OF RATE CHANGES, EXEMPTIONS, REFUNDS AND ALLOWANCES

RATE CHANGE	2007-08 (millions)
Value of 1 cent per gallon levy on beer	$ 5.8
Value of 10 cents per gallon levy on liquor	3.5
Value of 10 cents per gallon levy on wine	5.7
(Note: After collection allowances)	
VALUE OF EXEMPTIONS	
Beverages sold on military installations	6.1

(s. 563.05, beer), (s. 564.06(8), wine),(s. 565.12(4), liquor)

VALUE OF REFUNDS AND ALLOWANCES

Dealer allowance on wine (1.9%) (s. 564.06(6))	2.5
Dealer allowance on beer (2.5%) (s. 563.07)	7.1
Dealer allowance on liquor (1.0%) (s. 565.13)	2.2

ALTERNATIVE BASES

Price Based Alcoholic Beverage Tax - The current alcoholic beverage tax is a volume based tax. Growth in tax revenue is tied, therefore, to increases in consumption and not increases in price. As an alternative to the current tax base, the alcoholic beverage tax could be converted to a price-based tax. The rate could be either fixed or varied based on an item's alcoholic content. The price used could be at the manufacturing, wholesale, or retail level.
Indexed Alcoholic Beverage Tax - Another option would be to index the current alcoholic beverage tax rate based on general price increases or a percentage increase in alcoholic beverage prices. For example, alcoholic beverage taxes could be annually adjusted by the percentage change in the Consumer Price Index (CPI). This would allow taxes to be adjusted for inflation.

CIGARETTE AND OTHER TOBACCO PRODUCTS TAX

Florida Statutes: Chapter 210

Administered by: Department of Business and Professional Regulation, Division of Alcoholic Beverages and Tobacco

Fiscal Year	Total Collections	Cigarette Tax Collections	Annual Change %	Other Tobacco Products Tax Collections	General Revenue Distribution**
2007-08*	$459,000,000	$425,100,000	0.50	$33,900,000	$248,600,000
2006-07*	454,500,000	423,000,000	-1.47	31,500,000	247,300,000
2005-06	456,794,264	429,331,794	2.24	27,462,470	250,166,834
2004-05	468,218,569	439,174,476	4.89	29,044,093	258,310,429
2003-04	446,406,170	418,713,225	0.63	27,692,945	248,510,555
2002-03	441,235,321	416,085,041	-1.63	25,150,280	247,616,020
2001-02	446,463,379	422,864,590	0.86	23,598,789	251,894,210

* Est.

** Does not include service charges to General Revenue.

SUMMARY

Taxes are imposed on the sale of cigarettes and other non-cigar tobacco products in Florida. The tax must be paid by the wholesale dealer at the time of the first sale within the state. For cigarettes of common size the rate is $.339 per pack, with rates varying proportionately for cigarettes and packs of non-standard size. For other tobacco products, the tax is at 25% of the wholesale price.

DISPOSITION

Cigarette Tax: Seven and three-tenths percent of total collections is deducted as service charges and 0.9% to the Alcoholic Beverage and Tobacco Trust Fund. Distributions are then made as follows: 2.9% to County Revenue Sharing, 29.3% to the Public Medical Assistance Trust Fund to fund indigent health care, 2.8532% to the Board of Directors of the H. Lee Moffitt Cancer Center and Research Institute (beginning in 2004-05), and the remainder to General Revenue.

Other Tobacco Products Tax: General Revenue Fund

CIGARETTE AND OTHER TOBACCO PRODUCTS TAX
(Continued)

	Distributions**			
Fiscal Year	County Revenue Sharing	Public Medical Assistance Trust Fund	General Revenue***	H. Lee Moffitt Cancer Center & Research Institute
2007-08*	$11,300,000	$118,100,000	$279,600,000	$15,900,000
2006-07*	11,300,000	117,600,000	278,200,000	15,900,000
2005-06	11,397,165	115,150,676	281,418,923	16,312,264
2004-05	11,730,192	119,581,673	290,475,705	15,933,362
2003-04	11,109,423	113,000,000	278,973,625	11,220,082
2002-03	11,070,756	113,000,000	277,973,062	11,222,420
2001-02	11,211,024	110,300,000	282,632,881	10,200,000

* Est.

** Amounts distributed vary from amounts collected due to changing balances of undistributed collections. Distributions do not include refunds, administrative costs, or service charges to General Revenue.

*** Includes a 7.3 percent General Revenue Service Charge.

BASE AND RATE

Cigarettes of common size (not over 3 lbs. per 1,000), 33.9 cents per pack. For larger sizes and non-standard packs, other rates are specified (see section 210.02 F.S.).

All non-cigarette tobacco products other than cigars are taxed at the rate of 25% of the wholesale sales price.

HISTORY

Florida began taxing cigarettes at 3 cents per pack in 1943. The tax rate was increased in 1949, 1963, 1971, 1977, 1986, and 1990. In 1949, cities were authorized by the state to levy a 2 cent cigarette tax which was credited against the state tax and collected by the state. In 1971, the cigarette tax was increased by 2 cents per pack for a total of 17 cents. The additional 2 cents per pack was for deposit into the Municipal Financial Assistance Trust Fund. In 1972, municipal authority to levy a cigarette tax was repealed. In the Revenue Sharing Act of 1972, cities were allocated 13/17, counties 1/17, and the General Revenue Fund 3/17 of net collections.

In 1982, the first proceeds of funds earmarked for deposit into the General Revenue Fund, to a certain amount, were directed to be deposited into the Chronic Disease Research and Treatment Center Trust Fund for a period of three years. In 1985, a 25% tax on the wholesale price of chewing tobacco, snuff and loose tobacco was imposed for the first time. The 1990 cigarette tax increase of 9.9 cents per pack was earmarked for deposit into the Public Medical Assistance Trust Fund. The Division of Alcoholic Beverages and Tobacco was authorized by the 1990 Legislature to withhold 0.9 percent of cigarette tax collections for deposit into the Alcoholic Beverage and Tobacco Trust Fund to fund the Division. In 1998, the Legislature authorized a 10 year distribution of 2.59% to the H. Lee Moffitt Cancer Center and Research Institute, reducing the General Revenue distribution accordingly. In 2000, the distribution from cigarette tax to the Municipal Revenue Sharing Trust Fund and the Municipal Financial Assistance Trust Fund was eliminated, increasing the distribution to the General Revenue Fund. The 2002 Legislature provided for an additional distribution to the H. Lee Moffitt Cancer Center and Research Institute: 0.2632% in 2002-03 and 2003-04; and 1.47% in 2004-05 through 2015-16. The General Revenue distribution will be reduced accordingly.

CIGARETTE AND OTHER TOBACCO PRODUCTS TAX
(Continued)

OTHER STATES

All states and the District of Columbia tax cigarettes at rates varying from 3.0 cents in Kentucky to $2.46 in Rhode Island. Forty-two states and the District of Columbia currently have higher cigarette taxes than Florida.

VALUE OF RATE CHANGES, EXEMPTIONS, REFUNDS AND ALLOWANCES

RATE CHANGE	2007-08 (millions)
Cigarette Tax:	
Value of 1 cent per pack tax levy	$ 12.5
Tobacco Products Tax:	
Value of 1% levy on currently taxed products	1.4
VALUE OF EXEMPTIONS	
Cigarette Tax:	
Cigarettes sold at federal installations (s. 210.04(4)(a)) (Note: Title 4, Section 107 USC (Buck Act), prohibits states from levying excise taxes on cigarettes sold at federal installations)	11.3
Cigarettes sold on Indian reservations (s. 210.05(5))	8.5
Tobacco Products Tax:	
Cigars (s. 210.025(11))	9.4
VALUE OF REFUNDS AND ALLOWANCES	
Dealer collection allowance (s. 210.05(3)(a)) (2% of taxes collected and due calculated on a 24 cent tax rate)	6.1
Refund for unsold products (s. 210.22)	.8

CITRUS TAXES

Florida Statutes: Chapter 601

Administered by: Department of Citrus

Fiscal Year	Collections	Annual Change %
2007-08*	$50,600,000	7.43
2006-07*	47,100,000	39.87
2005-06	33,674,662	9.19
2004-05@	30,840,842	-36.98
2003-04	48,937,671	0.09
2002-03	48,499,496	-10.94
2001-02	54,457,170	-10.03

* Est.

@ The 2004-05 drop in citrus tax collections was the result of the negative impact the hurricanes of 2004 had on the citrus industry.

SUMMARY

Each box of fresh and processed citrus is subject to the citrus tax, the rate of which varies with the size of the crop.

DISPOSITION

Citrus Advertising Trust Fund

BASE AND RATE

Fresh: grapefruit, 35.0 cents/box; oranges, 16.0 cents/box; all other varieties, 16.0 cents/box.
Processed: grapefruit, 35.0 cents/box; oranges 22.0 cents/box; imported oranges 22.0 cents/box, imported grapefruit 35.0 cents/box, all other varieties, 22.0 cents/box.

HISTORY

The Citrus Commission was established in 1935 to protect health and welfare, and to stabilize the citrus industry in the state. The citrus tax was increased in 1953, 1970, 1971, and 1973 and over the years, various minor rate changes and restrictions on Commission actions have been passed. Revenues raised by the citrus tax fluctuate with the size of the crop so that when a large crop is harvested there is also a large fund available to promote the demand. Section 601.156, F.S., which imposed an additional excise tax of 2 cents per box on each box of oranges grown in Florida and sold or delivered for processing, was repealed effective July 1, 1995.
OTHER STATES

The nature of this tax prohibits any interstate comparisons, but some states do have similar taxes used to promote a major industry in the area.

COMMUNICATIONS SERVICES TAX

Florida Statutes: Chapter 202

Administered by: Department of Revenue

Fiscal Year	Total Collections	Annual Change %	Distributed by Sales Tax Distribution Formula	Tax on Direct-to-Home Satellite Service**	Gross Receipts Tax
2007-08*	$1,621,500,000	5.2	$1,100,000,000	$64,200,000	$457,300,000
2006-07*	1,542,100,000	4.0	1,045,200,000	57,000,000	439,900,000
2005-06	1,484,315,081	6.7	1,007,214,172	52,190,000	426,910,909
2004-05	1,389,724,930	8.4	944,098,247	39,958,652	405,668,031
2003-04	1,281,833,973	5.0	863,512,864	35,249,400	383,071,709
2002-03	1,221,269,882	55.3	817,109,018	21,115,641	383,045,223
2001-02	790,748,151	N/A	525,552,884	14,061,769	251,133,498

* Est.

** Distributed to local governments through the Local Government Half-Cent Clearing Trust Fund.

SUMMARY

The communications services tax is imposed on retail sales of communications services which originate and terminate in Florida, or originate or terminate in Florida and are billed to a Florida address. Communications services include all forms of telecommunications previously taxed by the gross receipts tax plus cable television and direct-to-home satellite service. The law specifically states that the tax also applies to communications services provided through any "other medium or method now in existence or hereafter devised." The tax imposed by chapter 203 on communications services is also administered under chapter 202, F.S.

DISPOSITION

Except for the tax on direct-to-home satellite service, the state tax collected under this chapter is distributed by the same formula as the sales and use tax, as prescribed in s. 212.20(6), F.S. Sixty-three percent of the tax on direct-to-home satellite is distributed by the sales tax formula (with an adjustment to s. 212.20(6)(d), F.S.) and the remainder is transferred to the Local Government Half-Cent Clearing Trust Fund and is allocated in the same proportion as the half-cent sales tax under s. 218.61, F.S., and the emergency distribution under s. 218.65, F.S. The gross receipts tax which is administered under this law goes to the Public Education Capital Outlay and Debt Service Trust Fund.

BASE AND RATE

The sale of communications services which originate and terminate in Florida, or originate or terminate in Florida and are billed to a Florida address, is taxed at 6.8 percent. The sales price of private communications systems is taxed at the same rate, and a use tax is imposed on the cost of operating a substitute communications system. Direct-to-home satellite service is taxed at 10.8 percent. A gross receipts tax is also imposed on these services at a rate of 2.37 percent.

COMMUNICATIONS SERVICES TAX
(Continued)

HISTORY

Prior to 2001, nonresidential telecommunications services were subject to sales and use tax under chapter 212 at the rate of 7 percent. Cable television and direct satellite television were subject to sales and use tax at a rate of 6 percent. Telecommunications services were also subject to gross receipts tax under chapter 203. Chapter 2000-260, L.O.F., created the Communications Services Tax Simplification Law which provided for a new statewide tax on communications services to replace the sales and use tax on telecommunications services, cable and direct satellite television. It also provided for a different administration of the gross receipts tax on telecommunications services and extended that tax to cable and direct satellite television. The Communications Services Tax Simplification Law, which applied to bills issued by communications services providers on or after October 1, 2001, also provided for local communications services taxes to be administered by the Department of Revenue. Chapter 2001-140, L.O.F., established the revenue-neutral tax rates for the state-wide and local communications services taxes. Chapter 2002-48, L.O.F., conformed the communications services tax exemption for religious and educational institutions to similar provisions in the sales tax statute. It also provided an exemption for the public lodging industry from the requirement that dealers separately state the communications services tax. In 2003, ch. 2003-254, L.O.F., exempted homes for the aged from the tax on communications services. Chapter 2005-187, L.O.F., repealed the tax on substitute communications systems and provided that the Department of Revenue would not assess this tax back to October 1, 2001, when the communications services tax was implemented.

2006 LEGISLATIVE CHANGES

Chapter 2006-229, L.O.F., redistributed communications services tax revenue from the Local Government Half-cent Clearing Trust Fund to fiscally constrained counties. Thirty percent of the tax on direct-to-home satellite services that had been transferred to the Local Government Half-cent Clearing Trust Fund was redirected to fiscally constrained counties, which are defined as counties for which a mill of property tax will raise no more than $5 million.

VALUE OF RATE CHANGES, EXEMPTIONS, REFUNDS AND ALLOWANCES

	2007-08 (millions)
RATE CHANGE	
Value of a 1% levy on communications services	$ 161.8
VALUE OF EXEMPTIONS, CREDITS, AND DEDUCTIONS	
Residential telephone (not including mobile telephone) (s. 202.125)	338.1
Sales to government agencies, religious or educational 501(c)(3) organizations, and homes for the aged (s. 202.125)	263.2
$100,000 cap on taxes on incoming interstate communications services for holders of direct-pay permits (s. 202.12(3))	11.4
Internet access (s. 202.17(3))	Indeterminate
Dealer collection allowance	5.4

CORPORATION FEES

Florida Statutes: Sections 15.091; 607.0122; 607.193; 608.452; 620.182.

Administered by: Department of State, Division of Corporations

Fiscal Year	Partnerships Fees (a)	Annual Report Fees (b)	Corporate Fees	Supplemental Corp. Fees	Miscellaneous Fees (c)	Total Fees
2007-08*	$1,300,000	$71,000,000	$42,600,000	$68,500,000	$22,600,000	$206,000,000
2006-07*	1,300,000	68,900,000	41,400,000	66,500,000	22,000,000	200,100,000
2005-06	1,256,791	67,850,415	40,775,586	65,492,606	21,617,193	196,992,591
2004-05	1,723,831	59,793,163	37,042,412	62,456,360	20,356,552	181,373,319
2003-04	2,844,821	52,753,141	33,714,519	56,891,759	19,492,924	108,845,405
2002-03	8,022,357	40,346,982	23,080,864	54,409,558	17,044,704	88,494,908
2001-02	7,913,603	37,317,961	19,721,412	49,600,000	17,084,025	82,037,000

Distributions

Fiscal Year	Total Collections	Annual Change %	General Revenue Fund (d)	Annual Change %	Corporations Trust Fund (e)	Annual Change %
2007-08*	$206,000,000	3.00	$206,000,000	3.00	$ -0-	0.00
2006-07*	200,000,000	4.32	200,000,000	4.32	-0-	0.00
2005-06	191,715,911	8.67	191,715,911	8.67	-0-	0.00
2004-05	176,414,111	9.29	176,414,111	9.29	-0-	0.00
2003-04	161,423,236	12.96	161,423,236	33.57	-0-	0.00
2002-03	142,904,466	7.00	120,849,757	6.32	22,054,709	10.95
2001-02	133,549,343	2.08	113,670,702	5.79	19,878,641	-14.97

* Est.

(a) A newly instated accounting change has removed non-partnership fees from this account.

(b) Annual report fees include annual reports for the arts.

(c) Miscellaneous fees include: trademarks, service of process, liens, fictitious names, federal tax liens, penalties for NSF, certificates, certified and photocopies.

(d) The General Revenue Fund distribution does not always equal total collections due to accounting practices and end of the year balances.

(e) On July 1, 2003, the Corporations Trust Fund was terminated. Thereafter, all monies were deposited directly into the General Revenue Fund.

CORPORATION FEES
(Continued)

SUMMARY

All corporations doing business in Florida must file annually with the Department of State. Business entities must pay various fees for the right to do business in Florida. The major fees are the annual report filing fee, corporate filing fees, and the supplemental corporate fee.

DISPOSITION

General Revenue Fund

BASE AND RATE

PROFIT

Supplemental Corporate Fee	$ 88.75

PROFIT, NON-PROFIT, AND TRADEMARKS

Filing Fees	35.00
Registered Agent Designation	35.00
TOTAL	70.00
Amendment of any Record	35.00
Profit Annual Report (& Supplemental Fee)	150.00
Profit Annual Report (Received after May 1)	550.00
Amended Profit Annual Report	61.25
Articles of Correction	35.00
Non-Profit Annual Report	61.25
Certificate of Status	8.75
Certified Copy*	8.75 (see below)
Photocopies**	10.00 (see below)
Change of registered agent	35.00
Dissolution & withdrawal	35.00
Foreign Name registration	87.50
Foreign Name renewal	87.50
Merger (per party)	35.00
Certificate of Conversion (+ New entity filing fees, if applicable)	35.00
Reinstatement (Profit)	600.00
Reinstatement (Non-Profit)	175.00
Resignation of Reg. Agent (active corporation)	87.50
Resignation of Reg. Agent (inactive corporation)	35.00
Revocation of Dissolution	35.00
Substitute service of process (Chapter 48, F.S.)	8.75
Trade & Service Marks (per class)	87.50
Trade & Service Mark assignment	50.00
Trade & Service Mark renewals (per class)	87.50
Trade & Service Mark Cancellation	35.00

* Requests made in person for certified copies are $8.75 for the first 8 pages and $1.00 for each additional page, not to exceed a maximum of $52.50. All mail-in requests are charged a flat $8.75.

** Photocopies are $1.00 per page for requests in person, $10.00 flat fee for mail-in requests.

CORPORATION FEES
(Continued)

LIMITED LIABILITY COMPANY

Annual Report	$ 50.00
Certificate of Status	5.00
Certified Copy of Record	30.00
New Florida/Foreign LLC	
Filing Fee (Required)	100.00
Registered Agent Fee (Required)	25.00
Total Fee for New Florida/Foreign LLC	125.00
Change of Registered Agent	25.00
Articles of Correction	25.00
Certificate of Conversion (+ New LLC Fees)	25.00
Registered Agent Resignation (active)	85.00
Registered Agent Resignation (dissolved)	25.00
Reinstatement Fee	100.00
Any Other Amendment	25.00
Articles of Dissolution/Withdrawal	25.00
Articles of Revocation of Dissolution	100.00
Certificate of Merger (Unless Other Fee Specified)	25.00

FICTITIOUS NAME FEES

Registration, renewal, cancellation and re-registration of Fictitious Names	50.00
Certified Copy of Fictitious Name Registration	30.00
Certificate of Status of Fictitious Name Registration	10.00
Search of Records	11.00
Photocopies (per page)	1.00

JUDGEMENT LIEN FEES

All fees are nonrefundable processing fees and no refunds will be issued by the Division if the judgment lien document cannot be filed or processed.	
Judgment Lien Certificate	20.00
Add for each additional debtor	5.00
Add for each attached page	5.00
Second Judgment Lien Certificate	20.00
Judgment Lien Amendment or Correction Statement	20.00
Certified Copy	10.00

LIMITED PARTNERSHIP

Filing Fees	965.00
Registered Agent Designation	35.00
Restated Certificate and Amended and Restated Certificate	52.50
Amendment	52.50
Statement of Correction	52.50
Certificate of Dissolution and Revocation of Dissolution	52.50
Statement of Termination	52.50
Certificate of Merger	52.50
Certificate of Conversion (+ New entity filing fee, if applicable)	52.50

CORPORATION FEES
(Continued)

Annual Report (includes supplemental fee)	500.00
Amended Annual Report	411.25
Resignation of Registered Agent	87.50
Change of Registered Agent/Office	35.00
Conversion	$1,052.50
Certificate of Status (certificate of fact)	8.75
Certified Copy (15 pages or fewer, $1 each page thereafter)	52.50
Reinstatement	500.00
($500 for each year or part thereof the partnership was revoked plus the delinquent annual report fees)	
Photocopies	1.00 per page

GENERAL PARTNERSHIP

Partnership Registration Statement	50.00
Statements of: Partnership Authority; Denial; Dissociation; Dissolution; and Qualification FL or FOR LLP	25.00
Limited Liability/Partnership Annual Report	25.00
Certificates of Merger for each party or Conversion (+ New entity filing fee, if applicable)	25.00
Amendment to or Cancellation of Statement or Registration	25.00
Certified Copy	52.50
Certificate of Status	8.75
Photocopies	10.00

HISTORY

In 1943, the Uniform Limited Partnership Law was enacted. Fees of not less than $10 or more than $500 were adopted and increases were made in 1967, 1971 and 1990. Filing fees for corporations-not-for-profit were first introduced in 1959 and increased by the 1967, 1989 and 1990 Legislatures. In 1965, fees for filing financial statements under chapter 679 of the Uniform Commercial Code were established and increased in 1967, 1971, 1989, 1990 and 1992. In 1987, 1988 and 1990, a number of corporate filing fees for corporations-for-profit were increased. The 1989 Legislature adopted the Revised Model Business Corporation Act, which went into effect July 1, 1990. In 1990, all fees processed by the Department of State and deposited into the Corporations Trust Fund were increased by 75% with 43% of all moneys deposited each month into the trust fund to be transferred to the General Revenue Fund. Also in 1990 a supplemental corporate fee of $138.75 was imposed on each business entity authorized to do business in Florida and required to file an annual report with the Department of State. Revenues from the supplemental fee were for deposit into the General Revenue Fund. The date for filing the annual report was changed from July 1 to May 1 of each year. In 1993, the annual report filing fee was increased for limited liability companies. In 1995, the supplemental corporate fee for not-for-profit corporations was reduced from $138.75 to $68.75 and the fee for not-for-profit corporations was repealed on January 1, 1996. On January 1, 1997, the supplemental corporate fee for corporations-for-profit was reduced from $138.75 to $103.75 and to $88.75 on January 1, 1998. In addition, the supplemental corporate fee late charge was increased from $25 to $385 on January 1, 1997, and increased to $400 on January 1, 1998. In 2001, the legislature authorized the Department of State to reduce the annual filing fee by an amount equal to the convenience fee. Also, authorization was granted to the department to waive supplemental corporate late charges for filers who had not received the department's prescribed forms. In 2003 the Corporation Trust Fund was eliminated with all current balances transferred to the General Revenue Fund.

OTHER STATES

All fifty states and the District of Columbia require corporate filing, annual report, and general fees for doing business in their state.

CORPORATE INCOME AND EMERGENCY EXCISE TAX

Florida Statutes: Chapters 220 and 221

Administered by: Department of Revenue

Fiscal Year	Gross Collections	Annual Change %	Refunds	Net Collections
2007-08*	$2,676,600,000	2.10	$223,800,000	$2,452,800,000
2006-07*	2,621,500,000	8.98	150,200,000	2,471,300,000
2005-06	2,405,400,000	39.06	174,200,000	2,231,200,000
2004-05	1,729,700,000	28.62	156,600,000	1,573,100,000
2003-04	1,344,777,279	9.50	210,100,000	1,134,677,279
2002-03	1,228,137,024	0.79	267,200,000	960,937,024
2001-02	1,218,533,797	-9.39	255,200,000	963,333,797

* Est.

SUMMARY

Corporations doing business in Florida must pay a corporate income tax of 5.5% on income earned in Florida. Florida piggybacks the federal income tax code in its determination of taxable income. Taxable income earned by corporations operating in more than one state is taxed in Florida on an apportioned basis using a formula based 25% on property, 25% on payroll and 50% on sales. The Emergency Excise Tax (EET) is based on certain Accelerated Cost Recovery System property put in place before 1987. Little EET is currently being paid, although some corporations continue to receive credits for EET paid in prior years.

DISPOSITION

General Revenue Fund

BASE AND RATE

Corporate Income Tax: 5.5% of net income less $5,000 exemption. Net income is defined as the share of adjusted federal income which is apportioned to this state for such year under s. 220.15, F.S. Apportionment is weighted by factors of sales (50%), property (25%) and payroll (25%). All business income is apportioned. Non-business income is allocated to a single jurisdiction, generally the state of commercial domicile. The legislature cannot raise the rate above 5.5% without 3/5 vote by the respective houses (Article VII, Section 5(b)), Florida Constitution.

Emergency Excise Tax: 2.2% of the deduction apportioned to this state allowed under s.168 of the Internal Revenue Code of 1954, as amended (Accelerated Cost Recovery System-ACRS). Federal law, however, limits the use of the ACRS to assets placed in service before January 1, 1987.

HISTORY

In response to a constitutional amendment which authorized the levy of a state corporate income tax, the 1971 Legislature adopted a 5% corporate income tax, which became effective on corporate incomes earned after January, 1972. In 1982, a 2% Emergency Excise Tax was enacted to counter federal changes to the Internal Revenue Code. The 1983 Legislature significantly changed Florida's corporate income tax base by: 1) adopting a worldwide unitary approach for determining income; 2) distinguishing between business and non-business income for taxation purposes;

3) adopting a "throwback rule" for sales to the federal government and to entities where profits can not be taxed; and 4) repealing the exemption on profits from foreign sales and foreign source dividends. In a December 1984 special session, the unitary apportionment, both domestic and worldwide, was repealed along with the taxation of foreign source dividends and the "throwback rule" and replaced with an increase in the tax rate. The corporate income tax rate was increased to 5.5% and the emergency excise tax was increased to 2.2%.

The 1987 Legislature provided for the piggybacking of the Florida Income Tax Code with the Federal Tax Reform Act of 1986. In 1990, a general definition of "taxable income" was provided for any taxpayer whose taxable income is not otherwise defined and the Alternative Minimum Tax Credit allowed in later years was clarified. The 1991 Legislature merged most of chapter 214 (Administrative Procedures and Judicial Review) with chapter 220. In 1992 and 1994, eligibility requirements for enterprise zone property tax credits against the corporate income tax for Duval County were modified. Also in 1994, the community contribution tax credit was extended from June 30, 1994 to June 30, 2005, but was restricted to projects within enterprise zones or benefiting low-income housing. The allowable annual contribution amount was reduced from a total of $3 million annually to $2 million annually. A 15% enterprise zone job credit was adopted by the 1996 Legislature for WAGES participants and a 5% job credit was adopted for non-WAGES employees whose wages exceed $1,500 a month. In 1997, ch. 97-50, L.O.F., created the Rural Job Tax Credit Program and the Urban High Crime Area Job Tax Credit Program. Each program authorizes qualified corporations to take a tax credit per eligible employee of $500, $1,000 or $1,500. This credit can be taken against the corporate income tax or the sales and use tax, but not both.

The 1998 Legislature provided for eight changes in the Florida Income Tax Code. The new laws: (1) created an exemption for research and development activities through a university; (2) created a capital tax credit equal to 5% of the capital costs generated by a project; (3) increased the credits available for community revitalization from $2 to $5 million; (4) created a credit for establishing or providing child care facilities; (5) increased the number of enterprise credits; (6) created an exemption for limited liability companies; (7) repealed the intangible tax credit for banks; and (8) created a credit for the rehabilitation of contaminated sites. The 1999 Legislature provided for four changes in the Florida Income Tax Code. The new laws: (1) provided that a citrus processing company may elect to use an apportionment formula determined solely by the sales factor; (2) eliminated an apportionment option available to insurance companies; (3) increased the community contribution tax credit from $5 million to $10 million; and (4) created an exemption for limited liability companies. The 2001 Legislature provided for one change in the Florida Income Tax Code by introducing a tax credit for contributions made by Florida corporations to non-profit scholarship funding organizations (SFOs). The 2002 Legislature provided for the piggybacking of the Florida Income Tax Code with the accelerated/bonus depreciation provisions of the Federal Job Creation and Worker Assistance Act of 2002, P.L. 107-147. Other changes pertained to the expansion of the SFO credit scholarship recipients to students in kindergarten and first grade, the change in the apportionment factor for industries in NAICS 311411 (SIC 2037, frozen fruit juices, and vegetables), and the change in the manner of calculating interest on tax deficiencies.

The 2003 Legislature included certain financial services facilities as qualified projects for the capital investment tax credit. Chapter 2003-395, L.O.F., created an amnesty program for taxpayers. This law also increased the interest rate on certain tax deficiencies to prime plus four percent. Chapter 2003-391, L.O.F., amended the corporate income tax credit scholarship program to provide a cap of $88 million in annual tax credits and the carry forward of tax credits. In Special Session, the Legislature subsequently reduced from $88 million to $50 million the maximum amount of corporate tax credits and carry forward tax credits for contributions to SFO's for fiscal year 2003-04. The 2004 Legislature reduced the SFO credits limitation from $88 million to $50 million for FY 2004-05. The 2005 Legislature extended the time to file for refunds from two years to three years from the due date of the return with regard to extension. Chapter 2005-282, L.O.F., extends the community contribution tax program through June 30, 2015, and increased the annual cap on the total amount of tax credits granted under the program from $10 million to $12 million. This law also allows the Office of Tourism, Trade, and Economic Development to waive the sector requirements of the Capital Investment Tax Credit Program to induce the location or expansion of a facility that creates or retains 1,000 jobs, provided that 100 are new jobs, pays an

average wage of at least 130% of the average private sector wage, and makes a cumulative capital investment of at least $100 million.

2006 LEGISLATIVE CHANGES

Chapter 2006-230, L.O.F., authorized a corporate income tax credit for a new or expanded Florida renewable energy facility. Total credits may not exceed $5 million for any tax year and can be claimed for a maximum period of 10 years. Chapter 2006-230, L.O.F., also provided a corporate income tax credit of 75 percent of all capital costs, operation and maintenance costs, and research and development costs incurred between July 1, 2006 and June 30, 2010, up to a limit of $3 million per fiscal year, in connection with an investment in hydrogen powered vehicles and hydrogen vehicle fuel stations in Florida. Chapter 2006-78, L.O.F., increased the annual community contribution tax credit by $2 million. Chapter 2006-55, L.O.F., established the Florida Capital Investment Trust, the Florida Opportunity Fund Management Corporation, and the Florida Opportunity Fund for the purpose of increasing the availability of seed capital and early stage venture capital for emerging companies in Florida. It provided for a total of $75 million in tax credits, with tax credits exercisable only between July 1, 2011 and June 30, 2036, with an annual cap of $20 million.

OTHER STATES

Forty-five states and the District of Columbia currently impose some form of corporate income or franchise tax. Thirty-one states and the District of Columbia employ flat rates, ranging from 4.63% to 9.99%. Fourteen states employ two or more rates, ranging from 1.0% to 12.0%. Individual state's rates can be found at www.taxadmin.org

VALUE OF RATE CHANGE, EXEMPTIONS, CREDITS AND DEDUCTIONS

RATE CHANGE			2007-08 (millions)
Value of a 1% levy on apportioned net income			$ 486.6
VALUE OF EXEMPTIONS, CREDITS, AND DEDUCTIONS			
Exemptions:			
Chapter S Corporations	I.R.C.		$ 963.6
Master Limited Partnerships	I.R.C.		32.1
Standard $5,000**	s. 220.14(1)		14.9
Limited Liability Companies	s. 220.02(1)	249.8	
Subtractions From Federal Taxable Income:			
Foreign Source Income (*s.78 I.R.C. Income)*	s. 220.13(1)(b)2.b.		53.2
Foreign Source Income (*s.951 I.R.C. Subpart F Income)*	s. 220.13(1)(b)2.b.		46.5
Net Foreign Source Dividends	s. 220.13(1)(b)2.a.		49.7
Florida Net Operating Loss Carryover	s. 220.13(1)(b)l.a.		30.5
Florida Net Capital Loss Carryover	s. 220.13(1)(b)l.b.		32.9
Florida Excess Charitable or EPB Contribution Carryover	s. 220.13(1)(b)l.c.		1.3
Florida Targeted Jobs Deduction	s. 220.13(1)(b)3.		11.2
Non-Florida Non-Business Income	s. 220.13(1)(b)4.		82.2
International Banking Facility Income	s. 220.63(5)		20.9

CORPORATE INCOME AND EMERGENCY EXCISE TAX
(Continued)

VALUE OF EXEMPTIONS, CREDITS, AND DEDUCTIONS		2007-08 (millions)
Credits Against Florida Tax Liability:		
Florida HMO Consumer Assistance Assessment	s. 631.828	1.1
Capital Investment	s. 220.191	3.7
Enterprise Zone Jobs	s. 220.181	2.1
Community Contribution ($13m cap)	s. 220.183	13.0
Enterprise Zone Ad Valorem	s. 220.182	1.7
Emergency Excise Tax	s. 221.02	4.2
Hazardous Waste Facility	s. 220.184	.5
Alternative Minimum Tax (AMT)	s. 220.186	2.3
Rehabilitation of Contaminated Sites ($2m cap)	s. 220.1845	2.0
Child Care Facility ($2m cap)	s. 220.19	2.0
State Housing Tax	s. 220.185	0.2
Scholarship Funding Organizations ($88m cap)	s. 220.187	88.0

**The Florida Constitution states that there shall be exempt not less than $5,000 (Article VII, Section 5(b)).

Deductions From Florida Apportioned Income:	
University Research and Development s. 220.15(2)(c)	$5.0
ALTERNATIVE BASES	
Base Reduction Measures:	
Exempt Florida Non-Business Income s. 220.16	(7.3)
Delete Florida Alternative Minimum Tax s. 220.11(3)	(68.8)
Exempt Interest Received from Federal Government Notes and Bonds s. 220.13(1)(a)2.	(45.2)
Base Expansion Measures:	
Delete the deduction for advertising expenditures	615.2
Delete the deduction for interest expenses (include financial institutions)	4.665.4
Delete the deduction for interest expenses (exclude financial institutions)	1,902.8
Create an addition for deductible Florida Credit	Insignificant
Limit net loss carry forward to 1 year	Indeterminate
Impose a minimum payment requirement of $200:	
On C Corporations Only	30.0
On C and S Corporations	123.2
Require combined reporting of all domestic corporations (waters-edge unitary apportionment)	364.5
Adopt the throwback rule	37.2
Apply the tax to gross receipts rather than net profits:	
Status C Corporations (replace CIT)*	49,630.8
Partnerships	4,850.3

CORPORATE INCOME AND EMERGENCY EXCISE TAX
(Continued)

VALUE OF EXEMPTIONS, CREDITS, AND DEDUCTIONS	2007-08 (millions)
Status S Corporations	10,171.0
Proprietorships	8,240.6
TOTAL	72,892.7
Apply the tax to Earned Surplus (gross profits plus compensation of officers):	
Status C Corporations (replace CIT)*	14,187.1
Partnerships	4,966.2
Status S Corporations	4,620.8
Proprietorships	2,005.9
TOTAL	32,468.6

* Figure represents excess over tax revenue estimates of $2,676,600,000 for FY 2007-08.

DOCUMENTARY STAMP TAXES

Florida Statutes: Chapter 201

Administered by: Department of Revenue

Distributions**

Fiscal Year	Total Collections	Annual Change %	General Revenue	Preservation 2000 & Florida Forever Outstanding Debt Service***	Ecosystem Management and Restoration Trust Fund
2007-08*	$2,883,000,000	-7.1	$920,400,000	$363,600,000	$30,000,000
2006-07*	3,102,800,000	-23.5	660,100,000	364,900,000	30,000,000
2005-06	4,058,326,210	20.6	1,241,847,309	332,979,676	30,000,000
2004-05	3,365,221,122	27.9	1,601,160,195	321,126,299	30,000,000
2003-04	2,632,123,721	31.5	1,181,037,970	326,791,281	30,000,000
2002-03	2,001,528,246	27.28	840,865,713	304,564,685	30,000,000
2001-02	1,572,532,151	19.72	602,944,833	284,850,414	30,000,000

Distributions**

Fiscal Year	Land Acquisition Trust Fund	Water Management Lands Trust Fund	Conservation and Recreational Land Trust Fund	General Revenue Service Charge	State Housing Trust Fund	Local Government Housing Trust Fund
2007-08*	$110,900,000	$60,500,000	$100,800,000	$201,800,000	$70,500,000	$172,500,000
2006-07*	271,900,000	120,200,000	108,800,000	217,200,000	138,800,000	324,700,000
2005-06	355,733,396	157,271,607	142,330,804	283,729,405	181,424,032	424,820,566
2004-05	313,370,732	130,272,091	117,896,242	235,219.024	150,278,162	351,889,732
2003-04	230,027,951	101,696,568	101,696,568	183,928,515	117,314,255	274,701,800
2002-03	174,735,731	77,251,587	77,251,587	140,066,689	89,115,223	208,671,250
2001-02	136,124,129	60,181,194	60,181,194	109,294,778	69,423,306	162,560,868

Distributions**

Fiscal Year	Marine Resources Conservation Trust Fund	Aquatic Plant Control Trust Fund	State Game Trust Fund	DEP Water Quality Assurance Trust Fund	DACS General Inspection Trust Fund	Infrastructure/ Growth Management
2007-08*	$2,000,000	$36,100,000	$19,900,000	$6,600,000	$6,600,000	$754,100,000
2006-07*	2,000,000	65,300,000	25,700,000	7,200,000	7,200,000	754,100,000
2005-06	2,000,000	85,376,015	33,663,613	9,361,405	9,361,405	750,000,000
2004-05	2,000,000	70,719,135	27,884,431	7,754,291	7,754,291	-0-
2003-04	2,000,000	55,206,708	12,106,734	6,053,367	6,053,367	-0-
2002-03	2,000,000	41,936,576	9,196,617	4,598,309	4,598,309	-0-
2001-02	2,000,000	32,669,791	7,164,428	3,582,214	3,582,214	-0-

* Est.
** Actual distributed amounts differ from amounts collected due to refunds and beginning and ending fund balances.
*** The Legislature has authorized debt service of $5.7 million for FY 2004-05 and $28.7 million for FY 2005-06.

SUMMARY

The documentary stamp tax is actually two taxes imposed on different bases at different tax rates. The tax on deeds and other documents related to real property is at the rate of 70 cents per $100. Certificates of indebtedness, promissory notes, wage assignments and retail charge account agreements are taxed at 35 cents per $100. Revenue from documentary stamps is divided between the General Revenue Fund and various trust funds used to acquire public lands or support affordable housing.

DISPOSITION

Seven percent of total collections is deducted as General Revenue service charge. Distributions are then made as follows:

- 62.63 percent to the General Revenue Fund
- Debt service for Preservation 2000, Florida Forever, and Everglades Restoration bonds and distributions to the Ecosystem Management and Restoration Trust Fund, the Marine Resources Conservation Trust Fund, and for specific infrastructure and growth management purposes are made out of the General Revenue distribution.
- 9.5 percent to the Land Acquisition Trust Fund
- 4.2 percent to the Water Management Lands Trust Fund
- 3.801 percent to the Conservation and Recreation Lands Trust Fund
- 0.899 percent to the State Game Trust Fund
- 2.28 percent to Aquatic Plant Control Trust Fund
- 0.25 percent to Water Quality Assurance Trust Fund
- 0.25 percent to DACS General Inspection Trust Fund
- 4.8475 percent to the State Housing Trust Fund
- 11.3425 percent to the Local Government Housing Trust Fund

Effective July 1, 2007, the disposition to certain funds is capped, as described in the History section below.

BASE AND RATE

Deeds and other documents relating to realty: 70 cents per $100 or fractional part of $100 of the consideration. (In Dade County the rate is 60 cents.) Corporate shares, bonds, certificates of indebtedness, promissory notes, wage assignments, retail charge account agreements: 35 cents per $100 or fractional part of $100 of the consideration.

HISTORY

Florida first enacted a documentary stamp tax in 1931, at the rate of 10 cents per $100 of consideration. In 1957, the tax on documents relating to realty (mainly deeds) was raised to 20 cents, and the tax had been assessed at two separate rates on deeds and notes ever since. Major rate increases occurred in 1957, 1963, 1979, 1981, 1985, 1987, 1990, 1991, and 1992. In 1983, the Legislature authorized Dade County to levy a discretionary surtax on deeds of up to 45 cents for each $100 except for deeds on single family residences.

Until 1967, all proceeds from documentary stamps went to General Revenue. In that year, a surtax was imposed on documents relating to realty with the proceeds going to the Land Acquisition Trust Fund. The surtax was repealed in 1979 and replaced with an increase in the documentary stamp tax on deeds and the Land Acquisition Trust Fund was given a distribution from this tax. Since 1979, increases in the documentary stamp tax rate have been used to fund several programs, including acquisition of environmentally sensitive land, funding state infrastructure, and funding

affordable housing. In 1990, the General Revenue Service Charge was extended to the Documentary Stamp Clearing Trust Fund (among other trust funds), which reduced all distributions from this fund by seven percent on a recurring basis. Chapter 90-217, L.O.F., authorized a portion of documentary stamp tax proceeds which had been allocated to General Revenue to be used for Preservation 2000 debt services. By 2000, nine P2000 bond series were authorized by the legislature. Pursuant to ch. 92-317, L.O.F., effective July 1, 1995, the distribution to the General Revenue Fund was reduced by 8.66 percent and the distribution to the State Housing Trust Fund was increased by 8.66 percent. In 1997, transactions of real property made pursuant to the dissolution of marriage were exempted from the tax. Chapter 98-187, L.O.F., allowed promissory notes to be renewed at an increased level of obligation without the borrower having to pay documentary stamp tax on the full amount of the obligation, but only on the amount of the increase. Chapter 98-311, L.O.F., provided that documentary stamp tax receipts shall be deposited in the Ecosystem Management and Restoration Trust Fund for the purpose of funding erosion control; beach preservation, restoration, and re-nourishment; and storm and hurricane protection. This money would otherwise have been deposited in the General Revenue Fund.

In 1999, the Legislature authorized a portion of documentary stamp tax proceeds which had been allocated to General Revenue to be used for Florida Forever debt services. Additional debt service is limited to $30 million in each fiscal year for ten years and total annual debt service may not exceed $300 million. This bill also reduced the documentary stamp distribution to the Water Management Lands Trust Fund and the Conservation and Recreation Lands Trust Fund and provided for distributions to the State Game Trust Fund, the Aquatic Plant Control Trust Fund, the Department of Environmental Protection Water Quality Assurance Trust Fund, and the Department of Agriculture and Consumer Affairs General Inspection Trust Fund. In 2000, the Legislature provided that $2 million shall be paid into the Marine Resources Conservation Trust Fund annually from the documentary stamp tax General Revenue distribution. Chapter 2002-128, L.O.F., capped the amount of documentary stamp tax due on unsecured loans at $2,450. Chapter 2002-218, L.O.F., repealed the tax on original issues of stock certificates. Chapter 2002-261, L.O.F., provided for a portion of the documentary stamp tax collections to be used to pay the debt service on Everglades Restoration Bonds.

Pursuant to ch. 2005-92, L.O.F., the amounts distributed from documentary stamp tax collections to the Land Acquisition Trust Fund, Water Management Lands Trust Fund, Invasive Plant Control Trust Fund, State Game Trust Fund, State Housing Trust Fund, and Local Government Housing Trust Fund were capped. The law includes a growth factor which will increase the cap for each fund based on growth in documentary stamp collections. Calculated distributions in excess of the limits specified in the bill are to be paid into the State Treasury to the credit of the General Revenue Fund. Chapter 2005-290, L.O.F., provided $750 million annually to fund specified transportation, school, and water projects, effective July 1, 2007. The law appropriated $575 million to the State Transportation Trust Fund, $100 million to the Water Protection and Sustainability Program Trust Fund, and $75 million to the Public Education Capital Outlay and Debt Service Trust Fund from documentary stamp tax collections.

2006 LEGISLATIVE CHANGES

Chapter 2006-185, L.O.F., repealed the 50-cents per bag surcharge on oysters harvested from the waters of the Apalachicola Bay and replaced the surcharge with a $300,000 annual documentary stamp tax distribution to the General Inspection Trust Fund within the Department of Agriculture & Consumer Services (DACS) to be used to fund oyster management and restoration programs in the Bay and other areas of the state.

OTHER STATES

Taxes on documentation of the recording or transfer of certain intangibles are levied by 39 states and the District of Columbia. Although most of these states levy document recording taxes only on real estate, many, including Florida, have a more general tax levied on the transfer of deeds. In many states, the rates vary as a result of surtaxes or increased rates intended to pick up expiring federal taxes. In other states, county and municipal governments were allowed to pick up the expiring federal taxes.

DOCUMENTARY STAMP TAXES
(Continued)

VALUE OF RATE CHANGES, EXEMPTIONS, DIFFERENTIALS, REFUNDS AND ALLOWANCES

RATE CHANGE	2007-08 (millions)
Value of 1 cent levy for each $100 of consideration on deeds	$ 26.8
Value of 1 cent levy for each $100 of consideration on corporate shares, bonds, certificates of indebtedness, promissory notes, wage assignments, and retail charge account agreements	29.9
VALUE OF EXEMPTIONS AND DIFFERENTIALS	
Stock transfers (s. 201.05)	19.2
Renewal notes (s. 201.09)	71.6
Certificates of deposit (s. 201.10)	Indeterminate
Wholesale warehouse mortgage agreements (s. 201.21)	81.4
Leases	276.8
Uniform Commercial Code documents (s. 201.22)	Indeterminate
Security dealers - 30 days or less (s. 517.32)	68.9
Foreign notes (s. 201.23(1))	4.9
Obligations of political subdivisions (s. 201.24)	5.6
International banking transactions (s. 201.23(4))	25.1
Out-of-state notes held by Florida businesses (s. 201.08)	4.0
Supplements on utility bond financing (s. 201.08(4))	Indeterminate
10 cent rate differential for Miami-Dade County (s. 201.031)	29.6
Dissolution of marriage (s. 201.02(7))	10.5
Cross collateralization of loans (s. 201.08(7))	1.5
Tax only on increased amount of renewed loans (s. 201.09(1))	0.3
VALUE OF REFUNDS AND ALLOWANCES	
Agents commission (.5%) (s. 201.11(2))	14.4
Clerk of the Circuit Court fee (1% of tax on deeds) (s. 201.022(3))	18.4

DRIVER LICENSES

Florida Statutes: Chapter 322

Administered by: Department of Highway Safety and Motor Vehicles

Fiscal Year	Collections	Annual Change %	Distributions: General Revenue	Distributions: Highway Safety Operating Trust Fund
2007-08*	$185,700,000	0.07	$72,900,000	$112,800,000
2006-07*	184,500,000	1.07	74,500,000	110,000,000
2005-06	181,503,423	3.90	73,707,692	107,207,333
2004-05	174,433,403	9.66	73,537,609	100,895,794
2003-04**	159,060,366	18.7	66,387,585	92,676,781
2002-03	134,000,351	2.61	61,203,880	72,796,471
2001-02	130,588,907	4.65	58,619,781	71,969,126

* Est.

** The increase in growth during the 2003-2004 fiscal year was due to improved techniques in administering the financial responsibility program.

SUMMARY

Driver licenses fees are collected from individuals who apply for the following types of licenses (originals and renewals): Class D or Class E operators, restricted motorcycle use operators, and commercial drivers. In addition, there are fees collected for delinquent renewals, reinstatements following suspension, and reinstatements following revocation.

DISPOSITION

General Revenue Fund.

Highway Safety Operating Trust Fund.

BASE AND RATE

Six-year or four-year licenses: Original Class D or Class E operator's license fee and an original license restricted to motorcycle use only - $20.00; renewal or extension license fee - $15.00; original or renewal commercial driver's license fee - $50.00; (each of these fees includes a 50 cent per year driver's education fee earmarked for Public School Driver Education).
Additional fees: Regular endorsement - $5.00; hazardous-materials endorsement - $ 91.00; Delinquent renewal - $1.00; duplicate - $10.00, $5.00 for deposit into the Highway Safety Operating Trust Fund and $5.00 for deposit into the General Revenue Fund; replacement fee - $10.00, $9.00 for deposit into the Highway Safety Operating Trust Fund and $1.00 for deposit into the General Revenue Fund; reinstatement fee following suspension - $35.00, $15.00 for deposit into the General Revenue Fund and $20.00 for deposit into the Highway Safety Operating Trust Fund; reinstatement fee following revocation - $60.00, $35.00 for deposit into the General Revenue Fund and $25.00 for deposit into the Highway Safety Operating Trust Fund. Persons convicted of a DUI under s. 316.193 must pay an additional suspension or revocation fee of $115.00, for deposit into the Highway Safety Operating Trust Fund. Persons convicted of vehicle insurance fraud as defined under s.817.234(8) or (9), F.S. or persons

convicted of patient brokering as described in s. 817.505 are subject to a fee of $180. Drivers failing the written exam are charged $5.00 for each time they retake the exam and $10.00 for each time they retake the driving exam, for deposit into the Highway Safety Operating Trust Fund. Owners failing to maintain insurance coverage on their motor vehicle, as provided in s. 627.732, F.S., are required to pay a reinstatement fee of $150.00 for a first offense, $250.00 for a second offense and $500.00 for a third offense. In addition, the department may release driving statistics to approved applicants. The following fees are charged with the release of these statistics: a list of names, addresses, and birth dates of the licensed drivers of the entire state or part thereof by age group - $0.01 per name, a transcript of an individual's three year driving history - $2.10, a transcript of an individual's seven year driver history $3.10, a certified copy of the driver history - $3.10, a certified per page photocopy of a document - $1.00, an exemplified record - $15.00, photocopies of documents - $0.50, and assistance in searching an individual's driving record at the department's headquarters in Tallahassee - $2.00.

HISTORY

Driver licenses for operators and chauffeurs were established in 1939. Proceeds were earmarked for expenses of the Department of Public Safety. In 1951, earmarking ceased and collections were placed in the General Revenue Fund. In 1955, a 50 cent per year driver's education fee was added to the issuance of driver licenses and earmarked for public school driver education. Driver's license fee increases were adopted in 1941, 1945, 1955, 1971, 1984, and 1989. In 1983, a $4 fee was authorized in order to operate a motorcycle or motor-driven vehicle. The 1989 Legislature provided for re-classification of driver licenses and increased most chauffeur license fees to $50, effective April 1, 1991.

In 1986, reinstatement fees following a suspension or revocation of a license were increased, and such increase earmarked for deposit into the Accidents Report Trust Fund. Effective October 1, 1989, in order for a minor to receive a driver license, such minor must be enrolled in an approved educational program or have received a high school diploma, a high school equivalency or special diploma, or a certificate of high school completion. Beginning January 1, 1990, no new driver licenses may be issued until the applicant successfully completes the traffic law and substance abuse education course, as created by the 1989 Legislature. A $3 assessment fee is charged to participate in the course and deposited into the Drivers' Education Trust Fund. In 1990, the duplicate driver's license fee was raised from $5 to $10 and the replacement driver's license fee was raised from $1 to $10. The increased revenue is earmarked for deposit into the Accidents Report Trust Fund. On July 1, 1994, the Accidents Report Trust Fund and the Drivers' Education Trust Fund were re-designated as the Highway Safety Operating Trust Fund. During Special Session A of 2003, the Legislature increased reinstatement fees charged for a suspension or revocation by $10. In addition, identification card renewals were raised from $3 to $10 and a new re-exam fee was created. Drivers failing the written exam are charged $5 for each time they must retake the exam and $10 for each time they re-take the driving exam.

2006 LEGISLATIVE CHANGES

The 2006 Legislature passed HB 561 (ch. 2006-305 L.O.F.). This bill imposed additional reinstatement fees for specific types of suspended or revocated licenses. Persons convicted of patient brokering (s. 817.505, F.S.), or solicitation (s. 817.234(8), F.S.) or participating in a staged crash (s. 817.234(9), F.S.) are subject to an additional fee of $180 for each offense. These funds are earmarked for the Highway Safety Operating Trust Fund.

OTHER STATES

All states license vehicle operators. Most states issue four-year licenses at costs ranging from $4.50 to $50.00. It is common to require somewhat higher fees for a commercial license than for an operator license.

DRIVER LICENSES
(Continued)

VALUE OF RATE CHANGE AND EXEMPTIONS

RATE CHANGE	2007-08 (millions)
Value of 1% levy on all driver licenses issued	$ 0.7
VALUE OF EXEMPTIONS	
Drivers of emergency vehicles	Indeterminate
Farmers	Indeterminate
Military personnel	Indeterminate
Drivers of recreational vehicles	Indeterminate

DRYCLEANING TAX

Florida Statutes: Sections 376.303, 376.70 and 376.75

Administered by: Department of Environmental Protection and the Department of Revenue

Fiscal Year	Total Collections	Annual Change %	Gross Receipts Tax Collections	Perchloroethylene Tax Collections	Registration Fee Collections
2007-08*	$11,300,000	0.92	$10,300,000	$852,000	$135,000
2006-07*	11,200,000	1.85	10,200,000	851,000	135,000
2005-06	11,004,666	3.34	10,020,000	849,666	135,000
2004-05	10,687,236	11.86	9,673,167	879,069	135,000
2003-04	9,471,637	-11.14	8,388,000	948,637	135,000
2002-03	10,659,000	1.36	9,487,000	1,037,000	135,000
2001-02	10,516,023	-5.25	9,358,201	1,022,822	135,000

* Est.

SUMMARY

The drycleaning tax is levied in the amount of 2% on gross receipts of all drycleaning facilities from the drycleaning or laundering of clothing or other fabrics at the facility. The drycleaning facility may separately state the tax on retail receipts. An additional tax is imposed of $5 per gallon of perchloroethylene that is sold or imported by a drycleaning facility.

DISPOSITION

Total collections, less administrative costs and General Revenue Service Charge, are deposited in the Water Quality Assurance Trust Fund.

BASE AND RATE

Drycleaning Facilities and Wholesale Suppliers Registration Fee: $100 annually

Tax on the Gross Receipts of Drycleaning Facilities:
2% of the gross receipts from the drycleaning or laundering of clothing or other fabrics

$30 initial registration fee for any person taxable under the Gross Receipts of Drycleaning Facilities Tax

Tax on the Sale or Importation of Perchloroethylene:

$5 per gallon on the sale or importation of perchlorethylene by a drycleaning facility
$30 initial registration fee for any person producing or importing perchloroethylene

DRYCLEANING TAX
(Continued)

HISTORY

Taxation of gross receipts from drycleaning and laundry services and the production and importation of perchloroethylene was enacted in 1994, with proceeds used to fund drycleaning facility restoration. The 1995 Legislature adopted the following changes to the drycleaning tax: exempted uniform rental and linen supply services from the gross receipts tax, retroactive to October 1, 1994; exempted perchloroethylene not used by a drycleaning facility from the $5 per gallon tax; repealed the gross receipts tax sale-for-resale exemption; and increased the gross receipts tax from 1.5% to 2% effective January 1, 1996. The 1996 Legislature changed the disposition of funds from the Hazardous Waste Management Trust Fund to the Water Quality Assurance Trust Fund. In 1998, the Legislature clarified that the gross receipts tax applies to drop-off facilities, as well as dry cleaning facilities. The Legislature also authorized a sale for resale exemption for services provided where gross receipts are collected for those same services.

OTHER STATES

Drycleaning services are taxed under the general sales or gross receipts tax systems in 21 states, at rates ranging from .4% to 7%, plus local sales or gross receipts tax rates. Connecticut, Illinois, Kansas, Minnesota, North Carolina, South Carolina, Oregon, Tennessee and Wisconsin also levy environmental taxes on drycleaning services or materials.

ESTATE TAX

Florida Statutes: Chapter 198

Administered by: Department of Revenue

Fiscal Year	Collections	Annual Change %
2007-08*	$3,000,000	-76.0
2006-07*	12,500,000	-82.5
2005-06	71,430,865	-78.0
2004-05	324,447,976	-15.2
2003-04	382,667,040	-31.5
2002-03	558,415,378	-25.7
2001-02	751,293,360	-2.10

* Est.

SUMMARY

The estate tax is imposed on the estate for the privilege of transferring property at death. It is limited to the amount allowable as a credit against federal estate tax for state death taxes paid, and does not increase the total amount of tax paid by the estate. As a result of a change in federal law, Florida's estate tax has been phased out since 2002 and will be eliminated by 2008. (See History)

DISPOSITION

General Revenue Fund

BASE AND RATE

An estate tax is imposed on the estate for the privilege of transferring property at death. The tax on estates of resident decedents is equal to the amount allowable as a credit against federal estate tax for state death taxes paid, less any amount paid to other states. Thus, the Florida estate tax on resident decedents will not increase the total tax liability of the estate. The tax on estates of nonresident decedents is equal to the amount allowable as a credit against federal estate tax for state death taxes paid multiplied by the ratio of the value of the property taxable in Florida over the value of the entire gross estate.

HISTORY

Prior to 1924, there were no restrictions on the imposition of a Florida estate or inheritance tax. In 1924, the Florida electorate adopted an amendment to the constitution to prohibit the imposition of inheritance and income taxation. In 1930, the electorate adopted a constitutional amendment allowing the imposition of estate or inheritance taxes on residents to the extent such tax was allowed to be credited against a similar tax imposed by the federal government. In 1984, the date for filing and paying the Florida estate tax was changed to coincide with the date for filing and paying the federal estate tax. In 1991, the legislature imposed a late penalty of 5% of any unpaid tax for the first 30 days and 10% of any unpaid tax due for more than 30 days. In 1992, this late penalty was increased to 10% for the first 30 days and 20% for more than 30 days. The Federal Economic Growth and Tax Relief Reconciliation Act of 2001 phases out the federal estate tax and repeals the state credit against the federal tax by 2005. Since Section 5 of Article VII of the Florida Constitution

prohibits any estate tax in excess of the amount which may be credited upon or deducted from any similar tax levied by the United States or any state, the federal law change will eliminate Florida's estate tax by 2008.

OTHER STATES

Before the enactment of the Federal Economic Growth and Tax Relief Reconciliation Act of 2001, which phases out the federal estate tax and repeals the state credit against the federal tax, all fifty states plus the District of Columbia imposed an estate tax at least to the extent of the credit allowed against the federal estate tax, and some imposed additional estate and inheritance taxes. Since the enactment of the federal law, however, many states have amended their estate tax laws. Arkansas repealed its estate tax simultaneous with the phase-out of the state credit. The District of Columbia, Illinois, Maine, Maryland, Massachusetts, Minnesota, Nebraska, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, South Carolina, and Wisconsin have decoupled from the estate tax law. Ohio and Oklahoma have retained their pre-existing estate tax, which was not tied to the federal estate tax. All other states have retained their estate tax statutes, which are effectively nullified by the federal law effective 2005. Indiana, Iowa, Kentucky, Maryland, Nebraska, New Jersey, Pennsylvania, and Tennessee have inheritance taxes.

GROSS RECEIPTS TAX ON UTILITIES

Florida Statutes: Chapter 203; Constitution Article XII Section 9(a)

Administered by: Department of Revenue

Fiscal Year	Collections**	Annual Change %
2007-08*	$1,074,160,000	2.22
2006-07*	1,050,780,000	7.68
2005-06	975,793,335	10.61
2004-05	882,150,499	6.72
2003-04	826,593,841	5.16
2002-03	786,034,362	0.84
2001-02	779,494,043	7.83

* Est.
** Actual collections are net of refunds.

SUMMARY

The gross receipts tax is imposed at the rate of 2.5% on the gross receipts of sellers of electricity and natural or manufactured gas, and at a rate of 2.37% on the gross receipts of sellers of communications services.

DISPOSITION

Public Education Capital Outlay and Debt Service Trust Fund.

BASE AND RATE

A tax of 2.5% is imposed on the gross receipts from the sale of electricity, gas, cogenerated electrical power transmission, and a tax of 2.37% is imposed on the sale of communications services. Both privately held and publicly held corporations are required to pay the tax. Firms purchasing services for resale are granted a credit equal to the tax paid by their supplier. Gross receipts from the sale of gas used to generate electricity are exempt from the tax. Tax payments are due monthly. The gross receipts tax on communication services is remitted as a component of the communications services tax. Late penalties range from 10% to 50% of unpaid taxes.

HISTORY

A tax on gross receipts of public utility firms was enacted in 1931. The rate was set at $1.50 per $100 of receipts and remained unchanged until 1990. In 1963, collections were earmarked by constitutional amendment for funding capital outlay needs of the universities and junior colleges and for bonds. A 1974 amendment to the state constitution opened up use of these funds to include public schools and authorized the issuance of general obligation bonds in lieu of the former authorization for revenue bonds only.

GROSS RECEIPTS TAX ON UTILITITIES
(Continued)

In 1990, the 1.5% tax rate was increased to 2.0%, again to 2.25% on July 1, 1991, and to 2.5% on July 1, 1992. In addition, the tax base was expanded to include electricity produced by most cogeneration or small power producers that is in excess of electricity produced and not taxed during the twelve-month period ending June 30, 1990. In 1991, the definition of "electricity" was clarified for the purpose of the tax base; and the exemption from gross receipts tax for separately stated tax for telecommunications was repealed. SJR 2H was placed on the November 1992 ballot by the 1992 Legislature and adopted by the electorate. The amendment removed the July 1, 2025 ending date for the bonding of gross receipts taxes, permanently allowing such bonding of revenues, but with a maturity date on the bonds not to exceed 30 years from date of issuance. In 1998, Internet access fees were exempted from gross receipts and other taxes. Effective October 1, 2001, the definition of telecommunications was changed as part of a communications tax overhaul. The new definition includes cable and direct satellite television, and the rate was decreased from 2.5% to 2.37%. The gross receipts tax on communications services is remitted as a component of the communications services tax, which includes sales tax and local government tax components as well. Chapter 2003-17, L.O.F., exempted the sale of manufactured gas to an electric utility from the gross receipts tax and ch. 2003-254, L.O.F., exempted homes for the aged from the gross receipts tax on communications services.

OTHER STATES

A few states, such as Georgia and Indiana, tax public utilities the same as other businesses. Most states tax them by special forms of taxation, of which the most common is a gross receipts tax. In some states, gross receipts taxes are combined with other measures. Some special taxes on utilities are for revenue; some are simply sufficient to pay regulatory costs. Gross receipts tax rates vary from less than 1% to as much as 10%. Frequently, different rates are applied to nearly every type of utility. The Florida rate is low in comparison with states basing their tax on gross receipts; however, utilities are also subject to the Florida corporation income tax.

VALUE OF RATE CHANGE AND EXEMPTIONS

	2007-08 (millions)
RATE CHANGE	
Value of 0.1% levy on the current base	$44.0
VALUE OF EXEMPTIONS	
Sale of LP Gas – residential (s. 203.012)	14.3
Sale of LP gas – nonresidential (s. 203.012)	3.7
Sale of natural or manufactured gas used to generate electricity (s.203.01(3))	126.9
Sale of communications services to governments, tax-exempt religious or educational organizations and homes for the aged (s. 202.125)	71.3
ALTERNATIVE BASES	
Water Services	78.4
Sewer Services	73.1
Solid Waste Services	69.1

HEALTH CARE ASSESSMENTS

Florida Statutes: Sections 395.701 and 395.7015

Administered by: Agency for Health Care Administration

Fiscal Year	Total Collections	Annual Change %	Hospital Assessments
2007-08*	$320,200,000	-0.16	$320,200,000
2006-07*	320,700,000	-4.66	320,700,000
2005-06	336,377,199	-5.68	336,377,199
2004-05	356,623,966	33.31	356,623,966
2003-04	267,503,725	-17.26	267,503,725
2002-03	323,326,046	14.18	323,326,046
2001-02	283,162,726	10.19	283,162,726

* Est.

*** In 2003, a number of hospitals brought separate administrative actions challenging AHCA's implementation of those portions of ch. 2000-256, L.O.F., enacting the assessment rate changes currently in effect. A Recommended Order from the Division of Administrative Hearings was issued in 2005 and addressed application of the rate changes and any corrected assessment amounts. A Final Order was issued during calendar year 2006. Collections will be effected for all fiscal years beginning with FY 2000-01. This Final Order, affecting the assessment of approximately 90 hospitals, has been appealed and is at the First District Court of Appeals.

SUMMARY

Health care assessments are imposed at the rate of 1.5% of the net operating revenues on inpatient services of hospitals. Outpatient services assessments are imposed at the rate of 1.0% of their net operating revenues.

DISPOSITION

Public Medical Assistance Trust Fund

BASE AND RATE

The annual net operating revenue is determined by the Agency based on the health care entity's prior fiscal year experience. The assessment is payable in equal quarterly amounts on or before the first day of each calendar quarter.

HISTORY

The assessment on hospitals was enacted in 1984. The assessment was imposed on all hospitals other than those operated by the Department of Health and Rehabilitative Services (now, the Department of Health) and the Department of Corrections, at the rate of 1% of annual net operating revenue for each hospital's first fiscal year following the act, and at the rate of 1.5% for each hospital's fiscal year thereafter. The act created the Public Medical Assistance Trust Fund and specified its use to reimburse hospitals for un-reimbursed health care services provided to indigent patients. In July 1991, the assessment base was expanded to apply to ambulatory surgical centers, clinical laboratories, freestanding radiation therapy centers, and freestanding diagnostic imaging centers. In July 1992, an assessment was imposed on nursing home facilities in the amount of $1.50 for each patient day provided by the nursing home. The nursing home assessment was repealed on May 1, 1993. Outpatient radiation therapy services provided by a hospital were exempted from the assessment

in 1998. Effective July 1, 2000, hospital outpatient services assessments were imposed at the rate of 1.0% of their net operating revenues.

The Second Judicial Circuit found the ambulatory assessment an unconstitutional income tax. In 2003, on appeal, the parties entered into a court-approved settlement agreement by which the ambulatory portion of the existing monies in the PMATF were distributed and AHCA discontinued assessments.

OTHER STATES

Health care provider taxes are levied in twenty-six states. Such taxes generally are levied as a percentage of net revenue or as a bed tax per patient day. Of the twenty-six states, eighteen levy assessments on hospitals, sixteen tax nursing homes, eleven tax intermediate care facilities for the mentally retarded, two tax HMO's, one taxes gross receipts from home care providers, two tax proceeds from prescription drugs, two tax physicians, and one taxes other providers.

HOTEL AND RESTAURANT LICENSES AND FEES

Florida Statutes: Sections 509.251, 509.302, and 399.07

Administered by: Department of Business and Professional Regulation, Division of Hotels and Restaurants

Fiscal Year	Collections	Annual Change %
2007-08*	$26,000,000	0.38
2006-07*	25,900,000	-0.44
2005-06	26,014,732	10.32
2004-05	23,580,863	-0.34
2003-04	23,660,938	19.12
2002-03	19,863,400	-0.84
2001-02	20,032,837	1.88

* Est.

SUMMARY

Apartments, condominiums, hotels, motels and rooming houses, and food service establishments must pay an annual license fee to the Department of Business and Professional Regulation to cover the cost of regulation. The fee is based on the number of units for public lodging or the number of seats for food service establishments.

DISPOSITION

Hotel and Restaurant Trust Fund

BASE AND RATE

Public lodgings: Apartments - basic fee - transient unit - $100, non-transient unit - $75, plus additional amount based on number of units. 5 to 24 units - $10; 25 to 50 units - $20; 51 to 100 units - $30; 101 to 200 units - $50; 201 to 300 units - $70; 301 to 400 units - $90; 401 to 500 units - $110; over 500 units - $130. Hotels, Motels & Rooming Houses - basic fee $100, plus additional amount based on number of units, same as apartment, except single unit - $ 5; 2 to 25 units - $10. Condominiums - basic fee - $80, plus additional amount based on number of units, same as hotels, motels, and rooming houses.

Food service: Each establishment $120 plus additional amount according to seats - 0 to 149 seats $45; 150 to 249 - $60; 250 to 349 - $75; 350 to 499 - $90; 500 or more seats - $105. Mobile food dispensary vehicle licenses - $260. Temporary food service licenses - $74. Aggregate fees per establishment may not exceed $400.

Hospitality Education Fee: Imposed on each lodging and food service establishment - up to $10.

Elevator Inspection Fees: Based on the number of landings, (2) - $80, (3-5) - $85, (6-10) - $90, (11-15) - $95, over 15 - $100.

HOTEL AND RESTAURANT LICENSES AND FEES
(Continued)

HISTORY

Beginning in 1899, sanitary inspection of hotels and restaurants was assigned to the Board of Health and a $2 fee was prescribed. In 1913, hotel and restaurant inspections were taken over by a Hotel and Restaurant Commissioner. Fee changes have been made at frequent intervals by the Division of Hotels and Restaurants. From 1953 to 1975, all collections were deposited into the General Revenue Fund, from which administrative costs were appropriated. In 1975, an increase in fees was enacted and disposition of funds was changed to the Hotel and Restaurant Trust Fund. The $3 hospitality education fee was increased in 1990 to "no more than $6" and is to be "included in" instead of "in addition to" each lodging and food service license fee. In 1992, s. 559.925, F.S., providing for the licensure of receptive tour operators, was repealed. In 1996, the Legislature required that all hospitality education fees be used for the sole purpose of funding the Hospitality Education Program. In 2002, the Hospitality Education Fee cap was increased from $6 to $10.

OTHER STATES

It is common among the states to inspect and regulate hotels, motels, restaurants, and other food service establishments, by either state or local authority. This may be done by the health authorities or by some specially appointed agency.

HUNTING AND FISHING LICENSES

Florida Statutes: Chapter 372 and Section 370.0605

Administered by: Fish and Wildlife Conservation Commission

			Distributions	
Fiscal Year	Total Collections**	Annual Change %	State Game Trust Fund	Marine Resources Conservation Trust Fund
2007-08*	$29,300,000	0.34	$14,300,000	$15,000,000
2006-07*	29,200,000	-0.97	13,500,000	15,700,000
2005-06	29,488,528	3.74	15,107,326	14,381,202
2004-05	28,422,897	-7.42	13,691,075	14,731,822
2003-04	30,701,355	14.92	14,748,921	15,952,434
2002-03	26,715,106	-5.03	12,551,808	14,163,298
2001-02	28,132,879	.61	13,020,818	15,112,061

* Est.

** Total collections include $364,405 in 2001-02; $1,585,395 in 2002-03; $1,764,584 in 2003-04; $1,791,636 in 2004-05; and $1,681,710 in 2005-06; and estimates of $1,900,000 in 2006-07; and $1,900,000 in 2007-08 in five-year resident hunting and fishing license fees. Total collections also include $197,652 in 2001-02; $384,534 in 2002-03; $505,284 in 2003-04; $524,300 in 2004-05; and $521,275 in 2005-06; and estimates of $610,000 in 2006-07; and $636,306 in 2007-08 in lifetime resident sportsman and lifetime hunting and fishing license fees.

SUMMARY

Persons wanting to hunt and fish in Florida must purchase hunting and fishing licenses. Hunting, freshwater fishing licenses and saltwater fishing licenses can be purchased from the Fish and Wildlife Conservation Commission.

DISPOSITION

Hunting and Freshwater Fishing License Fees: State Game Trust Fund

Saltwater Fishing License Fees: Marine Resources Conservation Trust Fund to be used as follows: 5% is transferred to the Fish and Wildlife Conservation Commission with not less than 2.5% to be used for aquatic education. The remainder of the fees are to be used for the following program functions: 5% for administration of the licensing program and for information and education; 30% for law enforcement; 27.5% for marine research; and 30% for fishery enhancement.

Recreational Crawfish License Fees: Marine Resources Conservation Trust Fund.

BASE AND RATE

Freshwater Fishing License: resident - $12 annual; $60 5-year; lifetime - 4 years or younger - $125; 5 - 12 years - $225; 13 years or older - $300; non-resident - $30, and a 7-day $15.

HUNTING AND FISHING LICENSES
(Continued)

Hunting Game License Fees: resident - $11 annual; $55 5-year; lifetime - 4 years or younger - $200; 5 - 12 years - $350; 13 - 63 years - $500; non-resident $150. Fur-bearing Animal License: resident $25; non-resident $100.

Waterfowl Stamp: $3. Management Area Stamp: $25. Muzzle-loading Gun Stamp: $5. Archery Stamp: $5. Florida Turkey Stamp: $5. Fish Pond License: $3 per surface acre. Freshwater Fish Dealer's License: resident $40; non-resident $100. Retail Fish Dealer's License: non-resident $100. Wholesale Fish Dealer's License: non-resident $500. Wholesale Fish Buyer's License: non-resident $50. Gear License: trawl seines $50; haul seines $100. Alligator Trapping License: resident - $250; non-resident - $1,000. Sportsman License: resident only - $71. Permanent Hunting and Fishing License: resident 64 years or older - $12.

Saltwater Fishing License Fees: resident: $12 annual - $10 for 10 day licenses; $60 - 5-year; lifetime - 4 years or younger - $125; 5 - 12 years - $225; 13 years or older - $300; non-resident: $30 annual - $5 for 3 day license; $15 for 7 day license. Snook and Crawfish Permit Stamps: $2 annual. Vessel operators: Licensed to carry more than 10 customers - $800 per year; licensed to carry no more than 10 customers - $400 per year; licensed to carry 6 or less customers - $200 per year; Fishing piers charging a fee to customers - $500 per year. Resident Lifetime Sportsman License Fee: 4 years or younger - $400; 5 - 12 years - $700; 13 years or older - $1,000; 64 years or older - $12. Special Recreational Crawfish License Fee: $100 per year.

Combination Resident License Fees

Freshwater and saltwater fishing - $24 annual; Hunting, freshwater and saltwater fishing - $34 annual; Freshwater Fishing and Game Hunting License - $22.

Military Gold Sportsman's License - $18.50 annually.

HISTORY

Florida enacted a law requiring hunting and freshwater fishing licenses in 1929. License fees were increased in 1961, 1963, 1977, 1979, 1985, 1989, and 1990. There have been many new types of licenses created over the years, including a combination hunting and fishing license established in 1985 and a resident sportsman license created in 1987. In 1989, the Legislature imposed saltwater fishing licenses for the first time. In 1990, persons who operate vessels licensed to carry customers fishing for a fee were authorized to obtain a saltwater license in the name of the individual and such license is transferable to any vessel operated by such individual where appropriate fees have been paid. Resident lifetime and 5-year hunting and fishing licenses were created in 1991. A special recreational crawfish license was created by the 1993 Legislature. Disposition of saltwater fishing license fees was changed by the 1996 Legislature, depositing all such license fees into the Marine Resources Conservation Trust Fund. Chapter 98-333, L.O.F., eliminated the $10.00 for a 10-day license; created a $12 fee for a permanent hunting and fishing license for a resident 64 years of age or older; eliminated the $12 resident Lifetime Sportsman license; and reduced the 5-year Game Hunting License fee from $270 to $55. In 1999, the Legislature changed the name of the Game and Fresh Water Fish Commission to the Fish and Wildlife Conservation Commission and transferred all hunting and fishing licenses under the Commission. Chapter 2000-362, L.O.F., created the following combination residential licenses: hunting, freshwater, and saltwater fishing; and freshwater and saltwater fishing. In 2005, the legislature created the Military Gold Sportsman's License. Any resident who is an active or retired member of the U.S. Armed Forces, the U.S. Armed Forces Reserves, the National Guard, U.S. Coast Guard, or the U.S. Coast Guard Reserves is eligible to purchase the Military Gold Sportsman's License upon submission of a current military identification card. The annual sportsman license fee was changed from $66 to $71.

OTHER STATES

All states collect hunting and fishing license fees.

INSPECTION LICENSES AND FEES

Florida Statutes: (See chapters or sections listed below)

Administered by: Department of Agriculture and Consumer Services

Fiscal Year	Collections	Annual Change %
2007-08*	$34,800,000	1.75
2006-07*	34,200,000	4.91
2005-06	32,596,972	3.06
2004-05	31,626,212	-9.81
2003-04	35,066,352	1.35
2002-03	34,598,660	-2.21
2001-02	35,381,372	1.49

* Est.

SUMMARY

The Department of Agriculture and Consumer Services is responsible for the regulation and inspection of all agriculture and consumer commodities. Inspection fees are imposed on such agriculture and consumer commodities in order to cover the cost of regulation and inspection.

DISPOSITION

General Inspection Trust Fund (s. 525.10, F.S.); Citrus Inspection Trust Fund (s. 601.59, F.S.).

COLLECTIONS
(Thousands of Dollars)

Type of Inspection	Florida Statute	2001-02	2002-03	2003-04	2004-05	2005-06
Citrus Inspection Trust Fund:						
Citrus	601.28	$10,832	$8,377	$8,460	$5,168	$5,381
Citrus Crop Estimate	601.28	1,664	1,680	1,548	1,486	2,033
Citrus Licenses	601.59	26	25	22	21	19
TOTAL		$12,522	$10,082	$10,030	$6,675	$7,433
General Inspection Trust Fund:						
Gas and Kerosene Inspection	525.09	$9,808	$10,147	$10,424	$10,843	$10,768
Produce Dealers Licenses	604.19	532	568	544	562	698
Pesticide Registration	487.045	3,044	3,695	3,351	3,221	3,624
Fairs & Expos Permits	616.242	536	1,487	1,448	1,307	1,361

INSPECTION LICENSES AND FEES
(Continued)

COLLECTIONS
(Thousands of Dollars)

Type of Inspection	Florida Statute	2001-02	2002-03	2003-04	2004-05	2005-06
Fruit & Vegetable Inspection	603.12	$3,749	$3,403	$3,919	$3,928	$3,719
Feed Registration	580.041	386	392	401	400	346
Fertilizer Inspection	576.041	1,633	1,514	1,690	1,678	1,496
Seed Registration	578.08	476	467	490	499	493
Brake Fluid Permit	526.51	11	13	19	25	29
Phosphate and Lime Nitrogen	576.041	193	190	226	176	179
Telecomm. List Solicitor	501.605	1,247	1,386	677	879	984
Water Vending Permits	500.459	107	99	95	121	100
Other		1,138	1,156	1,698	1,311	1,368
TOTAL		$22,860	$24,517	$24,982	$24,950	$25,165

INSURANCE LICENSE FEES

Florida Statutes: Chapter 624

Administered by: Department of Financial Services

Fiscal Year	Collections	Annual Change %	Distributions: Insurance Regulatory Trust Fund**	Distributions: Agents County Tax Trust Fund
2007-08*	$57,000,000	0.16	$50,800,000	$6,200,000
2006-07*	56,900,000	-2.41	50,700,000	6,200,000
2005-06	58,334,593	22.74	53,088,391	5,246,202
2004-05	47,468,703	-0.63	42,667,218	4,801,485
2003-04	47,770,805	-9.46	42,836,459	4,934,346
2002-03	48,030,183	3.91	42,306,101	5,724,082
2001-02	46,223,213	11.96	41,069,947	5,153,266

* Est.

** Distributions to the Insurance Regulatory Trust Fund from insurance licenses increased in 2005-06 as a result of re-classification of "licenses" to "fees" by the Department of Financial Services.

SUMMARY

Each insurance company and insurance agent must be licensed to sell insurance in Florida. Insurance companies pay an annual license fee of $1,000, while resident insurance agents pay biennial state license fees totaling $54 and a biennial county license fee of $6.

DISPOSITION

Insurance Regulatory Trust Fund: All "state tax" portions of the agents' licenses collected necessary to fund the administrative costs of the Division of Insurance Frauds.

General Revenue Fund: Residual of all "state tax" portions of agents' licenses collections remaining after the administrative distribution to the Insurance Regulatory Trust Fund. There has been no residual to the General Revenue Fund since 1992-93.

Agents County Tax Trust Fund: "County tax" portion of license fees.

BASE AND RATE

Each insurer company: $1,000 annually.

Each property, marine, casualty, surety agent employed in Florida: $12(resident), $50(non-resident) and $42 appointment fee biennial to state, $6 biennial to county; life insurance agent: $12(resident), $20(non-resident) and $42 appointment fee biennial to state, $6 biennial to county; title insurance agent: $12 and $42 appointment fee biennial to state, $6 biennial to county. Title insurer and title insurance agent administrative surcharge: $200 annually, to be deposited in the Insurance Regulatory Trust Fund. There is a $15.00 fee for each service provided, to be deposited in the Insurance Regulatory Trust Fund.

INSURANCE LICENSE FEES
(Continued)

HISTORY

As far back as 1887, most insurers were required to be licensed in Florida. In 1903, a $5 state license tax was imposed on agents and was increased in 1925 and 1982. In 1959, an additional county license tax of $3 for each agent or solicitor was created and increased to $6 in 1982. Additional state and county license fees for title insurance agents and limited surety agents were imposed in 1985. In 1989, an annual administrative surcharge of $200 was imposed on all licensed title insurance agents. The $7.50 service fee was increased to $15. In 1992, the fee for filing application for original or modified certificate of authority of insurer was increased from $25 to $1,500 and the annual license tax of each insurer was increased from $200 to $1,000. All appointment fees were increased by $20.

OTHER STATES

All states regulate insurance companies and agents. Fees or taxes imposed vary considerably from state to state. In some instances, they may be credited against premium taxes.

INSURANCE PREMIUM TAX

Florida Statutes: Chapter 624; ss. 626.932 and 626.938; s. 252.372

Administered by: Department of Revenue and the Department of Financial Services

			Distributions**			
Fiscal Year	Collections	Annual Percent Change	General Revenue	Insurance Regulatory Trust Fund	Police & Firefighters Premium Tax Trust Fund	Emergency Management Preparedness & Assistance Trust Fund
2007-08*	$817,700,000	10.35	$749,200,000	$37,900,000	$179,600,000	$15,400,000
2006-07*	741,000,000	9.24	682,000,000	33,200,000	166,000,000	15,000,000
2005-06	678,300,000	9.12	611,700,000	29,300,000	146,100,000	14,000,000
2004-05	621,600,000	7.58	545,700,000	27,500,000	133,600,000	15,200,000
2003-04	577,800,000	12.11	492,100,000	24,100,000	127,500,000	13,300,000
2002-03	515,400,000	21.04	411,100,000	24,900,000	113,700,000	14,200,000
2001-02	426,109,000	4.14	330,900,000	21,200,000	98,800,000	12,000,000

* Est.

** Distributions do not equal collections due to cash balances, distributions to additional trust funds, surplus lines collections through the Department of Financial Services, and refunds.

SUMMARY

Taxes are imposed on insurance premiums and paid by insurance companies at the following rates: 1.75% on gross premiums minus reinsurance and return premiums; 1% on annuity premiums; 1.6% on self insurers; and 5% on surplus lines premiums and independently procured coverage.

DISPOSITION

Premium Tax: Assessments for Police and Firefighter pension funds are sent to the Department of Financial Services for distribution to local governments. Fire Marshal assessments, filing fees and $125,000 annually, adjusted by the lesser of 20 percent or the growth in total retaliatory taxes, are deposited into the Insurance Regulatory Trust Fund. The remainder of the premium tax is deposited into General Revenue. The tax on surplus lines and independently procured coverage is distributed 24.3 percent to the Insurance Regulatory Trust Fund and 75.7 percent to General Revenue.

Surcharge: Emergency Management, Preparedness, and Assistance Trust Fund, which is administered by the Department of Community Affairs.

BASE AND RATE

Premium Tax: Premium tax is applied to insurance premiums written in Florida at the following rates: gross property & casualty premiums less reinsurance and returned premiums, life premiums, accident and health premiums, and prepaid limited health premiums, 1.75%; commercial self-insurance, group self-insurance, medical malpractice self-insurance, and assessable mutual insurance, 1.6%; annuities, 1%; and surplus lines and independently procured insurance, 5%. Corporation income tax and the emergency excise tax paid to Florida are credited against premium tax liability. Exemptions are allowed on annuity premiums paid by annuity policy or contract holders in this state if the savings are passed on to the consumer. A credit is allowed against the premium tax equal to 15% of the amount paid by the insurer in salaries to employees located or

based in Florida who are covered by unemployment compensation. This credit in combination with the corporate income tax credit may not exceed 65% of the tax due for the calendar year.

Credits are also allowed for the municipal pension fund taxes, certain community contributions, certain exempt finance corporate investments, and workers compensation assessments.

Surcharge: $2 surcharge imposed on every homeowner's, mobile homeowner's, tenant homeowner's, and condominium unit owner's policy. $4 surcharge imposed on every commercial unit fire, commercial multiple peril, and business owner's property insurance policy, issued on or after May 1, 1993, pursuant to s. 252.372, F.S.

HISTORY

Adoption of a revised insurance code in 1959 carried forward previous tax arrangements which totally exempted domestic companies and partially exempted foreign companies maintaining regional home offices in Florida. In 1982, a credit was authorized against the premium tax on the emergency excise tax paid to Florida. The 1986 Legislature created the "Tort Reform and Insurance Act", which provided significant reform to the insurance law. 1988 legislation removed statutory distinctions between domestic, regional home office, and foreign insurance companies, subjecting all insurance companies to a 2% premium tax. A new salary tax credit equal to 15% of the amount paid by the insurer in salaries to non-licensed employees was authorized with a cap on the combined sum of the salary credit and the corporate income tax credit of 75% of total premium tax liability. In 1989, the premium tax rate was reduced from 2% to 1.75% and the cap on the combined salary and corporate income tax credit from 75% to 65%. The 100% exclusion from considering the salary credit when calculating retaliatory taxes was reduced to an 80% exclusion. Also, the distribution of retaliatory taxes was changed with not more than 10% going to the Insurance Commissioner's Regulatory Trust Fund and the remainder for deposit into the General Revenue Fund.

In 1990, the tax on surplus lines and independently procured insurance was raised from 3% to 5% and the amount of such assessment going to the Department of Insurance was reduced from 3% to 2.75%. Annual tax credits for the FIGA and FLHIGA guaranty association assessments were reduced from 5% to 0.1% and totally eliminated after 3 years. Insurance premium taxes levied on "multiple-employer welfare arrangement" benefit plans were repealed. In 1991, refund payments were authorized to be made in the year following over-payment of premium taxes and such payments must be made out of the General Revenue Fund.

After Hurricane Andrew in 1992, the 1993 Legislature imposed an annual $2 surcharge on every homeowner's, mobile homeowner's, tenant homeowner's, and condominium unit owner's policy and an annual $4 surcharge on every commercial fire, commercial multiple peril, and business owner's property insurance policy. All proceeds from this surcharge are deposited into the Emergency Management, Preparedness, and Assistance Trust Fund. In 1994, the community contribution tax credit was extended from June 30, 1994 to June 30, 2005, but was restricted to projects within enterprise zones or benefiting low income housing. The allowable annual contribution amount was reduced from a total of $3 million annually to $2 million annually. Beginning with the 1995 tax year, municipal pension assessments were transferred to the Department of Management Services (now the Department of Financial Services) for distribution to local governments. The 1996 Legislature once again allowed the FLHIGA assessment credit against premium taxes paid.

Beginning with the 1997 tax year, companies are allowed to take a credit of 0.1% of their FLHIGA assessments paid prior to the 1997 tax year plus a credit of 5.0% of assessments paid after the 1996 tax year. These percentage credits may be taken in each year following the payment of the assessment until the full assessment amount has been credited. In 1998, the community contribution tax credit cap was raised to $5 million and raise to $10 million in 1999.

The 2000 tax year introduced many changes in available tax credits. Insurance companies became exempt for the recurring intangible tax, which means the intangibles tax credit is no longer available. Investments in Capital

Companies (CAPCO'S) became a tax credit with a limit of $15 million for all companies per year. Investments in approved projects under s. 220.19(2) F.S., the Capital Investment Tax Credit, became available against the Insurance Premium Tax. The Child Care Credit under s. 624.5107, F.S., also became available for insurance companies to take against their Premium taxes or Corporate Income Taxes. Chapter 2003-395, L.O.F., changed the distribution of the tax on surplus lines and independently procured coverage from 55% to the Insurance Regulatory Trust Fund and 45% to General Revenue to 24.3% to the Insurance Regulatory Trust Fund and 75.7% to General Revenue.

The 2004 legislature passed four laws which impacted the insurance premium tax. Chapter 2004-27, L.O.F., increased the potential one-year Florida Hurricane Catastrophe Fund (FHCF) assessment from 4% to 6%. FHCF multiple years' aggregate assessment limit was also raised from 6% to 10%. This law also provided for an emergency assessment exemption from the insurance premium tax and the surplus lines tax. Surplus lines insurance policies were made subject to emergency assessments. Chapter 2004-370, L.O.F., eliminated a $10 fee required under s. 627.849, F.S., to file forms with the Department of Financial Services regarding insurance premium finance companies. This law, as well as ch. 2004-390, L.O.F., also provides that any local government workers' compensation self-insurance fund created after October 1, 2004, is subject to the requirements of a commercial fund for 5 years and must pay insurance premium tax. Chapter 2004-266, L.O.F., exempts the Florida Workers' Compensation Joint Underwriting Association from the premium tax and from paying assessments under ss. 440.49 and 440.51, F.S.

The 2005 Legislature passed ch. 2005-280, L.O.F., allowing foreign insurers to exclude the fraction of their salary tax credit when calculating retaliatory tax. This law also allows for mutual insurance holding companies meeting certain criteria to allocate the salaries of employees of a service company subsidiary among the insurance companies within the group that the employee services, although funding was vetoed. This law also provides that community contributions tax credits will not increase retaliatory tax owed by an insurer. Chapter 2005-94, L.O.F., exempts insurers domiciled outside the U.S. from the requirement that the insurer obtain a certificate of authority to operate from offices within Florida for transactions involving life and annuity contracts sold to non-residents of the United States. Chapter 2005-205, L.O.F., provides that any municipality that has entered into an inter-local agreement to provide fire protection services to any other incorporated municipality may be eligible to receive the 1.85 percent excise tax reported for such other municipality. In order to be eligible to receive the premium taxes, the municipality providing the fire services must notify the Division of Retirement that it has entered into an inter-local agreement with another municipality. The municipality receiving the fire services is authorized to enact an ordinance levying the tax.

OTHER STATES

Premium taxes are imposed in most states and in the District of Columbia on one or more types of insurance companies, usually in the form of excise or privilege taxes. In many states, premium taxes are in lieu of other taxes, except local property taxes. Rates for domestic companies range from .4% to 4.265%, with the average rate for all states being 2%. All insurance taxes are complicated by retaliatory taxes which nearly every state levies under some circumstances.

INSURANCE PREMIUM TAX
(Continued)

VALUE OF RATE CHANGE, CREDITS, DEDUCTIONS AND EXEMPTIONS

RATE CHANGE	2007-08 (millions)
0.5% Increase	$251.6
0.5% Decrease	(170.3)
VALUE OF CREDITS	
Community Contributions (s. 624.5105)	0.3
Corporate Income Credits Claimed (s. 624.509(4))	270.0
Florida Employee's Salaries (s. 624.509(5))	190.2
Capital Company Investment Credit (s. 288.99)	15.0
Municipal Firefighter's Pension Fund (s. 175.141)	99.9
Municipal Police Officer's Retirement Fund (s. 185.12)	92.1
Capital Investment Tax Credit (s. 220.191(2))	0.4
Child Care Credit (s. 624.5107)	0.1
VALUE OF DEDUCTIONS:	
Workers Compensation Assessments Credit (s. 440.51)	31.4
Florida Life & Health Insurance Guarantee Association Assessment (s. 631.711)	2.6
VALUE OF EXEMPTIONS:	
Annuity premiums (s. 624.509(8)) - exempt from 1% tax when savings are passed on to policy holders.	115.5
Florida Workers' Compensation Joint Underwriting Association	0.5

INTANGIBLES TAX

Florida Statutes: Chapter 199

Administered by: Department of Revenue

Fiscal Year	Collections	Annual Change %	Annual Tax**	Mortgages	General Revenue Distribution***
2007-08*	$624,500,000	-15.8	$6,000,000	$618,500,000	$624,500,000
2006-07*	741,700,000	-31.6	44,900,000	696,800,000	741,700,000
2005-06	1,085,019,940	11.1	194,489,325	890,530,615	1,085,019,940
2004-05	981,129,357	14.5	303,055,000	678,074,000	981,129,357
2003-04	857,109,293	3.70	275,124,000	581,985,000	794,988,047
2002-03	826,741,531	5.50	366,294,977	460,446,554	765,446,796
2001-02	783,316,259	9.20	450,473,698	332,842,561	726,800,993

* Est.

** Beginning January 1, 2001, accounts receivable became exempt and the annual tax on intangible assets was reduced from 1.5 mills to 1 mill. Effective July 1, 2003, the exemption against the annual tax increased to $250,000 for each natural taxpayer and spouse and a $250,000 exemption was created for businesses. Effective January 1, 2006, the annual tax on intangible assets was reduced from 1 million to 0.5 million. Effective January 1, 2007, the annual tax on intangible assets was repealed.

*** Beginning July 1, 2000, intangibles tax revenue is not distributed to the County Revenue Sharing Trust Fund. Beginning July 1, 2004, all intangible tax revenue except revenue from the tax on leaseholds is distributed to General Revenue.

SUMMARY

The tax on intangible personal property is the only property tax that the state may collect under the Florida Constitution, and the maximum rate allowed is 2 mills. (All other taxes based on property value are reserved for local governments.) Obligations secured by liens on Florida realty are taxed at 2 mills at the time they are recorded. Most intangibles tax revenue goes to the General Revenue Fund. (1 mill = .1 cent or $.001; also expressed as $1 per $1,000 or .1%)

DISPOSITION

All intangibles tax revenue is deposited into the General Revenue Fund, except for revenue collected pursuant to the tax on governmental leaseholds, which is returned to the local school boards in the counties where the leasehold property is located.

BASE AND RATE

A 2 mill non-recurring tax is imposed on obligations for the payment of money secured by liens on Florida real property. The annual 0.5 mill tax on intangible assets was repealed effective January 1, 2007. An annual .5 mill tax is imposed on governmental leaseholds. The minimum amount of tax due before a return and payment of the annual tax are required is $60.

INTANGIBLES TAX
(Continued)

HISTORY

Prior to 1924, there was no constitutional distinction between intangible property and other property, and all was subject to ad valorem taxation. The Florida Constitution was amended in 1924 to allow a special tax rate for intangible property, and in 1931 this provision was enacted into law. The 2 mill tax was assessed and collected at the county level and was deposited into the states' General Revenue Fund. In 1941 intangibles tax revenue was used to fund county tax assessors and collectors, and the remainder was divided between General Revenue (75%) and the county where collected (25%). Tax rates were changed to 1 mill on stocks and bonds, 3 mills on mortgages, and 1/20 mill on money.

In 1951, the tax rate on mortgages was reduced to 2 mills and in 1955, the disposition of intangibles tax revenue was changed to pay for retirement of state and county officers and employees, with the balance going to General Revenue. In 1957, the tax on stocks and bonds was raised to 2 mills. In 1961, the Legislature passed a 2-year phased reduction to 1 mill.

In 1967, 55% of net collections was shared with counties where collected. The Department of Revenue began assessing and collecting the tax in 1971 and the tax on money was repealed. The Revenue Sharing Act of 1972 channeled the counties 55% share through a revenue sharing formula. In 1974, the $20,000 annual exemption for each taxpayer and spouse was created.

Several changes were made to the intangibles tax in 1990. The annual tax rate was increased to 1.5 mills with an additional exemption of $100,000 per person and spouse against the additional .5 mill. The tax base was broadened to include interests in limited partnerships registered with the SEC and an exemption from the additional .5 mill levy was provided to charitable trusts which distribute 95% of their income to organizations exempt from federal income tax under s. 501(c)3. of the I.R.C. The credit that banks can take against the corporate income tax for intangible taxes paid was raised from 40% to 65% of corporate taxes due and banks were guaranteed the higher of this credit or a credit equal to 33% of their intangible tax liability. The distribution was changed in 1990 from 55% to 41.3% to the Revenue Sharing Trust Fund for Counties and from 45% to 58.7% to the General Revenue Fund.

In 1992, the tax on intangible personal property was increased from 1.5 mills to 2 mills with banks and savings associations being exempt from the .5 mill increase. The personal exemption of $100,000 for individuals and $200,000 per couple applied to the additional .5 mill. The intangibles tax distribution was changed from 41.3% to 33.5% to the Revenue Sharing Trust Fund for Counties and from 58.7% to 66.5% to the General Revenue Fund.

In 1998, several significant changes were made to the intangibles tax: the minimum amount of tax due before a return and payment is required was raised from $5 to $60 dollars; one-third of accounts receivable was exempted from the intangibles tax beginning January 1, 1999, and the act expressed the intent of the Legislature to increase the exempt amount to two-thirds on January 1, 2000, and to completely exempt accounts receivable on January 1, 2001. The penalties for late payment and late filing were limited to a total of 10 percent per month and 50 percent of the total tax due. The penalty for under reporting and undervaluation was reduced from 30 percent to 10 percent; and banks, savings associations, as defined in s. 220.62, F.S., and insurers, as defined in s. 624.03, F.S., were exempted from intangibles tax. The distribution rate was changed to 35.3% for the Revenue Sharing Trust Fund for Counties for FY 1998-1999 and to 37.7% for FY 1999-2000.

In 1999, the Legislature reduced the annual tax on intangible assets to a 1.5 mill tax rate, and increased the exemption for accounts receivable to two-thirds. The law also provided that limited liability companies may file consolidated intangibles tax returns. Certain charitable trusts were fully exempted from the annual tax, the calculation of tax on future advances was changed, and an exemption for unit investment trusts was provided. In 2000, the Legislature reduced the annual tax rate to 1 mill and fully exempted accounts receivable from the tax. It revised the treatment of Florida trusts, relieving Florida trustees of paying intangibles tax on trust assets and provided that a Florida resident with a beneficial interest

in a trust is responsible for reporting his or her share of trust assets and paying intangibles tax on it. The law also repealed the sharing of intangibles tax with counties (and replaced the revenue with sales tax). Chapter 2001-225, L.O.F., increased the exemption against the annual tax to $250,000 for each natural taxpayer and spouse, and created a $250,000 exemption for all other taxpayers, mainly businesses. These changes were postponed until the 2004 tax year in Special Session C in December, 2001. Chapter 2004-234, Laws of Florida, provides that all proceeds of the intangibles tax are deposited in the General Revenue fund, except for revenue collected pursuant to the tax on governmental leaseholds, which is returned to the local school boards in the counties where the leasehold property is located. In 2005, the Legislature reduced the annual tax on intangible assets from 1 mill to 0.5 mill.

2006 LEGISLATIVE CHANGES

Chapter 2006-312, L.O.F., repealed the annual tax on intangible personal property, effective January 1, 2007. The non-recurring tax imposed upon obligations secured by liens on Florida property and the .5 mill annual tax imposed on government leaseholds were not affected by this repeal.

OTHER STATES

Most states include income from intangible personal property in their personal income tax base. Along with Florida, the states of Kansas, Kentucky, and Pennsylvania specifically tax some form of intangible property, either by a separate tax or by inclusion in the property tax base, or provide for a local option tax on intangibles. Rates vary from state to state and between classes of property, but appear to range from 1/10 of 1 mill to 6 mills on most forms of taxable intangible personal property in those states.

VALUE OF RATE CHANGES, EXEMPTIONS, REFUNDS, ALLOWANCES, AND DISTRIBUTIONS

RATE CHANGE	2007-08 (millions)
Value of .5 mill levy on stocks, bonds, notes, etc.*	$ 161.2
Value of 1 mill levy on mortgages*	309.0
VALUE OF EXEMPTIONS	
Exemption for credit unions from state and local taxes (s. 213.12 (2))	Indeterminate
Exemption for property owned by the state or by religious, educational, or charitable institutions (s. 199.183)	Indeterminate
VALUE OF REFUNDS AND ALLOWANCES	
Clerk of Circuit Court Commission (.5%) (s. 199.135(3))	$3.1
DISTRIBUTION TO SCHOOL BOARDS	
Government leasehold collections (s. 199.292(1))	0.6

* Article VII, section 2 of the Florida Constitution states that the tax rate for both the recurring and non-recurring tax on intangible personal property cannot exceed 2 mills.

INTEREST

Florida Statutes: Sections 18.10; 18.15; 215.32; 215.44 to 215.53

Administered by: Chief Financial Officer; Board of Administration; various other agencies

Distributions

Fiscal Year	Collections	General Revenue	Trust Fund**
2007-08*	$880,300,000	$380,700,000	$499,600,000
2006-07*	1,004,400,000	448,000,000	556,400,000
2005-06	671,811,015	320,817,210	350,993,805
2004-05	565,019,777	261,881,176	303,138,601
2003-04	525,792,219	194,286,234	331,505,986
2002-03	728,648,065	271,954,944	456,693,121
2001-02	739,681,842	227,001,003	512,680,839

* Est.

** Amount of interest in Trust Fund accounts is understated by an unknown amount. This is due to the practice by some fund managers of recording both principal and interest receipts as "Sale of Investments".

SUMMARY

The Chief Financial Officer (CFO) is responsible by law for investing moneys in the State Treasury not needed for disbursement. Interest earned by the CFO is, for the most part, allocated back to the fund in which the balance exists. Since money could be needed for disbursement, investments are for short and medium time periods.

PRINCIPAL SOURCES

	2001-02	2002-03	2003-04	2004-05	2005-06
General Revenue Fund					
CFO's Investments*	$223,416,586	$268,552,491	$188,559,288	$256,451,883	$315,228,133
Other agencies	3,584,417	3,402,453	5,726,946	5,429,293	5,589,077
TOTAL-General Revenue Fund	$227,001,003	$271,954,944	$194,286,234	$261,881,176	$320,817,210
Trust Funds	$512,680,839	$456,693,121	$331,505,986	$303,138,601	$350,993,805
TOTAL-ALL FUNDS	$739,681,842	$728,648,065	$525,792,220	$565,019,777	$671,811,015
Annual Change	-21.33%	-1.49%	-2.16%	7.46%	18.9

* These figures include interest earned from the Budget Stabilization Fund. Such interest earnings are credited to the General Revenue Fund.

INTEREST
(Continued)

DESCRIPTION OF PRINCIPAL SOURCES

1. General Revenue Fund:
   a. Treasury Investments represent idle cash balances of the CFO invested in short term obligations of the United States Treasury.
   b. Budget Stabilization Fund interest earned on balances in the budget stabilization fund accrue to General Revenue.
   c. Other Sources of interest earned in General Revenue are mainly scholarship loans being repaid by recipients of prior years and investments of certain funds held by the institutions.

2. Trust Fund: Agencies collect interest in their trust fund account.

INTERGOVERNMENTAL AID

Florida Statutes: 215.32(2)(b)

Administered by: Various agencies

Fiscal Year	Collections	Federal Grants	Local Governments	Other Donations/ Federal Assistance
2007-08*	$19,401,500,000	$19,220,500,000	$63,600,000	$117,400,000
2006-07*	18,516,300,000	18,342,000,000	62,200,000	112,100,000
2005-06	17,901,188,697	17,731,979,474	60,879,601	108,329,622
2004-05	17,538,287,112	17,368,894,475	82,403,079	86,989,558
2003-04	16,702,732,294	16,271,612,119	81,321,297	349,798,878
2002-03	15,454,959,434	14,917,039,075	79,652,550	458,267,809
2001-02	14,371,575,386	13,406,853,079	92,270,627	872,451,679

* Est.

DISPOSITION

Trust Fund (various earmarked accounts as appropriate to the purpose of each type of aid received).

BASIS

Various matching formulas, depending on program. Matching required for Federal aid may vary from zero to 100%.

PRINCIPAL AGENCIES RECEIVING FEDERAL GRANTS

	2002-03	2003-04	2004-05	2005-06
Health & Human Services Grants	$7,952,415,392	$9,248,242,225	$9,409,750,282	$9,183,355,292
Dept. of Education Grants	2,013,539,086	2,244,065,576	2,453,563,485	2,568,250,547
Dept. of Transportation Grants	1,746,994,164	1,497,226,640	1,936,908,491	1,647,400,372
Labor and Workforce Innovation Grant	906,052,315	791,884,809	570,505,033	565,866,969
Other Grants	2,298,038,118	2,490,192,869	2,998,167,184	3,767,106,294
Total Federal Aid	$14,917,039,075	$16,271,612,119	$17,368,894,475	$17,731,976,474
Annual Change	11.26%	9.08%	6.74%	2.09%

LOTTERY

Florida Constitution: Article X, Section 15

Florida Statutes: Chapter 24

Administered by: Department of the Lottery

Fiscal Year	Total Collections	Annual Change %	Distributions Education Enhancement Trust Fund
2007-08	$4,252,100,000	2.00	$1,254,200,000
2006-07	4,168,700,000	5.63	1,232,000,000
2005-06	3,946,690,000	13.17	1,224,651,000
2004-05	3,487,473,000	12.99	1,028,558,000
2003-04	3,086,411,000	7.04	1,051,658,000
2002-03	2,883,489,000	22.87	1,035,178,000
2001-02	2,346,810,000	2.13	926,488,000

SUMMARY

Florida operates both instant ticket games and on-line numbers games. A portion of the proceeds from the games is retained by the state.

DISPOSITION

Total collections are distributed as follows: variable percentages, as determined by the department, of the gross revenue from the sale of online and instant lottery tickets is for prizes. Effective July 1, 2002, the Lottery was authorized, pursuant to s. 24.121(1), F.S., to increase the percentage of scratch-off game revenues for prizes and to transfer a variable percentage to the Educational Enhancement Trust Fund (EETF). Section 24.121(1), F.S., was again altered effective July 1, 2005, to allow for variable percentages for on-line games prize payouts and transfers to the EETF. The unencumbered balance which remains in the Administrative Trust Fund at the end of each fiscal year shall be transferred to the EEFT.

HISTORY

In November, 1986, voters approved Article X, Section 15 to the State Constitution, providing for a state operated lottery. The Department of the Lottery was created during the 1987 Regular Session and the state lottery officially began selling tickets on January 12, 1988. Beginning July 1989, the allocation for education was increased from 35% to 37.5% and increased again to 38% in July 1990, and to 39% in July, 2003. During the 2002 legislative session, the Legislature authorized the Department of the Lottery to determine a variable percentage of revenue from instant lottery tickets that is to be returned as prizes. The lottery is to determine that percentage to maximize the amount going to education. The change increased the scratch-off ticket sales resulting in a gain of $27.5 million in direct transfers to the EETF for FY 2002-03 and $75.1 million for FY 2003-04.

LOTTERY
(Continued)

In 2003, the legislature increased the percent of gross revenue transferred from on-line lottery tickets sales, instant ticket sales, and other earned income to the Educational Enhancement Trust Fund (EETF) from 38 percent to 39 percent. The legislature also eliminated the $180 million cap on money used from the EETF for bond requirements, and removed designated transfers going to the Classroom First program. During Special Session E, HB 43-E (ch. 2003-426, L.O.F.) transferred $30,147,947 of unclaimed lottery prize money to the EEFT.

During the 2005 regular session of the legislature, HB 841 (ch. 2005-84, L.O.F.) was passed. The bill required 80% of all unclaimed lottery prize money from online games to be deposited in the EETF and the remaining 20% to be added to future prizes or special prize promotions. The bill also authorized the department to establish variable percentages for on-line games prize payouts and transfers to the EETF.

OTHER STATES
Currently, forty-two (42) states and the District of Columbia are authorized to operate state lotteries. North Dakota does not operate their own state games. Instead, they participate in multi-state games including POWERBALL®, HOT LOTTO®, WILD CARD 2® and 2by2®. The remaining 41 states and the District of Columbia operate instant ticket games and at least one form of on-line game.

VALUE OF CHANGE IN DISTRIBUTION AND REFUNDS AND ALLOWANCES

	2007-08 (millions)
CHANGE IN DISTRIBUTION	
Value of each additional 1% of total collections distributed to the Educational Enhancement Trust Fund (Assumes at least 50% still returned as prizes)	$42.5
VALUE OF REFUNDS AND ALLOWANCES	
Retailer commissions (5% on all ticket sales and 1% cashing bonus on winnings paid out in prizes of less than $600)	238.3

MOTORBOAT LICENSES

Florida Statutes: Chapter 328

Administered by: Department of Highway Safety and Motor Vehicles

			Distributions	
Fiscal Year	Collections	Annual Change %	Marine Resources Conservation Trust Fund**	State Agency Law Enforcement Radio System Trust Fund
2007-08*	$6,300,000	-1.56	$5,300,000	$1,000,000
2006-07*	6,400,000	0.24	5,400,000	1,000,000
2005-06	6,384,116	2.18	5,413,507	970,609
2004-05	6,247,727	1.29	5,304,640	943,087
2003-04	6,167,963	-4.6	5,228,993	938,970
2002-03	6,463,302	7.29	5,541,529	921,773
2001-02	6,972,084	-48.24	6,117,379	854,705

* Est.

** Effective July 1, 2001, the county portion of vessel registration fees were retained by the county, instead of deposited into the Marine Resources Conservation Trust Fund for distribution back to the counties where collected.

SUMMARY

All motorboats operated on Florida waters must be registered annually with the Department of Environmental Protection. License fees are based on the length of the boat and range from a low of $3.50 to a high of $122.50. All counties are authorized to impose an annual vessel registration fee which must be equal to 50% of the applicable state vessel registration fee.

DISPOSITION

Marine Resources Conservation Trust Fund: Administration, recreational channel marking, public launching facilities, law enforcement, quality control programs, aquatic weed control, manatee protection, recovery, rescue, rehabilitation and marine mammal protection and recovery, and marine research.

State Agency Law Enforcement Radio System Trust Fund: Acquiring and implementing a state-wide radio communications system to serve state and local law enforcement agencies.

BASE AND RATE

All motorboats: Boats and canoes with motors under 12 feet - $3.50; others - $10.50 to $122.50, depending on length. Dealer - $16.50. $2.50 service fee to issuing agent. All counties may impose an annual vessel registration fee which must be equal to 50% of the applicable state vessel registration fee. In addition, a $1.00 surcharge annually on each vessel registration as provided for in s. 328.72, (1), F.S., for deposit in the State Agency Law Enforcement Radio System Trust Fund. In addition, a 50 cents annual fee on each vessel registration to cover the cost of the Florida Real Time Vehicle Information System for deposit into the Highway Safety Operating Trust Fund.

MOTORBOAT LICENSES
(Continued)

HISTORY

In lieu of property taxes, boats must be registered and numbered in Florida. A major portion of collections are appropriated annually for boating related programs operated by counties. The 1984 Legislature authorized the annual appropriation of $250,000 from the Motorboat Revolving Trust Fund to the Save the Manatee Trust Fund to be used to protect and recover manatee and other marine mammals. Applicants may pay an additional $2 - $5 voluntary contribution for manatee and marine protection and an additional $5 voluntary contribution to the Marine Turtle Protection Trust Fund to be used for turtle protection, research, and recovery. In 1988, a $1 surcharge was added to each annual vessel registration for deposit into the State Agency Law Enforcement Radio System Trust Fund for the acquisition and implementation of a state-wide law enforcement radio communications system. In 1990, all counties, not just those counties with a population of 100,000 or more, were authorized to impose an annual vessel registration fee. The fee must be equal to 50% of the applicable state vessel registration fee. The annual appropriation to the Save the Manatee Trust Fund was changed from a flat "$250,000" to "equal to" $1 for each vessel registration in the state. An additional 50 cents per vessel registration was authorized for transfer to the Save the Manatee Trust Fund in 1991 and vessel registrations fees were increased by 50 cents.

Chapter 95-333, L.O.F., transferred vessel registrations from the Department of Environmental Protection to the Department of Highway Safety and Motor Vehicles. Effective July 1, 1996, the vessel registration period was changed from June 1 to the vessel owner's birth month. Also, ch. 95-333, L.O.F., required county tax collectors to remit vessel registration fees to the department within 7 working days following the week the fees are collected. The 1996 Legislature terminated the Motorboat Revolving Trust Fund effective July 1, 1996, and provided for the deposit of vessel registration fees into the Marine Resources Conservation Trust Fund. Chapter 99-289, L.O.F., changed the Florida Statute references from chapter 327 to chapter 328. Chapter 99-248, L.O.F., added a 50 cents fee on every annual vessel registration for deposit into the Highway Safety Operating Trust Fund to cover the cost of the Florida Real Time Vehicle Information System. The 2000 Legislature authorized the tax collector to distribute the county portion of vessel registration fees directly to the board of county commissioners instead of to the Department of Highway Safety and Motor Vehicles for distribution back to the counties where collected. Chapter 2001-196, L.O.F., capped administrative costs for vessel registration at $1.4 million for deposit in the Highway Safety Operating Trust Fund. Chapter 2005-157, L.O.F., distributes $1 of the county portion of the state vessel registration fee to the Marine Resources Conservation Trust Fund to fund grant programs for public launching facilities.

OTHER STATES

Registration of recreational boats is required in all states. Forty-seven states conduct their own registration and licensing within terms of Federal statutes. Registration in the other three states is performed by the U. S. Coast Guard.

MOTOR FUEL & DIESEL FUEL TAXES

Florida Statutes: Chapter 206; Section 212.0501, F.S.

Administered by: Department of Revenue

Fiscal Year	Total Collections**	Annual Change %	Chapter 206 & s. 212.0501	SCETS TAX
2007-08*	$2,443,900,000	4.74	$1,761,500,000	$682,400,000
2006-07*	2,333,300,000	8.92	1,687,300,000	646,000,000
2005-06	2,228,182,321	3.08	1,611,988,322	616,193,999
2004-05	2,161,679,848	7.13	1,581,254,571	580,425,277
2003-04	2,017,720,870	5.96	1,464,159,483	553,561,387
2002-03	1,904,196,285	4.77	1,382,145,152	522,051,133
2001-02	1,817,571,056	4.33	1,327,135,872	490,435,184

* Est.

** Total collections represent gross collections and include the following:

Fiscal Year	Service Charges	Diversions***	DOR Admin. Costs	Agr. Emergency Eradication TF	Marine Resources Conservation TF	Total
2007-08*	$4,600,000	$58,700,000	$14,900,000	$10,000,000	$13,4000,000	$101,600,000
2006-07*	4,500,000	56,500,000	14,200,000	9,600,000	10,900,000	95,7000,000
2005-06	4,300,000	54,000,000	13,600,000	9,200,000	8,500,000	89,600,000
2004-05	4,400,000	48,100,000	12,700,000	8,500,000	5,000,000	78,600,000
2003-04	4,100,000	47,200,000	12,400,000	8,400,000	2,500,000	74,600,000
2002-03	3,800,000	47,700,000	11,800,000	8,000,000	-0-	71,300,000
2001-02	6,900,000	45,600,000	10,900,000	7,500,000	-0-	70,900,000

*** Diversions consist of refunds, collection fees, an annual distribution of $6.3 m to the Department of Environmental Protection for Aquatic Weed Control and other boating-related activities and $2.5 m to the Fish and Wildlife Conservation Commission (FWC) to be used for recreational boating activities and fresh water fisheries management and research.

Allocation by Type of Fuel**

Fiscal Year	Motor Fuel	Diesel Fuel	Off-Highway Fuel@	Aviation
2007-08*	$1,939,600,000	$414,000,000	$14,000,000	$76,300,000
2006-07*	1,852,300,000	391,800,000	14,800,000	74,400,000
2005-06	1,772,684,919	369,540,281	14,645,035	71,312,086
2004-05	1,729,519,927	339,204,543	20,076,392	72,878,986
2003-04	1,645,691,180	301,648,772	4,324,718	66,056,200
2002-03	1,558,942,519	277,125,991	3,444,389	64,683,386
2001-02	1,484,892,629	264,708,651	2,349,247	65,620,529

* Est.

** These Figures represent gross collections and include refunds, service charges, administrative costs, and collection allowances. The totals by fuel type will not equal Total Collections due to penalties, interest, and other adjustments.

@ The 2004-05 off-highway fuel allocation includes $10,885,587 collected in prior years, but not distributed until 2004-05.

SUMMARY

Motor fuel, diesel fuel and aviation fuel are subject to taxation in Florida pursuant to chapter 206, F.S. Motor fuel and diesel fuel used on Florida's highways are subject to the following state fuel taxes: 4 cents per gallon excise tax; fuel sales tax at a rate determined annually by adjusting the legislative initially established tax rate of 6.9 cents per gallon by the percentage change in the average of the consumer price index; State Comprehensive Enhanced Transportation System (SCETS) tax which is levied on motor fuel in each county levying a local option fuel tax, at a rate not to exceed 4 cents per gallon and on diesel fuel in each county at the rate of 4 cents per gallon. The SCETS tax on both motor fuel and diesel fuel is adjusted annually by the percentage change in the average of the consumer price index.

State fuel taxes for fiscal year 2006-07 are: motor fuel – 21.09 cents per gallon and diesel fuel – 21.1 cents per gallon. Aviation fuel is taxed at 6.9 cents per gallon. Diesel fuel used for business purposes upon which chapter 206 fuel taxes have not been paid is subject to a 6% use tax.

DISPOSITION

Chapter 206

Fuel Tax Collection Trust Fund, from which distributions are made as follows:

Constitutional fuel tax (2 cents) to the State Board of Administration for county road debt, residual to counties.

County fuel tax (1 cent) to counties.

Municipal fuel tax (1 cent) to the Municipal Revenue Sharing Fund.

Aviation Fuel Tax: State Transportation Trust Fund.

Fuel Sales Tax: State Transportation Trust Fund.

SCETS Tax: State Transportation Trust Fund.

Section 212.0501

State Transportation Trust Fund

ALLOCATION FORMULAS

Constitutional and County gas tax: Area 25%; population 25%; collections 50% (See Article XII Sec. 9(c)(4) Constitution). Foregoing subject to debt service requirements established under earlier formula. (See Art. IX, Sec. 16(a), Constitution of 1885).

MOTOR FUEL TAXES
(Continued)

BASE AND RATE

Chapter 206

Motor fuel, diesel fuel, and diesel fuel use tax, 4 cents per gallon. Counties may levy local option fuel taxes. (For details on local option fuel taxes, see pages 166-169.)

Aviation fuel, 6.9 cents per gallon.

Fuel sales tax: The tax rate is determined annually by adjusting the legislative initially established tax rate of 6.9 cents per gallon by the percentage change in the average of the consumer price index. However, the rate cannot fall below 6.9 cents per gallon. The tax is collected from the terminal supplier.

SCETS tax: Levied on motor fuel in each county levying a local option fuel tax, at a rate equal to two-thirds of the sum of the county's local option fuel taxes, not to exceed 4 cents per gallon. Diesel fuel is taxed in each county at the rate of 4 cents per gallon. On January 1 of each year the SCETS tax on both motor fuel and diesel fuel is adjusted annually by the percentage change in the average of the consumer price index. The tax is collected from the terminal supplier.

Section 212.0501

6% use tax on diesel fuel used for business purposes, upon which chapter 206, F.S., fuel taxes have not been paid.

HISTORY

Florida began taxing gasoline in 1921. Starting with a rate of one cent per gallon, Florida had a series of rate increases until it was set at seven cents in 1931. In 1939, similar taxation of special motor fuels was provided. The rate was increased to 8 cents per gallon in 1971. With enactment of Revenue Sharing in 1972, all 8th cent proceeds were allocated to cities through the Revenue Sharing Trust Fund. The Special Fuel Use Tax was created in 1980.

In 1983, the Legislature repealed the sales tax exemption on motor and special fuels and repealed the "First Gas Tax" of 4 cents per gallon. The 4 cents per gallon tax was replaced with a 5% sales tax on all motor and special fuels and aviation fuel sold in Florida. In 1984, the term "alternative fuels" was created to include fuels previously defined as "special fuels." Instead of being subject to the special fuels tax, these "alternative fuels" were made subject to fees as outlined in s. 206.87(7), F.S.

Aviation fuel was exempt from the state sales tax in 1985. Part III of chapter 206, F.S., was created, which imposed an excise tax of 5.7 cents per gallon on aviation fuel and which exempted aviation fuel from the County Voted l-cent Gas Tax and the County 1-6 cents Local Option Gas Tax. All proceeds were deposited in the General Revenue Fund. In 1986, the proceeds from the aviation fuel tax, less service charges and refunds, were redirected for distribution to the State Transportation Trust Fund from the General Revenue Fund. Certain air carriers making an election pursuant to s. 212.0598, F.S., were authorized to use the apportionment formula in s. 212.0598, F.S., for their aviation fuel tax in 1988. In 1990, the sales tax on motor and special fuel was increased from 5% to 6% and annually adjusted by the change in the average of the Consumer Price Index. The excise tax on aviation fuel was increased from 5.7 cents per gallon to 6.9 cents per gallon. Effective January 1, 1991, the State Comprehensive Enhanced Transportation System (SCETS) tax was enacted. The equalization of local option fuel taxes on diesel fuel was adopted. Effective calendar year 1994, the local option tax rate on diesel fuel was 7 cents per gallon. Chapter 94-146, L.O.F., provided that beginning in fiscal year 1997-98, all fuel tax administrative costs incurred by the Department of Revenue would begin to be phased-in over a three year period, so that by fiscal year 1999-2000, administrative costs would be deducted proportionally from all fuel taxes, except the Constitutional gas tax.

MOTOR FUEL TAXES
(Continued)

Chapter 95-417, L.O.F., re-wrote the motor and special fuel tax statutes to conform to the federal diesel fuel dyed program. All of the motor and special fuel tax provisions found in chapters 206, 212 and 336, F.S., were combined into chapter 206, F.S. The major changes, which took effect July 1, 1996, were as follows: 1) changed the point of collection for state motor fuel and state and local diesel fuel tax from the wholesaler, special fuel dealer, importer, or retailer, to the terminal supplier; 2) changed the point of collection for local option motor fuel tax from the retailer to the wholesaler; 3) provided for the tax-free purchase of dyed diesel fuel by exempt users; and 4) imposed a 6% use tax on diesel fuel used for business purposes, upon which chapter 206, F.S., fuel taxes have not been paid.

Chapter 96-323, L.O.F., provided for a 5-year aviation fuel tax credit for air carriers offering transcontinental jet service who meet certain employment criteria. Also, kerosene was defined as aviation fuel and made subject to the 6.9 cents aviation fuel tax. Chapter 97-54, L.O.F., allowed owners of noncommercial vessels to purchase tax-exempt (dyed) diesel fuel, and provided that such fuel purchases were subject to the 6% general sales and use tax. Chapter 98-114, L.O.F., provided that, effective July 1, 1999, 0.65 percent of the fuel sales tax and the SCETS tax revenues on motor fuel are to be deposited into the Agricultural Emergency Eradication Trust Fund. Chapter 98-307, L.O.F., repealed, effective July 1, 1998, the $1.5 m distribution of fuel tax revenues to the Board of Regents for the Center for Urban Transportation Research. Chapter 99-245, L.O.F., made the following changes to state fuel tax distributions: decreased the distribution to the Invasive Plant Control Trust Fund from $7.55 m to $6.3 m; and increased the distribution to the Fish and Wildlife Conservation Commission from $1.25 m to $2.5 m.

Effective July 1, 2000, ch. 2000-257, L.O.F., eliminated the 7.3 percent General Revenue Service Charge on the Fuel Tax Collection Trust Fund. The July 1, 2000 date affects motor fuel and special fuel taxes, fuel use taxes, and off-highway fuel taxes. Effective July 1, 2001, the 7.3 percent General Revenue Service Charge is eliminated on SCETS tax collections. Chapter 2000-266, L.O.F., provided that taxes paid on diesel fuel purchased in Florida and consumed by a qualified motor coach during idle time for the purpose of running climate control systems and maintaining electrical systems is subject to a refund. Chapter 2002-218, L.O.F., reinstated the aviation fuel tax exemption for certain air carriers, which expired July 1, 2001. Chapter 2003-156, L.O.F., provided that a portion of the moneys attributable to the sale of motor fuel and diesel fuel at marinas shall be transferred to the Marine Resources Conservation Trust Fund in the Fish and Wildlife Conservation Commission as follows: $2.5 m in 2003-04; $5.0 m in 2004-05; $8.5 m in 2005-06; $10.9 m in 2006-07; and $13.4 m in 2007-08 and each fiscal year thereafter. The 2004 Legislature enacted the "Florida Motor Fuel Tax Relief Act of 2004." For the month of August 2004, the "Fuel Sales Tax" on motor fuel was reduced by 8 cents a gallon. It was the intent of the Legislature that the 8 cent reduction be passed on to the consumer.

OTHER STATES

All states tax motor fuel and diesel fuel. Both motor fuel and diesel fuel state tax rates vary from 8 cents to 32.9 cents per gallon. All fifty states plus the District of Columbia charge 10 cents or more per gallon of motor fuel and diesel fuel.

VALUE OF RATE CHANGES, EXEMPTIONS, REFUNDS AND CREDITS, AND DISTRIBUTIONS

RATE CHANGE	2007-08 (millions)
Value of 1 cent levy per gallon of motor and diesel fuel (excludes off-highway use)	$ 110.3
Value of 1 cent levy per gallon on aviation fuel	11.0

(Note: Gross proceeds before deductions, transfers and refunds)

MOTOR FUEL TAXES
(Continued)

VALUE OF EXEMPTIONS	2007-08 (millions)
Sales to U.S. Government (s. 206.62)	$9.1
Farmers and Fishermen (s. 206.874(3)(a) and (e))	5.0
VALUE OF REFUNDS AND CREDITS	
Aviation Fuel Employment Refund (s. 206.9855)	13.5
Refunds to Counties (ss. 206.41(4)(d), 206.625(1), 206.874(4))	13.5
Refunds to Municipalities (ss. 206.41(4)(d), 206.625(1), 206.874(4))	7.4
Refunds to School Districts (ss. 206.41(4)(e), 206.625(2), 206.874(4))	7.7
Refunds for Farmers and Fishermen (ss. 206.41(4)(c), 206.64)	1.1
Refunds to Local Transit Systems (ss. 206.41(4)(b), 206.874(5)(d))	8.8
Dealer Collection Allowances (ss. 206.43 and 206.91)	4.9
VALUE OF DISTRIBUTIONS	
Aquatic Weed Control and Other Boating Related Activities (s. 206.606(1)(a) and (b))	8.8
Agricultural Emergency Eradication Trust Fund (ss. 206.606(1)(c) and 206.608(1))	6.4
Marine Resources Conservation Trust Fund (s. 206.606(1)(d))	13.4

DISTRIBUTION OF MOTOR FUEL AND SPECIAL FUEL TAXES

(Thousands of Dollars)

	2002-03		2003-04		2004-05		2005-06	
	Motor	Special Fuel	Motor	Special Fuel	Motor	Special Fuel	Motor	Special Fuel
STATE SHARE OF SALES TAX ON FUEL								
Dept. of Transportation	$ 768,401	$ 131,720	$ 813,454	$ 156,614	$ 837,779	$ 188,058	$ 885,794	$ 193,603
Dept. of Env. Protection - Aquatic Weed Control	5,418	882	5,418	882	5,417	882	5,418	882
Fish and Wildlife Conservation Commission	2,141	359	4,649	767	6,441	1,059	7,649	1,245
Agr. Emergency Eradication Trust Fund	5,077	-	5,388	-	5,325	-	5,895	-
Refunds - Agric. and Commercial Fish	189	-	297	-	210	-	132	-
Refunds - City Transit	1,106	-	1,200	-	655	206	134	466
Refunds - Municipal, County & School District	7,242	-	4,759	-	3,672	1,875	2,904	3,734
Refunds as Result of '96 Fuel Tax Rewrite	5,590	10,832	5,719	11,927	7,775	5,940	12,782	8,879
Administrative Trust Fund	6,398	1,162	6,401	1,161	6,651	1,232	6,800	1,582
GR Service Charge (7.3%)	-	-	-	-	-	-	-	-
TOTAL	801,562	144,955	847,285	171,351	873,925	199,252	927,508	210,391
2 CENT CONSTITUTIONAL GAS TAX								
Counties & County Road Debt	160,209	27,399	166,208	29,543	172,519	33,290	172,965	36,185
Refunds as Result of '96 Fuel Tax Rewrite	172	1,189	171	1,283	265	1,020	746	1,027
TOTAL	160,381	28,588	166,379	30,826	172,784	34,310	173,711	37,212
1 CENT COUNTY TAX								
Administrative Trust Fund	638	114	657	118	653	121	718	143
Refunds - Municipalities, Counties & School Brds.	603	-	471	-	354	178	273	350
Refunds as Result of '96 Fuel Tax Rewrite	543	944	543	968	727	811	1,189	551
County Aid	71,596	11,651	74,438	12,618	77,423	13,978	77,547	15,023
GR Service Charge (7.3%)	5,688	926	5,914	1,003	6,148	1,110	6,163	1,194
TOTAL	79,068	13,635	82,023	14,707	85,305	16,198	85,890	17,261
1 CENT MUNICIPAL TAX								
Administrative Trust Fund	638	114	657	118	653	121	718	145
Revenue Sharing Trust Fund	72,543	11,974	75,275	12,935	78,223	14,559	78,274	15,780
Refunds - Farmers and Fishermen	38	-	29	-	20	-	12	-
Refunds as Result of '96 Fuel Tax Rewrite	1,123	594	86	641	132	509	369	519
GR Service Charge (7.3%)	5,763	952	5,980	1,028	6,211	1,156	6,221	1,255
TOTAL	80,105	13,634	82,027	14,722	85,239	16,345	85,594	17,699
TOTAL: Motor & Diesel Fuel*	1,121,116	200,812	1,177,714	231,606	1,217,253	266,105	1,272,703	282,563
TOTAL: Fuel Tax Distribution	1,321,928		1,409,320		1,483,358		1,555,266	
Annual Change	4.33%		6.61%		5.25%		4.85%	

* Collection allowances, none of which are charged against the 2 cents Constitutional Gas Tax are excluded from this data. These amounts were: $3,563,758 in 2002-03; in $3,712,246 2003-04; $3,943,220 in 2004-05; and $4,342,136 in 2005-06.

MOTOR VEHICLE & MOBILE HOME LICENSES

Florida Statutes: Chapter 320

Administered by: Department of Highway Safety and Motor Vehicles

ANNUAL REGISTRATION FEES

Fiscal Year	Collections****	Annual Change %
2007-08*	$720,600,000	2.55
2006-07*	702,700,000	4.00
2005-06	675,749,214	1.46
2004-05	665,986,384	9.36
2003-04	608,329,824	7.43
2002-03	566,206,185	0.86
2001-02	561,447,861	8.50

* Est.

Note: $22.8 million in deferred distributions from 2000-01 is included in the 2001-02 totals and $8.1 million in deferred distributions from 2002-03 is included in the 2003-04 totals.

SUMMARY

Motor vehicles and mobile homes must register annually in Florida. License fees for private autos and light trucks range from $14.50 to $32.50 according to vehicle weight. License fees for truck tractors are based on gross vehicle weight and range from $45 to $979. Mobile home license fees range from $20 to $80 according to length and recreational vehicle license fees are $10 to $35 depending on vehicle type and weight.

DISPOSITION

First proceeds to District Capital Outlay and Debt Service Trust Fund (Constitution, Art. XII, Sec. 9(d)); mobile home licenses to local governments except for $1.50 per tag which goes to the General Revenue Fund; $.50 to repay costs of the retro-reflective tag feature; $.50 to cover the costs of the Florida Real Time Vehicle Information System; $1.00 for the Air Pollution Control Trust Fund; $1.50 for the Transportation Disadvantaged Trust Fund; $2.50 motorcycle safety education fee for deposit into the Highway Safety Operating Trust Fund; $.10 per motor vehicle and moped registration for deposit into the Emergency Medical Service Trust Fund; $1.00 surcharge on each annual motor vehicle registration (except mobile homes) for deposit into the State Agency Law Enforcement Radio System Trust Fund; $5.00 surcharge on each commercial motor vehicle having a gross vehicle weight of 10,000 lbs. or more for deposit into the State Transportation Trust Fund; $2.00 motor vehicle license surcharge on each annual motor vehicle registration except mobile homes for deposit into the State Transportation Trust Fund; $2.00 motor vehicle license replacement fee on each annual motor vehicle registration except mobile homes for deposit into the Highway Safety Operating Trust Fund; $1.00 surcharge on each annual motor vehicle registration except mobile homes to be deposited as follows: 58 percent into the General Revenue Fund and 42 percent into the Grants and Donations Trust Fund in the Department of Juvenile Justice to fund the community juvenile justice partnership grants program; and the remainder to the State Transportation Trust Fund.

MOTOR VEHICLE AND MOBILE HOME LICENSES
(Continued)

Distributions****

Fiscal Year	School**	State Transportation Trust Fund***	General Revenue	Local Govt.
2007-08*	$124,900,000	$595,700,000	$766,000	$18,900,000
2006-07*	121,900,000	580,800,000	758,000	18,800,000
2005-06	118,862,918	520,916,517	750,563	18,564,821
2004-05	115,498,726	516,130,620	750,281	17,491,389
2003-04	114,286,138	460,457,884	751,323	18,731,161
2002-03	110,504,442	455,701,743	788,214	18,998,981
2001-02	108,626,638	452,821,223	768,292	19,095,622

Distributions****

Fiscal Year	Emergency Medical Services Trust Fund	State Agency Law Enforcement Radio System Trust Fund	Highway Safety Operating Trust Fund
2007-08*	$2,200,000	$18,600,000	$73,100,000
2006-07*	2,100,000	18,100,000	71,400,000
2005-06	2,053,705	18,034,913	70,795,656
2004-05	1,966,040	18,146,538	67,485,976
2003-04	1,925,540	16,792,901	66,591,758
2002-03	1,293,042	15,742,875	61,946,843
2001-02	1,721,215	14,994,574	59,658,631

* Est.

** Includes public schools and community colleges.

*** Includes the $2.00 Motor Vehicle License Surcharge of $30.0 million in 2001-02, $31.5 million in 2002-03, $33.0 million in 2003-04, $34.5 million in 2004-05, $36.0 million in 2005-06, and estimates of $36.2 million in 2006-07 and $37.2 million in 2007-08.

**** Collections and Distributions exclude fees of $.50 for retro-reflective feature, $.50 for the Florida Real Time Vehicle Information System Fund, $1.00 for the Air Pollution Control Trust Fund, $1.50 for the Transportation Disadvantaged Trust Fund, $.60 motor vehicle theft prevention surcharge, $.40 General Revenue Surcharge, $1.25 service charge, and mailing fee if mail service is used.

MOTOR VEHICLE AND MOBILE HOME LICENSES
(Continued)

BASE AND RATE

Passenger cars: $14.50 to $32.50 in three weight classes.
Trucks: $14.50 to $32.50 in three weight classes.
Truck Tractors: $45 to $979 per vehicle, according to gross vehicle weight: 5001-72,000+.
Semi-Trailers drawn by a GVW truck tractor by means of a 5th wheel: $10 annual or $50 permanent registration.
Trailers for private use: less than 501 lbs, $5.00; 501 lbs or more $2.50 plus $.75 per CWT; for hire: less than 2,000 lbs, $2.50 plus $1.00 per CWT, 2000 lbs or more, $10.00 plus $1.00 per CWT.
Wrecker License Plates: $30 flat or $87 to $979 according to gross vehicle weight: 10,000 - 72,000+.
Antique Cars & Trucks: $7.50 flat.
Recreational Vehicles: $10 to $35 depending on vehicle type and weight.
Mobile Homes: $20 to $80 in eight groups according to length.
Motorcycles: $10.00 + $2.50 motorcycle safety education fee.
Mopeds: $5.00 + $2.50 motorcycle safety education fee.
Motorized Bicycles: $5 flat, one-time fee.
Local Buses and Buses/Autos "for hire": $1.50 per 100 lbs plus $12.50.
Dealer and Manufacturer License Plates: $12.50 flat.
School Buses: $30 flat.
Specialized Vehicles: Varying rates up to $32.50.
Temporary Tags: $2 each. Exempt: $3.00 for permanent tag.
Transporter Tags: $75 flat.
Permanent Fleet Tags: $6.00, in addition to applicable license tax pursuant to s. 320.08.
Sample License Plates: $10.00 flat.
Annual Fleet Management Fee: $2.00 flat.

In addition to the license taxes stated above, the following taxes are imposed: $2.00 surcharge on each annual motor vehicle registration except for mobile homes; $2.00 motor vehicle license replacement fee on each annual motor vehicle registration except for mobile homes; $.10 on each motor vehicle as defined in s. 320.01, F.S., and on each moped, as defined in s. 316.003(2), F.S.; $1.00 surcharge on each annual motor vehicle registration as provided for in s. 320.08, F.S., (except for mobile homes); and $5.00 surcharge on each commercial motor vehicle having a gross vehicle weight of 10,000 lbs. or more.

NEW-WHEELS-ON-THE-ROAD FEE

			Distributions**	
Fiscal Year	Total Collections	Annual Change %	State Transportation Trust Fund	General Revenue Fund
2007-08*	$147,500,000	2.00	$147,500,000	-0-
2006-07*	144,600,000	-0.04	144,600,000	-0-
2005-06	150,621,976	1.21	149,455,228	-0-
2004-05	148,816,089	5.64	103,468,672	44,343,717
2003-04	140,870,729	06.0	99,896,243	42,812,676
2002-03	132,943,236	0.90	93,385,912	40,022,534
2001-02	131,764,000	-5.12	91,148,721	39,081,554

* Est.
** Distributions do not equal total collections due to refunds and General Revenue Service Charge.

MOTOR VEHICLE AND MOBILE HOME LICENSES
(Continued)

DISPOSITION

Effective July 1, 2005 100% of the "new-wheels-on-the-road" fee is deposited into the State Transportation Trust Fund. Prior to fiscal year 2005-06, $30 of the "new-wheels-on-the-road" fee was deposited into the General Revenue Fund and the remaining $70, less the General Revenue Service Charge, was deposited into the State Transportation Trust Fund. (Effective July 1, 2001, the 7.3 percent General Revenue Service Charge was eliminated on the $100 "new-wheels-on-the-road" fee.)

BASE AND RATE

$100 on the initial registration of private automobiles and light trucks, except when the person registering the vehicle is replacing a vehicle already registered in Florida.

HISTORY

Motor vehicle licensing began in 1905, with one-time registration. In 1917, annual registrations began. By constitutional amendment adopted in 1930, motor vehicles as property were exempted from personal property assessments. Major revisions to the law occurred in 1927, 1931, 1947, and 1975. Re-classification of vehicles were made in 1953, 1959, 1961, 1972, and 1975. In 1963, rates were increased substantially and a transition to fiscal year licensing rather than calendar year was begun. Constitutional earmarking of the amount required to meet fixed capital outlay allocations under the Minimum Foundation Program ("school tag fees") was approved in November 1952, and amended in 1964 and 1972. In 1965, by constitutional amendment, the following were added to the constitutional categories of motor vehicles: mobile homes, house trailers, camper-type mobile homes, and similar equipment. However, if these are permanently attached to the land, they are taxable as real estate. All mobile home license fees above $2.00 went to the school district (50%) and county or city (50%) in which they were registered. Rates for truck-tractors and semi-trailers were revised in 1973 and 1983. The disposition of revenues was amended in 1977 to distribute, for the first time, 36.5% to the State Transportation Trust Fund. By 1985, all revenues remaining after school districts receive first proceeds were transferred into the State Transportation Trust Fund.

A three-tier tag schedule for passenger cars and light trucks was created in 1977 and license fees for such motor vehicles were increased by $2.00 per tag in 1983. In 1984, provisions were made for the issuance of apportioned motor vehicle licenses in accordance with the International Registration Plan. In 1989, a $30 "new-wheels-on-the-road" fee was imposed upon the initial registration of certain automobiles for private use, trucks weighing less than 5,000 pounds, and recreational vehicles, for deposit into the Law Enforcement Trust Fund. In 1990, the $30 "new-wheels-on-the-road" fee was increased to $100, with the additional $70 for deposit into the General Revenue Fund. In addition, a $295 motor vehicle impact fee on the initial application for registration of certain automobiles for private use, trucks weighing less than 5,000 pounds, and recreational vehicles, was enacted effective July 1, 1990. The revenues from the impact fee were for deposit into the General Revenue Fund. The imposition of the $295 motor vehicle impact fee was changed in 1991 to require payment at the time of original titling of a motor vehicle previously titled outside the state. In 1991, all motor vehicle license tag fees, except mobile homes, included a $2.00 surcharge for deposit into the State Transportation Trust Fund. Also in 1991, a $2.00 motor vehicle license replacement fee was levied on each annual motor vehicle registration, except mobile homes, for deposit into the Motor Vehicle License Replacement Trust Fund.

In 1992, a $.50 surcharge was levied on all motor vehicle license taxes imposed under s. 320.08, F.S., except for mobile homes, to be deposited into the Florida Motor Vehicle Theft Prevention Trust Fund. During the 1994 legislative session, the $.50 motor vehicle license fee for deposit into the Transportation Disadvantaged Trust Fund was increased to $1.50 and the temporary tag fee was increased from $1.00 to $2.00. The 1995 Legislature increased the $.50 motor vehicle theft prevention surcharge to $1.00. Chapter 95-140, L.O.F., repealed s. 319.231, F.S., the $295 vehicle impact fee. Chapter 96-413, L.O.F., made the following changes to chapter 320: provided for a $50 semi trailer permanent license plate;

MOTOR VEHICLE AND MOBILE HOME LICENSES
(Continued)

provided an exemption from the $100 new-wheels-on-the-road tax for ancient or antique cars or trucks for private use and required that a transfer of title between households must be between family members living in the same house in order for such transactions to be exempt from the new-wheels-on-the-road tax; increased mobile home sticker fees based on length; and reduced the number of motor vehicles from 1,000 to 250 for a permanent fleet license plate.

Chapter 97-300, L.O.F., provided the following exemptions from the $100 new-wheels-on-the-road tax: for any member of the U.S. Armed Forces, or his or her spouse or dependent child, who was a resident of Florida at the time of enlistment, who purchased a motor vehicle while stationed outside of Florida and who continues to be stationed outside Florida; and for a motor vehicle registration that is being transferred from a vehicle that is not operational, in storage or will not be operated in Florida. Chapter 97-300, L.O.F., also provided for a $10 sample license plate and provided for a wrecker license plate, with fees ranging from $87 to $979, according to gross vehicle weight. Chapter 98-324, L.O.F., requires that a wrecker used to tow a vessel must register and pay a license tax based on gross vehicle weight. Chapter 98-202, L.O.F., allowed disabled persons to apply for a disabled license plate at no fee beyond the regular license tax. The disabled license plate would replace the $13.50 long-term disabled parking placard.

Chapter 99-248, L.O.F., created an annual $12.50 manufacturer license plate, increased the Challenger license plate use fee from $15 to $25, and reduced the annual fleet license fee from $6.00 to $2.00. Effective July 1, 2001, ch. 2000-257, L.O.F., eliminated the 7.3 percent General Revenue Service Charge on the $100 new-wheels-on-the-road fee. Also, effective July 1, 2005, the entire $100 "new-wheels-on-the-road" fee will be deposited into the State Transportation Trust Fund. Chapter 2002-235, L.O.F., requires all taxes and fees collected under chapter 320, F.S., by county officials to be submitted by electronic funds transfer to the State Treasury no later than 5 working days, instead of 7 working days as provided for in chapter 116, F.S., after the close of the business day in which the funds were received. Chapter 2002-20, L.O.F., eliminated the $13.50 state portion paid for a long term disabled parking placard. Chapter 2003-179, L.O.F., changed the distribution of the $1.00 surcharge imposed per motor vehicle license registration pursuant to s. 320.08046. F.S., by eliminating the 18% distribution to the Florida Motor Vehicle Theft Prevention Trust Fund and increasing the General Revenue distribution from 40% to 58%. Chapter 2004-337, L.O.F., amended the requirements for requests to establish specialty license plates by requiring a sample license plate that confirms to specifications and increasing from 15,000 to 30,000, the results of a scientific sample survey of Florida motor vehicle owners that intend to purchase the proposed specialty license plate.

OTHER STATES

Motor vehicles are licensed in all states. In some states, motor vehicles are subject to personal property taxes in addition to licenses. Most states base fees for private vehicles on weight, some employ a combination of horsepower and weight, and a few relate the fee to original value of the car. Fees for commercial vehicles are based on weight, capacity, or both. Farm vehicles are commonly exempted or subjected to lower fees.

VALUE OF RATE CHANGES AND EXEMPTIONS

RATE CHANGE	2007-08 (millions)
Value of 1% levy on all licenses sold	
Passenger Cars	$ 2.9
Light Trucks	.7
Heavy truck/truck tractors	1.3
All Other	1.6
Total	6.5

MOTOR VEHICLE AND MOBILE HOME LICENSES
(Continued)

VALUE OF EXEMPTIONS	2007-08 (millions)
Boy Scouts, Churches, etc. (s. 320.10)	.7
State and local government vehicles (s. 320.0655)	.8
Miscellaneous (disabled veterans, Seminole Indians, wheelchair users, etc.) (ss. 320.084, 320.0841, 320.0842 1/2 year tags (s. 320.0705)	1.3

PARI-MUTUEL TAX

Florida Statutes: Chapter 550

Administered by: Department of Business and Professional Regulation; Division of Pari-Mutuel Wagering

Fiscal Year	Collections**	Annual Change %	General Revenue Distributions***	Annual Change %
2007-08*	$30,700,000	-5.36	$20,800,000	-33.17
2006-07*	32,400,000	-3.49	31,100,000	125.96
2005-06	33,576,121	6.23	13,766,088	-16.84
2004-05	31,605,998	-2.12	16,554,587	-27.76
2003-04	32,288,952	-0.85	22,916,726	+34.79
2002-03	32,565,699	-7.47	17,001,581	-8.06
2001-02	35,195,989	1.32	18,491,730	13.45

* Est.

** Collections do not include collections for other state agencies, such as the escheats and unclaimed tickets which flow through to the State Principal School Fund or proceeds which go to the Quarter Horse Racing Trust Fund and the proceeds of charity and scholarship days.

*** Does not include service charges to General Revenue. Estimates include $14.6 million in 2006-07 and $4.5 million in 2007-08 from slot machines licensing.

BASE AND RATE

	Thoroughbreds	Harness	Quarter Horse	Greyhounds	Jai-Alai
Daily License Fee					
Live Simulcast	$100 per race $500 per day	$100 per race $500 per day	$100 per race $500 per day	$80 per race $500 per day	$40 per game $500 per day
Admissions Tax	15% or 10 cents, whichever is greater No tax applies to free or complimentary passes	15% or 10 cents, whichever is greater No tax applies to free or complimentary passes	15% or 10 cents, whichever is greater No tax applies to free or complimentary passes	15% or 10 cents, whichever is greater No tax applies to free or complimentary passes	15% or 10 cents, whichever is greater No tax applies to free or complimentary passes
Tax on Handle					
Live	0.5% of handle	0.5% of handle	1.0% of handle	5.5% of handle 7.6% of handle for charity performances	2.0% of handle
ITW	2.0% of handle 0.5% of handle (I)	3.3% of handle 0.5% of handle (I)	2.0% of handle 0.5% of handle (I)	5.5% of handle 3.9% of handle on regular performances, and 7.6% on charity performances (II) 0.5% of handle (I)	7.1% of handle 6.1% of handle (III) 3.3% of handle (IV) 2.3% of handle (III) 0.5% of handle (I)
Simulcast	0.5% of handle	0.5% of handle	1.0% of handle	5.5% of handle	2.0% of handle
ITW of Simulcast	2.4% of handle 0.5% of handle (I and V)	1.5% of handle 0.5% of handle (I)	2.4% of handle 0.5% of handle (I)	5.5% of handle 3.9% of handle (II) 0.5% of handle (I)	Same as intertrack 0.5% of handle (I)

PARI-MUTUEL TAX
(Continued)

	Thoroughbreds	Harness	Quarter Horse	Greyhounds	Jai-Alai
Tax Credits	A credit not to exceed 1% of paid taxes in the previous fiscal year. The amount shall equal contributions made by the permitholder directly to the Jockeys' Guild or its health and welfare fund during the taxable year.			Permitholders receive tax exemptions equal to either $360,000 or $500,000. Permitholders receive a tax credit equal to the amount of daily license fees on live races conducted in the previous state fiscal year. Permitholders may transfer unused portions of the $360,000 tax exemption or daily license fee tax credit. Permitholders receive a tax credit each state fiscal year in an amount equal to the actual amount remitted in escheated tickets the prior state fiscal year.	Any permitholder that has incurred tax on handle and admissions tax that exceeds operating earnings in FY 97-98 or beyond is entitled to a tax credit. A $30,000 performance exemption if live handle during the preceding state fiscal year was less than $15 million. Permitholders are entitled to a tax credit each state fiscal year in an amount equal to 25% of the actual amount remitted in escheated tickets the prior state fiscal year.
Tax Credits Special Events	Breeders' Cup Meet				Jai Alai Tournament of Champions
Breaks					
Live	To permitholder	To Fl Std-Bred Breeders & Owners Association	To Fl Quarter Horse Breeders and Owners Association	To permitholder	To the players as awards
ITW	To permitholder	To permitholder	To permitholder	To permitholder	To permitholder
Simulcast	To permitholder	To permitholder	To permitholder	To permitholder	To permitholder

(I) If the host track and guest tracks are thoroughbred permitholders or if the guest is located outside the market area of the host track and within the market area of a thoroughbred permitholder currently conducting a live race meet.
(II) If the permitholder is in Tampa-St. Pete, Dade-Broward, or Jacksonville area, and as specified in s. 550.615(6) or (9), F.S., among greyhound permitholders, then tax at alternative rates.
(III) If the permitholder is in Dade-Broward, the tax is 6.1%, except if current tax > FY 1992/93 tax then tax at 2.3%.
(IV) If the permitholder is restricted from conducting live games on a yearly basis, then tax at 3.3% when current tax > FY 1992/93 tax.
(V) If the guest is a thoroughbred permitholder located more than 35 miles away, the host track shall pay 0.5% tax and 1.9% to guest solely for purses.

HISTORY

Pari-mutuel betting was first authorized in 1931 with the handle taxed at 3% plus an admissions tax. Jai-alai frontons were authorized in 1935 with the same tax provisions. In 1941, a tax on "breaks" was enacted. Daily license fees were authorized in 1963. Legislation in 1971 placed a ceiling of $446,500 on the amount of racing revenues distributed annually to each county. The pari-mutuel laws were substantially revised during the 1980 Legislative session.

In 1984, all permitholders were authorized to withhold an additional 1% commission from exotic wagers to be used for capital improvements, with a 50% surtax on the additional commission. In 1987, the Legislature authorized the Florida Pari-mutuel Commission to annually make recommendations to the Legislature for additional operating days. Additional taxes on handle for additional racing days were provided. Jai-alai and dog racing permitholders were authorized to withhold in fiscal year 1989-90, up to an additional 2% from exotic wagers. The additional 2% was subject to a 17.5% surtax per percentage point. In 1990, intertrack wagering was authorized, with a 3% tax rate on handle for horses and a 6% tax rate on handle for greyhound racing and jai-alai. The additional 2% takeout on exotic wagering authorized for fiscal year 1989-90 to greyhound and jai-alai permitholders was allowed to continue. The Legislature

adopted a provision that any increase in future years over the amount of taxes paid from all types of pari-mutuel wagering in fiscal year 1989-90 will be redistributed as tax credits to greyhound and jai-alai permitholders.

The 1991 Legislature passed CS/SB 1342, which repealed effective July 1, 1992, most of the pari-mutuel statutes, including tax credits and exemptions. Basic provisions relating to taxes and wagering were not repealed. The lower tax rate for intertrack wagering (ITW) was repealed, subjecting ITW to the higher tax rates. The 1992 Legislature failed to reenact the pari-mutuel statutes. During Special Session A, the 1993 Legislature reenacted the regulatory authority of the Division of Pari-mutuel Wagering and the former permitting and licensing provisions, with some modifications. Tax credits and exemptions and the lower ITW tax rate were not reenacted. In 1993, new tax structures for jai alai games, live harness races, and thoroughbred races were established. Another statutory change adopted in 1993 provided that if a jai alai or horseracing permitholder does not pay state taxes for 2 consecutive years and incurs no tax liability for failure to operate a full schedule of live races, the permit escheats to the state. The state may reissue the permit to a qualified applicant. Also, the Breeders' Cup Meet was reestablished, but without tax credits. In 1994, the daily license fee for jai alai was reduced from $80 to $40 per game and the tax on handle for live jai alai performances was reduced from 7.1 percent to 5 percent of handle. However, when the live handle during the preceding state fiscal year is less than $15 million, the tax shall be paid on handle in excess of $30,000 per performance per day. Chapter 94-328, L.O.F., created s. 550.2704, F.S., and authorized the licensing of one special Jai Alai Tournament of Champions Meet. The meet will consist of four performances at different locations each year. During the 1995 Legislative Session, no legislation was passed that impacted fees or taxes. The only major legislation that was enacted was in reference to various technical matters in chapter 550, F.S.

The 1996 Legislature enacted major pari-mutuel tax law changes. The significant changes were as follows: capped daily license fees on simulcast racing at $500 per day; reduced tax rate on horse racing intertrack simulcast handle from 3.3% to 2.4%; reduced tax rate on greyhound intertrack handle from 7.6% to 6%; reduced the tax rate on jai alai intertrack handle from 7.1% to 6.1%; reduced the tax rate on live jai alai handle from 5% to 4.25%; eliminated the breaks on live greyhound handle, permitting such breaks to be retained by the permitholder instead of the state; greyhound permitholders were entitled to a tax exemption on their first $100,000 of live handle with a total tax credit of either $500,000 or $360,000 per fiscal year and an $80 per race tax credit multiplied by the number of live races conducted in the previous fiscal year; and full-card simulcasting was permitted for all thoroughbred, harness, and jai alai permitholders.

In addition, the 1996 Legislature permitted the operation of card rooms at pari-mutuel facilities if such activity is approved by ordinance by the county commission where the pari-mutuel facility is located. The fee to operate a card room is $1,000 for the first card table and $500 for each additional cartable. A card room can only be operated in conjunction with live pari-mutuel wagering. The gross receipts of a card room are taxed at a rate of 10%. One-quarter of the revenues deposited into the Pari-Mutuel Trust Fund from card room operations is to be distributed to the counties where the card rooms are located.

The 1997 Legislative Session transferred the daily operation of the PMW Laboratory to the University of Florida, College of Veterinary Medicine, for Fiscal Year 1997/98, during which time a feasibility study of the operations of the laboratory was conducted. Greyhound racing purse requirements became effective October 1, 1996, and during the 1996-97 fiscal year, the Division completed its comprehensive review of greyhound purse payments and established the minimum purse percentages to be used for compliance purposes. The 1998 Legislature passed into law three bills. Two of the bills, CS/SB 440 and HB 1747, became effective on May 24 and contained continued tax breaks for the pari-mutuel industry by repealing the sunset language enacted in 1996. CS/SB 440 provided for the removal of the admission tax on free passes and complimentary cards issued by all permitholders. The bill allowed simulcasting beyond 10 p.m., reduced various tax rates on all wager types, and provided for a feasibility study of the Hialeah Race Track to be performed to address State or municipal ownership. The 1999 Legislative Session allotted an additional $700,000 to facilitate the relocation of the PMW Racing Laboratory from Tallahassee to Gainesville.

PARI-MUTUEL TAX
(Continued)

In 2000, the Florida Legislature passed a 76-page amendment affecting pari-mutuel wagering, which included $20 million in tax reductions for permitholders and an assortment of other revisions to chapter 550, F.S. The following is a brief synopsis of what is contained in the amendment, which became effective, July 1, 2000:

- Reduced taxes for greyhound permitholders to an estimated amount of $14.4 million annually.
- Reduced taxes for thoroughbred permitholders to an estimated amount of $4.5 million annually.
- Reduced taxes for jai alai permitholders to an estimated amount of $430,000 annually.
- Reduced taxes for harness permitholders to an estimated amount of $600,000 annually.
- Designated the $29.9 million paid annually to the counties be dispersed directly from the General Revenue Fund rather than the Pari-Mutuel Trust Fund.
- Increased tax credits associated with the Breeders' Cup Championship Meet for certain eligible permitholders.
- Reduced the frequency of tax and fee payments made by the permitholder to the Division from twice a week to once a week.
- Provided jai alai permitholders the option of conducting one additional Charity Day performance.
- Provided the authority for the Department to enter into an Interstate Compact that will reduce the administrative burden of issuing duplicative licenses to applicants from states that choose to participate.
- Eliminated the licensing requirement for all restricted licensees.

Section 10, of ch. 2000-354, L.O.F., reenacted and amended paragraph (2) (a) of s. 550.09515, F.S., as amended by s. 4, ch. 98-190, L.O.F. Effective July 1, 2001, the tax on live handle for thoroughbred horseracing was set at 0.5 percent. In 2003, s. 849.086, F.S., was amended to allow permitholders who operate a cardroom to raise the pot limits from a $10 pot to a bet limit of $2 for up to three raises per round of play. Additionally, horseracing permitholders would be permitted to conduct simulcast racing after 7:00 PM and simultaneously operate a cardroom. Sections 550.26165 and 550.2625, F.S., modified the criteria for breeders' awards and the payment of special racing awards to owners of winning Florida-bred thoroughbred horses.

Chapter 2005-288, L.O.F., reduced the number of live performances constituting a full schedule from 100 to 40 for certain jai alai permitholders. Permitholders taking advantage of this reduction are required to pay the same amount of tax as they paid during the last year in which they conducted at least 100 live performances. Additionally, any quarterhorse permitholder wanting to substitute thoroughbred races or take intertrack wagering signals would have to have approval from other permitholders in its proximity. Finally, transfer of cardroom licenses is permitted, with no referendum required if the permitholder relocates its permit within the same county as its existing pari-mutuel facility.

VALUE OF RATE CHANGES

RATE CHANGE	2007-08 (millions)
Value of 1% levy on pari-mutuel handle (Assuming no additional track allowance)	
Greyhound	$1.9
Jai-Alai	0.3
Harness and Thoroughbred	3.4
Inter-track Wagering	7.7
Total	13.3
Value of 1% tax on admission	Insignificant

POLLUTANT TAXES

Florida Statutes: Chapter 206 Part IV and Sections 403.718, 403.7185, and 403.7215

Administered by: Department of Revenue

		Distributions**		
Fiscal Year	Total Collections	Coastal Protection	Water Quality***	Inland Protection
2007-08*	$283,400,000	$8,000,000	$32,300,000	$243,200,000
2006-07*	276,800,000	7,800,000	31,500,000	237,500,000
2005-06	270,558,110	7,615,773	30,807,965	232,134,372
2004-05	269,863,348	7,715,823	31,522,036	230,625,989
2003-04	258,214,447	7,673,436	30,013,829	220,527,182
2002-03	246,333,682	7,498,682	29,445,000	209,390,000
2001-02	241,826,557	7,375,813	28,761,863	205,688,861

* Est.

** Distributions do not equal total collections due to cash balances, refunds, and service charges to general revenue.

*** The Water Quality numbers include the following revenues and estimates for the $1.50 lead-acid battery fee: 2001-02 - $9.5 million; 2002-03 - $9.5 million; 2003-04 – 9.4 million; 2004-05 – $10.7 million; 2005-06 – $9.5 million; 2006-07 - $9.6 million and 2007-08 - $9.7 million

SUMMARY

Every barrel of pollutant produced in or imported into Florida is subject to the pollutant tax. Taxable pollutants include petroleum products including gasoline and diesel fuel, pesticides, ammonia, chlorine, solvents, and motor oil and other lubricants. In addition, each new tire sold at retail is subject to a $1 waste tire fee and each new or remanufactured lead-acid battery is subject to a $1.50 lead-acid battery fee.

DISPOSITION

Florida Coastal Protection Trust Fund: Tax for Coastal Protection

Water Quality Assurance Trust Fund: Tax for Water Quality

Inland Protection Trust Fund: Tax for Inland Protection

BASE AND RATE

Tax For Coastal Protection: 2 cents per barrel of pollutant, produced in or imported into the state until the balance in the Coastal Protection Trust Fund equals or exceeds $50 million. For the fiscal year immediately following the year in which the balance equals or exceeds $50 million, the excise tax will be discontinued until it is necessary to reinstate the tax. If off-shore oil drilling is approved off Florida's coast, the cap on the trust fund is raised to $100 million and if a catastrophic discharge of pollutants occurs, the tax can be increased up to 10 cents a barrel.

POLLUTANT TAXES
(Continued)

Tax for Water Quality: $1.50 per new or remanufactured lead-acid battery; 2.36 cents per gallon of solvents; 1 cent per gallon of motor oil or other lubricants; and 2 cents per barrel of petroleum products, ammonia, and chlorine produced in or imported into the state, until the unobligated balance of the Water Quality Assurance Trust Fund equals or exceeds a balance of $12 million, at which time the tax will be discontinued until it is necessary to reinstate the tax. If the unobligated balance of the fund is or falls below $3 million, the tax will be $1.50 per new or remanufactured lead-acid battery; 5.9 cents per gallon of solvent; 2.5 cents per gallon of motor oil or other lubricants; 2 cents per barrel of ammonia; and 5 cents per barrel of petroleum products, pesticides, and chlorine, until the unobligated fund balance exceeds $5 million, at which time the tax shall revert to the lower rate. Estimates are based on second tier rates (see ss. 206.9935(2)(b) and 403.7185(1), F.S., for details).

Tax for Inland Protection: 30 cents per barrel of pollutant, produced in or imported into the state if the unobligated balance of the Inland Protection Trust Fund is between $100 million and $150 million; 60 cents if the unobligated balance of the fund is above $50 million, but below $100 million; and 80 cents if the unobligated balance of the fund is $50 million or less. If the unobligated balance in the fund exceeds $150 million, the tax shall be discontinued until such time as the unobligated balance reaches $100 million. Estimates are based on third tier rates (see s. 206.9935(3)(b), F.S., for details).

Waste Tire Fee: There is a $1 per tire fee imposed on each new motor vehicle tire sold at retail. The fee is imposed on tires sold separately or as component parts of a new motor vehicle. The fee is not imposed on recapped tires. The proceeds from the waste tire fee are deposited into the Solid Waste Management Trust Fund. Waste tire fee revenues are as follows: 2001-02 - $19.5 million; 2002-03 - $18.9 million; 2004-05 - $22.2 million; and 2005-06 - $23.0 million. Estimated revenues for 2006-07 and 2007-08 are $23.4 million and $23.6 million.

Hazardous Waste Taxes and Fees: Local governments within Florida may assess a 3% gross receipts tax on facilities within their jurisdictions that store or dispose hazardous waste, with the proceeds being used for facility inspection, security and road construction costs related to the facility, and environmental protection purposes. The revenues are as follows: 2001-02 - $1.0 million; 2002-03 - $1.0 million; 2003-04 - $0.95 million; 2004-05 - $0.88 million; and 2005-06 - $0.85 million. Estimated revenues for 2006-07 and 2007-08 are $0.85 million.

HISTORY

In 1974, under s. 376.11, F.S., a pollutant tax of 2 cents per barrel of pollutant was levied and revenues deposited into the Florida Coastal Protection Trust Fund. As part of the "State Underground Petroleum Environmental Response Act of 1986", the 1986 Legislature replaced the pollutant tax provisions of chapter 376, F.S., with Part IV of chapter 206, F.S., which provides for the taxation of each barrel of pollutant produced in or imported into the state. The definition of "pollutant" included specified petroleum products as well as pesticides, ammonia, and chlorine. In addition to the Coastal Protection Trust Fund and the Water Quality Assurance Trust Fund, the Inland Protection Trust Fund was created and a tax imposed.

In 1987, the tax was expanded to include all pollutants as defined above, not just petroleum products. In 1988, the Legislature expanded the list of products subject to the Water Quality Assurance Tax to include solvents, lead-acid batteries, and motor oil or other lubricants and provided a two-tiered tax rate as well as adopting waste newsprint disposal fees. Solvent mixtures were added to the list of taxable pollutants under the Water Quality Assurance Tax in 1989 and tax rates were adjusted. The lead-acid battery tax was transferred to chapter 403, F.S. In 1990, provisions were adopted to increase the cap on the Coastal Protection Trust Fund if the U.S. Department of the Interior approves offshore oil drilling, excluding natural gas drilling activities, in waters off Florida's coast; and if a discharge of catastrophic proportions occurs, the Governor and Cabinet may, by rule, increase the levy of the pollutant tax to an amount not to exceed 10 cents per

gallon for a period of time necessary to pay any proven claims against the fund and to restore the balance to $50 million. In 1992, the tax for inland protection was increased from 10 cents to 30 cents per barrel of taxable pollutant if the unobligated balance of the trust fund falls between $100 million and $150 million; increased from 20 cents to 60 cents if the unobligated balance of the trust fund is above $50 million, but below $100 million; and increased from 30 cents to 80 cents if the unobligated balance of the trust fund is $50 million or less. The 1-cent Advance Disposal Fee, which was originally enacted in 1988 to take effect in 1992, was substantially amended and took effect October 1, 1993. The fee was scheduled to increase to 2 cents per container on January 1, 1995. Pursuant to ss. 71 and 72 of ch. 88-130, L.O.F., waste newsprint disposal fees and the advance disposal fee were repealed effective October 1, 1995. In 1996 , the Legislature eliminated solvent mixtures from the definition of taxable pollutants, thus exempting them from the Water Quality Tax.

2006 LEGISLATIVE CHANGES

Chapter 2006-16, L.O.F., changed the fuel tax distribution by decreasing the transfer of funds to the Inland Protection Trust Fund and increasing the distribution to the Florida Coastal Protection Trust Funs.

OTHER STATES

Thirty states besides Florida impose some form of pollutants, environmental protection, or oil contingency tax. California, Hawaii, Louisiana, Maine, Maryland, New Jersey, New York, and Washington impose a barrel-volume pollutants tax similar to that in Florida. Missouri and New Mexico impose petroleum products loading fees. The remaining twenty states impose pollutants tax on gallons of taxable pollutants produced or imported into the state. Twenty-three states impose a tax or fee on tires to pay for waste tire disposal.

VALUE OF RATE CHANGES AND EXEMPTIONS

RATE CHANGE	2007-08 (millions)
Value of:	
1 cent levy per barrel of petroleum product	
Coastal Protection	$ 3.8
Water Quality	3.5
Inland Protection	3.0
10 cent levy per battery	0.6
1 cent levy per gallon of motor oil or other lubricant	0.9
1 cent levy per gallon of solvent	0.3
Total	$12.1

VALUE OF EXEMPTIONS

Florida Coastal Protection Tax: (s. 206.9941(3))	
Crude Oil produced and exported from a well by pipeline, truck, or rail storage or stoppage.	Indeterminate
Inland Protection Tax: (s. 206.9941(1))	
Grades no. 5 and no. 6 residual oils	20.0
Intermediate fuel oils (IFO) used by taxpayer for marine bunkering with viscosity of 30 or higher.	2.0
Asphalt Oil	2.4
Petrochemical feed stocks	2.4
Pesticides, ammonia, chlorine and derivatives	0.2
Hydraulic fluid (such as brake and transmission fluid)	0.2

PROFESSIONAL AND OCCUPATIONAL LICENSING FEES

Florida Statutes: Chapter 454 through 493 (Title XXX)

Administered by: Department of Business and Professional Regulation

Fiscal Year	Collections**	Annual Change %
2007-08*	$45,600,000	-17.98
2006-07*	55,600,000	-2.98
2005-06	57,309,809	-12.19
2004-05	65,268,237	35.57
2003-04	48,143,668	-8.74
2002-03	52,758,077	52.57
2001-02	34,577,713	-19.89

* Est.
** Includes a 7.3 percent General Revenue Service Charge.

SUMMARY

Many professions and occupations are regulated by the Department of Business and Professional Regulation and pay annual or biennial examination and license fees designed to cover the cost of regulation.

DISPOSITION

Professional Regulation Trust Fund. Revenue receipts are subject to a 7.3% General Revenue Service Charge.

BASE AND RATE

Statutes under which each board operates usually specify rates for examinations, licenses, and renewals. Certain boards are authorized to set fees, especially those in the accountancy, architecture, and the construction industry.

OTHER REGULATED PROFESSIONS AND OCCUPATIONS

Numerous other occupations, professions, and businesses are regulated through various departments of state government, usually with assistance from boards composed of members of regulated activities. From 1976-80, as a result of Sunset and Sundown legislation, major changes were made in the Department's structure and the responsibilities of the many regulatory boards that serve it. In 1983, ch. 83-329, L.O.F., made changes affecting the Department, various regulatory boards and nearly all of the professions currently regulated. License fees and caps have been increased over the years for a number of professions and new laws enacted to regulate professions for the first time. Chapter 92-149, L.O.F., required that professional license fees be set at a level sufficient to cover the costs of regulation of the profession. Professional licensing boards were given the authority to impose a one-time fee assessment to cover such costs. If a licensing board fails to increase fees to cover costs, then the Department is authorized to increase fees. Chapter 92-33, L.O.F., transferred the regulation and licensing of the medical profession from the Department of Business and Professional Regulation to the Agency for Health Care Administration. Chapter 97-312, L.O.F., provided for the privatization of the regulation of the engineering profession. Chapter 2003-416, L.O.F., amended s. 456.072(4), F.S., to define "costs related to the investigation and prosecution of a case", enabling the Department of Health or a regulatory board to collect such costs. Prior to ch. 2003-416, L.O.F., costs were not assessed because they were not defined.

SALES AND USE TAX

Florida Statutes: Chapter 212

Administered by: Department of Revenue

Fiscal Year	Collections@	Annual Change %
2007-08*	$23,581,500,000	4.81
2006-07*	22,498,800,000	3.15
2005-06	21,812,428,112	9.77
2004-05	19,870,288,112	11.54
2003-04	17,814,131,452	8.81
2002-03	16,371,953,988	2.03
2001-02	16,045,462,607	1.58

Distributions of the General Sales and Use Tax**@

Fiscal Year	General Revenue	Local Governments ***	Ecosystem and Restoration Management Trust Fund	Sports Facilities Transfer	Emergency Distribution	Public Employees Relations Commission Trust Fund
2007-08*	$20,934,400,000	$2,556,700,000	$47,200,000	$22,000,000	$19,500,000	$1,800,000
2006-07*	19,977,300,000	2,436,100,000	44,900,000	20,300,000	18,600,000	1,700,000
2005-06	19,367,389,624	2,362,466,167	43,453,669	19,466,712	18,016,900	1,635,040
2004-05	17,628,880,647	2,164,556,215	39,513,733	19,466,712	16,375,383	1,495,422
2003-04	15,709,166,123	2,038,316,431	35,622,143	19,466,712	10,060,400	1,499,643
2002-03	14,424,052,486	1,886,561,303	32,743,827	19,466,712	9,129,660	-0-
2001-02	14,148,026,001	1,836,890,357	32,126,039	19,466,712	8,953,498	-0-

* Est.
** These figures reflect estimated distributions based on the state's fiscal year of July 1 to June 30.
*** Local Government distributions include the half-cent, county and municipal revenue sharing, and the shift of $29,915,500 to counties that used to be funded from pari-mutual tax revenues.
@ These figures include state Communication Services Taxes imposed under chapter 202, F.S.

For details, please see: http://edr.state.fl.us/conferences/generalrevenue/grconference.htm

SUMMARY

Florida's sales and use tax is a 6% levy on retail sales of most tangible personal property, admissions, transient lodgings, commercial rentals, and motor vehicles.

DISPOSITION

General sales and use tax:

Ecosystem and Restoration Management Trust Fund: 0.2% of total sales tax collections.

Local Government Half-cent Sales Tax Clearing Trust Fund: 8.814% of collections remaining after distribution to the General Revenue Fund in the amount previously distributed to the State Infrastructure Fund and the Ecosystem and Restoration Management Trust Fund. Beginning July 1, 2003, the amount to be transferred to the Local Government Half-cent Sales Tax Clearing Trust Fund was reduced by 0.1%. The 0.1%, less $5,000 each month, is distributed to the Public Employees Relations Commission Trust Fund.

Emergency Distribution: After the above mentioned distributions, 0.095% is transferred to the Local Government Half-cent Sales Tax Clearing Trust Fund, along with $5,000 per month, and distributed to qualified counties pursuant to s. 218.65, F.S.

County Revenue Sharing: After the above distributions, 2.044% is transferred to the County Revenue Sharing Trust Fund. (These distributions used to be funded from intangibles taxes.)

Municipal Revenue Sharing: After the first three distributions, 1.3409% is distributed to the Municipal Revenue Sharing Trust Fund. (These distributions used to be funded from tobacco taxes.)

County Distribution: $29,915,500 is distributed to counties in even shares. (These distributions used to be funded from the pari-mutuel tax.)

Professional Sports Franchise: $166,667 distributed monthly to each applicant who qualifies as a "facility for a new professional sports franchise" and $41,667 monthly to each applicant who qualifies as a "new spring training franchise".

Professional Golf Hall of Fame: $166,667 distributed monthly to an applicant certified by the Office of Tourism, Trade and Economic Development, for up to 300 months.

International Game Fish Association World Center: $83,333 distributed monthly to an applicant certified by the Office of Tourism, Trade and Economic Development, for up to 180 months.

General Revenue Fund: Remainder of taxes remitted.

Mail Order Sales Tax:

Mail Order Sales Tax Clearing Trust Fund: Payment to cooperating states for sales tax collected on mail orders pursuant to s. 212.06(5)(a)2., F.S.

Rental Car Surcharge (#): After deduction of administrative fees and the General Revenue Service Charge:

State Transportation Trust Fund: 80% of the rental car surcharge collections which are estimated to be $122.1 million in 2006-07 and $124.2 million in 2007-08.

Tourism Promotion Trust Fund: 15.75% of the rental car surcharge collections which are estimated to be $24.0 million in 2006-07 and $24.4 million in 2007-08.

Florida International Trade and Promotion Trust Fund: 4.25% of the rental car surcharge collections which are estimated to be $6.5 million in 2006-07 and $6.6 million in 2007-08.

For details, please see: http://edr.state.fl.us/conferences/transportation/transport.htm

(#) Revenues are not included in Collections on the previous page.

BASE AND RATE

Chapter 212, F.S.: 6% - Retail sales of most tangible personal property items; admissions to amusements; transient lodgings; commercial rentals; motor vehicles; and ships and commercial fishing equipment. 6% - burglar protection services; detective services; nonresidential cleaning and pest control services; and the sale of rare coins. 7% - nonresidential electric services and 4% - coin-operated amusement machines. Use tax is imposed at corresponding rates. The 6.8% tax on cable and non-residential telephone services can be found in chapter 202 – see the communications services tax chapter in this publication.

Mail order sales - 6% for goods transported to a person in this state; for goods transported outside Florida, the rate is based on the tax laws of the cooperating states.

Rental Car Surcharge: $2.00 per day is imposed upon the lease or rental of for-hire vehicles designed to carry less than nine passengers.

HISTORY

Since enactment in 1949, Florida's sales tax rate and/or base has been changed to some degree in nearly every legislative session. The most substantial increases were: in 1957, when inexpensive clothing, motor vehicles (1% rate), mixed drinks, cigarettes, and industrial machinery ($1,000 maximum) were added; in 1968, when rates were increased from 3% to 4% on most items (2% on motor vehicles); in 1971, when rates on motor vehicles were made equal to the state rate; in 1982, when rates were increased from 4% to 5% and for the first time a portion of the receipts were deposited into a trust fund; (the trust monies, approximately 10 percent of total receipts, were distributed annually to eligible municipal and county governments); and in 1988 when the rates were again increased from 5% to 6%.

Chapter 83-310, L.O.F., created the "estimated sales tax liability" which was equal to 66% of the current month's sales tax liability or 66% of the tax liability for the same month in the prior year. The estimated sales tax liability rate of 66% was replaced in 1984 with a declining schedule from 50% for 1986 to 10% in 1990 and set for repeal by December 31, 1990. Chapter 90-132, L.O.F., increased the estimated sales tax liability for businesses with annual sales tax liability in excess of $200,000 from 10% to 66%, and in 1991 the threshold for estimated sales tax payments was reduced to $100,000.

The 1986 Legislature passed ch. 86-166, L.O.F., which repealed the sales tax exemption for all services and for 44 non-service exemptions effective July 1, 1987. During the 1987 regular session, the Legislature passed CS/SB 777, ch. 87-6, L.O.F., and CS/HB 1506, ch. 87-101, L.O.F., which integrated the tax on services with the current tax on tangible

personal property, providing a number of exemptions from the tax on services and reinstating selected service and non-service exemptions repealed in 1986.

During Special Session D in December 1987, the Legislature passed CS/CS/SB 5D & 6D, ch. 87 548, L.O.F. Effective January 1, 1988, the sales tax on all services taxed in 1986 or 1987 was repealed and the general sales tax rate was increased from 5% to 6%. The formula for the distribution of the half-cent sales tax to local governments was also changed. The cap on the State Infrastructure Fund was changed in 1987 and 1988. The "Fairness in Retail Sales Taxation Act" was created in 1987. The act requires every retailer who transacts a mail order sale in Florida to levy, collect, and remit the state sales tax.

In 1988, an additional annual sales tax dealer registration fee of $25 to $50 was levied and the transfer of 0.2% of total sales tax collections to the Solid Waste Management Trust Fund was required. The dealer collection allowance was amended in 1988, 1990, 1991, and 1992. A surcharge of 50 cents per day was imposed upon the lease or rental of for-hire motor vehicles designed to carry less than nine passengers in 1989 and increased to $2.00 in 1990, with the $1.50 increase for deposit into the State Transportation Trust Fund. The distribution for the rental car surcharge was changed in 1991. In 1991, the admissions tax was applied for the first time to all recreational or physical fitness facility fees. Amusement game machine sales were made subject to the sales tax in 1991. The gross receipts from vending machine sales became taxable at a calculated rate. Effective July 1, 1992, the 1991 Legislature authorized $166,667 of sales tax revenue to be distributed monthly to each applicant who qualifies as a "facility for a new professional sports franchise" and $41,667 to be distributed monthly to each applicant who qualifies as a "new spring training franchise".

In 1992, the sales tax on nonresidential telecommunication and electric services was increased from 6% to 7%. Effective September 1, 1992, a 6% sales and use tax was imposed on burglar protection services, detective services, nonresidential cleaning and pest control services, and the sale of rare coins. The dealer collection allowance was capped at $30 per month and enterprise zone tax credits were revised. In addition, penalties for failure to pay sales and use taxes were doubled. Services that are subject to the state sales and use tax were made subject to local option sales and use taxes in 1993. The exemption from the local option tax for goods which cost more than $5,000 does not apply to service transactions. In addition, conditions under which a sale of tangible personal property or a service is deemed to occur in a certain county and when a local option tax applies to dealers outside a county were revised. The Legislature authorized $166,667 of sales tax revenue to be distributed monthly to an applicant certified by the Department of Commerce as the professional golf hall of fame, for up to 300 months. In 1994, the emergency distribution from the Local Government Half-cent Sales Tax Clearing Trust Fund to qualified counties was changed from an annual General Revenue appropriation of not less than $5.5 million to 0.054% of remaining sales tax collection after specific distributions. Effective January 1, 1995, the sales tax on amusement machines was reduced from 6% to 4% and effective July 1, 1995, an annual $20 sticker per amusement machine was required. In 1995, the per-machine decal for amusement machines was replaced by a location certificate for the number of machines at a location times $30. The sports facility rebate was expanded to include current sports franchises.

The 1996 Legislature adopted a sales tax exemption for charges of electricity used to run certain machinery and equipment. The exemption was phased in over a five-year period beginning July 1, 1996.

Also in 1996, the $100,000 threshold for qualification for the machinery and equipment sales tax exemption for expanding businesses was decreased to $50,000. In addition, the new and expanding industry sales tax exemption was expanded to include printing firms and those publishing firms that export at least 50 percent of their finished product out of the state. The 1997 Legislature adopted a sales tax exemption for Internet access service and similar on-line computer services by removing them from the definition of telecommunication services. In addition, ch. 97-50, L.O.F., created the Rural Job Tax Credit Program and the Urban High Crime Area Job Tax Credit Program. Each program authorizes qualified corporations to take a tax credit per eligible employee of $500, $1,000 or $1,500. This credit can be taken against the sales and use tax or the corporate income tax, but not both. The 1998 Legislature enacted a sales tax free week in August 1998 for clothing sold for $50 or less. It also extended the reduced 3% tax rate for some agricultural equipment to the rental of

such equipment and to a variety of other agricultural equipments. Also, exempted from sales tax was machinery and equipment purchased for a printing facility that expands by at least 10% and pollution control and solid waste management equipment.

The 1999 Legislature re-enacted a sales tax free week this time, however, it lasted 9 days and covered clothing sold for less than $100. The threshold for estimated payments was raised to $200,000 and the percentage lowered to 60%. Also, exemptions for the labor portion of repair of machinery and equipment, various advertising agency and printer purchases, and overhead expenses for government contractors were enacted. The 2000 Legislature enacted new exemptions for the space and semi-conductor industry, for the movie and entertainment industry, and for all 501(c)(3) organizations. It also repealed the additional registration fee for large dealers. Previously funded distributions to local government from the intangibles, tobacco, and pari-mutual tax revenues are now made from the sales tax. Also, effective October 1, 2001, the taxation of communications services was moved to a new chapter 202. The 2001 Legislature enacted a tax holiday on purchases of clothing and school supplies of $50 or less.

In 2003, Chapter 2003-404, L.O.F., reduced the sales tax distribution to the Local Government Half-cent Sales Tax Trust Fund by 0.1% effective July 1, 2003. The 0.1% of sales tax collections is distributed to the Public Employees Relations Commission Trust Fund, less $5,000 each month. The $5,000 each month is distributed to qualified counties pursuant to s. 218.65, F.S.. Chapter 2003-402, L.O.F., changed sales tax distributions to local governments in order to provide funding for the judicial system. Effective July 1, 2004, sales tax distributions were changed as follows: the Local Government Half-cent Sales Tax Trust Fund was reduced from 9.653% to 8.814%; the Emergency Distribution was increased from 0.065% to 0.095%; the County Revenue Sharing Trust Fund was reduced from 2.25% to 2.0440%; and the Municipal Revenue Sharing Trust Fund was increased from 1.0715% to 1.3409%. The 2005 Legislature enacted sales tax holidays for clothing, books, school supplies, and hurricane preparedness articles. The Legislature also re-enacted the community contribution credit and increased the cap to $12 million, as well as fully exempting agricultural equipment.

2006 LEGISLATIVE CHANGES

The 2006 Legislature enacted sales tax holidays for clothing, books, school supplies, energy efficient products, and hurricane preparedness articles The Legislature also expanded the sales tax exemptions for machinery and equipment used to increase productive output, used in R&D, or used in defense or space technology facilities.

OTHER STATES

Alaska, Delaware, Montana, New Hampshire, and Oregon do not have a state sales tax. Rates in other states (other than special rates for specified types of transactions) vary from 2.9% to 7%. The most common rates are 4%, 5%, and 6%; however, many states allow local option sales taxes. Nine states have higher state rates than Florida. Sixteen states have higher state and local rates than Florida, where at least one local jurisdiction levies that rate. Individual state's rates can be found at: www.taxadmin.org.

SALES AND USE TAX
(Continued)

VALUE OF RATE CHANGES AND DISTRIBUTIONS

RATE CHANGE	2007-08 (millions)
Value of 1% levy on tax base Chapter 212, F.S.	$3,930.3

Note: The above estimate does not take into account reduced or increased demand as a result of the price effect of a tax change.

DISTRIBUTION TO LOCAL GOVERNMENT	
Local Government Half-cent Sales Tax (s. 218.61, F.S.)	1,832.8
County Revenue Sharing (s. 212.20(6)(d)5.)	419.1
Municipal Revenue Sharing (s. 212.20(6)(d)6.)	274.9
County Share (s. 212.20(6)(d)7.)	29.9
Emergency Distribution (s. 218.65, F.S.)	19.5
Public Employees Relations Commission (s. 212.20(6)(d)3.)	1.8
ALTERNATIVE BASES	
Convert sales tax to an invoice-credit value added tax (Tax all final consumption @ 6%)	30,544.3
Broaden resale exemption under current sales tax to exempt any business purchase	(6,810.5)

EXCLUSIONS, EXEMPTIONS, DEDUCTIONS AND CREDITS FROM THE SALES & USE TAX

In Statutory Order

Line No.	Enactment Date	Florida Statute		FY 2007-08 (in $ m)	Ex. Type
1	1949	212.02(1),212.04(1)(b)	Federal tax on admissions.	0.5	H
2	1990	212.02(1)	Hospital physical fitness facility charges.	2.2	H
3	1949	212.02(2)	Occasional or isolated sales by businesses and individuals. (*1)	25.1	M
4	1970	212.02(2)	Rent on low income housing.	63.7	H
5	1990	212.02(2)	Leasing of real property between certain corporations.	5.6	B
6	1979	212.02(10)(g)	Per diem and mileage charges paid to owners of railroad cars.	1.5	B
7	1995	212.02(10)(j)	Privilege, franchise and other fees paid to do business at airports	8.6	B
8	1949	212.02(14)(a)	Items purchased for subsequent resale. (*2)	36,285.8	(*)
9	1949	212.02(14)(c)	Materials used for packaging.	35.2	B
10	1949	212.02(14)(c)	Components or ingredients of processed or manufactured goods.	insig.	B
11	1998	212.02(14)(c)	Parts incorporated into repair for resale	insig.	B
12	1998	212.02(16)	Federal excise taxes imposed on retailers	1.0	B
13	1949	212.02(19)	Intangible personal property. (*4)	19,451.0	(*)
14	1998	212.02(20)	Automobiles loaned to driver education and safety programs	insig.	B
15	1998	212.02(28) & (29)	Fish breeding	0.1	B
16	2006	212.02(33)	Small private aircraft fleet of more than 25 planes	0.8	B
17	1949	212.03(4), 212.031(1)(a)2.	Rent charges paid by certain long term occupants.	4.0	H
18	1979	212.03(7)(a)	Rent charges paid by certain full-time students.	33.1	H
19	1979	212.03(7)(a)	Rent charges paid by active military personnel.	32.0	H
20	1972	212.03(7)(a)	Rent charges paid by permanent residents.	1,259.2	H
21	1972	212.03(7)(c)	Charges for rent in certain mobile home parks.	3.3	H
22	1979	212.03(7)(d)	Rent charges for living accommodations in migrant labor camps.	13.1	H
23	1969	212.031(1)(a)1.	Charges for renting property assessed as agricultural.	28.5	B
24	1985	212.031(1)(a)4.	Condominium recreational leases.	8.0	B
25	1987	212.031(1)(a)5.	Streets used by a utility for utility purposes.	40.5	B
26	1999	212.031(1)(a)5.	Cell phone towers & co-located equipment	3.4	B
27	2000	212.031(1)(a)5.	Cell phone towers	0.9	B
28	1987	212.031(1)(a)6.	Toll road charges.	64.7	M
29	1987	212.031(1)(a)6.	Street parking meter charges.	1.4	M
30	1987	212.031(1)(a)7.	Airport property used for landing, taxiing, or loading.	26.4	B
31	1987	212.031(1)(a)8.	Port property used for moving, loading or fueling of ships.	15.8	B
32	1997	212.031(1)(a)8.	Wharfage guarantees	0.4	B
33	1987	212.031(1)(a)9.	Leases/rentals of certain property used for movie productions	5.7	B
34	1983	212.031(1)(a)10.	Movie theater concession rent.	2.1	B
35	1999	212.031(1)(a)10.	Rents, subleases, or licenses in recr. or sports arenas, civic centers	0.7	B
36	2006	212.031(1)(a)12.	Rents, based on sales, from Souvenirs' leases in civic centers, 7-1-09	0.3	B
37	2000	212.031(1)(a)13.	Commercial Leases/Space Flight	0.8	B
38	1998	212.031(1)(b)	Pro-rated exemption for for-profit homes for the aged	insig.	B
39	1977	212.031(5)	Convention hall subleases.	7.7	B
40	1978	212.031(6)	Leases by agricultural fair associations.	insig.	B
41	1998	212.031(7)	Certain utility charges if separately billed	23.5	H
42	1998	212.031(8)	Certain lease termination payments	10.7	B
43	1999	212.031(9)	Highschool and college teams' stadium skyboxes	0.9	O
44	2000	212.031(10)	Entertainment Facilities	4.3	B
45	2006	212.04(1)(b)	Local seat surcharges or service charges, 7-1-09 repeal	1.3	M
46	1998	212.04(1)(d)	Travel agent mark-up on taxed admissions or transient rentals	insig.	B
47	1949	212.04(2)(a)1.	Admissions to certain school and state events.	8.1	M
48	1978	212.04(2)(a)2.a.	Dues, fees, and admissions charged by non-profit entities.	29.2	O
49	2006	212.04(2)(a)2.b.	Sports authority or Commission events; repeal 7-1-09	0.6	M
50	1980	212.04(2)(a)3.	Admissions paid by students for required sports or recreation.	6.0	M
51	1981	212.04(2)(a)4.	Super Bowl football tickets (impact only when held in Florida)	insig.	H
52	1994	212.04(2)(a)5.	Governmental participation or sponsorship fees	20.3	O
53	1989	212.04(2)(a)6.	Tickets for certain non-profit theater, opera or ballet events.	2.1	O
54	1998	212.04(2)(a)8.	Particip. fees to athletic events where spectators are charged admission	insig.	O
55	1963	212.04(2)(c), 212.02(20)	Pari-mutuel admissions tax imposed by s. 550.09.	insig.	B
56	1976	212.05(1)(a)2.	Sales of boats or airplanes removed from the state.	74.2	B
57	1971	212.05(1)(c)	Long term vehicle leases if tax paid when purchased by lessor.	2.2	B
58	1998	212.05(1)(g)	Newspaper and magazine inserts	41.3	B
59	1994	212.05(1)(h)1.	2% rate abatement for coin-operated amusement machines	4.9	B
60	1993	212.05(1)(k)	Law enforcement officers' protection services.	4.2	B
61	1999	212.05(1)(k)	US legal coins and coins in excess of $500	0.4	B
62	1998	212.05(1)(n)	When TPP prizes are awarded, operator can pay tax on 25% of receipts	0.3	B
63	1989	212.0506(3)	Certain service warranties relating to real property fixtures.	4.0	B
64	1989	212.0506(7)	Service warranties on which ins. prem. tax is due (homeowner warr.).	3.0	B
65	1998	212.0506(10)	Certain materials and supplies used in fulfillment of service warranty	44.9	B
66	1998	212.051(1)	Pollution control equipment used in manufacturing	24.1	B
67	1998	212.051(2)	Solid waste management equipment	3.9	B
68	1982/06	212.052	Items fabricated for use in research and development activities.	18.9	B
69	1987	212.0598	Partial exemption for air carriers' maintenance bases.	insig.	B
70	1984	212.06(1)(b)	Partial exemption for production cost of cogenerated energy. (*15)	30.0	B
71	1984	212.06(1)(b)	Electricity consumed or dissipated in the transmission of electricity.(*15)	33.5	B
72	1969	212.06(1)(b)	Fabrication labor used in the production of qualified motion pictures.	9.9	B
73	1982	212.06(1)(b)	Portion of price of factory built building attributable to labor costs.	insig.	B
74	1988	212.06(1)(c)	Use tax on asphalt; special calculations.	insig.	B
75	1999	212.06(1)(c)	Partial exemption for asphalt sold to governments	2.0	B

EXCLUSIONS, EXEMPTIONS, DEDUCTIONS AND CREDITS FROM THE SALES & USE TAX

In Statutory Order

Line No.	Enactment Date	Florida Statute		FY 2007-08 (in $ m)	Ex. Type
76	1998	212.06(1)(d)	Cost price calculation for certain industries	insig.	B
77	1992	212.06(2)(d),5(c),212.0596(2)(c)	Printing for out-of-state customer, when he provides the paper.	18.4	B
78	2000	212.06(3)(b)	Certain Printed Materials	0.4	B
79	1949	212.06(5)(a)	Tangible personal property imported or produced for export.	4,817.3	(*)
80	1949	212.06(5)(a)	Aircraft being exported outside the U.S.	13.7	B
81	1949	212.06(5)(a), 212.081(5)	Any sale exempted by federal law or the U.S. Constitution.	insig.	M
82	1983	212.06(5)(b)	Non-resident dealers purchasing items for resale overseas.	3.7	B
83	1949	212.06(7)	Credit for tax paid to other states.	70.2	M
84	1969	212.06(8)	Imported items if used in another state for 6 months or more.	183.8	M
85	1949	212.06(9)	Sales of religious items.	3.9	M
86	1992	212.06(11)	Certain magazine promotional materials, if exported.	4.8	B
87	1998	212.06(13)	1% tax rate/month for airplanes purchased for resale but used by dealer	1.6	B
88	1998	212.06(14)	Mobile home lot improvements	insig.	B
89	1998	212.06(15)	Contractors' use of rock, shell, fill dirt for own use	1.7	B
90	2000	212.06(15)(a)	Fill Dirt	insig.	B
91	1987	212.0601	Partial exemption from use tax for motor vehicle dealers.	0.9	B
92	1998	212.0601(3)	Vehicles loaned by car dealer at no charge: calc. based on IRS table	insig.	B
93	1998	212.0601(4)	Vehicles loaned by car dealer while repairs are made.	0.4	B
94	1997/99	212.0602	Purchases of cinematography school, including leases	1.0	O
95	1949	212.07(5)	Sales of farm products sold directly by the producer.	1.9	B
96	1998	212.07(5)(b)	Horses sold at claiming races are taxed on first sale; then on mark-up	0.6	B
97	1949	212.07(6)	Agricultural products consumed on the farm.	insig.	B
98	1949	212.07(7)	Purchases of ag. products for further processing for resale.	454.1	(*)
99	1949	212.08(1)(a)	Groceries purchased for human consumption.	2,651.5	H
100	1986	212.08(1)(b)	Food purchased with food stamps [not exempt under s. 212.08(1)(a)].	1.2	H
101	1949	212.08(2)(a)	Prescription drugs.	896.0	H
102	1949	212.08(2)(a)	Non-prescription drugs.	199.0	H
103	1949	212.08(2)(a)	Eyeglasses and other corrective lenses.	44.3	H
104	1949	212.08(2)(a)	Medical supplies and products such as syringes and prosthetics.	114.8	H
105	1951	212.08(2)(a)	Funerals except for tangible personal property used. (*9)	15.5	M
106	1990	212.08(2)(a)	Contact lens molds cost in excess of $100,000.	6.5	B
107	1998	212.08(2)(d)	Lithotripters	0.4	B
108	1998	212.08(2)(e)	Human organs	insig.	B
109	1998	212.08(2)(f) & (h)	Veterinary medicines	11.4	B
110	1999	212.08(2)(f) & (h)	Non-retail pharmacies	234.9	B
111	1998	212.08(2)(j)	Special lettering or similar attachments used to aid handicapped persons	3.2	H
112	63/98/05	212.08(3)	Farm equipment.	33.8	B
113	2005	212.08(3)	Agricultural diesel engines and irrigators.	3.0	B
114	1949	212.08(4)(a)1.	Metered Water, excluding well.	300.3	M
115	1949	212.08(4)(a)1.	Bottled (except carbonated) Water	42.3	M
116	1969	212.08(4)(a)2.	Purchases of fuel by public and private utilities.	327.8	B
117	1963	212.08(4)(a)2.	Fuel for vehicles and vessels in interstate commerce (partial).	3.5	B
118	1987	212.08(4)(a)3.	Wheeling or transmission of electricity.(*15)	4.7	B
119	1949	212.08(5)(a)	Purchase of commercial fishing nets.	insig.	B
120	1949/98	212.08(5)(a)	Purchase of agricultural items (pesticides, seeds, fertilizers, etc.)	71.0	B
121	1978	212.08(5)(a)	Fuels used to heat poultry structures.	0.1	B
122	1998	212.08(5)(a)	Poultry structure generators	0.3	B
123	1978	212.08(5)(b)1.	Purchases of machinery and equipment by new businesses.	15.0	B
124	78/89/06	212.08(5)(b)2.a.	M&E purchased by expanding businesses or for spaceports	45.0	B
126	1980	212.08(5)(c)1.	Certain M&E used to produce energy. (*10)	15.9	B
127	1997	212.08(5)(c)2.	Proration of M&E using nonresidual fuels	0.9	B
128	2000	212.08(5)(c)1. & 2.	Boiler Fuels	0.5	B
129	1983	212.08(5)(d)	Certain M&E purchased pursuant to federal contract.	insig.	B
130	1988	212.08(5)(e)1.	Butane and other gases (except natural) used for agricultural purposes.	1.1	B
131	1993	212.08(5)(e)1.	Natural gas used for agricultural purposes.	0.8	B
132	2006	212.08(5)(e)2.	Diesel fuel/electricity used in farming	4.0	B
133	1983	212.08(5)(f)	Certain motion picture or recording equipment; refund.	3.0	B
134	2000	212.08(5)(f)	Add'l Movie Exemptions	17.6	B
135	2000	212.08(5)(f)	Motion Picture Video Equipment	5.4	B
136	1984	212.08(5)(g)	Certain building materials used in an enterprise zone.	0.4	B
137	1984	212.08(5)(h)	Certain depreciable business equip. used in an enterprise zone; refund.	2.4	B
138	1988	212.08(5)(i)	Certain aircraft modification services.	25.4	B
139	1997	212.08(5)(j)	M & E used in semiconductor, defense or space technology	6.8	B
140	2000	212.08(5)(j)	Semi-conductor clean rooms	0.1	B
141	2000	212.08(5)(j)	Defense & Space M&E	2.5	B
142	1998	212.08(5)(k)	Paint color cards and samples	0.4	B
143	1998	212.08(5)(l)	Cattle growth enhancers	0.4	B
144	1999	212.08(5)(m)	Gold Seal child care facilities' purchases of educational materials	0.3	B
145	2000	212.08(5)(n)	Materials for construction of single-family homes in EZ	0.4	H
146	2000	212.08(5)(o)	Building materials in redevelopment projects	0.5	H
147	2000	212.08(5)(p)	Broad Band Technology	3.8	B
148	01/05/06	212.08(5)(q)	Community Contribution Credit	11.4	B
149	1949	212.08(6)	Direct purchases by governm't (except electrical generating eq.). (*12)	447.1	O
150	1987	212.08(6)	Services by radio and TV stations.	insig.	B

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Line No.	Enactment Date	Florida Statute		FY 2007-08 (in $ m)	Ex. Type
151	1978	212.08(7)(a)	Sales of artificial commemorative flowers by V.A.	insig.	O
152	1978	212.08(7)(b)	Purchases of boiler fuels for use in industrial manufacturing.	55.3	B
153	1974	212.08(7)(c)	Purchases of crab bait by commercial fishermen.	0.5	B
154	1949	212.08(7)(d)	Feed for poultry and livestock, including racehorses, and ostriches.	27.9	B
155	1949	212.08(7)(e)	Film rentals, when admissions are charged.	5.1	B
156	1970	212.08(7)(e)	License fee charges for films & tapes used by broadcasters.	insig.	B
157	1974	212.08(7)(f)	Sales of U.S. and State flags.	2.2	M
158	1982	212.08(7)(g)	Supplies & equipment by the Fla. Retired Educators' Assn.	insig.	O
159	1971	212.08(7)(h)	Purchases of, and supplies for, guide dogs for the blind.	insig.	H
160	1963	212.08(7)(i)	Charges for hospital meals and rooms.	603.2	H
161	1995	212.08(7)(i)	In-facility meals purchased by residents of homes for the aged	22.2	H
162	1972	212.08(7)(j)	Purchases of power & heating fuels by residential households. (*15)	2,178.9	H
163	1996	212.08(7)(j)	Purchases of power & heating fuels by licensed day care homes (*15)	0.4	B
164	1980	212.08(7)(j)	Utilities purchased for use in a residential model home. (*15)	0.3	B
165	1978	212.08(7)(k)	Charges for certain meals provided by non-profit orgs.	22.6	O
166	1983	212.08(7)(l)	Purchases by orgs. providing certain benefits to minors.	7.2	O
167	1949	212.08(7)(m)1.	Sales or leases to churches.	10.3	O
168	1983	212.08(7)(m)1.	Items purchased or leased by certain non-profit organizations.	11.6	O
169	1984	212.08(7)(m)2.	Non-profit orgs. providing free transportation to church members.	0.1	O
170	1988	212.08(7)(m)2.	Purchases by religious non-profit TV stations.	0.5	O
171	1995	212.08(7)(m)2.	Purchases by orgs. providing religious services to state prisoners	insig.	O
172	1998	212.08(7)(m)2.	Religious tapes for the blind	0.1	O
173	1998	212.08(7)(m)2.	Organizations w/o permanent location conducting religious services	0.7	O
174	1995	212.08(7)(m)2.	Purchases by certain orgs. supporting charitable service providers	0.1	O
175	1978/99	212.08(7)(n)1.	Items purchased or leased by qualified veterans organizations.	0.7	O
176	1949/00	212.08(7)(o)	Schools, colleges, and universities	insig.	O
177	1949/00	212.08(7)(p)	Section 501(c)(3) organizations	47.8	O
178	1978	212.08(7)(q)	Purchases of "resource recovery equipment" by local govts.	0.3	O
179	1963	212.08(7)(r)	K-12 schoolbooks and lunches.	55.5	O
180	1998	212.08(7)(r)	School yearbooks, magazines, newspapers, and bulletins	6.9	O
181	1987	212.08(7)(s)	Alcoholic beverages used by businesses for tasting.	1.7	B
182	1986	212.08(7)(t)	Boats temporarily docked in Florida.	5.0	B
183	1969	212.08(7)(u)	Purchases of fire-fighting equipment by volunteer fire depts.	0.4	O
184	1949/88	212.08(7)(v)	Charges for professional, personal and insurance services:	insig.	M
185	1990	212.08(7)(w)	Free advertising publications.	24.7	B
186	1996	212.08(7)(w)	Subscription newspapers, newsletters & magazines delivered by mail	15.2	B
187	1987	212.08(7)(x)	Sporting equipment brought to Florida for certain events.	0.1	B
188	1988	212.08(7)(y)	Charter fishing boats.	63.5	B
189	1988	212.08(7)(z)	Certain candy sold in vending machines by non-profit orgs.	insig.	O
190	1988	212.08(7)(aa)	Commercial trucks sold between commonly owned companies.	0.5	B
191	1992	212.08(7)(bb)	Community cemeteries.	0.1	B
192	1992/99	212.08(7)(cc)	Works of art provided to an educational institution.	7.8	B
193	1994	212.08(7)(dd)	Lease or license to use taxicab equipment	8.9	B
194	1994/98	212.08(7)(ee)	Aircraft repair and maintenance labor charges or aircraft > 15,000 lbs	3.1	B
195	1998	212.08(7)(ee)	Aircraft repair and maint. labor charges for helicopters > 10,000 lbs	0.3	B
196	1996	212.08(7)(ff)	Electricity used in Manufacturing (*15)	71.3	B
197	1996	212.08(7)(gg)	Leases to or by fair associations for real or tangible personal property	1.3	B
199	1997/05	212.08(7)(hh)	Solar energy systems	1.4	B
200	1997	212.08(7)(ii)	Nonprofit cooperative hospital laundries	0.1	B
201	1997	212.08(7)(jj)	Complimentary meals served by hotels & motels	4.2	B
202	1997	212.08(7)(kk)	PRIDE	1.7	O
203	1998	212.08(7)(ll)	Items sold by PTO's and PTA's, if tax paid at purchase	2.1	O
204	1998	212.08(7)(ll)	Vending machine items in lunchrooms, if tax paid at purchase	0.3	O
205	1998	212.08(7)(mm)	Mobile home lot improvements	0.8	B
206	1998	212.08(7)(nn)	Portions of purchase price of boats, cars, planes paid by Veterans' Org.	0.3	O
207	1998	212.08(7)(oo)	Complimentary food items	0.8	B
208	1998	212.08(7)(pp)	Food or beverages donated to non-profit organizations.	0.3	O
209	1998	212.08(7)(qq)	Racing dogs by breeders	0.1	B
210	1998	212.08(7)(rr)	Parts and labor used in certain aircraft maintenance or repair	3.1	B
211	1998	212.08(7)(ss)	Aircraft leases and sales by common carriers, if in excess of 15,000 lbs	3.3	B
212	1999/00	212.08(7)(tt)	Non-profit water systems	0.9	O
213	1999	212.08(7)(uu)	Library co-operatives	0.1	O
214	1999	212.08(7)(v v)	Certain advertising services	17.8	B
215	1999	212.08(7)(ww)	Gold, silver, platinum bullion in excess of $500	insig.	B
216	1999/00	212.08(7)(xx)	Shipping and parts and labor for repair of certain machinery	14.2	B
217	1999	212.08(7)(yy)	Film and printing supplies	7.4	B
218	2000	212.08(7)(zz)	People Mover Systems	0.4	B
220	2000	212.08(7)(aaa)	Florida Fire and Emergency Services	insig.	O
221	2000	212.08(7)(bbb)	Railroad Bed Materials	0.8	B
222	2006	212.08(7)(ccc)	Energy efficient Technology	3.6	B
223	2006	212.08(7)(ddd)	Advertising materials distributed free by mail in an envelope	0.8	B
224	1957	212.08(8)	Vessels, parts & related items used in interstate commerce (partial).	21.5	B
225	1957	212.08(9)	RR equip, MV & pts. used in interstate commerce (partial).(*18)	64.1	B
226	1977	212.08(10)	Partial exemption on motor vehicles sold to out-of-state residents.	50.0	M
227	1978	212.08(11)	"Flyable aircraft" sold by a Fla. mfgr. to out-of-state resident (partial).	8.3	B
228	1998	212.08(11)	Aircraft temporarily located in Fla for repairs.	7.9	B
229	1984	212.08(12)	Master tapes, records, films or video tapes (partial).	32.7	B

EXCLUSIONS, EXEMPTIONS, DEDUCTIONS AND CREDITS FROM THE SALES & USE TAX

In Statutory Order

Line No.	Enactment Date	Florida Statute		FY 2007-08 (in $ m)	Ex. Type
230	1984	212.08(15)	Certain electrical energy used in an enterprise zone. (*15)	0.5	B
231	1989	212.08(16)(a)1.	The sale or use of satellites or other space vehicles.	124.6	B
232	1989	212.08(16)(a)2.	The sale or use of tangible personal property placed on satellites.	insig.	B
233	1999	212.08(17)	Overhead items purchased by certain gov't contractors	10.5	B
234	2006	212.08(18)	Macninery and Equipment used for R&D at least 50%	26.3	B
235	1984	212.0821(1)	Items bought by Parent-Teacher Orgs. through school districts.	2.0	O
236	1984	212.0821(2)	Items bought by certain community groups thru local govts.	insig.	O
237	1984	212.0821(3)	Items bought by certain library fund raising groups.	insig.	O
238	1949	212.09, 212.02(17)	The value of trade-ins or discounts.	577.0	M
239	1984	212.096	Credit for job creation in enterprise zones.	1.6	B
240	1997	212.097	Urban High-crime area job tax credit	6.5	B
241	1997	212.098	Rural job tax credit	insig.	B
242	1949	212.12(1), 212.04(5)	Collection allowance of 2.5% for the first $1,200 of tax per return.	64.7	B
243	1991/06	212.20(6)(g)4.a.	Up to $2.0m annual subsidy for certain professional sports teams.	21.0	B
244	1993	212.20(6)(g)4.b.	$2 million annual subsidy for Professional Golf Hall of Fame.	2.4	B
245	1996	212.20(6)(g)4.c.	$1 m annual subsidy for Intern'l Game Fish Association World Center	1.2	B
246	1998	376.75(1)	Tax on perchloroethylene	0.1	B
			GRAND TOTAL	**12,340.3**	

Note: Some exemptions overlap, so that repeal of all items would NOT yield the total shown.

FISCAL IMPACT SUMMARY BY ITEM TYPE:	*(in $ b)*
H = Household Items	8.15
O = Organizations	0.67
B = Business Items	2.16
S = Services (Household and Business)	0.00
M = Miscellaneous	1.35
Grand Total (*).....	12.33

Notes:

n/a - Estimate not available.

(*) Items shown in italics are NOT included in the grand total for all exemptions.

Repeal of items shown in italics would substantially alter the character of the tax. For example, repeal of the resale provision (item #8 and others) would effectively convert the sales tax to a transactional gross receipts tax.

1 Estimate reflects only sales by businesses.
2 Estimate excludes items exempt under other provisions as well.
3 Impact included in estimate for item #8
4 The estimate represents only sales of stocks and bonds traded in national markets. A variety of additional
0 items would also be potentially taxed.
5 Impact included in estimate for #339.
6 The 2005 Super Bowl was held in Jacksonville. This exemption is estimated to cost $2.4m.
0 In 2007, it will be held in Miami.
7 No evidence exists that any taxpayers currently avail themselves of this exemption.
8 In the aggregate, the special calculation yields the same revenue as would the general law.
9 Estimate reflects entire charge for funeral and crematory services. Net revenue from repeal may be reduced
0 by value of caskets, depending on the billing procedures of each business.
10 Based on exemption permits issued, this amount could increase significantly if taxpayers receive
0 development authorization.
12 Excludes $378.2m of tax on federal purchases. Taxation would require congressional authorization.
13 See NAICS codes 51
14 This exemption applies when delivery is by a physical medium. The estimate for NAICS codes 51 include
0 both physical delivery and electronic transmission. The latter form dominates the market.
15 The statutory tax rate for electricity is 7%.
16 Estimate includes commuter transportation only. Federal law prohibits state taxation of Amtrak services.
17 Federal law prohibits state taxation of airline passenger charges. If federal law changes, it could generate $352m.
18 Estimate assumes other supporting statutory changes in addition to exemption repeal.

1997 NAICS Code(s)	Business Type	(1) 6% Annualized Receipts SFY 2007/08 $m	(2) 6% First Year Cash SFY 2007/08 $m	(3) 6% Annualized Receipts On Services Taxed in 1987 $m
	PERSONAL SERVICES			
812	**Personal and Laundry Services**			
8121	Personal Care Services (includes Beauty and Barber Shops)	87.3	65.2	-
8123	Drycleaning and Laundry Services	64.6	48.3	55.2
8129	Other Personal Services (Pet Care, Photo Finishing, Valet Parking, Parking Lots and Garages)	8.8	6.6	8.8
	Subtotal: All Personal Services	**160.7**	**120.1**	**63.9**
	PROFESSIONAL SERVICES			
531	**Real Estate**			
5312	Offices of Real Estate Agents and Brokers	813.7	608.0	413.4
5313	Activities Related to Real Estate (Property Managers and Appraisers)	230.8	172.5	117.3
533	**Lessors of Non-Financial Intangible Assets (except Copyighted Work) Buying, Licensing, Leasing of Industrial Designs, Franchises, Brand Names, Patents, Trademarks**	16.3	12.2	16.3
541	**Professional, Scientific, and Technical Services**			
5411	Legal Services (includes Title Search and Abstract Services)	658.8	492.3	588.1
5412	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	272.0	203.3	272.0
5413	Architectural, Engineering, and Related Services	511.1	381.9	220.5
5414	Specialized Design Services (Interior, industrial, Graphic, Fashion, and other Design Services)	93.7	70.0	-
5415	Computer Systems Design and Related Services	287.0	214.5	272.7
5416	Management, Scientific, and Technical Consulting Services	371.4	277.5	371.4
5417	Scientific Research and Development Services	25.7	19.2	-
5418	Advertising and Related Services	106.6	79.6	92.2
5419	Other Professional, Scientific, and Technical Services (Marketing Research, Photographic, Veterinary, Translation Services)	196.8	147.1	-
551	**Management of Companies and Enterprises**			
551111	Offices of Bank Holding Companies	18.2	13.6	18.2
551112	Offices of Other Holding Companies	100.1	74.8	100.1
551114	Corporate, Subsidiary, and Regional Managing Offices	98.8	73.8	98.8
561	**Administrative and Support Services**			
5611	Office Administrative Services	116.1	86.7	116.1
5612	Facilities Support Services	37.1	27.7	37.1
5613	Employment Services	1,098.9	821.1	164.8
5614	Business Support Services (includes Credit and Collection Agencies, Secretarial an Court ReportingServices)	203.7	152.2	-
5615	Travel Arrangement and Reservation Services (Travel Agencies and Tour Operators)	64.6	48.3	-
5616	Investigation and Security Services	-	-	-
5617	Services to Buildings and Dwellings (includes Cleaning and Pest Control)	240.1	179.4	240.1
5619	Other Support Services (Packaging and Labeling Services, Convention and Trade Show Organizors)	90.8	67.9	45.4
813	**Professional Organizations**			
8132	Grantmaking and Giving Services	4.9	3.7	-
8133	Social Advocacy Organizations	11.2	8.4	-
8134	Civic and Social Organizations	14.4	10.8	-
8139	Business, Professional, Labor, Political, and Similar Organizations	115.8	86.5	-
	Subtotal: All Professional Services	**5,798.6**	**4,333.1**	**3,184.5**
	BUSINESS SERVICES			
115	**Support Activities for Agriculture and Forestry**			
1151	Support Activities for Crop Production	65.6	49.0	21.1
1152	Support Activities for Animal Production	91.9	68.7	29.5
1153	Support Activities for Forestry	39.5	29.5	-
213	**Support Activities for Mining**			
213111	Drilling Oil and Gas Wells	1.3	0.9	-
213112	Support Activities for Oil and Gas Operations	1.2	0.9	-
213113	Support Activities for Coal Mining	0.7	0.5	-
323	**Printing and Related Support Activities**			
323122	Prepress Services	2.8	2.1	2.8
492	**Couriers and Messengers**			
4921	Couriers	220.4	164.7	157.7
4922	Local Messengers and Local Delivery	25.7	19.2	18.4
	Subtotal: All Business Services	**449.0**	**335.5**	**229.4**
	FINANCIAL SERVICES			
522	**Credit Intermediation and Related Activities**			
5221	Depository Credit Intermediation (Banks, S&Ls, Credit Unions, et.al)	1,875.2	1,401.3	-
5222	Nondepository Credit Intermediation (Credit Cards, Sales Financing, Consumer Lending, Real Estate Credit)	1,411.6	1,054.8	-
5223	Activities Related to Credit Intermediation (Loan Brokers, EFT Networks, Clearinghouse Assoc., Credit Card Svcs)	427.5	319.4	149.6
523	**Securities, Commodity Contracts, and Other Financial Investments**			
5231	Securities and Commodity Contracts Intermediation and Brokerage	364.5	272.4	76.6
524	**Insurance Carriers and Related Activities**			
5241	Insurance Carriers	3,098.6	2,315.5	-
5242	Agencies, Brokerages, and Other Insurance Related Activities	481.2	359.6	-
525	**Funds, Trusts, and other Financial Vehicles**			
5259	Other Investment Pools and Funds (REITs)	31.3	23.4	31.3

1997 NAICS Code(s)	Business Type	(1) 6% Annualized Receipts SFY 2007/08 $m	(2) 6% First Year Cash SFY 2007/08 $m	(3) 6% Annualized Receipts On Services Taxed in 1987 $m
	Subtotal: All Financial Services	**7,689.8**	**5,746.3**	**257.4**
	MEDIA SERVICES			
511	**Publishing Industries**			
5112	Software Publishers	118.0	88.2	112.1
512	**Motion Picture and Sound Recording Industies**			
5121	Motion Picture and Video Industries	96.5	72.1	-
515	**Broadcasting and Telecommunications**			
5151	Radio and Television Broadcasting	168.5	125.9	168.5
5152	Cable Networks and Program Distribution	23.7	17.7	-
518	**ISPs, Wep Search Portals, and Data Processing Services**			
5181	ISPs and Web Search Portals	6.6	4.9	6.2
5182	Data Processing, Hosting, and related Services	52.8	39.5	50.2
	Subtotal: All Media Services	**466.2**	**348.3**	**337.1**
	ENTERTAINMENT & SPORTS SERVICES			
711	**Performing Arts, Spectator Sports, and Related Industries**			
7111	Performing Arts Companies	5.8	4.3	4.9
7112	Spectator Sports (Sports Teams and Clubs, Racetracks, etc.)	11.4	8.5	-
7113	Promoters of Performing Arts, Sports, and Similar Events	51.0	38.1	-
7114	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	19.5	14.6	16.4
7115	Independent Artists, Writers, and Performers	40.3	30.1	-
713	**Amusement, Gambling, and Recreation Industries**			
7139	Other Amusement and Recreation Industries (includes Physical Fitness Facilities, Dance Studios, Golf Courses, etc)	30.9	23.1	-
	Subtotal: All Entertainment and Sports Services	**159.0**	**118.8**	**21.3**
	CONSTRUCTION SERVICES			
236	**Building, Developing, and General Contracting**			
2361	Residential Building Construction	1,007.9	753.2	1,007.9
2362	Nonresidential Building Construction	269.5	201.4	269.5
237	**Heavy Construction**			
2371	Utility System Construction	487.3	364.1	-
2372	Land Subdivision and Land Development	201.5	150.6	-
2373	Highway, Street, and Bridge Construction	233.2	174.3	233.2
2379	Other Heavy Construction	43.5	32.5	43.5
238	**Special Trade Contractors**			
2381	Building Foundation and Exterior Contractors	418.9	313.1	418.9
2382	Building Equipment Contractors	412.9	308.6	412.9
2383	Building Finishing Contrators	250.1	186.9	250.1
2389	Other Special Trade Contractors	250.7	187.3	250.7
	Subtotal: All Construction Services	**3,575.6**	**2,671.9**	**2,886.8**
	INSTITUTIONAL SERVICES			
562	**Waste Management and Remediation Services**			
5621	Waste Collection	93.7	70.0	30.9
5622	Waste Treatment and Disposal	34.7	25.9	11.4
5629	Remediation and Other Waste Management Services	99.3	74.2	32.8
611	**Educational Services**			
6114	Business Schools and Computer and Management Training	47.0	35.1	15.5
6115	Technical and Trade Schools	41.1	30.7	13.6
6116	Other Schools and Instruction	42.1	31.4	13.9
6117	Educational Support Services	16.3	12.2	5.4
624	**Social Assistance**			
6241	Individual and Family Services	140.4	104.9	-
6242	Community Food and Housing, and Emergency and Other Relief Services	24.0	17.9	-
6243	Vocational Rehabilitation Services	23.1	17.2	-
6244	Child Day Care Services	80.0	59.8	-
	Subtotal: All Institutional Services	**641.7**	**479.5**	**123.5**
	TRANSPORTATION SERVICES			
481	**Air Transportation**			
481111	Scheduled Passenger AirTransportation	28.0	21.0	22.8
481112	Scheduled Freight Air Transportation	3.4	2.5	2.7
481211	Nonscheduled Chartered Passenger Air Transportation	25.8	19.3	21.0
481212	Nonscheduled Chartered Freight Air Transportation	6.2	4.6	5.0
481219	Other Nonscheduled Air Transportation	0.8	0.6	0.7
482	**Rail Transportation**			
482111	Line-Haul Railroads (Long Distance Cargo and Passenger)	52.0	38.9	-
482112	Short Line Railroads (Short Distance Cargo)	13.0	9.7	-
483	**Water Transportation**			
4831	Deep Sea, Coastal, and Great Lakes Water Transportation	28.4	21.2	1.5
4832	Inland Water Transportation	0.5	0.4	0.0

1997 NAICS Code(s)	Business Type	(1) 6% Annualized Receipts SFY 2007/08 $m	(2) 6% First Year Cash SFY 2007/08 $m	(3) 6% Annualized Receipts On Services Taxed in 1987 $m
484	**Truck Transportation**			
4841	General Freight Trucking	196.1	146.5	-
4842	Specialized Freight Trucking	107.6	80.4	-
485	**Transit and Ground Passenger Transportation**			
4851	Urban Transit Systems	20.6	15.4	1.0
4852	Interurban and Rural Bus Transportation	3.4	2.6	-
4853	Taxi and Limousine Service	22.4	16.7	-
4854	School and Employee Bus Transportation	5.3	3.9	0.3
4855	Charter Bus Industry	6.4	4.8	6.4
4859	Other Transit and Ground Passenger Transportation	11.6	8.6	0.6
486	**Pipeline Transportation**			
4862	Pipeline Transportation of Natural Gas	4.3	3.2	-
487	**Scenic and Sightseeing Transporation**			
4871	Scenic and Sightseeing Transportation, Land	1.0	0.7	1.0
4872	Scenic and Sightseeing Transportation, Water	4.3	3.2	0.2
4879	Scenic and Sightseeing Transportation, Other	0.3	0.2	-
488	**Support Activities for Transportation**			
4881	Support Activities for Air Transportation (Air Traffic Control and Airport Terminal Services)	183.3	137.0	148.9
4882	Support Activities for Rail Transportation (Loading Services, Terminal Services, Rail Car Rentals)	8.1	6.1	8.1
4883	Support Activities for Water Transportation (Port and Harbor Operations, Cargo Handoling, Navigational Services)	35.5	26.5	1.9
4884	Support Activities for Road Transportation (Auto Towing, Terminal and Service Facilities)	8.7	6.5	8.2
4885	Freight Transportation Arrangement	111.3	83.2	-
4889	Other Support Activities for Transportation	28.9	21.6	-
	Subtotal: All Transportation Services	**917.1**	**685.3**	**230.3**
	HEALTH SERVICES			
621	**Ambulatory Health Care Services**			
6211	Offices of Physicians	1,294.4	967.2	-
6212	Offices of Dentists	280.7	209.8	-
6213	Offices of Other Health Practitioners	202.6	151.4	-
6214	Outpatient Care Centers	181.6	135.7	-
6215	Medical and Diagnostic Laboratories	119.1	89.0	-
6216	Home Health Care Services	179.1	133.9	-
6219	Other Ambulatory Health Care Services	41.4	30.9	-
622	**Hospitals - except Government**			
6221	General Medical and Surgical Hospitals	592.9	443.0	-
6222	Psychiatric and Substance Abuse Hospitals	6.5	4.9	-
6223	Specialty (except Psychiatric and Substance Abuse) Hospitals	15.3	11.4	-
622	**Hospitals - Government**			
6221	General Medical and Surgical Hospitals	153.6	114.8	-
6222	Psychiatric and Substance Abuse Hospitals	8.8	6.6	-
6223	Specialty (except Psychiatric and Substance Abuse) Hospitals	-	-	-
623	**Nursing and Residential Care Facilities**			
6231	Nursing Care Facilities	278.5	208.1	-
6232	Residential Mental Retardation/Health and Substance Abuse Facilities	50.7	37.9	-
6233	Community Care Facilities for the Elderly	135.5	101.2	-
6239	Other Residential Care Facilities	15.9	11.9	-
	Subtotal: All Health Services	**3,556.7**	**2,657.8**	**-**
TOTAL STATE 6% SALES & USE TAX ON SERVICE TRANSACTIONS		**23,414.4**	**17,496.8**	**7,334.2**
General Revenue Fund Share (Assumes same % as current law)		**20,787.3**	**15,533.6**	**6,511.3**
Local Govt. Half-Cent Distributions From Tax on Services		**2,559.2**	**1,912.4**	**801.6**

Notes: 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.

SECURITIES FEES

Florida Statutes: Chapter 517

Administered by: Office of Financial Regulation of the Financial Services Commission

Fiscal Year	Collections	Annual Change %
2007-08*	$11,200,000	2.00
2006-07*	11,000,000	2.00
2005-06	10,801,826	0.50
2004-05	11,372,282	2.0
2003-04	11,020,214	-1.9
2002-03	11,233,346	1.67
2001-02	11,049,501	-5.16

* Est.

SUMMARY

Securities, including stocks, bonds, notes, and certificates of deposit not exempted by statute, are required to be registered with the Department of Banking and Finance prior to issuance. Also, securities dealers are regulated by and required to be registered with the Department of Banking and Finance. Various fees are collected on these registrations.

DISPOSITION

General Revenue Fund

BASE AND RATE

Registration of securities: $1,000 per application. Dealer or investment adviser registration fee: $200 annually plus $100 annually for each branch office. Associates registration fee: $30 annually. Securities exempted include issues by governmental entities, national banks, public service utilities, and certain non-profit corporations.

HISTORY

The Securities Act was enacted in 1931. In 1978, the Florida Securities Act was passed, making substantial changes in Chapter 517, F.S. In 1978, 1979, and 1980 the statutes were adjusted to give the department a broader and clearer role in setting regulatory procedure and establishing enforcement policies, but the fee structure remained unchanged until 1985, 1988, and 1996.

OTHER STATES

Securities fees are integral to the Securities Acts passed in several states, which reflect a growing trend to establish "little" regulatory commissions patterned after the Federal Regulatory Commission.

SERVICE CHARGES

Florida Statutes: Sections 215.20; 215.22; 601.15(7)

Administered by: Department of Banking and Finance

Fiscal Year	Collections	Annual Change %
2007-08*	$430,500,000	-2.9
2006-07*	443,000,000	-16.7
2005-06	532,055,101	7.7
2004-05	493,992,889	14.14
2003-04	432,800,313	12.0
2002-03	386,416,937	11.37
2001-02	346,954,144	-4.87

* Est.

SUMMARY

A service charge of either 7% or 7.3%, representing the estimated pro rata share of the cost of general government paid from the General Revenue Fund, is deducted from all income of a revenue nature deposited in all trust funds, except those specifically exempt in s. 215.22, F.S., or those exempt pursuant to ch. 2000-257, L.O.F.

DISPOSITION

General Revenue Fund, by transfer from specified trust fund accounts.

BASE AND RATE

All trust funds enumerated in s. 215.20(4), Florida Statutes: 7.3%; all other trust funds not specifically exempt in s. 215.22, Florida Statutes, - 7%; peanut, soybean, and tobacco marketing and the Citrus Advertising Trust Fund - 3%. Normally transferred during the quarter following the quarter in which revenue is collected.

Analysis of Collections

Fiscal Year	Regular 7% or 7.3%	Motor & Diesel Fuel 7.3% *	Agriculture & Citrus 3%	Total
2005-06	$484,221,848	$41,865,146	$5,968,107	$532,055,101
2004-05	427,258,947	60,678,645	6,055,297	493,992,889
2003-04	368,819,208	57,863,807	6,117,298	432,800,313
2002-03	320,011,119	55,263,646	5,142,172	386,416,937
2001-02	288,199,172	54,106,640	4,648,332	346,954,144

* Effective July 1, 2000, the 7.3 percent service charge on the Fuel Tax Collection Trust Fund for motor fuel and diesel fuel was eliminated. Effective July 1, 2005, the 7.3 percent service change on local option fuel tax collections is reduced to 3.5 percent and eliminated effective July 1, 2006.

SERVICE CHARGES
(Continued)

HISTORY

The policy of assessing certain specified trust funds a service charge was established in 1941 and rates were set at 3%. Rate changes occurred in 1961, 1979, 1983, and 1990. A large number of trust funds were added in 1983. In 1990, all trust funds not specifically exempt under s. 215.22, F.S., were made subject to the 7% General Revenue Service Charge. An additional .3% General Revenue Service Charge was imposed on trust funds specifically enumerated in s. 215.20(4), F.S. In order to fund Mobility 2000, service charges imposed on collections of motor fuel and diesel fuel taxes, local option fuel taxes, auto title fees, and the $100 "new-wheels-on-the-road" fee were eliminated pursuant to ch. 2000-257, L.O.F. Effective July 1, 2000, the 7.3 percent General Revenue Service Charge was eliminated on the Fuel Tax Collection Trust Fund for motor fuel and diesel fuel tax collections and on the $24 original certificate of title fee and each duplicate copy fee. Effective July 1, 2001, the 7.3 percent General Revenue Service Charge was eliminated on SCETS tax collections and on the $100 "new-wheels-on-the road" fee. The service charge on local option fuel tax collections is phased out over a two-year period. Effective July 1, 2005, the General Revenue Service Charge rate on the Fuel Tax Collection Trust Fund was reduced from 7.3 percent to 3.5 percent and effective July 1, 2006 and thereafter, the 3.5 percent General Revenue Service Charge is eliminated.

OTHER STATES

There is no data available for interstate comparison on such service charges. This is a phenomenon of extensive earmarking of revenues for particular agencies or programs. It may be viewed as an internal accounting device by which to apportion some of the costs of general government to specific functional activities that are supported entirely by ear-marked funds.

SEVERANCE TAXES

Oil and Gas Production

Florida Statutes: Chapter 211, Part I

Administered by: Department of Revenue

Fiscal Year	Collections	Annual Change %	General Revenue Distribution
2007-08*	$10,200,000	0.00	$7,600,000
2006-07*	10,200,000	6.25	7,600,000
2005-06	9,600,000	15.66	7,100,000
2004-05	8,300,000	33.33	5,400,000
2003-04	6,300,000	18.87	4,300,000
2002-03	5,300,000	1.92	4,000,000
2001-02	5,200,000	-37.35	5,300,000

* Est.

SUMMARY

Oil and gas production in Florida is subject to the severance tax. Oil is taxed at 8% of the gross value at the point of production and gas, sulfur, small well oil, and tertiary oil are taxed at 5% of gross value at the point of production.

DISPOSITION

8% Oil tax:

75% to the General Revenue Fund
12.5% to the County in which produced
12.5% to the Mineral Trust Fund

5% Oil, gas, sulfur tax:

67.5% to the General Revenue Fund
20.0% to the County in which produced
12.5% to the Mineral Trust Fund

BASE AND RATE

Oil: 8% of the gross value at the point of production except that small wells (wells producing less than 100 barrels per day) or oil produced by tertiary methods are taxed at 5% of gross value.

Gas: The tax is determined by the volume, in mcf (1000 cubic feet), of gas produced and sold or used. The tax rate is based on the change in the annual monthly average of the gas fuels Producer Price Index for the previous calendar year times the base rate of $.171 per mfc.

SEVERANCE TAX
(Continued)

Sulfur: The tax is determined by the long tons (2,240 lbs) of sulfur produced or recovered from the hydrogen sulfide gas contained in oil or gas production. The tax rate is based on the change in the annual monthly average of the sulfur producer price index for the previous calendar year times $2.43 per long ton.

HISTORY

Severance taxation of oil and gas was begun in 1945 at a 5% rate. The rate has been increased only once on oil, in 1977, to 8%. In 1979, disposition of funds were changed to reflect the creation of the Division of State Lands, with 50% of the tax going to the Conservation and Recreation Land (C.A.R.L.) Trust Fund; 37.5% of the oil tax and 30% of the gas tax going to the General Revenue Fund; and 12.5% of the oil tax and 20% of the gas tax going to the producing county. In 1986, Part I of Chapter 211, F.S., was substantially rewritten to make the basis for the tax on severing gas and oil an indexed rate per unit of production instead of a percentage of value. Also, sulfur produced from hydrogen sulfide gas was made taxable. In 1987, the disposition of the oil, gas, and sulfur tax was changed. The 50% disposition to the C.A.R.L. Trust Fund was eliminated and placed into the General Revenue Fund, resulting in 87.5% of the 8% oil tax and 80% of the 5% oil, gas, and sulfur tax going to the General Revenue Fund. The disposition of the oil and gas tax was changed by the 1994 Legislature. Effective July 1, 1995, 75% of the 8% oil tax and 67.5% of the 5% oil, gas and sulfur tax was distributed to the General Revenue Fund, and 12.5% of all sources will go to the Mineral Trust Fund. Chapter 96-323, L.O.F., provided for a 5 year tax exemption for new oil wells completed after July 1, 1997.

OTHER STATES

Twenty-four states specifically tax the production of oil and gas. Several others include petroleum production taxes in mineral severance regulations. About two-thirds of the states levy specific rates per barrel of oil or cubic foot of gas. Some states charge a flat rate per barrel, ranging from 4 mills per barrel to 50 mills per barrel plus a CPI adjustment. Most states charge a percentage of the market value, ranging from .1 mill per dollar to 15%. The normal range for major oil and gas producing states is from 3% to 15%.

OIL AND GAS PRODUCTION
VALUE OF RATE CHANGES AND DISTRIBUTIONS

RATE CHANGE	2007-08 (millions)
Value of 1% levy on oil at point of severance	$1.3
Value of 10% change in tax base on gas	Insignificant
DISTRIBUTION TO COUNTIES	
12.5% of 8% oil and 20% of gas, tertiary oil, and sulfur collections (s. 211.06(2)(b))	1.4

SEVERANCE TAX
(Continued)

Solid Mineral Severance

Florida Statutes: Chapter 211, Part II

Administered by: Department of Revenue

Fiscal Year	Collections	Annual Change %	General Revenue Distribution **
2007-08*	$40,000,000	0.00	$11,670,000
2006-07*	40,000,000	-13.04	11,670,000
2005-06	46,000,000	-9.09	13,900,000
2004-05	50,600,000	38.90	15,300,000
2003-04**	36,500,000	-11.84	473,882
2002-03	41,400,000	18.62	16,780,489
2001-02	34,900,000	-10.51	12,387,138

* Est.
** The distribution to the General Revenue Fund is re-directed for fiscal year 2003-04 to the Nonmandatory Land Reclamation Trust Fund and to counties that have been designated a Rural Area of Critical Economic Concern.

SUMMARY

Phosphate, heavy minerals and other solid minerals are subject to the severance tax. The tax rate for phosphate and heavy minerals is calculated annually by multiplying the base rate times the base rate adjustment. Other solid minerals are taxed at 8% of the value at the point of severance.

DISPOSITION

Phosphate:
First $10 million to the Conservation and Recreation Lands Trust Fund
Of the remaining revenues:
40.1% to the General Revenue Fund
16.5% to the County where mined
9.3% to the Phosphate Research Trust Fund
10.7% to the Mineral Trust Fund
10.4% to NMLRTF
13.0% to counties that have been designated a Rural Area of Critical Economic Concern

Other Solid Minerals: (Excluding phosphate)
32% to the General Revenue Fund
68% to the Mineral Trust Fund

SEVERANCE TAXES
(Continued)

BASE AND RATE

Phosphate: The tax rate is the base rate times the base rate adjustment for the tax year. The base rate adjustment is calculated based on the change in the unadjusted annual producer price index for the prior calendar year in relation to the unadjusted annual producer price index for calendar year 1987. Beginning January 1, 2004, the tax rate shall be the base rate of $1.62 per ton severed.

Calendar Year	Tax Rate Per Ton of Phosphate	Total Tons
2007*	1.69	22,500,000
2006	1.68	22,500,000
2005	1.67	29,727,000
2004	1.63	29,030,000
2003	1.31	28,700,000
2002	1.30	29,800,000
2001	1.30	25,064,000

* Est.

Heavy Minerals: Calculated annually by multiplying the base rate ($.84 per ton) by the base rate adjustment for that year. The base rate adjustment factor is a 5 year moving average of the annual producer price index for heavy metals.

Other Solid Minerals: 8% of value at point of severance.

HISTORY

Severance taxation of solid minerals was enacted into law in 1971. Transition rates were provided during the first four years, 1971 through 1975. Tax rates were changed in 1977, 1981, 1987, and 1988. The 1988 tax rate became the new base and is adjusted annually by changes in the phosphate rock index. Disposition of revenues were changed in 1979, 1980, 1987, 1989, 1991 and 1994. The disposition of the solid minerals severance tax was changed by the 2000 Legislature. Effective July 1, 2000, 55.15% of the phosphate tax and 32% of the other solid minerals tax was distributed to the General Revenue Fund and 14.35% of the phosphate tax and 68% of the other solid minerals tax will go to the Mineral Trust Fund.

In 2003, during Special Session E, chapter 2003-423, L.O.F., amended Part II of chapter 211 to increase the severance tax on phosphate rock from $1.31 per ton severed to $1.62 per ton. In addition, a new distribution formula for the tax proceeds was adopted, eliminating the General Revenue distribution for fiscal year 2003-04. Beginning July 1, 2003, after the first $10 million goes to the Conservation and Recreation Lands Trust Fund, the remaining revenues are distributed as follows: 18.75% to the County where mined; 11.25% to the Phosphate Research Trust Fund; 11.25% to the Mineral Trust Fund; 43.75% to NMLRTF; and 15.0% to counties that have been designated a Rural Area of Critical Economic Concern. Beginning July 1, 2004, after the first $10 million goes to the Conservation and Recreation Lands Trust Fund, the remaining revenues are distributed as follows: 40.1% to the General Revenue Fund; 16.5% to the County where mined; 9.3% to the Phosphate Research Trust Fund; 10.7% to the Mineral Trust Fund; 10.4% to NMLRTF; and 13.0% to any county designated a Rural Area of Critical Economic Concern.

SEVERANCE TAXES
(Continued)

OTHER STATES

Thirty-nine states levy a severance tax on natural resources. Many states levy taxes on specific resources, but some have general resource severance taxes which include oil and gas, minerals, and forestry products. The tax is generally based on the market value of the resource severed, with the exception of coal mined for which the rate is sometimes based on the amount of production. Some states assess a percentage of gross value while others levy a dollar amount. The rate varies from state to state and is often graduated according to type and quality. Credits or refunds are sometimes given for reclamation work.

SOLID MINERAL SEVERANCE
VALUE OF RATE CHANGES, EXEMPTIONS AND DISTRIBUTIONS

	2007-08 (millions)
RATE CHANGE	
10% change in rate for phosphate	$ 4.0
Value of 1% on other solid minerals at point of severance	Insignificant
VALUE OF EXEMPTIONS	
Solid minerals subject to the sales tax (s. 211.3108(2))	Indeterminate
Credit for sales tax paid on machinery and equipment by new and expanding Phosphate mines (s. 212.08(5)(b)5.)	2.9
DISTRIBUTION TO TRUST FUNDS (ss. 211.31(1), 211.3103(1))	
Conservation & Recreation Lands Trust Fund	10.0
Phosphate Research Trust Fund	2.4
Mineral Trust Fund	2.8
DISTRIBUTION TO COUNTIES (s. 211.3103(1))	
10% of Phosphate Collections to County Where Mined	0.8

ALTERNATIVE BASES

Severance Tax on Timber. Currently, seven states, five of which are in the South, levy a severance tax on timber. A Florida tax on timber at the point of severance would generate revenues of approximately $2.2 million for each 1% of tax levied in FY 2007-08.

SLOT MACHINE TAX

Florida Statutes: Chapter 551

Administered by: Department of Business and Professional Regulation; Division of Pari-Mutuel Wagering

Fiscal Year	Tax Collections	Annual Change %	Facility License Fee Collections	Occupational License Fee Collections	Addictive Gambling Program Fee Collections
2007-08*	$168,800,000	353.14%	$12,000,000	$180,000	$1,000,000
2006-07*	47,800,000	N/A	24,000,000	150,000	2,000,000
2005-06	-0-	N/A	-0-	-0-	-0-

* Est.

SUMMARY

Taxes are imposed on slot machine revenues at each pari-mutuel facility which has the machines. The tax rate is 50%. Additionally, each facility must pay an annual license fee of $3,000,000 and a fee of $500,000 which is used to fund programs for the prevention of compulsive or addictive gambling. A series of occupational license fees for employees of the facilities and associated businesses are also imposed.

DISPOSITION

Slot Machine Tax: All proceeds are distributed to the Educational Enhancement Trust Fund.

Facility License Fee: Seven and three-tenths percent of total collections is deducted as service charges to the General Revenue Fund, with the remainder going to the Pari-Mutuel Wagering Trust Fund.

Occupational Licenses: Seven and three-tenths percent of total collections is deducted as service charges to the General Revenue Fund, with the remainder going to the Pari-Mutuel Wagering Trust Fund.

Addictive Gambling Program Fee: Seven and three-tenths percent of total collections is deducted as service charges to the General Revenue Fund, with the remainder going to the Pari-Mutuel Wagering Trust Fund to contract for services related to the prevention of compulsive and addictive gambling.

BASE AND RATE

Slot Machine Tax: 50% of slot machine revenues.

Facility License Fee: $3,000, 000 annually for each facility which has slot machines.

Occupational Licenses: Determined by rule. Up to $50 annually for a general or professional occupational license for an employee of the slot machine licensee. Up to $1,000 annually for a business occupational license for nonemployees of the licensee providing goods or services to the slot machine licensee.

Addictive gambling program fee: $500,000 annually for each facility which has slot machines.

SLOT MACHINE TAX

(Continued)

HISTORY

In November of 2004, the voters of the State of Florida approved an amendment to the Florida Constitution which resulted in the creation of Section 23 of Article X, dealing with slot machines. The amendment allows the authorization of slot machines in pari-mutuel facilities in Miami-Dade and/or Broward Counties, subject to voter approval. In 2005, the voters of Broward County approved slot machines by referendum, while Miami-Dade voters did not pass their referendum. In 2005, the Florida Legislature passed implementing legislation which assesses a tax rate of 50% on slot machine revenues, as well as creates facility license fees, occupational license fees, and a fee to fund an addictive gambling prevention program. Slot machines began operating in Broward County in late 2006.

VALUE OF RATE CHANGES, EXEMPTIONS, REFUNDS AND ALLOWANCES

RATE CHANGE	2007-08 (millions)
Slot Machine Tax:	
Value of 1 percent levy	$ 3.4

UNEMPLOYMENT COMPENSATION TAX

Florida Statutes: Chapter 443

Administered by: Agency for Workforce Innovation and the Department of Revenue

Fiscal Year	Collections	Annual Change %
2007-08*	$806,900,000	-13.82
2006-07*	936,400,000	-24.07
2005-06	1,233,268,814	7.05
2004-05	1,151,969,858	23.73
2003-04	931,051,618	34.12
2002-03	694,187,697	12.10
2001-02	619,228,988	31.11

* Est.

SUMMARY

Florida's Unemployment Compensation Program imposes a tax on wages paid by Florida employers to pay for unemployment benefits received by unemployed individuals. The tax is imposed on the first $7,000 of compensation paid to each employee and the tax rate varies from 0.1% to 5.4% depending upon the benefit experience of the employer.

DISPOSITION

Unemployment Compensation Clearing Trust Fund. Collections are deposited in the U. S. Treasury, then withdrawn as needed to pay benefits through the Unemployment Compensation Benefit Trust Fund.

BASE AND RATE

The tax is applied to employees' annual wages up to $7,000; employer pays rate varying from 0.1% to 5.4%, depending on the benefit experience of the employer.

HISTORY

The U. S. Social Security Act of 1935 provided for a Federal state program under a Federal tax against which state taxes up to 2.7% of covered payrolls could be credited. Florida's legislation was enacted in 1937 to comply with this plan. Florida's maximum benefit was first set at 50% of lost wages up to $15 weekly. Maximum benefits were increased in 1974, 1975, 1979, 1980, 1981, 1983, 1985, 1987, 1990, and 1998. Rate schedules were changed in 1979 and 1984. In 1980, the Unemployment Compensation Act was extensively revised (ch. 80-95, L.O.F.). The maximum benefit was increased from $200 to $225 in 1990. Chapter 94-347, L.O.F., made administrative changes to unemployment compensation, including changing the time frames for tax notification and reporting to make employers' compliance fairer and easier. Chapter 97-29, L.O.F., reduced unemployment taxes for all Florida employers, except those employers that have paid at a rate of 5.4 percent for more than 36 months, by five tenths percent for one year and decreased the initial rate charged new employers from 2.7% to 2.0% for one year. These tax reductions are effective for the 1998 calendar year. The law also increased the maximum weekly amount an unemployed individual may receive from $250 to $275, effective January 1, 1998. Finally, the law raised the exemption for sole-proprietors from paying unemployment taxes on wages paid to their children from 18 to 21 years of age. Chapter 99-131, L.O.F., reduced unemployment taxes and benefits for

calendar year 2000 in the same manner as was done for calendar year 1998. (See History above, ch. 97-29, L.O.F.) Chapter 2002-218, L. O. F., lowered the trigger for increasing the unemployment compensation tax rate from 4 percent of a taxable payrolls to 3.7 percent of taxable payrolls.

OTHER STATES

All states have unemployment benefit plans complying with Federal legislation. Average premiums paid vary considerably among the states. Florida's average premium is low among the states, however several states also included disability premiums in the rates for unemployment compensation.

Unemployment Compensation Account
with the United States Treasury

Fiscal Year	Revenue*	Benefits**	Fund Balance (June 30)
2005-06	$1,311,147,889	$791,881,473	$2,332,069,917
2004-05	1,241,394,046	1,026,992,826	1,812,803,501
2003-04	1,015,951,780	1,112,011,347	1,598,402,281
2002-03	795,660,211	1,189,879,589	1,694,461,847
2001-02	1,187,801,352	1,176,995,972	2,088,681,225
2000-01	650,126,285	757,797,273	2,077,875,845
1999-00	679,366,427	675,866,002	2,185,546,832
1998-99	707,181,147	718,504,526	2,182,046,408

* Revenue includes net collections, interest, and Federal program advances.
** Benefits include regular, extended, and Federal Supplemental Benefits programs.

WORKERS' COMPENSATION ASSESSMENTS

Florida Statutes: Chapter 440

Administered by: Department of Insurance; Division of Workers' Compensation

Fiscal Year	Workers' Compensation Administration Trust Fund	Annual Change %	Special Disability Trust Fund	Annual Change %
2007-08*	$58,300,000	0.00	$251,000,000	0.16
2006-07*	58,300,000	-10.07	250,600,000	-2.48
2005-06	64,832,714	-34.03	256,989,296	12.67
2004-05	98,273,552	-16.52	228,086,808	21.44
2003-04	117,725,774	-21.86	187,811,463	5.58
2002-03	150,661,479	11.02	177,880,843	3.91
2001-02	135,698,964	22.72	171,175,762	5.73

* Est.

SUMMARY

The Special Disability Trust Fund was created to facilitate the reemployment of a worker with a disability or reemployment of a worker following an injury by reducing an employer's insurance premium for reemploying an injured worker. The Workers' Compensation Administration Trust Fund was established for the purpose of providing for the payment of all expenses in respect to the administration of chapter 440. The Workers' Compensation Administration Trust Fund and the Special Disability Trust Fund are maintained by annual assessments on net premiums upon insurance companies writing workers' compensation in Florida.

DISPOSITION

Workers' Compensation Administration Trust Fund and Special Disability Trust Fund.

BASE AND RATE

Annual assessments: Beginning Jan. 1, 2001 – Dec. 1, 2001, the rate for the Administration Trust Fund was 2.75%. Beginning January 1, 2001, such rate can not exceed 2.75%. Beginning January 1, 2002, such rate can not exceed 2.56%. For the year 2003, such rate can not exceed 1.75%, and for the following year of 2004, the rate can not exceed 1.5%. Beginning January 1, 2005, such rate can not exceed 0.75%. Beginning January 1, 2006, the rate cannot exceed .60%. Beginning January 1, 2007, the rate can not exceed .50%. The Special Disability Trust Fund rate is currently 4.52% and can not exceed 4.52%.

HISTORY

Florida adopted workers' compensation laws in 1935. The purpose of the assessments is to fund the Workers' Compensation Administration Trust Fund and The Special Disability Trust Fund. These funds are for

administrative expenses and the funding of the Special Disability Trust Fund. Assessments are made annually according to estimated expenses. In 1979, major revisions were made in the statutes for administrative purposes. The 1990 Legislature did a
comprehensive rewrite of the Workers' Compensation statute and in 1991, certain exemptions were reinstated. Substantial reform of the workers' compensation system was adopted by the 1993 Legislature in SB 12-C, during Special Session "C". Chapter 96-423, L.O.F., postponed the Special Disability rate increase to 7.25% from July 1, 1996 to July 1, 1997. Chapter 97-262, L.O.F., provided that the Special Disability Trust Fund assessment rate could not exceed 4.52%. In addition, the Special Disability Trust Fund shall be supplemented by a $250 notification fee on each notice of claim filed or refiled after July 1, 1997, and a $500 fee on each proof of claim filed after July 1, 1997. Chapter 2000-150, L.O.F., reduced the cap on the assessment for the Administration Trust Fund from 4% to 2.75%, effective January 1, 2001.

Effective January 1, 2004, the department shall impose a $25 penalty for late payments or disallowances or denials of medical, hospital, pharmacy or dental bills that are below the 95% timely performance standard, but meeting a 90% timely standard; and $50 for each bill below a 90% timely performance standard. These penalties shall be paid by the carrier to the Workers Compensation Administration Trust Fund. In order to ensure carrier compliance, the office shall impose a penalty of $50 per number of installments below the 95% timely payment performance standard and equal to or greater than 90% timely payment performance standard and $100 per number of installments of compensation below a 90% timely payment performance standard to the Workers Compensation Administration Trust Fund.

OTHER STATES

All states and the District of Columbia have workers' compensation laws. Some require compulsory insurance, others allow self insurers to operate, as Florida does. Most levy a tax or assessment on insurance premiums to finance administration of the laws.

MAJOR LOCAL GOVERNMENT REVENUE SOURCES

AD VALOREM TAXES

Florida Statutes: Chapters 192, 193, 194, 195, 196, 197, and 200

Constitution: Article VII, Section 9

Administered by: Units of Local Government and Florida Department of Revenue

Ad Valorem Taxes Levied*
(Millions of Dollars)

Fiscal Year	Total Taxes Levied	% Change	Counties	% Change	School Districts	% Change	Municipalities	% Change	Special Districts**	% Change
2006-07#	$30,434.1	18.4%	$11,497.6	17.1%	$12,303.7	18.7%	$4,082.2	21.0%	$2,550.6	19.1
2005-06	25,699.6	14.9	9,815.0	14.4	10,369.1	14.2	3,373.4	18.0	2,142.1	15.3
2004-05	22,374.4	10.5	8,581.7	12.3	9,075.9	7.7	2,858.9	14.3	1,857.9	11.4
2003-04	20,240.6	11.3	7,644.1	10.3	8,427.3	9.8	2,501.3	14.5	1,667.8	18.8
2002-03	18,191.8	8.6	6,928.8	8.6	7,673.7	9.0	2,184.8	6.5	1,404.5	10.2
2001-02	16,744.5	9.5	6,379.4	9.6	7,039.3	8.2	2,051.8	9.8	1,274.0	15.9
2000-01	15,297.6	7.0	5,823.2	7.5	6,506.2	6.4	1,868.7	7.4	1,099.4	7.5
1999-00	14,293.7	4.0	5,415.2	6.9	6,115.3	1.3	1,740.8	9.2	1,022.4	-1.9
1998-99	13,739.1	6.7	5,067.3	5.7	6,035.1	5.9	1,594.2	7.9	1,042.6	14.5
1997-98	12,879.3	4.8	4,792.8	6.5	5,698.3	2.7	1,477.6	6.4	910.6	6.9
1996-97	12,288.8	4.9	4,499.3	3.8	5,548.9	6.0	1,388.7	7.9	852.0	-0.6
1995-96	11,712.2	4.2	4,333.2	3.1	5,234.7	4.2	1,287.3	4.7	857.0	8.7
1994-95	11,244.2	5.8	4,203.7	4.6	5,023.4	8.1	1,229.0	3.6	788.1	0.9
1993-94	10,631.3	4.2	4,018.3	1.1	4,645.5	3.2	1,186.5	3.4	780.9	35.9
1992-93	10,199.4	2.2	3,974.7	5.5	4,503.2	2.2	1,147.0	2.0	574.5	-16.2
1991-92	9,982.4	5.1	3,767.7	3.6	4,404.2	8.2	1,124.6	-2.9	685.9	8.2
1990-91	9,500.3	12.1	3,636.6	10.3	4,070.8	13.3	1,158.8	13.2	634.2	13.5
1989-90	8,474.5	15.0	3,298.3	11.4	3,593.9	19.5	1,023.4	7.8	558.8	23.4
1988-89	7,371.1	11.1	2,960.6	10.9	3,008.1	11.0	949.6	10.6	452.8	13.8
1987-88	6,635.7	13.3	2,669.3	15.7	2,710.1	10.8	858.3	11.6	397.9	19.4
1986-87	5,855.6	14.5	2,306.5	15.3	2,446.7	13.3	769.2	12.9	333.2	22.2
1985-86	5,114.2	11.7	2,000.9	12.7	2,159.5	13.7	681.1	10.4	272.6	-4.9
1984-85	4,579.3	8.6	1,775.7	6.6	1,899.8	11.8	617.2	9.7	286.6	-1.0
1983-84	4,217.0	14.1	1,666.2	15.8	1,698.6	13.8	562.6	8.8	289.6	17.2

* Includes operating and debt service taxes.

\# Preliminary

** Includes independent special districts only; dependent special district and MSTU levies are included with supervisory unit levy.

AD VALOREM TAXES
(Continued)

SUMMARY

The local ad valorem tax is an annual tax levied by local governments based on the value of real and tangible personal property as of January 1 of each year. Florida's Constitution prohibits the state government from levying an ad valorem tax except on intangible personal property. The taxable value of real and tangible personal property is the fair, market value of the property adjusted for any exclusions, differentials, or exemptions allowed by the constitution or the statutes. The constitution is highly restrictive with regard to legislative adjustments to just value. With certain exceptions for millage levies approved by the voters, the constitution limits county, municipal and school district levies to 10 mills each. Tax bills are mailed in November of each year based on the previous January 1st valuation and payment is due by the following March 31.

DISPOSITION

To Local Government

BASE

Taxable base is the fair market value of locally assessed real estate, tangible personal property (excluding intangible personal property which is separately assessed and taxed by the state), and state assessed railroad property, less certain exclusions, differentials, exemptions, and credits.

Exclusions are specific types of property constitutionally or statutorily removed from ad valorem taxation. Major categories include: (1) transportation vehicles such as automobiles, boats, airplanes, and trailer coaches, which are constitutionally excluded from ad valorem taxes but "shall be subject to a license tax" (Article VII, Section l(b), of the Florida Constitution); and (2) personal property brought into the state for transshipment, which statutorily is not considered to have acquired taxable situs and therefore is not part of the tax base.

Differentials are reductions in assessments that result from a valuation standard other than fair market value. Such standards are either (1) value in current use only (e.g., agricultural value), (2) value at a specified percentage of fair market value (e.g., the constitution allows inventory and livestock to be assessed on a percentage basis, although the legislature has exercised its option to totally exempt such property), or (3) value that results from a limitation on annual increases (e.g., increases in assessments of homestead property are limited to the lesser of 3% or the consumer price index up to the fair market value).

Exemptions are deductions from assessed value, which are typically specified as a dollar amount (e.g., homestead exemption of $25,000). However, certain exemptions are equal to the total assessed value of the property (e.g., property used exclusively for charitable purposes), or are equal to a portion of the total assessment, based on the ratio of exempt use to total use provided that the exempt use must exceed 50% (e.g., property used predominantly for charitable purposes).

Credits, which may take the form of allowances, discounts, rebates, etc., are deductions from the tax liability of a particular taxpayer. Credits currently allowed in Florida are early payment and installment discounts of not more than 4%.

Deferrals do not reduce the overall tax liability of a taxpayer, but do allow for changes in the timing of payment. Under certain circumstances a taxpayer may defer a portion of the taxes due on homestead property for the remaining lifetime of the property owner and his/her spouse or until sale of the property.

AD VALOREM TAXES
(Continued).

The following table shows the growth of just and taxable value and the value of new construction. Dollar amounts are in billions.

Assessment Date	Just Value	% Increase	Taxable Value **	% Increase	Net New Construction	% of Revenue From New Const. @
1/1/07*	$2,564.5	4.9%	$1,795.5	8.9%	$56.1	3.2
1/1/06#	2,444.5	28.7	1,649.2	25.4	57.5	3.6
1/1/05	1,899.0	20.4	1,314.9	18.4	43.4	3.4
1/1/04	1,577.2	14.0	1,110.7	12.7	35.0	3.3
1/1/03	1,383.5	12.2	985.3	11.3	30.7	3.2
1/1/02	1,232.8	11.3	885.1	10.0	28.7	3.3
1/1/01	1,107.7	10.6	804.9	10.3	24.9	3.2
1/1/00	1,001.3	7.2	729.7	8.0	21.5	3.0
1/1/99	934.4	6.9	675.6	7.1	19.5	3.0
1/1/98	874.5	6.1	630.8	6.4	16.4	2.7
1/1/97	824.1	5.6	592.9	6.0	13.4	2.3
1/1/96	780.5	3.8	559.2	4.4	12.5	2.3
1/1/95	752.0	4.4	535.6	4.6	11.5	2.2
1/1/94	720.0	5.2	511.8	4.7	11.7	2.3
1/1/93	684.6	2.1	488.6	1.8	8.4	1.8
1/1/92	670.5	1.9	480.0	1.0	9.0	1.9
1/1/91	658.1	5.5	475.1	5.8	11.9	2.6
1/1/90	623.6	8.3	449.1	8.7	13.5	3.1
1/1/89	576.0	8.6	413.3	9.3	13.3	3.3
1/1/88	530.3	6.8	378.1	7.3	13.1	3.6
1/1/87	496.5	8.4	352.4	9.1	13.2	3.9
1/1/86	458.2	8.3	322.9	9.1	12.0	3.9
1/1/85	423.2	10.1	296.0	11.2	12.3	4.3
1/1/84	384.5	8.0	266.1	9.3	9.2	3.6

* Estimates

** In 1981, school taxable value diverged from county taxable value due to differences in the value of the homestead exemption. School taxable value was $193.3 billion in 1981. Beginning in 1984, county taxable value is slightly less than school taxable value, due to the economic development tax exemption for new and expanded businesses. The exemption does not apply for school purposes. Figures shown are school taxable value beginning in 1984.

\# Preliminary

AD VALOREM TAXES
(Continued)

@ Computed as New Construction divided by (Taxable Value - New Construction). This represents the aggregate growth in county wide revenue allowed by the rolled-back rate, as provided in s. 200.065(1), F.S., without the need to advertise a tax increase.

RATE

Millage rates vary among local governments, but are subject to both constitutional and statutory limitations. All counties, cities, and school districts are subject to a constitutional limitation of ten mills for operating purposes. In addition, school districts are subject to certain statutory caps less than ten mills to be eligible to participate in the state K-12 funding program (FEFP). Dependent special district millage rates are included in the cap applicable to the authority to which they are dependent. Independent special district millage rates are limited by law establishing such districts. Local voters, by referendum, may authorize additional mills to be levied above the ten mill limitation for debt service without a time restriction, and for other purposes for a period of not longer than two years. Counties providing municipal services may also levy up to an additional ten mills above the ten mill county limitation within those areas receiving municipal-type services. Finally, for fiscal years 1982-83 through 1984-85 county and municipal millage rates, including dependent districts, were subject to certain statutory limitations restricting the rate of growth in revenues. (See s. 200.085, F.S. (1985)).

Average Millage Rates* (1 mill = .1 cent or $.001; also expressed as $1 per $1,000 or .1%)

Fiscal Year	Total Counties	School Boards	Municipalities	Total Millage Levied*
2006-07	6.97	7.46	4.64	18.46
2005-06	7.46	7.89	4.86	19.56
2004-05	7.73	8.17	4.93	20.15
2003-04	7.76	8.55	4.78	20.55
2002-03	7.83	8.67	4.84	20.56
2001-02	7.93	8.75	4.84	20.81
2000-01	7.98	8.92	4.99	20.97
1999-00	8.01	90.5	5.12	21.16
1998-99	8.03	9.57	5.26	21.78
1997-98	8.08	9.61	5.18	21.73
1996-97	8.05	9.92	5.00	21.98
1995-96	8.09	9.77	5.06	21.87
1994-95	8.21	9.81	5.03	21.97
1993-94	8.22	9.51	5.04	21.76
1992-93	8.28	9.38	4.97	21.25
1991-92	7.93	9.27	4.92	21.01
1990-91	8.10	9.06	4.87	21.16

AD VALOREM TAXES
(Continued)

Fiscal Year	Total Counties	School Boards	Municipalities	Total Millage Levied*
1989-90	7.98	8.70	4.87	20.51
1988-89	7.83	7.96	4.71	19.50
1987-88	7.57	7.69	4.52	18.83
1986-87	7.14	7.58	4.85	18.13

* Includes both operating and debt service levies. Rates shown are weighted averages based on the sum of ad valorem taxes for each type of local government relative to their respective statewide taxable base. The school taxable base is utilized for both counties and school districts to allow comparability of rates. The Total Millage column includes special district levies not shown separately and is calculated to equal the millage rate which would raise the total taxes levied by all taxing authorities if applied against the statewide tax roll.

VALUE OF RATE CHANGE, EXEMPTIONS, DIFFERENTIALS, DISCOUNTS AND ALLOWANCES

RATE CHANGE

Value of 1 mill levy on 2007-08 tax base (est.) $1,795.5 million

VALUE OF EXEMPTIONS, DIFFERENTIALS, ETC.	2007-08 Estimated Taxable Value (Millions of Dollars)	2007-08 Estimated Tax Expenditures# (Millions of Dollars)
Administration		
Assessment of real property at less than fair market value (includes 15.0% for application of 1st and 8th criteria and 2.7% for general underassessment)	$345,098.5	$6,427.0
Assessment of tangible personal property at less than fair market value (assumes 15% for general under-assessment)	18,585.2	346.1
Exclusions		
Transportation vehicles	Indeterminate	Indeterminate
Property held for transshipment	Indeterminate	Indeterminate
Differentials		
Homestead assessment limitation (Save Our Homes) (s. 193.155)	401,800.0	7,483.0
Agricultural land (s. 193.461(6)(a))	70,077.7	1,323.7
Private park and recreational land (s. 193.501)	68.9	1.3
Environmentally endangered land (s. 193.501)	Indeterminate	Indeterminate
Historically significant (s. 193.505)	Insignificant	Insignificant
Pollution control devices (s. 193.621(1))	2,260.7	42.1
Building renovations for the physically handicapped (s. 193.623)	Indeterminate	Indeterminate
Annual agricultural crops*, non-bearing fruit trees and nursery stock (not assessed) (s. 193.451(3))	Indeterminate	Indeterminate

AD VALOREM TAXES
(Continued)

VALUE OF EXEMPTIONS, DIFFERENTIALS, ETC.	2007-08 Estimated Taxable Value (Millions of Dollars)	2007-08 Estimated Tax Expenditures# (Millions of Dollars)
Exemptions		
$25,000 Homestead Exemption (s. 196.031(3)(d))	$110,401.8	$2,056.1
Permanently and totally disabled veterans (s. 196.081)	4,004.0	74.6
Disabled veterans confined to wheelchairs (s. 196.091)	49.6	0.9
Totally and permanently disabled persons (s. 196.101) (Note 1)	669.5	12.5
Renewable energy source (s. 196.175)	Insignificant	Insignificant
Blind (s. 196.202)	5.6	0.1
$500 Totally and permanently disabled persons (s. 196.202)(Note 1)	35.7	0.7
Widows' and Widowers exemption (s. 196.202)	217.5	4.0
Property used by hospitals, nursing homes and homes for special services (s. 196.197)	7,174.8	133.6
Property used by nonprofit homes for the aged (s. 196.1975)	1,536.0	28.6
Educational property (s. 196.198)	10,491.2	195.4
Labor organizations (s. 196.1985)(Note 2)	84.5	1.6
Community centers (s. 196.1986)	2,135.4	39.8
Institutional exempt property (Note 3)	50,369.7	938.1
Totally exempt & immune	397,817.8	7,408.8
Government Property (s. 196.199) (Note 4)		
Federal property	24,859.1	463.0
State property	28,531.9	531.4
Local government property	90,073.4	1,677.5
Government leaseholds	1,063.7	19.8
Local Option Economic Development (s. 196.1995)(Note 5) (Note 6)	744.3	5.2
Not-for-profit sewer and water company (s. 196.2001)	1,527.7	28.5
$5,000 Disabled, Ex-Servicemen Exemption (s. 196.24)	440.5	8.2
Historic property (s. 196.1997)(Note 5)	Indeterminate	Indeterminate
Local Option Additional Homestead for 65 and older (s. 196.075) (Note 7)	4,299.2	22.7
Living Quarters for Parents or Grandparents (s. 193.703)	345.6	6.4

VALUE OF DISCOUNTS AND ALLOWANCES

Discounts for early payments . . . . . $1,192.7 million

\# Tax expenditures are based on an aggregate average millage rate of 18.46.

* Includes timber. Current administrative practice has resulted in the non-assessment of timber in virtually all counties, although timber is not an "annual agricultural crop," per the statutory requirement for exemption.

Notes

1. Available to: quadriplegics and the following, if total household income does not exceed an annually adjusted income limit: (a) paraplegics; (b) hemiplegics; (c) other totally and permanently disabled persons confined to a wheelchair; and (d) other totally and permanently disabled persons who are blind. An inconsistency in the statutes has resulted in the administrative determination that blind persons who are not totally and permanently disabled may also receive the total exemption if they meet the income test.

2. The portions of labor union property used for educational purposes may be separately assessed, thus avoiding the predominant use requirement.

3. Applies to property used exclusively or predominantly (greater than 50%) for the following purposes: (a) charitable, (b) literary, (c) religious, (d) scientific, and (e) educational. Exemption is total if use for said purposes is exclusive. For predominant use, exemption is proportional to use for said purposes. Special statutory criteria exist for determining the eligibility of hospitals, nursing homes, homes for special services, homes for the aged, educational institutions, community centers, and labor union property.

4. All U.S. Government property is exempt. Pursuant to Florida Statutes, state and local government property is exempt if used for governmental or public purposes. Government owned property used by non-governmental lessees is exempt only when the lessee serves or performs a governmental or public purpose or function. The leasehold estate (i.e., the right or interest in the property created by virtue of the lease contract) is by law subject only to intangibles taxation. In the past as a matter of practice, government-owned property used by a non-governmental lessee for private purposes was not assessed. Currently, counties are assessing such property owned by municipalities, and the issue is being litigated.

5. Eligibility for exemption is determined separately for county taxes and municipal taxes. In no event does the exemption apply to school or independent district taxes.

6. Computed using average county millage rate only.

7. Total value loss is for both counties and municipalities. Tax loss is calculated by assuming that 75% of the exempt value is for counties and 25% for municipalities and applying the county and municipal average millage to the respective exempt amounts.

History of Property Taxation in Florida

Property taxation in Florida dates from 1839, when a territorial enactment provided a tax "on every acre of first-rate land, half a cent; on every acre of second-rate land, one quarter cent; on every acre of third-rate land, one-eighth of a cent," and various levies on other real and personal property. In the early days of statehood the most significant ad valorem tax was imposed not by local governments but by the state. The ad valorem tax was imposed primarily on agricultural land and slaves.[1]

The Constitution of 1885 said that the legislature shall provide for a uniform and equal rate of taxation, and shall prescribe such regulations as shall secure a just valuation of all property, both real and personal, excepting such property as may be exempted by law for municipal, educational, literary, scientific, religious, or charitable purposes. It also provided an exemption to every widow with dependents and every person who has lost a limb or been disabled in war or by misfortune.

Amendments to the Constitution of 1885:

- Intangible personal property may be taxed at a different rate from real and personal property, at a maximum rate of 5 mills. (1924) Before this amendment, there had been no distinction between intangible and other property for tax purposes. This provision was enacted into law by ch. 15789, L.O.F., in 1931, at a rate of 2 mills on most types of intangible property.

[1] In 1865, the Legislature imposed, as part of the general county tax, a levy of $2 on every dog over six months old, without regard to sex. The tax collector was directed to kill any dog for which the tax was not paid, but an exemption to the tax was provided for the City of Apalachicola. (Ch. 1502, L.O.F.)

- Motor vehicles are not subject to ad valorem tax as personal property, and are subject only to a license tax for the operation of such vehicles. (1929)
- $5,000 homestead exemption. (1934)
- No levy of ad valorem taxes on real or personal property for any state purpose. (1940)

In 1967, the Legislature passed a law providing for assessment of required pollution control facilities at salvage value. (Chapter 67-436, L.O.F.)

The current Florida Constitution, as adopted in 1968, included these property tax provisions:

- No state ad valorem taxes on real or personal property;
- No ad valorem taxes on motor vehicles, boats, airplanes, trailers, trailer coaches, or mobile homes, as defined by law;
- All ad valorem taxation shall be at a uniform rate within each taxing district;
- Property owned by a municipality and used exclusively by it for municipal or public purposes is exempt;
- Property used predominantly for educational, literary, scientific, religious or charitable purposes may be exempted by general law;
- $1,000 minimum exemption for household goods, to be fixed by general law;
- $500 exemption for widows, blind or totally and permanently disabled persons;
- By law regulations shall be prescribed which shall secure a just valuation of all property for ad valorem taxation;
- Agricultural land or land used for non-commercial recreational purposes may be classified by general law and assessed on the basis of character or use;
- Tangible personal property held as stock in trade or livestock may be valued at a specified percentage of its value, by general law;
- $5,000 homestead exemption, which may, by general law, be increased to $10,000 if the property owner is at least 65 or is permanently and totally disabled;
- Counties, school districts, and municipalities shall, and special districts may, be authorized by law to levy ad valorem taxes;
- Millage rates are limited to 10 mills for all county purposes, 10 mills for municipal purposes, and 10 mills for all school purposes; and
- A county furnishing municipal services may, to the extent authorized by law, levy additional taxes within the municipal millage.

The Constitution of 1968 adopted most of the ad valorem tax provisions of the Constitution of 1885 as amended, which it superceded. It did change the treatment of municipal property. Prior to 1968, Art IX, sec. 1 of the Constitution provided that "(t)he Legislature shall provide for a uniform and equal rate of taxation;... and shall prescribe such regulations as shall secure a just valuation of all property, both real and personal, excepting such property as may be exempted by general law for municipal, education, literary, scientific, religious or charitable purposes." Art. VII, sec. 3 of the 1968 Constitution, provides "(a)ll property owned by a municipality and used exclusively by it for municipal or public purposes shall be exempt from taxation." The Constitution of 1968 does not authorize the Legislature to exempt municipal property from taxation unless it is used exclusively by the municipality for municipal or public purposes. This provision has led to extensive litigation when the Legislature has attempted to provide ad valorem tax exemptions for property leased by municipalities to private users.

Significant Constitutional and Statutory Changes to Ad Valorem Property Taxation Since 1968

In 1975, Art. VII, sec. 9 of the Florida Constitution, was amended to authorize ad valorem millage for Water Management Districts. The Northwest Florida Water Management District is limited to 0.05 mill; the other districts are limited to 1.0 mill. Actual millage allowed is determined annually by the Legislature.

In 1976, the Legislature provided property tax exemptions for non-profit homes for the aged. (Chapter 76-234, L.O.F.)

Residential units occupied by permanent residents with incomes below certain limits were considered to be used for a charitable purpose. Units that did not qualify as charitable purpose, but were occupied by permanent residents, were provided an exemption equivalent to the homestead exemption on residential units.

Several amendments to Art. VII of the Florida Constitution were adopted in 1980.

- The homestead exemption was increased to $25,000, but the exemption increase was tied to improvement in the assessment of homestead property. (The increase for city and county purposes was phased in over a three year period.)
- Counties and cities were given authority to enact ad valorem exemptions for new and expanding businesses, if approved by a referendum. The exemptions were limited to the millage of the county or city enacting the exemption, and authority to grant the exemptions expired 10 years after the referendum unless renewed by another referendum. (This was enacted by ch. 80-347, L.O.F.)
- Tangible personal property held for sale as stock in trade or livestock may be classified for tax purposes or may be exempted from taxation. (All items of inventory were exempted by ch. 81-308, L.O.F.)
- Ad valorem tax relief for renters who are permanent residents was authorized, but must be enacted by general law. (The Legislature has provided for such relief only for residents of non-profit homes for the aged and proprietary continuing care facilities.)
- State aid to local governments may be tied to relative ad valorem assessment levels. (The Florida Education Finance Program adjusts state funding by the level of assessment in each school district.)
- The Legislature is authorized to enact an ad valorem exemption for a renewable energy source device and to real property on which such device is installed. (An exemption was enacted by ch. 80-163, L.O.F., but was limited to 10 years and devices installed before December 31, 1990.)

Prior to 1980, the exemption for property owned by governmental units did not apply to those portions of a leasehold estate which are used predominantly for a private, commercial purpose and serve no governmental, municipal, or public purpose.

In 1980, the Legislature amended s. 196.199, F.S., to make such leaseholds subject to intangibles tax if rental payments are paid for the use of the property.

In 1980 the Legislature also enacted ad valorem tax reform legislation popularly known as the "Truth in Millage" or "TRIM" law, which contained a number of major changes related to the administration of property assessments. It improved the assessment review process, strengthened state supervision of assessment procedures and mandated full disclosure to taxpayers of property tax information.

Art. VII, sec. 6 of the Florida Constitution, was amended in 1987 to allow land producing high water recharge to Florida's aquifers to be classified by general law and assessed solely on the basis of character or use. Prior to this, classification had been authorized for agricultural land and land used exclusively for non-commercial recreational uses. Chapter 96-204, L.O.F., provided for classification of high water recharge areas.

In 1992, Florida voters approved two changes to the Constitution pertaining to property taxation. One change authorized cities or counties to grant ad valorem tax exemptions to owners of historic properties engaging in rehabilitation or renovation of these properties, subject to general law. Chapter 92-152, L.O.F., provided the general law enactment of this amendment. The second Constitutional change in 1992 was initiated by a petition, and limited increases in the assessment of homestead property to 3 percent per year or the Consumer Price Index, whichever is lower. After a change in ownership or other termination of the homestead the property is reassessed at just value. This amendment was popularly known as "Save Our Homes."

The Florida Constitution was amended in 1998 to authorize, by general law, an additional homestead exemption for persons 65 or older whose household income is less than $20,000. The exemption is by local option, and applies to the millage of the county or municipality providing the exemption. The income limitation is adjusted annually for changes in cost of living. The legislature enacted ch. 99-341, L.O.F., to provide for this additional homestead exemption.

Another 1998 amendment authorized a historic preservation ad valorem tax exemption for owners of historic properties. Such exemptions may be offered by any county or municipality for the purposed of its respective tax levy, and the amount or limit of the amount of this exemption and the requirements for eligible properties must be specified by general law, as well as the period of time for which this exemption may be granted.

In 2002, the Legislature increased the amount of the exemption available to certain disabled veterans from $500 to $5,000. In addition, the Florida Constitution was amended in 2002 to allow local governments to grant a reduction in the assessed value of homestead property when there has been an increase in the assessed value of that property due to the construction or reconstruction of the property in order to provide living quarters for the natural or adoptive parents or grandparents of the owner, provided that at least one of the parents or grandparents is age 62 or older. This reduction in value is limited to the lesser of the increase in value resulting from the construction or reconstruction, or twenty percent of the value of the property as improved.

In 2005, legislation was passed to extend the $5000 exemption granted to disabled ex-service members to a members un-remarried widow or widower as long as they had been married to the veteran for at least 5 years at the time of death. In addition, special provisions were made for persons who lost their homestead property during the 2004 hurricane season to allow them to rebuild their property without losing their Save our Homes capped value, provided the rebuilt home was no larger than 1500 square feet (if the home originally measured 1350 square feet or less) or 110% of the previous square footage.

Two constitutional amendments affecting ad valorem taxation were adopted in 2006. First, the maximum value of the additional homestead exemption authorized for low income seniors was raised from $25,000 to $50,000. Second, a discount on ad valorem taxes owed on homestead property was authorized for veterans with combat related disabilities, provided that the veteran was a Florida resident at the time he or she entered service. The percentage of the discount is equal to the veteran's percentage of disability as determined by the United States Department of Veterans Affairs.

ALTERNATIVE PROPERTY TAX BASES

A. Mobile Homes and Motor Vehicles

Article VII, Section 1 of the Florida Constitution, prohibits the ad valorem taxation of motor vehicles, boats, airplanes, trailers, trailer coaches, and mobile homes, and instead subjects them to a license tax.

A constitutional amendment is required to directly alter the tax status of these items. The courts have said that "common" definitions must be used when interpreting the constitution. By providing appropriate statutory definitions, the legislature could alter the tax status of these items under certain circumstances. For example, current law requires mobile homes permanently affixed to the home owner's land to be assessed as real property; mobile homes not taxed as real property and which do not have a current license tag are presumed to be tangible personal property and assessed accordingly. It is possible to define vehicles which do not serve primarily vehicular functions to be tangible personal property, such as mobile homes and recreational vehicles.

B. Personal Property Held for Transshipment

Tangible personal property temporarily located in Florida is deemed not to have acquired taxable situs (and is therefore exempt) if it was manufactured outside the U.S. and is en route to another state or vice-versa.

C. Government Property Used for Private Purposes (Leaseholds)

Government owned property used by non-governmental lessees for private (as opposed to public) purposes was subject to local ad valorem taxation until 1980. Legislation passed in 1980 (Chapter 80-368, L.O.F.) provides that in such situations the right or interest in the property created by the lease agreement (that is, the leasehold estate) is subject to taxation only as an intangible asset. Although there is a clear distinction between the lease (an intangible asset) and the property being leased (real estate), the intent of the legislation was to prohibit local ad valorem taxation of the real estate. Leased municipal property used for non-governmental purposes, however, has been judicially held to be subject to ad valorem tax. Imposing local ad valorem taxes on all such property would provide an estimated $19.8 million in net new local revenue.

The Taxation and Budget Reform Commission in 1992, proposed a constitutional amendment to change the taxation of leaseholds of government owned property. The proposal was stricken from the ballot by the Florida Supreme Court because the ballot language was ambiguous. (Smith v. American Airlines, Inc., 606 So.2d 618 (Fla. 1992)). In 1998, the Constitutional Revision Commission proposed another constitutional amendment to address this issue. However, the proposed amendment was defeated in the General Election.

D. Site Value Tax

A site value tax, sometimes called a graded property tax or a differential property tax, imposes a higher tax rate upon land than upon buildings, or may exempt buildings altogether. To some extent, several states presently provide for this form of taxation (Hawaii, Illinois, Pennsylvania, Alabama, etc.); and it is used extensively in Australia and New Zealand. Support for this form of property taxation largely derives from the view that land values are socially created and should, therefore, be taxed more heavily than improvements which result from human activity.

Proponents of this tax cite the following advantages: (1) reduced urban sprawl, (2) rehabilitation of decaying inner cities and downtown business districts, (3) no tax "penalties" for home improvements, (4) increased supply of agricultural land and open spaces, and (5) reduced tax-induced distortion of private economic decision-making.

It has been claimed that adoption of this method of taxing property would ultimately decrease property taxes paid by most homeowners. The specific tax re-distributional consequences of this form of taxation in Florida are unknown; estimation would require a detailed study.

E. Alternative Homestead Exemptions

Current law provides for a $25,000 homestead exemption for all resident homeowners. In addition, counties and municipalities may grant an additional homestead exemption of up to $50,000 to homeowners who are 65 or older and meet certain low-income requirements. Finally, since 1995, increases in property assessments of homestead property have been capped at 3% or the consumer price index, whichever is lower.

A statutory provision limiting the exempt amount to $5,000 for those homeowners who have not resided in Florida for the preceding 5 years was stricken by the Florida Supreme Court in 1983. A number of alternative methods of providing tax relief to homeowners have been discussed. These include:

(1) An assessment-based homestead exemption, whereby the maximum amount of the exemption would be tied to the average cost or value of housing in the county. This would reduce the exempt amount in rural or slow growing counties where property values are low, and increase it in large or fast growing counties. While continuing the goal of exempting the cost of a necessity (minimum shelter) from taxation, this proposal eliminates overcompensation and under compensation in tax benefits occurring under current law due to a fixed dollar amount being used to represent a cost which varies widely across the counties;

(2) An indexed homestead exemption. Since assessment increases erode the relative value of the homestead exemption, it has been proposed that the exemption be indexed to a measure of inflation or growth in property values to prevent such erosion. The value of an indexed homestead exemption would grow each year, roughly in proportion to assessment increases;

(3) A shifted homestead exemption, whereby the first increment of value would be taxable, then the exemption would apply, and finally the remaining portion of value if any would be taxable. Proposals to tax the first $5,000, $10,000 or $15,000 have been discussed. All of these proposals would insure that every homeowner paid some amount of property taxes. All would add an element of regressivity to the tax;

(4) A homestead exemption applied to structures only. This is similar to item (3) except that the first taxable increment would vary from parcel to parcel, depending on the ratio of structure to land value;

(5) A phased-out homestead exemption, whereby the amount of the exemption is less for higher valued properties. This proposal would increase the progressivity of the tax; and

(6) A fractional homestead exemption, whereby the amount exempted is a proportion of the value of the property rather than a flat dollar amount. Some proponents of this approach suggest inclusion of a cap, limiting the maximum exempt amount to $25,000. In 1986, the voters rejected a proposal to amend the homestead exemption to permit an exemption of $5,000 plus 50% of additional value of the next 40,000 or a maximum exemption of $25,000.

F. Removal of the First and Eighth Criteria

Florida law (ss. 192.001(2) and 192.042, F.S.), the Florida Constitution (Article VII, Section 4), and the Florida Supreme Court (Root v. Wood 21 So.2d 133; Walter v. Schuler 176 So.2d 81; Burns v. Butscher; 187 So.2d 594), require assessment of property at just or fair market value, except for agricultural property and homestead property subject to the constitutional cap on increases in assessments. This precludes fractional assessment of property.

However, subsections (1) and (8) of s. 193.011, F.S., function to allow for adjustments from full just value assessments. These subsections are two of the eight factors that Property Appraisers are required to consider in making assessments. Subsection (1) states that in assessing property, the Property Appraiser should consider 'the present cash value of the property, which is the amount a willing buyer would pay a willing seller, exclusive of reasonable fees and costs of purchase.' Subsection (8) requires the Property Appraiser to consider 'the net proceeds of the sales of property, as received by the seller, after deduction of all the usual and reasonable fees and costs of sale, including the costs and expenses of financing...' This subsection also directs the Property Appraiser, when using net proceeds of a sale in determining just value, to exclude portions of the net proceeds attributable to payment for household furnishings or other items of personal property. The weight given to each of these factors is left to the discretion of Property Appraisers (Valencia Center Inc. v. Bystrom, 543, So.2d 214 (Fla. 1989), and Bystrom v. Bal Harbour 101 Condominium Association, Inc., 502 So.2d 1312 (Fla. 3d DCA 1987)).

Each year with the submittal of the preliminary assessment rolls, Property Appraisers are required to report to the Department of Revenue any percentage adjustments reflecting their consideration of the first and eighth factors (criteria). The Department's role is the establishment and administration of a documentation threshold. Rule 12D-8.002(4), F.A.C. specifies that if any reported percentage adjustments exceed 15 percent, documentation supporting these percentage adjustments must be provided to the Department of Revenue. In most cases, information submitted reflects percentage adjustments of 15 percent; there are no known cases where the reported adjustment exceeded 15 percent. The adjustment for the first and eighth criteria was considered by the Property Tax Administration Task Force (s. 192.117, F.S.). In August 2003, the Task Force recommended that this issue be removed from further consideration and that the Department continue to take input on the matter. In December 2003, the Department held a public workshop to receive input on Rule 12D-8.002(4), F.A.C. This workshop was well attended with most speakers expressing opposition to any changes in the rule. Under certain circumstances, s. 192.037(11), F.S., specifically allows a presumption of 50 percent (rebuttable) for a similar type adjustment for timeshare real property.

G. Agricultural Land

Agricultural lands are currently assessed at their value in agricultural use rather than fair market value. In practice, agricultural assessments represent the capitalized value of current net agricultural income which the land could produce under typical management conditions. Agricultural assessments are estimated to average 14.2% of the market value of the land in 2004.

Valuation alternatives, other than assessment at fair market value, include:

(1) Recognition of the capital gain associated with agricultural land and including the present value of such a gain when computing the agricultural value of the land. It has been argued that considering only current income in determining agricultural value, as is presently done, understates the value of the land even to a bona fide farmer.

(2) Exempting the agricultural value of the land, and taxing any value the land may have in excess of that amount. Current law taxes the agricultural value and exempts the remainder. In doing so, it is said that current law penalizes bona fide farmers by providing the least tax benefits to land which has no higher or better use than agriculture, and the most benefits to land least valuable for agriculture. This proposal would reverse that situation.

(3) Assessing agricultural land at market value, but enacting an agricultural tax cap to limit taxes to a maximum percentage of income. The tax cap would apply if the landowner entered into an agreement to continue agricultural use for a specified period of time. This alternative has been cited for (a) its efficiency, in that it minimizes unnecessary tax losses, (b) its effectiveness, in that it insures that tax burdens for farmers are not unduly burdensome, (c) its fairness, in that in return for the cost of the tax

break society is insured agricultural use will continue for a fixed period of time, and (d) its simplicity, in that the difficult and subjective task of assessing land on an artificial basis is eliminated.

(4) Fractional assessment of agricultural land. Present law effectively exempts an average of 85.8% of the market value of agricultural land. However, the percentage reduction varies by parcel. It is smallest for lands whose highest and best use is agriculture, and largest for lands whose value in agriculture is the least relative to value in other uses. A uniform percentage reduction would increase the proportion of the tax savings to those most likely to continue depending on farming as their chief source of income.

(5) Utilization of a tax-free or adjusted rate of return. Because a substantial portion of farm income is sheltered from federal taxation, the current practice of using after tax rates of return to capitalize income can significantly understate the value of agricultural property. Using rates of return on tax free bonds as the "riskless" component of agricultural capitalization rates would recognize the tax shelter benefits of agricultural operations.

In addition to the above changes in methods of assessment, various mechanisms are available to enhance the efficiency and effectiveness of preferential assessments:

(a) A commercial agricultural use requirement to insure that only serious agricultural operations qualify. Excluded from special tax treatment would be hobby farmers, speculators, developers, etc.

(b) A recapture-provision whereby the tax savings from preferential assessment would be repaid in whole or in part if agricultural use is not continued.

(c) A restrictive agreement whereby the property owner contractually agrees to continue agricultural use of the land for a fixed period of time in order to qualify for special tax treatment.

(d) A requirement for purchase of development rights by state or local government prior to granting agricultural classification.

H. Taxation of Inventory

Effective fiscal year 1982-83, inventory became totally exempt from ad valorem taxes in Florida. Also exempt under the inventory provisions are livestock and fuels used in the manufacture of electricity.

Prior to 1966, inventory was fully taxable at 100% of its fair market value. A fractional assessment system was instituted thereafter with inventory assessments falling to 50% in 1966, 25% in 1969, and 10% or 1% in 1978 depending on whether the item of inventory was classified as general inventory or goods in process (including raw materials), respectively.

LOCAL COMMUNICATIONS SERVICES TAX

Florida Statutes: Chapter 202

Administered by: Department of Revenue

Fiscal Year	Total Collections	Annual Change %
2007-08*	$835,700,000	4.00
2006-07*	803,900,000	3.00
2005-06	780,131,107	4.40
2004-05	747,573,971	5.00
2003-04	711,726,095	-3.70
2002-03	739,341,068	73.30
2001-02**	426,653,790	NA

* Est.

** The tax did not take effect until October 2001, so the first year's collections do not reflect a full fiscal year.

SUMMARY

The governing authority of each county and municipality may, by ordinance, levy a local communications services tax on retail sales of communications services that originate or terminate in Florida and are billed to an address in the city or county imposing the tax. This tax replaces the public service tax on telecommunication services and franchise fees imposed on communications services providers for use of public rights-of-way plus the discretionary sales surtax previously imposed on telecommunications services. Communications services include all forms of telecommunication currently taxed by the gross receipts tax, except direct-to-home satellite services. The law also specifically applies the tax to communications services provided through any "other medium or method now in existence or hereafter devised."

DISPOSITION

The local communications services tax is remitted by dealers to the Department of Revenue, which distributes monthly the appropriate amount to each municipality, county or school board, after deducting the department's costs of administration not to exceed 1 percent of the total revenue generated for all municipalities, counties, and school boards.

BASE AND RATE

The local communications services tax is imposed on retail sales of communications services, including cable services, which originate or terminate in Florida and are billed to an address in the city or county imposing the tax. Private communications services provided within the county or municipality are also subject to the tax. Direct-to-home satellite service is not subject to local communications services tax. Local tax rates vary for each county and city. The maximum rate for municipalities or charter counties is 5.1% or 4.98%, if the municipality or charter county levies permit fees. The maximum rate for non-charter counties is 1.6%. Add-ons of .12% or .24% are authorized under s. 337.401, F.S., and temporary emergency rates may exceed the statutory limits.

LOCAL COMMUNICATIONS SERVICES TAX
(Continued)

HISTORY

Prior to October 1, 2001, local and in-state telecommunication services were subject to the municipal utility tax under s. 166.231, F.S. This law allowed municipalities and charter counties to impose a tax of up to 10 percent or 7 percent, depending upon whether the tax was imposed on local service only or on local service plus in-state long-distance service. Cities and charter counties were also authorized to charge telecommunication service providers franchise fees for the use of public rights of way and all local governments could impose franchise fees on cable providers. Chapter 2000-260, L.O.F., created the Communications Services Tax Simplification Law which provides for local communications services taxes to be administered by the Department of Revenue. The communications services tax rates in cities and counties were to provide as much revenue as had been generated by the municipal utilities tax and franchise fees, which were replaced by the new tax. The local communications services tax applies to services that had not been subject to the municipal utility tax, including cable television and all telecommunication services. Satellite television service is not subject to local communications services tax. Chapter 2001-140, L.O.F., established revenue-neutral conversion tax rates for the statewide and local communication services taxes, and maximum allowable tax rates for each local government. These maximum allowable rates included any capacity which had existed but was not exercised under the taxes and fees which were replaced by the local communications services tax.

Ch. 2005-187, L.O.F., repealed the tax on substitute communications systems and provided that the Department of Revenue will not assess this tax back to October 1, 2001, when the communications services tax was implemented. The bill created a task force of experts in the areas of telecommunications policy, taxation, law, or technology to study the implications of emerging technologies on Florida's communication service tax.

LOCAL OCCUPATIONAL LICENSE TAXES

Florida Statutes: Chapter 205

Administered by: Counties and Municipalities

Fiscal Year	Collections@	Annual Change %	County** Levies	Municipal Levies
2007-08*	$193,500,000	2.20	$45,800,000	$147,700,000
2006-07*	189,300,000	7.70	44,800,000	144,500,000
2005-06*	175,800,000	10.60	41,600,000	134,200,000
2004-05	158,959,892	6.00	37,649,689	121,310,203
2003-04	149,870,084	-3.80	38,043,958	111,826,126
2002-03	155,790,708	3.30	47,638,155	108,152,553
2001-02	150,865,463	0.60	48,085,979	102,779,484

* Est.

** Includes collections reported by the Comptroller as special district levies.

@ The estimated and actual collections may be inaccurate due to disparities in the method by which revenues collected are documented and reported by cities and counties. Revenues from penalties collected and from professional licenses may also be included by some cities and counties.

SUMMARY

Local occupational license taxes are imposed by counties and municipalities on the privilege of operating businesses within their jurisdictions. Revenue is allocated to the general funds of the local governments where businesses are located.

DISPOSITION

Municipal taxes are allocated to a municipality's general fund. County taxes are allocated to a county's general fund and to the general funds of municipalities within the county. In 1986, Dade, Broward, Collier, and Monroe Counties were authorized to increase their license taxes 50% to implement and oversee a comprehensive economic development strategy. (Section 205.033(6), F.S.). However, an ordinance adopting this additional tax must have been adopted by January 1, 1995, and only Dade and Broward counties imposed the additional tax amount.

ALLOCATION FORMULA

Unless a county has established a new rate structure under s. 205.0535, F.S., net county revenues collected in unincorporated areas are apportioned among the county and its municipalities based on relative population in unincorporated and incorporated areas. Net county revenues equal total levies less cost of collection and any credits given for municipal occupational license taxes. The county revenues are distributed 15 days following the month of receipt. If the county has established a rate structure under s. 205.0535, F.S., it may retain all occupational license tax revenues collected from businesses whose places of business are located within the unincorporated areas of the county. Revenues from businesses located in municipalities must be apportioned among the county and its municipalities based on relative population in the unincorporated and incorporated areas.

LOCAL OCCUPATIONAL LICENSE TAXES
(Continued)

BASE

Section 205.032, F.S., allows a county to tax the privilege of engaging in or managing any business, profession, or occupation within its jurisdiction and has been interpreted to allow the taxation of a professional association and its members. Section 205.042, F.S., allows a municipality to tax each person who maintains a permanent business location or branch office within the municipality for the purpose of engaging in or managing any business, profession, or occupation within its jurisdiction. A municipality may also tax any person engaging in business who does not maintain such a permanent place of business as long as it does not offend the Commerce Clause of the United State Constitution. However, if any person engaging in or managing a business, profession, or occupation regulated by the Department of Business and Professional Regulation has paid an occupational license tax for the current year to the county or municipality in the state where their permanent business location or branch office is maintained, the county or municipality may not levy an occupational license tax.

RATE

COUNTIES:

Between 1967 and 1972, the state imposed an occupational license tax retaining two-thirds of the revenues and distributing one-third to the counties. Counties had no authority to levy the tax. Effective October 1, 1972, ch. 72-306, L.O.F., repealed the state tax and authorized counties to impose an occupational tax at the state rates in effect on October 1, 1971. Chapter 80-274, L.O.F., took effect on October 1, 1980, and authorized the following increases:

Prior Amount of Tax	Maximum Increase
$100 or less	100%
$101 to $300	50%
Above $300	25%

Effective October 1, 1986, ch. 86-298, L.O.F., authorized Dade, Broward, Monroe, and Collier Counties to increase their rates by an additional 50%.

In 1993, the Legislature approved ch. 93-180, L.O.F., which allowed counties to reclassify businesses, professions, and occupations and restructure their rate schedules. However, subsequent rate increases were limited by rate category and the overall tax base may not be increased by more than 10 percent. If counties elected to reclassify and restructure, they could retain all tax revenue collected in the unincorporated portions of the county. Counties had until October 1, 1995 to accomplish this reclassification and restructuring.

MUNICIPALITIES:

Unlike county rates which are constrained by the historical state established rate, municipal rates are constrained by historical municipal occupational license tax rates. Prior to the passage of Article VII of the Florida Constitution (1968 session), which limited municipal authority to impose non-ad valorem taxes to only those authorized by law, municipalities levied occupational taxes and set rates locally. In 1972, the Florida Supreme Court ruled unconstitutional the City of Tampa's occupational license tax because the tax was not authorized by statute. The Legislature responded by amending chapter 205, F.S., to expressly authorize municipalities to levy occupational license taxes, but limited them to the rates in effect in the municipalities as of October 1, 1971.

In 1980, the Legislature authorized a municipal rate increase identical to that authorized for the county rate. The 1993 Legislature approved ch. 93-180, L.O.F., which allowed municipalities to reclassify businesses, professions, and occupations and restructure their rate schedules. However, subsequent rate increases were limited by rate category and

LOCAL OCCUPATIONAL LICENSE TAXES
(Continued)

the overall tax base could not be increased by more than 10 percent. Municipalities were allowed to accomplish this reclassification and restructuring through October 1, 1995.

EXEMPTIONS

State law exempts the privilege of engaging in the following activities from local occupational license taxes: (1) nonprofit activities of religious, charitable, and educational institutions; (2) sales of farm products or products manufactured from farm products, except intoxicating liquors, when grown or produced and sold by the same person; (3) certain activities of disabled persons, widows with minor children, and persons 65 years of age and older; (4) certain fund raising activities of fraternal, youth, civic, or service organizations; and (5) set-up operations of licensed mobile home dealers or manufacturers. In addition, certain disabled veterans and their un-remarried surviving spouses are exempt for the first $50 of any license tax. Effective January 1, 1986 to January 1, 2006, a county may exempt certain businesses located within an enterprise zone from 50% of the occupational license tax.

VALUE OF RATE CHANGE AND EXEMPTIONS

RATE CHANGE	2007-08 (millions)
Because of the variation in rates and taxable occupations across jurisdictions it is impossible to estimate the impact of any uniform rate adjustment. However, a 10% overall change in rates would have the following impact:	$ 19.0
VALUE OF EXEMPTIONS	
No data are collected at the state level as to the number or types of occupational license tax exemptions granted.	Indeterminate

LOCAL OPTION TAXES

A. GENERAL LOCAL OPTION SALES SURTAXES

Florida statutes authorize seven general local option taxes.

CHARTER COUNTY TRANSIT SYSTEM SURTAX

Florida Statutes: Sections 212.054 and 212.055(1)

Administered by: Department of Revenue

DISPOSITION

The Department of Revenue must return transit surtax revenues to the county which imposes the tax. The county must deposit the revenues into a rapid transit trust fund to be used only for the development, construction, maintenance, equipment, and operation of a fixed guide way rapid transit system and supportive services or remit the revenues to an expressway or transportation authority for use on county roads and bridges, for a bus system, or to pay on or refinance existing road and bridge bonds or as a pledge for new road and bridge bonds. There is no expiration date for this tax levy. Estimates for this tax may be found at the link provided. http://fcn.state.fl.us/lcir/

BASE AND RATE

Eligible counties (Broward, Miami-Dade, Duval, Hillsborough, Pinellas, Sarasota, Volusia) include those which adopted a charter prior to June 1, 1984, and those which are consolidated with one or more municipalities. Such counties may impose, if approved by referendum, up to a 1 percent sales surtax on most transactions taxable under ch. 212, F.S. Any taxable sale of tangible personal property priced above $5,000 shall only be taxed on the first $5,000. However, the tax imposed on taxable services is not capped. The tax, at a lesser statutorily authorized conversion rate, also applies to communications services taxable under ch. 202, F.S.

COUNTIES LEVYING TAX

Duval County (0.5%, 1/1/89), Miami-Dade County (0.5%, 1/1/03).

Miami-Dade County referenda were unsuccessful in 1978, 1990, and 1991.

LOCAL GOVERNMENT INFRASTRUCTURE SURTAX

Florida Statutes: Sections 212.054 and 212.055(2)

Administered by: Department of Revenue

DISPOSITION

The Department of Revenue must return these revenues to the county wherein the sale of the tangible personal property or provision of the service has occurred. For counties with populations over 50,000, the proceeds must be used for the following purposes: 1) to finance, plan, and construct infrastructure; 2) to acquire land for public

recreation or conservation or protection of natural resources; and 3) to finance the closure of local government-owned solid waste landfills that are already closed or are required to close by order of the Department of Environmental Protection. In addition, the definition of "infrastructure" was expanded to include emergency vehicles and equipment and specified that purchases of such items with surtax revenues is approved retroactively. Any county with a population of 50,000 or less as of April 1, 1992, in addition to generally authorized uses, may use these tax revenues for any public purpose if: 1) the debt service obligations for any year are met, 2) the county's comprehensive plan is in compliance, and 3) the county has amended its surtax ordinance. Small counties (population < 50,000) are authorized to use the proceeds or accrued interest for long-term maintenance costs associated with landfill closures. Estimates for this tax may be found at the link provided. http://fcn.state.fl.us/lcir/

BASE AND RATE

Any county may levy a 0.5 percent or 1 percent tax upon voter approval in a countywide referendum. Most transactions subject to taxation under ch. 212, F.S., are subject to the tax. Any taxable sale of tangible personal property priced above $5,000 shall only be taxed on the first $5,000. However, the tax imposed on taxable services is not capped. The tax, at a lesser statutorily authorized conversion rate, also applies to communications services taxable under ch. 202, F.S. If the Infrastructure Surtax was levied pursuant to a referendum held prior to July 1, 1993, the surtax may not be levied beyond the time established in the ordinance or 15 years, if the ordinance set no time limit. The levy may only be extended by referendum approval. There is no expiration date to this tax levy.

Counties levying the tax (as of 1/2007):

Charlotte	1%	Monroe	1%
Clay	1%	Osceola	1%
Duval	.5%	Pasco	1%
Escambia	1%	Pinellas	1%
Flagler	.5%	Putnam	1%
Glades	1%	Sarasota	1%
Highlands	1%	Seminole	1%
Hillsborough	.5%	Taylor	1%
Indian River	1%	Wakulla	1%
Lake	1%		
Leon	1%		
Martin	.5%		

Note: Gadsden County's levy terminated 1/1/96. Hardee County's repealed effective 12/31/97. Jackson County's levy terminated 7/1/92. Santa Rosa County's levy repealed 8/1/98. Manatee County's levy expired 7/1/99. Okaloosa County's levy expired 8/1/99. Martin County's levy expired 12/31/01. Alachua County's levy expired 12/31/02. DeSoto County's levy expired 12/31/02. Suwannee County's levy expired 12/31/02. Bay County's levy expired 5/31/03. Madison County's levy expired 7/1/04. Marion County's levy expired 12/31/04. Dixie County's levy expired 3/31/05, Hamilton County's levy expired 6/30/05, and Lafayette County's levy expired on 8/31/06. Martin County's levy began on 1/1/07.

SMALL COUNTY SURTAX

Florida Statutes: Sections 212.054 and 212.055(3)

Administered by: Department of Revenue

DISPOSITION

The Department of Revenue returns these revenues to the county wherein the sale of tangible personal property or provision of the service has occurred. Counties with a population of 50,000 or less as of April 1, 1992, are eligible to levy this tax by extraordinary vote of the Board of County Commissioners to be expended for operating purposes. If funds are to be used to service bonded indebtedness, however, the tax must be approved by referendum. The funds may be distributed to the county, the municipalities within the county, and some school boards according to an inter-local agreement or the formula provided in s. 218.62, F.S. Estimates for this tax may be found at the link provided. http://fcn.state.fl.us/lcir/

BASE AND RATE

Eligible counties may levy, for a time period not limited by statute, a 0.5 percent or 1 percent tax upon referendum or extraordinary vote of the county governing board. Most transactions subject to taxation under ch. 212, F.S., are subject to the tax. Any taxable sale of tangible personal property priced above $5,000 shall only be taxed on the first $5,000. However, the tax imposed on taxable services is not capped. The tax, at a lesser statutorily authorized conversion rate, also applies to communications services taxable under ch. 202, F.S.

Counties levying this tax as of (1/2007):

Baker	1%	Hamilton	1%	Nassau	1%
Bradford	1%	Hardee	1%	Madison	1%
Calhoun	1%	Hendry	1%	Okeechobee	1%
Columbia	1%	Holmes	1%	Sumter	1%
Dixie	1%	Jackson	1%	Suwannee	1%
DeSoto	1%	Jefferson	1%	Union	1%
Gadsden	1%	Levy	1%	Walton	1%
Gilchrist	1%	Liberty	1%	Washington	1%
Gulf	.5%	Lafayette	1%		

Lafayette County began a 1% levy on 9/1/06, which replaces the 1% Local Government Infrastructure Surtax which expired on 8/31/06. Gulf County began a levy on 1/1/06.

INDIGENT CARE AND TRAUMA CENTER SURTAX

Florida Statutes: Sections 212.054 and 212.055(4)

Administered by: Department of Revenue

DISPOSITION

The Department of Revenue returns indigent care surtax revenues to the clerk of the circuit court in the authorizing county. The clerk must maintain the moneys in an indigent health care trust fund to be used to fund a broad range of

health care services for both indigent and medically poor people. Estimates for this tax may be found at the link provided. http://fcn.state.fl.us/lcir/

BASE AND RATE

The indigent care and trauma center surtax may be levied at the rate not to exceed 0.5 percent only in counties with a population greater than 800,000 either by extraordinary vote of the governing board or by voter approval. (Broward, Hillsborough, Palm Beach, Pinellas, - Duval and Miami-Dade are excluded).

The indigent care and trauma center surtax may be levied at the rate not to exceed 0.25 percent only in counties which are not consolidated with one or more municipalities with a population of less than 800,000 by voter approval. The authorization to levy this tax shall expire 4 years after the effective date of the surtax, unless reenacted by ordinance subject to voter approval.

Most transactions subject to taxation under ch. 212, F.S., are subject to the tax. Any taxable sale of tangible personal property priced above $5,000 shall only be taxed on the first $5,000. However, the tax imposed on taxable services is not capped. The tax, at a lesser statutorily authorized conversion rate, also applies to communications services taxable under ch. 202, F.S.

Counties levying tax: Hillsborough .5% (Decreased levy from .5%, effective 12/1/91 to .25%, effective 10/1/97, back to .5%, effective 10/1/01)

COUNTY PUBLIC HOSPITAL SURTAX

Florida Statutes: Sections 212.054 and 212.055(5)

Administered by: Department of Revenue

DISPOSITION

Any county defined in s. 125.011(1), F.S., (Miami-Dade County), may levy, by extraordinary vote of the Board of County Commissioners or by referendum, a surtax to provide funds to the county public general hospital. Estimates for this tax may be found at the link provided. http://fcn.state.fl.us/lcir/

BASE AND RATE

The rate is limited to 0.5 percent. Most transactions subject to taxation under ch. 212, F.S., are subject to the tax. Any taxable sale of tangible personal property priced above $5,000 shall only be taxed on the first $5,000. However, the tax imposed on taxable services is not capped. The tax, at a lesser statutorily authorized conversion rate, also applies to communications services taxable under ch. 202, F.S.

Miami-Dade County's tax was originally levied according to the provisions of ch. 91-81, L.O.F., on 1/1/92. The tax, at a lesser statutorily authorized conversion rate, also applies to communications services taxable under ch. 202, F.S.

SCHOOL CAPITAL OUTLAY SURTAX

Florida Statutes: Section 212.054(6)

Administered by: Department of Revenue

DISPOSITION

The Department of Revenue must return these revenues to the county wherein the sale of the tangible personal property or provision of the service has occurred. The surtax must be used to fund fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of school facilities and campuses which have a useful life expectancy of 5 or more years, as well as any related land acquisition, land improvement, design, and engineering costs. In addition, the surtax may be used to fund the costs of retrofitting and providing for technology implementation for the various sites within the school district and servicing of bond indebtedness used to finance those authorized projects. Estimates for this tax may be found at the link provided. http://fcn.state.fl.us/lcir/

BASE AND RATE

The school capital outlay surtax of up to 0.5 percent must be approved by referendum. Most transactions subject to taxation under ch. 212, F.S., are subject to the tax. Any taxable sale of tangible personal property priced above $5,000 shall only be taxed on the first $5,000. However, the tax imposed on taxable services is not capped. The tax, at a lesser statutorily authorized conversion rate, also applies to communications services taxable under ch. 202, F.S. The resolution shall include a statement that provides a brief and general description of the school capital outlay projects to be funded by the surtax. If applicable, the resolution must state that the district school board has been recognized by the State Board of Education as having a Florida Frugal Schools Program. The statement shall conform to the requirements of s. 101.161 and shall be placed on the ballot by the governing body of the county.

Counties levying this tax: Bay, Escambia, Flagler, Gulf, Hernando, Jackson, Leon, Manatee, Marion, Monroe, Orange, Palm Beach, Polk, St. Lucie, Santa Rosa, and Volusia.

VOTER-APPROVED INDIGENT CARE SURTAX

Florida Statutes: Sections 212.054 and 212.055(7)

Administered by: Department of Revenue

DISPOSITION

The Department of Revenue returns voter-approved indigent care surtax to the clerk of the circuit court in the authorizing county. The clerk must maintain the moneys in an Indigent Health Care Trust Fund to be used to fund a broad range of health care services for both indigent and medically poor people. Estimates for this tax may be found at the link provided. http://fcn.state.fl.us/lcir/

BASE AND RATE

Counties with less than 800,000 residents may impose, by referendum only, the Voter-Approved Indigent Care Surtax. The rate is capped at 0.5 percent or 1 percent if a publicly supported medical school is located in the county. The surtax is imposed on the first $5,000 of most items taxable under ch. 212, F.S.; however, there is no cap imposed on taxable services. The tax, at a lesser statutorily authorized conversion rate, also applies to communications services taxable under ch. 202, F.S.

As of January 1, 2007, 61 counties are authorized to levy the Voter-Approved Indigent Care Surtax. Counties levying the tax: Alachua .25% (effective 1/1/05), Polk .5% (effective 1/1/05), and Madison .5% (effective 1/1/07).

GENERAL LOCAL OPTION SALES SURTAXES
VALUE OF RATE CHANGE AND EXEMPTIONS

RATE CHANGE	1/2% Levy 2007-08 (millions)	1% Levy 2007-08 (millions)
Value of a local option tax levy with no cap on transaction amounts	$ 1,812.5	$ 3,624.9
VALUE OF EXEMPTIONS		
Exemption of price in excess of $5,000/per item	167.7	335.3

B. TOURISM-RELATED LOCAL OPTION TAXES

There are four local option taxes which impose additional levies only on transient rentals (e.g., hotel room rentals and any rental of living quarters for a time period of 6 months or less in duration). The Municipal Resort Tax, (profiled in section E) authorizes a levy on transient rentals and food and beverage sales and may only be levied in three cities (Miami Beach, Bal Harbour, Surfside).

CONVENTION DEVELOPMENT TAX

Florida Statutes: Section 212.0305

Administered by: Department of Revenue and Local Tax Authorities

DISPOSITION

If administered by the Department of Revenue, funds are returned to the county which levies the tax to be used for the promotion of tourism, convention centers, and other similar authorized uses; otherwise, the county collects and administers these funds. Estimates for this tax may be found at the link provided. http://fcn.state.fl.us/lcir/

BASE AND RATE

The tax is levied on all rental charges subject to the transient rental tax imposed in s. 212.03, F.S. Each county operating under a home rule charter, as defined in s. 125.011(1), F.S., may levy the tax at 3 percent (Miami-Dade County); each county operating under a consolidated government may levy the tax at 2 percent (Duval County); and each county chartered under Article VIII of The State Constitution that had a tourist advertising special district on January 1, 1984, may levy the tax at up to 3 percent (Volusia County).

Counties may collect and administer the tax themselves if they adopt an ordinance in accordance with s. 212.0305(5), F.S.

COUNTIES LEVYING TAX

Currently, all three eligible counties self-administer the tax: Miami-Dade (4/1/88), Volusia (4/1/90), and Duval (12/1/90).

TOURIST DEVELOPMENT TAX

Florida Statutes: Section 125.0104

Administered by: Department of Revenue and Local Tax Authorities

DISPOSITION

If administered by the Department of Revenue, the department returns the proceeds, less costs of administration, to the county which imposes the tax. Funds must be deposited in the county's Tourist Development Trust Fund for use by the county in accordance with the provisions of s. 125.0104, F.S. Counties may collect and administer the tax themselves if they adopt an ordinance in accordance with s. 125.0104(10). There are currently thirty-nine counties which self-administer the tax: Alachua (7/1/01), Baker (5/1/00) Bay (1/1/94), Brevard (10/1/92), Broward (3/1/94), Charlotte (9/1/90), Clay (1/1/89), Collier (1/1/93), Miami-Dade (4/1/88), Duval (12/1/90), Escambia (6/1/89), Gulf (6/1/01), Hernando (1/1/93), Hillsborough (1/1/92), Indian River (10/1/00), Lake (11/1/98), Lee (5/1/88), Leon (10/1/94), Manatee (10/1/89), Martin (11/1/02), Monroe (1/1/91), Nassau (5/1/89), Okaloosa (7/1/92), Orange (1/1/92), Osceola (5/1/92), Palm Beach (1/1/93), Pinellas (10/1/90), Polk (1/1/94), Putnam (4/1/99), St. Johns (8/1/88), St. Lucie (5/1/91), Santa Rosa (5/1/94), Sarasota (6/1/92), Seminole (9/1/93), Suwannee (11/1/01), Taylor (7/1/06), Volusia (4/1/90), Wakulla (12/1/96), and Walton (10/1/91). Estimates for this tax may be found at the link provided. http://fcn.state.fl.us/lcir/

BASE AND RATE

The initial tax must be approved by referendum. The tax rate may be 1 percent or 2 percent and applies to rental charges taxable under s. 212.03, F.S. [s. 125.0104(3)(c)]. The following additional taxes may be levied:

> A 1% tax levied by extraordinary vote or by referendum by any county which has levied the initial tax for 3 years and does not levy a convention development tax (Miami-Dade County, Duval County, and Volusia County). [s. 125.0104(3)(d)]

LOCAL OPTION TAXES
(Continued)

A 1% tax to pay debt service on professional sports franchise facilities, retained spring training franchise facilities, and convention centers. In addition these proceeds can be used to promote tourism in the State of Florida, nationally, and internationally. [s. 125.0104(3)(l)]

A 1% tax to pay debt service on professional sports franchise facilities or on retained spring training franchise facilities in counties that currently levy the Professional Sports Franchise Facilities Tax and do not levy a convention development tax (Miami-Dade County, and Volusia County). However, any county authorized to levy the Consolidated County Convention Development Tax (Duval County) is eligible to levy this tax. In addition, these proceeds can be used to promote tourism in the State of Florida, nationally, and internationally. [(s. 125.0104(3)(n)]

A 1% tax may be imposed by extraordinary vote in a high tourism impact county (only Monroe County, Orange County and Osceola County are currently certified as a high tourism county). [s. 125.0104(3)(m)]

Additionally, counties as defined in s. 125.011(1), F.S., (Miami-Dade County) may impose by majority vote a 2% tax on the sale of food, beverages, and alcoholic beverages in hotels and motels. (See pages 170-171, Dade County Hotel/Motel Food and Beverage Tax, for additional information.)

COUNTY AND RATE OF LEVY (as of 1/2007)

Alachua*	3%	Gadsden	2%	Madison	3%	Polk*	5%
Baker*	2%	Gilchrist	2%	Manatee*	4%	Putnam*	2%
Bay*	3%	Gulf*	4%	Marion	2%	St. Johns*	3%
Bradford	2%	Hamilton	3%	Martin*	2%	St. Lucie*	5%
Brevard*	5%	Hendry	2%	Miami-Dade*##	4%	Santa Rosa*	3%
Broward*	5%	Hernando*	3%	Monroe*	3%	Sarasota*	4%
Charlotte*	4%	Highlands	2%	Nassau***	2%	Seminole*	3%
Citrus	3%	Hillsborough*	5%	Okaloosa*	4%	Sumter	2%
Clay*	3%	Holmes	2%	Okeechobee	3%	Suwannee*	2%
Collier*	4%	Indian River*	4%	Orange*	6%	Taylor*	3%
Columbia	2%	Jackson	4%	Osceola*	6%	Volusia*	3%
Duval*	4%	Lake*	4%	Palm Beach*	5%	Wakulla*	3%
Escambia*#	4%	Lee*	5%	Pasco	2%	Walton*	3%
Flager	3%	Leon*	4%	Pinellas*	5%	Washington	2%
Franklin	2%	Levy	2%				

* Self-administering the tax
** Amelia Island only
# Excludes Navarre Beach
Excludes Bal Harbour, Miami Beach, and Surfside

TOURIST IMPACT TAX

Florida Statutes: Section 125.0108

Administered by: Department of Revenue

DISPOSITION

The department returns proceeds, less costs of administration, to the county that imposed the tax. Proceeds of the tax must be used equally for acquisition of property in the area of critical state concern and to offset the loss of ad valorem taxes caused by such acquisitions. Currently, there are four areas of critical state concern: the Florida Keys in Monroe county; the Big Cypress Swamp, primarily in Collier county; the Green Swamp in central Florida; and the Apalachicola Bay area in Franklin county.

BASE AND RATE

The tax must be approved by a referendum of the voters. The base is the same as for the Tourist Development Tax and the tax rate is 1 percent. The tax may be repealed by a four-fifths vote of the governing board of the county.

Counties levying the tax: Monroe

TOURISM-RELATED LOCAL OPTION TAXES
VALUE OF RATE CHANGE

RATE CHANGE	2007-08 (millions)
Value of a 1% tourist-related tax (NOTE: Estimate based on imposition in all 67 counties.)	$ 119.9

C. LOCAL OPTION FUEL TAXES

There are three local option fuel taxes, which impose a tax of 1-6 cents or 1 cent on all motor and diesel fuel taxable under ch. 206, F.S., and a tax of 1-5 cents in all motor fuel taxable under ch. 206, F.S.

COUNTY LOCAL OPTION FUEL TAX

Florida Statutes: Sections 336.025(1)(a), 206.41(1)(e) and 206.87(1)(c)

Administered by: Department of Revenue

DISPOSITION

The department returns the proceeds to the county where the revenue is collected and deposits funds in a local option fuel tax trust fund.

BASE AND RATE

Any county may levy 1-6 cents of tax upon a majority vote of the commission or by referendum. The tax is imposed on all motor fuel and diesel fuel taxable under ch. 206, F.S. Additionally, ch. 90-351, L.O.F., specifies the rate on diesel fuel to be 6 cents. Until June 30, 1996, retail dealers remitted the appropriate tax on all taxable fuels sold within the levying county. Effective July 1, 1996, wholesalers have remitted the tax on motor fuel, and the terminal suppliers have remitted the tax on diesel fuel. Estimates for this tax may be found at the link provided.
http://fcn.state.fl.us/lcir/

Counties with a population in excess of 50,000 must use these funds for transportation expenditures. Chapter 92-309, L.O.F., authorizes any county with a population of 50,000 or less as of April 1992, in addition to generally authorized uses, to use these tax revenues to fund non-transportation infrastructure projects that are consistent with a county's most recently submitted comprehensive plan. The Board of County Commissioners must adopt a resolution certifying that the county has met all of its transportation needs in its comprehensive plan and may not bond such revenues for more than 10 years. The proceeds will be distributed to the county and the municipalities within the county according to an interlocal agreement or the formula provided in s. 336.025(4), F.S.

COUNTIES LEVYING TAX

Motor Fuel Tax Levies* (as of 1/2007):

Alachua	6	Escambia	6	Jackson	6	Okeechobee	6	Taylor	6
Baker	6	Flagler	6	Jefferson	6	Orange	6	Union	5
Bay	6	Franklin	5	Lafayette	6	Osceola	6	Volusia	6
Bradford	6	Gadsden	6	Lake	6	Palm Beach	6	Wakulla	6
Brevard	6	Gilchrist	6	Lee	6	Pasco	6	Walton	6
Broward	6	Glades	6	Leon	6	Pinellas	6	Washington	6
Calhoun	6	Gulf	6	Levy	6	Polk	6		
Charlotte	6	Hamilton	6	Liberty	6	Putnam	6		
Citrus	6	Hardee	6	Madison	6	St. Johns	6		
Clay	6	Hendry	6	Manatee	6	St. Lucie	6		
Collier	6	Hernando	6	Marion Martin	6	Santa Rosa	6		
Columbia	6	Highlands	6	Miami-Dade	6	Sarasota	6		
DeSoto	6	Hillsborough	6	Monroe	6	Seminole	6		
Dixie	6	Holmes	6	Nassau	6	Sumter	6		
Duval	6	Indian River	6	Okaloosa	6	Suwanne	6		

- Section 336.025, F.S., provides that the above rates apply to motor fuel only. All counties levy 6 cents on diesel.

COUNTY LOCAL OPTION MOTOR FUEL TAX

Florida Statutes: Sections 336.025(1)(b) and 206.41(1)(e)

Administered by: Department of Revenue

DISPOSITION
The department returns the proceeds to the county where the revenue is collected and deposits funds into the local option fuel tax trust fund. Estimates for this tax may be found at the link provided. http://fcn.state.fl.us/lcir/

BASE AND RATE

Any county may levy 1-5 cents of tax upon a majority plus one vote of the county commission or by referendum. The tax is imposed on motor fuel sold at retail within a county in which the tax is authorized. Until June 30, 1996, retail motor fuel dealers remitted the tax to the Department of Revenue. Effective July 1, 1996, wholesalers have remitted the tax.

County and municipal governments must spend these funds on transportation expenditures needed to meet the requirements of the capital improvements element of an adopted comprehensive plan.

COUNTIES LEVYING TAX (as of 1/2007)

Broward	5	Manatee	5
Charlotte	5	Martin	5
Citrus	5	Miami-Dade	3
Collier	5	Nassau	5
Desoto	5	Palm Beach	5
Hardee	5	Polk	5
Hendry	2	St. Lucie	5
Hernando	2	Sarasota	5
Highlands	5	Suwannee	5
Lee	5	Volusia	5

NINTH CENT FUEL TAX
(Formerly the County Voted Gas Tax)

Florida Statutes: Sections 336.021, 206.41(1)(d) and 206.87(1)(b)

Administered by: Department of Revenue

DISPOSITION

The Department of Revenue returns the proceeds to the county where the tax is levied. Moneys are deposited in a Ninth-cent Fuel Tax Trust Fund. Estimates for this tax may be found at the link provided. http://fcn.state.fl.us/lcir/

BASE AND RATE

The ninth-cent fuel tax may be levied by any county by an extraordinary vote of the governing body or by a county-wide referendum. Effective January 1, 1994, all counties imposed this tax on sales of diesel fuel, pursuant to ch. 90-351, L.O.F. This tax is imposed on all motor fuel and diesel fuel taxable under ch. 206, F.S. Until June 30, 1996, retailers remitted the tax on all fuels sold within the county levying this tax. Effective July 1, 1996, wholesalers have remitted the tax on motor fuel and terminal suppliers remit the tax on diesel fuel.

LOCAL OPTION TAXES
(Continued)

COUNTIES LEVYING TAX (as of 1/2007)

Alachua	Escambia	Jackson	Nassau	Sumter
Baker	Flagler	Jefferson	Okaloosa	Suwannee
Bay	Gilchrist	Lake	Okeechobee	Union
Broward	Glades	Lee	Osceola	Volusia
Charlotte	Hardee	Leon	Palm Beach	Wakulla
Citrus	Hendry	Liberty	Pasco	Walton
Clay	Hernando	Manatee	Pinellas	Washington
Collier	Highlands	Marion	Polk	
Columbia	Hillsborough	Martin	St. Lucie	
DeSoto	Holmes	Miami-Dade	Sarasota	
			Seminole	

LOCAL OPTION FUEL TAXES
VALUE OF RATE CHANGE, EXEMPTIONS, REFUND AND ALLOWANCES

	2007-08 (millions)
RATE CHANGE	
Value of a 1 cent local option tax on all gallons subject to ch. 206, F.S. (excludes off-highway use)	$ 106.3
VALUE OF EXEMPTIONS	
Exemption for gallons used off-highway (at a 1 cent levy)	1.5
VALUE OF EXEMPTIONS	
Exemption for aviation fuel gallons (at 1 cent levy)	9.3
VALUE OF REFUNDS AND ALLOWANCES	
Dealer collection allowance (at a 1 cent levy)	1.2

(NOTE: Numbers reflect fiscal impact prior to administrative charges being assessed.)

D. DISCRETIONARY SURTAX ON DOCUMENTS

Florida Statutes: Chapter 83-220, L.O.F., as amended by ch. 84-270, L.O.F., ch. 86-152, L.O.F., and ch. 89-252, L.O.F.

Administered by: Department of Revenue

DISPOSITION

The department returns proceeds, less costs of administration, to the county imposing the tax. The funds must be deposited in the county's Housing Assistance Loan Trust Fund. The proceeds shall be used to assist low and moderate income families in the purchase or rehabilitation of a home or apartment.

BASE AND RATE

Any county defined by s. 125.011(1), F.S., (Miami-Dade County) may impose a surtax on deeds and documents relating to realty of up to 45 cents for each $100 or fractional part thereof, except for documents relating to single family residences.

COUNTIES LEVYING TAX

Miami-Dade

DISCRETIONARY SURTAX ON DOCUMENTS
VALUE OF RATE CHANGE, EXEMPTIONS, REFUNDS AND ALLOWANCES

	2007-08 (millions)
RATE CHANGE	
Value of a 10 cent/$100 levy on:	
1) all deeds	$ 129.1
2) deeds other than for documents related to single family dwellings	34.7
VALUE OF EXEMPTIONS	
Exemption for documents related to single family dwellings (10 cents/$100 rate)	94.4
VALUE OF REFUNDS AND ALLOWANCES	
Agents commission at .5% of taxes collected (10 cents/$100 rate)	0.7

E. OPTIONAL FOOD AND BEVERAGE TAXES

The following three taxes are administered locally on tax bases which are not addressed by the Florida Revenue Estimating Conference, and therefore, do not include revenue estimates.

MIAMI-DADE COUNTY FOOD AND BEVERAGE TAX

Florida Statutes: Section 212.0306(1)(b)

Administered by: Local Tax Authorities

DISPOSITION

Eligible counties collect and administer these funds.

BASE AND RATE

As authorized by ch. 93-233, L.O.F., and amended by ch. 94-351, L.O.F., and ch. 94-353, L.O.F., any county defined in s. 125.011(1), F.S., (Miami-Dade County) may levy this tax at the rate of 1 percent. Although not officially labeled, it is referred to here as the "Miami-Dade County Food and Beverage Tax." This tax may be imposed on the sale of food, beverages, and alcoholic beverages in establishments that are licensed by the state to sell alcoholic beverages for consumption on the premises, except for hotels and motels. However, the tax does not apply to any alcoholic beverage sold by the package for off-premise consumption. This tax may be imposed by majority vote of the county's governing body. For the first 12 months, the proceeds must be used for programs to assist the homeless. Thereafter, not less than 15% of the proceeds must be used for construction and operation of domestic violence centers, and the remainder will fund programs for the homeless. In addition, the proceeds may be bonded.

MIAMI-DADE COUNTY HOTEL/MOTEL FOOD AND BEVERAGE TAX

Florida Statutes: Section 212.0306(1)(a)

Administered by: Local Tax Authorities

DISPOSITION

Eligible counties collect and administer these funds.

BASE AND RATE

Originally authorized by ch. 89-362, L.O.F., any county defined in s. 125.011(1), F.S., (Miami-Dade County) is authorized to levy this tax at the rate of 2 percent. Although not officially labeled, it is referred to here as the " Miami-Dade County Hotel/Motel Food and Beverage Tax." This tax may be imposed on the sale of food, beverages, and alcoholic beverages in hotels and motels. This tax may be imposed by majority vote of the county's governing body, and the county must self-administer this tax.

The tax proceeds must be allocated according to an interlocal agreement and contract with the county, to a county wide convention and visitors bureau authorized to promote the county and constituent cities as a destination for conventions, trade shows, etc. If there is no interlocal agreement or a contract with a countywide convention and visitor bureau, the county must spend these funds as specified in statute.

MUNICIPAL RESORT TAX (Transient Rentals and Food/Beverage)

Florida Statutes: Chapters 67-930, 82-142, 83-363, 93-286, 93-233
Administered by: Municipal Tax Authorities

DISPOSITION

Eligible cities collect and administer these funds.

BASE AND RATE

Chapter 67-930, L.O.F., as amended by succeeding Chapter law, authorizes the levy up to a 2 percent tax on food, beverages and alcoholic beverages and up to a 4 percent tax on transient room rentals in municipalities which match the population criteria specified in Chapter law. All three eligible municipalities levy this tax (Miami Beach, Bal Harbour, Surfside).

The tax proceeds must be expended for creating and maintaining convention and publicity bureaus or cultural and art centers and general enhancement of tourism.

E. PANAMA CITY'S LICENSE TAX

Panama City levies a 1% license tax on the gross receipts of all retailers with a minimum of $1.50 per month. The tax is to be remitted monthly and a 3% dealer collection allowance is granted. The city also levies a 0.5 mill tax on the gross receipts of wholesalers with the same minimum and dealer collection allowance. Details can be found in section 15.49 of chapter 15 of the city's municipal code at: http:/www.municode.com/resources/gateway.asp?pid=11401&sid=9

Estimated Local Option Sales Tax and Tourist Tax Revenues

Fiscal Year 2007-2008
(Thousands of Dollars)

	Local Option Sales Taxes		Tourist Taxes		
			Tourist Development	Convention Develop.**	
County	Rate	Revenues*	Rate	Rate	Revenues*
Alachua@	0.25%	50,345.2	3%	--	753.8
Baker@	1.0%	1,441.2	2%	--	6.5
Bay@	0.5%	37,415.9	3%	--	2,271.4
Bradford	1.0%	2,211.8	2%	--	30.5
Brevard@	--	75,401.3	5%	--	1,814.5
Broward@	--	316,008.6	5%	--	8,760.3
Calhoun	1.0%	875.6	--	--	1.3
Charlotte@	1.0%	27,050.4	4%	--	503.6
Citrus	--	14,009.1	3%	--	216.5
Clay@	1.0%	20,558.0	3%	--	141.4
Collier@	--	72,409.3	4%	--	3,277.1
Columbia	1.0%	8,556.9	2%	--	234.0
De Soto	1.0%	2,825.4	--	--	51.2
Dixie	1.0%	880.4	--	--	14.9
Duval@	1.0%	160,613.8	4%	2%	2,849.7
Escambia@	1.5%	49,550.2	4%	--	1,234.7
Flagler	1.0%	9,997.7	3%	--	289.3
Franklin	--	1,592.5	2%	--	351.4
Gadsden	1.0%	2,968.2	2%	--	21.9
Gilchrist	1.0%	723.7	2%	--	3.3
Glades	1.0%	425.9	--	--	12.7
Gulf@	1.0%	1,347.8	4%	--	117.0
Hamilton	1.0%	612.1	3%	--	15.8
Hardee	1.0%	1,785.2	--	--	22.5
Hendry	1.0%	4,059.1	2%	--	72.2
Hernando@	0.5%	19,530.3	3%	--	103.2
Highlands	1.0%	12,220.1	2%	--	201.2
Hillsborough@	1.0%	230,045.9	5%	--	4,607.2
Holmes	1.0%	948.3	2%	--	6.1
Indian River@	1.0%	26,231.1	4%	--	395.7
Jackson	1.5%	4,562.8	4%	--	99.0
Jefferson	1.0%	710.4	--	--	20.0
Lafayette	1.0%	305.3	--	--	1.8
Lake@	1.0%	38,099.3	4%	--	701.3
Lee@	--	127,304.9	5%	--	4,516.5
Leon@	1.5%	42,457.9	4%	--	902.0
Levy	1.0%	3,585.2	2%	--	91.3
Liberty	1.0%	303.3	--	--	1.5
Madison	1.5%	1,044.4	3%	--	34.0
Manatee@	0.5%	51,600.7	4%	--	1,151.5
Marion	0.5%	53,174.8	2%	--	643.8
Martin@	0.5%	32,244.3	2%	--	346.7
Miami-Dade@(1)(:	1.0%	391,924.3	3%	3%	16,366.9
Monroe@(2)	1.5%	28,273.5	4%	--	5,192.8
Nassau@	1.0%	9,059.5	2%	--	524.2
Okaloosa@	--	37,836.9	4%	--	2,177.1
Okeechobee	1.0%	5,009.9	3%	--	83.1
Orange@	0.5%	365,343.9	6%	--	27,603.3
Osceola@	1.0%	44,141.3	6%	--	5,922.8
Palm Beach@	0.5%	248,872.0	5%	--	6,162.6
Pasco	1.0%	47,374.9	2%	--	453.5
Pinellas@	1.0%	147,690.0	5%	--	5,248.3
Polk@	1.0%	77,452.7	5%	--	1,506.4
Putnam@	1.0%	6,281.8	2%	--	62.1
St. Johns@	--	27,676.3	3%	--	1,907.7
St. Lucie@	0.5%	37,640.5	5%	--	566.4
Santa Rosa@	0.5%	14,479.6	4%	--	172.4
Sarasota@	1.0%	71,958.5	4%	--	2,704.9
Seminole@	1.0%	76,564.7	3%	--	948.3
Sumter	1.0%	7,479.7	2%	--	154.4
Suwannee@	1.0%	3,356.0	2%	--	57.5
Taylor @	1.0%	2,099.1	3%	--	58.8
Union	1.0%	545.9	--	--	0.1
Volusia@	0.5%	78,746.6	3%	3%	2,631.1
Wakulla@	1.0%	1,603.7	3%	--	35.1
Walton@	1.0%	13,897.0	3%	--	2,392.4
Washington	1.0%	1,733.1	3%	--	28.9
STATE TOTAL		**3,255,075.6**			**119,851.1**

Source: Department of Revenue, December 2006.

* Revenues profiled in this table indicate annualized estimates.
"--" indicates the tax is not levied. Revenues are estimated at a 1% tax rate and are included in the state totals.

** The convention development tax may only be levied in Miami-Dade, Duval and Volusia counties.

@ Indicates these counties self-administer the Tourist Development Tax. Citrus will be DOR administered on 9/1/06.

(1) Miami-Dade County levies a Discretionary Surtax on Documents, at 45 cents for each $100 on deeds and documents relating to realty (single family dwellings are exempt).
In fiscal year 2005-06, $44,994,429 was collected.

(2) 1% of the tourist tax is authorized by s. 125.0108, F.S. (the Tourist Impact Tax).

(3) 4% Tourist Development Tax is levied in Bal Harbour, Miami Beach and Surfside.

Estimated Tourist Tax Collections By County

County	Rate	FY 05-06 Total Sales Reported by Transient Rentals	FY 05-06 Transient Rentals Reported		2007-2008 Estimated Tourist Tax at 1%	2007-2008 Estimated Tourist Tax at 2%
Alachua	3%	76.8	67.7	88.10%	$0.75	$1.51
Baker	2%	1.7	0.6	34.22%	$0.01	$0.01
Bay	3%	233.8	203.9	87.21%	$2.27	$4.54
Bradford	2%	3.4	2.7	81.26%	$0.03	$0.06
Brevard	5%	192.0	162.9	84.84%	$1.81	$3.63
Broward	5%	1,006.2	786.3	78.14%	$8.76	$17.52
Calhoun	--	0.1	0.1	91.50%	$0.00	$0.00
Charlotte	4%	51.8	45.2	87.23%	$0.50	$1.01
Citrus	3%	27.1	19.4	71.80%	$0.22	$0.43
Clay	3%	13.9	12.7	91.26%	$0.14	$0.28
Collier	4%	520.3	294.1	56.53%	$3.28	$6.55
Columbia	2%	22.9	21.0	91.72%	$0.23	$0.47
DeSoto	--	5.6	4.6	82.86%	$0.05	$0.10
Dixie	--	1.5	1.3	91.46%	$0.01	$0.03
Duval	6%	317.6	255.8	80.54%	$2.85	$5.70
Escambia	4%	114.7	110.8	96.64%	$1.23	$2.47
Flagler	3%	44.7	26.0	58.08%	$0.29	$0.58
Franklin	2%	34.1	31.5	92.51%	$0.35	$0.70
Gadsden	2%	3.0	2.0	64.95%	$0.02	$0.04
Gilchrist	2%	0.3	0.3	86.76%	$0.00	$0.01
Glades	--	1.7	1.1	68.31%	$0.01	$0.03
Gulf	4%	10.5	10.5	99.80%	$0.12	$0.23
Hamilton	3%	1.8	1.4	77.83%	$0.02	$0.03
Hardee	--	2.2	2.0	91.91%	$0.02	$0.05
Hendry	2%	5.2	6.5	125.42%	$0.07	$0.14
Hernando	3%	15.5	9.3	59.71%	$0.10	$0.21
Highlands	2%	18.6	18.1	97.12%	$0.20	$0.40
Hillsborough	5%	520.0	413.5	79.52%	$4.61	$9.21
Holmes	2%	0.8	0.5	71.08%	$0.01	$0.01
Indian River	4%	43.6	35.5	81.39%	$0.40	$0.79
Jackson	4%	9.7	8.9	91.82%	$0.10	$0.20
Jefferson	--	1.8	1.8	97.36%	$0.02	$0.04
Lafayette	--	0.2	0.2	72.58%	$0.00	$0.00
Lake	4%	79.2	62.9	79.45%	$0.70	$1.40
Lee	5%	491.6	405.4	82.46%	$4.52	$9.03
Leon	4%	91.5	81.0	88.51%	$0.90	$1.80
Levy	2%	8.5	8.2	96.36%	$0.09	$0.18
Liberty	--	0.1	0.1	106.10%	$0.00	$0.00
Madison	3%	2.5	3.0	120.78%	$0.03	$0.07
Manatee	4%	113.2	103.3	91.27%	$1.15	$2.30
Marion	2%	69.8	57.8	82.80%	$0.64	$1.29
Martin	2%	41.7	31.1	74.61%	$0.35	$0.69
Miami-Dade	6%	1,973.8	1,469.0	74.42%	$16.37	$32.73
Monroe	4%	622.4	466.1	74.88%	$5.19	$10.39
Nassau	2%	145.2	47.1	32.40%	$0.52	$1.05
Okaloosa	4%	211.9	195.4	92.20%	$2.18	$4.35
Okeechobee	3%	7.7	7.5	96.77%	$0.08	$0.17
Orange	6%	3,690.8	2,477.5	67.13%	$27.60	$55.21
Osceola	6%	779.8	531.6	68.17%	$5.92	$11.85
Palm Beach	5%	860.7	553.1	64.27%	$6.16	$12.33
Pasco	2%	48.9	40.7	83.25%	$0.45	$0.91
Pinellas	5%	559.0	471.1	84.26%	$5.25	$10.50
Polk	5%	167.4	135.2	80.78%	$1.51	$3.01
Putnam	2%	6.1	5.6	91.50%	$0.06	$0.12
St. Johns	3%	267.1	171.2	64.11%	$1.91	$3.82
St Lucie	5%	68.8	50.8	73.86%	$0.57	$1.13
Santa Rosa	4%	17.4	15.5	88.79%	$0.17	$0.34
Sarasota	4%	303.4	242.8	80.03%	$2.70	$5.41
Seminole	3%	98.7	85.1	86.26%	$0.95	$1.90
Sumter	2%	13.5	13.9	102.81%	$0.15	$0.31
Suwannee	2%	6.8	5.2	76.34%	$0.06	$0.11
Taylor	3%	5.5	5.3	95.77%	$0.06	$0.12
Union	--	0.0	0.0	83.78%	$0.00	$0.00
Volusia	6%	387.5	236.2	60.94%	$2.63	$5.26
Wakulla	3%	2.7	3.2	115.23%	$0.04	$0.07
Walton	3%	286.5	214.7	74.95%	$2.39	$4.78
Washington	3%	2.8	2.6	93.86%	$0.03	$0.06
TOTAL		14,735.5	10,757.2	73.00%	$119.85	$239.70

Discretionary Sales Surtaxes
Imposition and Levy

Infrastructure Surtax

County	Referendum Adopted	Rate	Effective Date	Length	Distribution Method (1)	NOTES:
Alachua	11/00	1.0%	01/02	1 yrs.		(expired 12/31/02)
Bay	3/88, 11/92	1%, 1/2%	6/88, 1/95	15 yrs.	I	(1/2% expired 05/31/03)
Charlotte	11/94	1.0%	4/95	7 yrs.	I	(extended to 12/31/08)
Clay	11/89	1.0%	2/90	30 yrs.	F	(extended to 12/31/19)
DeSoto	11/87	1.0%	1/88	15 yrs.	I	(expired 12/31/02)
Dixie	1/90	1.0%	4/90	15 yrs.	I	(expires 3/31/05)
Duval		0.5%				(expires 12/31/30)
Escambia	3/92	1.0%	6/92	15 yrs.	F	(expired to 12/31/21)
Flagler	9/90	1%, 1/2%	12/90, 1/03	15 yrs., 10 yrs.	I	(expires 12/31/12)
Gadsden	11/87	1.0%	1/88 - 1/96	8 yrs.	I	(expired 12/31/95)
Glades	11/91	1.0%	2/92	15 yrs.	F	(expires 1/31/07)
Hamilton	4/90	1.0%	7/90	15 yrs.	F	(expires 6/30/05)
Hardee	10/89	1.0%	1/90	15 yrs.	I	(expired 12/31/97)
Hendry	11/87	1.0%	1/88	15 yrs.	F	(expired 12/31/02)
Highlands	10/87,8/89	1.0%	1-7/88, 11/89	15 yrs.	F	(extended to 12/31/19)
Hillsborough		0.5%	12/96	30 yrs.	I	(expires 11/30/26)
Indian River	3/89	1.0%	6/89	15 yrs.	F	(extended to 12/31/19)
Jackson	3/88	1.0%	6/88 - 7/92	4 yrs.	I	(repealed 7/1/92)
Lafayette	5/91	1.0%	9/91	15 yrs.	F	(expires 8/31/06)
Lake	11/87	1%,1%	1/88, 1/03	15 yrs.	F	(extended to 12/31/17)
Leon	9/89	1.0%	12/89	15 yrs., 30 yrs.	I	(extended to 12/31/19)
Madison	5/89	1.0%	8/89	15 yrs.	I	(expired 7/31/04)
Manatee	6/89, 2/94	1.0%	1/90, 7/94	4 yrs., 5 yrs.	I, F	(expired 6/30/99)
Marion		1.0%	37622	2 yrs.		(expired 12/31/04)
Martin	3/96	1%, 1/2%	6/96 , 1/99, 1/07	1 yr.,3 yrs., 5 yrs.	F	(expires 12/31/11)
Monroe	8/89	1.0%	11/89, 11/04	15 yrs., 14 yrs.	F	(extended to 12/31/18)
Okaloosa	8/89,5/95	1/2%,1%	10/89,8/95	2 yrs.,4 yrs.	I	(expired 7/31/99)
Osceola	6/90	1.0%	9/90,10/99	15 yrs.,20 yrs.	F	(extended to 8/31/25)
Pasco	12/03	1.0%	1/1/05	10 yrs.		(expires 12/31/14)
Pinellas	11/89	1.0%	2/90	20 yrs.	I	(expires 1/31/10)
Putnam		1.0%	37622	15 yrs.		(expires 12/31/17)
Santa Rosa	9/92	1.0%	9/93	6 yrs.	I	(repealed 9/1/98)
Sarasota	6/89	1.0%	9/89	15 yrs.	I	(extended to 8/30/09)
Seminole		1%,1%	10/91,1/02	10 yrs., 10 yrs.	I	(expires 12/31/11)
Suwannee	9/87	1.0%	1/88	15 yrs., upon repeal	F	(expired 12/31/02)
Taylor	5/89	1.0%	8/89, 8/04	15 yrs., 25 yrs.	F	(expires 12/31/29)
Wakulla	11/87	1.0%	1/88	15 yrs.	I	(extended 12/31/17)

Small County Surtax

County	Referendum Adopted	Rate	Effective Date	Length	Distribution Method (1)	
Baker	n/a	1.0%	1/94	until repeal	F	(upon repeal)
Bradford	n/a	1.0%	3/93	until repeal	F	(upon repeal)
Calhoun	n/a	1.0%	1/93	16 yrs.	F	(expires 12/31/08)
Columbia	n/a	1.0%	8/94	until repeal	F	(upon repeal)
DeSoto	n/a	1.0%	1/1/03	until repeal		(upon repeal)
Dixie	n/a	1.0%	4/1/05	until repeal		(upon repeal)
Gadsden	n/a	1.0%	1/96	until repeal	F	(upon repeal)
Gilchrist	n/a	1.0%	10/92	until repeal	F	(upon repeal)
Gulf	n/a	1/2%	1/1/06	until repeal		(upon repeal)
Hamilton	n/a	1.0%	7/1/05	until repeal		(upon repeal)
Hardee	n/a	1.0%	01/98	7 yrs.	I	(upon repeal)
Hendry	n/a	1.0%	37622	until repeal		(upon repeal)
Holmes	n/a	1%, 1%	10/95, 10/99	4 yrs., 7 yrs.	F	(expires 12/31/13)
Jackson	n/a	1.0%	6/95	15 yrs.	F	(expires 5/31/10)
Jefferson	3/88	1.0%	6/88	15 yrs., upon repeal	F	(upon repeal)
Lafayette	n/a	1.0%	9/1/06	until repeal		(upon repeal)
Levy	n/a	1.0%	10/92	until repeal	F	(upon repeal)
Liberty	n/a	1.0%	11/92	until repeal	F	(upon repeal)
Madison	5/89	1.0%	8/89	15 yrs.	I	(upon repeal)
Nassau	n/a	1/2%, 1%	12/93,3/96	1 yr., 8yrs.,until repeal	F	(upon repeal)
Okeechobee	n/a	1%	10/95, 10/99	until repeal	F	(upon repeal)
Sumter	n/a	1.0%	1/93	until repeal	F	(upon repeal)
Suwannee		1.0%	1/1/03	until repeal		(upon repeal)
Union	n/a	1%,1%	2/93,1/01	8 yrs.,5 yrs.	F	(upon repeal)
Walton	n/a	1.0%	2/95	until repeal	F	(upon repeal)
Washington	n/a	1.0%	11/93	until repeal	F	(upon repeal)

Discretionary Sales Surtaxes
Imposition and Levy

Charter County Transit System Surtax

County	Referendum Adopted	Rate	Effective Date	Length	Distribution Method (1)	
Duval	3/88	1/2%	1/89	until repeal	100% to county	(upon repeal)
Miami-Dade		1/2%	1/03	until repeal	100% to county	(upon repeal)

County Public Hospital Surtax

County	Referendum Adopted	Rate	Effective Date	Length	Distribution Method (1)	
Miami-Dade	9/91	1/2%	1/92	until repeal	100% to county	(upon repeal)

Indigent Care Surtax

County	Referendum Adopted	Rate	Effective Date	Length	Distribution Method (1)	
Alachua		1/4%	1/1/05	6 yrs.	100% to county	(expires 12/31/11)
Hillsborough	n/a	1/2%,1/4%, 1/2%	12/91,10/97,3/01,10/01	7 yrs., 4 yrs.	100% to county	(upon repeal)
Madison		1/2%	1/1/07		100% to county	(upon repeal)
Polk		1/2%	1/1/05	15 yrs.	100% to county	(expires 12/31/19)

School Capital Outlay Surtax

County	Referendum Adopted	Rate	Effective Date	Length	Distribution Method (1)	
Bay		1/2%	5/98	10 yrs.	100% to county	(expires 4/30/08)
Escambia		1/2%	1/98	5 yrs.	100% to county	(expires 12/31/07)
Flagler		1/2%	1/1/03	10 yrs.	100% to county	(expires 12/31/12)
Gulf		1/2%	7/97	20 yrs.	100% to county	(expires 6/30/17)
Hernando		1/2%, 1/2%	1/99, 1/05	5 yrs., 10 yrs.	100% to county	(expires 12/31/14)
Jackson	3/96	1/2%	7/96	10 yrs.	100% to county	(expires 12/31/15)
Leon		1/2%	1/03	10 yrs.	100% to county	(expires 12/31/12)
Manatee		1/2%	1/1/03	15 yrs.	100% to county	(expires 12/31/17)
Marion		1/2%	1/1/05	5 yrs.	100% to county	(expires 12/31/09)
Monroe		1/2%	1/96	10 yrs.	100% to county	(expires 12/31/15)
Orange		1/2%	1/03	13 yrs.	100% to county	(expires 12/31/15)
Palm Beach		1/2%	1/1/05	6 yrs.	100% to county	(expires 12/31/10)
Polk		1/2%	1/1/04	15yrs.	100% to county	(expires 12/31/18)
St. Lucie	3/96	1/2%	7/96	10 yrs.	100% to county	(expires 12/31/26)
Santa Rosa		1/2%	10/98	10yrs.	100% to county	(expires 9/30/08)
Volusia		1/2%	1/1/02	15yrs.	100% to county	(expires 12/31/16)

(1) Distribution Method: I = Interlocal Agreement; F = Formula
n/a - not applicable

ESTIMATED LOCAL OPTION GAS TAX REVENUES
Fiscal Year 2007-2008
(Thousands of Dollars)

	Local Option Gas Tax 1 - 6 Cents All Highway Fuel		Ninth Cent Tax 1 Cent All Highway Fuel		Local Option Gas Tax 1 - 5 Cents Motor Fuel Only	
County	Rate	Revenues @ 1 cent	Rate	Revenues @ 1 cent	Rate	Revenues @ 1 cent
Alachua	$0.06	$1,315.8	$0.01	$1,391.5		$1,128.0
Baker	$0.06	$177.9	$0.01	$188.8		$147.3
Bay	$0.06	$1,001.3	$0.01	$1,058.3		$837.9
Bradford	$0.06	$180.0		$190.0		$147.2
Brevard	$0.06	$2,856.8		$3,027.2		$2,449.7
Broward	$0.06	$8,775.8	$0.01	$9,305.3	$0.05	$7,808.2
Calhoun	$0.06	$69.0		$73.0		$42.6
Charlotte	$0.06	$942.0	$0.01	$997.5	$0.05	$784.6
Citrus	$0.06	$692.0	$0.01	$731.1	$0.05	$597.3
Clay	$0.06	$837.1	$0.01	$885.3		$724.3
Collier	$0.06	$1,618.6	$0.01	$1,715.0	$0.05	$1,462.1
Columbia	$0.06	$594.8	$0.01	$630.1		$85.7
DeSoto	$0.06	$160.5	$0.01	$169.2	$0.05	$117.1
Dixie	$0.06	$100.3		$104.7		$59.0
Duval	$0.06	$5,652.5		$5,973.3		$4,299.7
Escambia	$0.06	$1,700.7	$0.01	$1,799.5		$1,374.2
Flagler	$0.06	$416.2	$0.01	$440.6		$360.7
Franklin	$0.05	$76.9		$77.9		$57.3
Gadsden	$0.06	$618.6		$659.0		$246.2
Gilchrist	$0.06	$70.2	$0.01	$74.4		$58.9
Glades	$0.06	$68.6	$0.01	$71.4		$42.0
Gulf	$0.06	$72.3		$75.8		$54.0
Hamilton	$0.06	$178.7		$189.5		$98.9
Hardee	$0.06	$207.3	$0.01	$219.1	$0.05	$797.3
Hendry	$0.06	$291.7	$0.01	$307.2	$0.02	$179.8
Hernando	$0.06	$861.3	$0.01	$910.1	$0.02	$696.5
Highlands	$0.06	$531.4	$0.01	$561.1	$0.05	$388.0
Hillsborough	$0.06	$6,677.1	$0.01	$7,071.2		$5,412.4
Holmes	$0.06	$122.0	$0.01	$129.0		$79.7
Indian River	$0.06	$902.7		$957.2		$703.9
Jackson	$0.06	$559.4	$0.01	$593.2		$316.8
Jefferson	$0.06	$157.5	$0.01	$166.2		$92.7
Lafayette	$0.06	$39.8		$41.7		$27.4
Lake	$0.06	$1,443.5	$0.01	$1,526.2		$1,224.5
Lee	$0.06	$3,252.6	$0.01	$3,443.8	$0.05	$2,831.8
Leon	$0.06	$1,307.4	$0.01	$1,384.8		$1,129.9
Levy	$0.06	$245.6		$259.1		$183.9
Liberty	$0.06	$51.8	$0.01	$54.5		$24.6
Madison	$0.06	$312.1		$332.4		$116.5
Manatee	$0.06	$1,699.6	$0.01	$1,800.7	$0.05	$1,461.0
Marion	$0.06	$2,200.6	$0.01	$2,329.7		$1,659.4
Martin	$0.06	$897.5	$0.01	$950.0	$0.05	$790.7
Miami-Dade	$0.06	$11,454.5	$0.01	$12,121.1	$0.03	$9,775.0
Monroe	$0.06	$617.3		$653.9		$553.2
Nassau	$0.06	$374.1	$0.01	$397.0	$0.05	$1,431.8
Okaloosa	$0.06	$1,117.9	$0.01	$1,185.2		$1,006.0
Okeechobee	$0.06	$405.7	$0.01	$428.5		$308.2
Orange	$0.06	$6,897.1		$7,305.8		$5,656.2
Osceola	$0.06	$1,847.3	$0.01	$1,952.8		$1,595.3
Palm Beach	$0.06	$6,096.5	$0.01	$6,455.0	$0.05	$5,336.6
Pasco	$0.06	$2,216.3	$0.01	$2,348.0		$1,905.4
Pinellas	$0.06	$4,163.2	$0.01	$4,410.5		$3,685.3
Polk	$0.06	$3,249.8	$0.01	$3,431.5	$0.05	$2,311.3
Putnam	$0.06	$409.6		$432.9		$319.2
St. Johns	$0.06	$1,251.0		$1,328.6		$1,021.0
St Lucie	$0.06	$1,438.5	$0.01	$1,522.0	$0.05	$1,183.9
Santa Rosa	$0.06	$783.8		$826.8		$649.9
Sarasota	$0.06	$1,770.9	$0.01	$1,877.1	$0.05	$1,574.2
Seminole	$0.06	$2,194.9	$0.01	$2,323.5		$1,943.7
Sumter	$0.06	$763.7	$0.01	$808.8		$406.3
Suwannee	$0.06	$320.8	$0.01	$339.3	$0.05	$226.9
Taylor	$0.06	$200.1		$210.4		$116.3
Union	$0.05	$78.8	$0.01	$75.5		$36.1
Volusia	$0.06	$2,400.7	$0.01	$2,541.3	$0.05	$2,090.9
Wakulla	$0.06	$123.9	$0.01	$130.6		$93.7
Walton	$0.06	$469.0	$0.01	$491.8		$327.9
Washington	$0.06	$144.5	$0.01	$152.2		$113.3
Totals		**$100,727.2**		**$106,615.9**		**$84,767.4**

Source: Florida Department of Revenue, December, 2006

Highway Fuel Tax Rates:
State and Local Option for CY 2007
(Cents per Gallon)

	Motor Fuel Tax Rates							Special Fuel (Diesel) Tax Rates					
County	State-wide Gas Tax	Ninth Cent	Local Option Gas Tax	*ELMS or New Gas Tax	**SCETS Tax	*** Envirn. Taxes & Insp. Fees	Total Gas Tax	State-wide Diesel Tax	Ninth Cent	Local Option Diesel Tax	**SCETS Tax	*** Envirn. Taxes & Insp. Fees	Total Diesel Tax
Alachua	15.3	1	6		6.0	2.2	30.5	15.3	1	6	6.2	2.2	30.7
Baker	15.3	1	6		6.0	2.2	30.5	15.3	1	6	6.2	2.2	30.7
Bay	15.3	1	6		6.0	2.2	30.5	15.3	1	6	6.2	2.2	30.7
Bradford	15.3		6		6.0	2.2	29.5	15.3	1	6	6.2	2.2	30.7
Brevard	15.3		6		6.2	2.2	29.7	15.3	1	6	6.2	2.2	30.7
Broward	15.3	1	6	5	6.2	2.2	35.7	15.3	1	6	6.2	2.2	30.7
Calhoun	15.3		6		6.2	2.2	29.7	15.3	1	6	6.2	2.2	30.7
Charlotte	15.3	1	6	5	6.2	2.2	35.7	15.3	1	6	6.2	2.2	30.7
Citrus	15.3	1	6	5	6.2	2.2	35.7	15.3	1	6	6.2	2.2	30.7
Clay	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Collier	15.3	1	6	5	6.2	2.2	35.7	15.3	1	6	6.2	2.2	30.7
Columbia	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
DeSoto	15.3	1	6	5	6.2	2.2	35.7	15.3	1	6	6.2	2.2	30.7
Dixie	15.3		6		6.2	2.2	29.7	15.3	1	6	6.2	2.2	30.7
Duval	15.3		6		6.2	2.2	29.7	15.3	1	6	6.2	2.2	30.7
Escambia	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Flagler	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Franklin	15.3		5		6.2	2.2	28.7	15.3	1	6	6.2	2.2	30.7
Gadsden	15.3		6		6.2	2.2	29.7	15.3	1	6	6.2	2.2	30.7
Gilchrist	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Glades	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Gulf	15.3		6		6.2	2.2	29.7	15.3	1	6	6.2	2.2	30.7
Hamilton	15.3		6		6.2	2.2	29.7	15.3	1	6	6.2	2.2	30.7
Hardee	15.3	1	6	5	6.2	2.2	35.7	15.3	1	6	6.2	2.2	30.7
Hendry	15.3	1	6	2	6.2	2.2	32.7	15.3	1	6	6.2	2.2	30.7
Hernando	15.3	1	6	2	6.2	2.2	32.7	15.3	1	6	6.2	2.2	30.7
Highlands	15.3	1	6	5	6.2	2.2	35.7	15.3	1	6	6.2	2.2	30.7
Hillsborough	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Holmes	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Indian River	15.3		6		6.2	2.2	29.7	15.3	1	6	6.2	2.2	30.7
Jackson	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Jefferson	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Lafayette	15.3		6		6.2	2.2	29.7	15.3	1	6	6.2	2.2	30.7
Lake	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Lee	15.3	1	6	5	6.2	2.2	35.7	15.3	1	6	6.2	2.2	30.7
Leon	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Levy	15.3		6		6.2	2.2	29.7	15.3	1	6	6.2	2.2	30.7
Liberty	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Madison	15.3		6		6.2	2.2	29.7	15.3	1	6	6.2	2.2	30.7
Manatee	15.3	1	6	5	6.2	2.2	35.7	15.3	1	6	6.2	2.2	30.7
Marion	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Martin	15.3	1	6	5	6.2	2.2	35.7	15.3	1	6	6.2	2.2	30.7
Miami-Dade	15.3	1	6	3	6.2	2.2	33.7	15.3	1	6	6.2	2.2	30.7
Monroe	15.3		6		6.2	2.2	29.7	15.3	1	6	6.2	2.2	30.7
Nassau	15.3	1	6	5	6.2	2.2	35.7	15.3	1	6	6.2	2.2	30.7
Okaloosa	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Okeechobee	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Orange	15.3		6		6.2	2.2	29.7	15.3	1	6	6.2	2.2	30.7
Osceola	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Palm Beach	15.3	1	6	5	6.2	2.2	35.7	15.3	1	6	6.2	2.2	30.7
Pasco	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Pinellas	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Polk	15.3	1	6	5	6.2	2.2	35.7	15.3	1	6	6.2	2.2	30.7
Putnam	15.3		6		6.2	2.2	29.7	15.3	1	6	6.2	2.2	30.7
St. Johns	15.3		6		6.2	2.2	29.7	15.3	1	6	6.2	2.2	30.7
St Lucie	15.3	1	6	5	6.2	2.2	35.7	15.3	1	6	6.2	2.2	30.7
Santa Rosa	15.3		6		6.2	2.2	29.7	15.3	1	6	6.2	2.2	30.7
Sarasota	15.3	1	6	5	6.2	2.2	35.7	15.3	1	6	6.2	2.2	30.7
Seminole	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Sumter	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Suwannee	15.3	1	6	5	6.2	2.2	35.7	15.3	1	6	6.2	2.2	30.7
Taylor	15.3		6		6.2	2.2	29.7	15.3	1	6	6.2	2.2	30.7
Union	15.3	1	5		6.2	2.2	29.7	15.3	1	6	6.2	2.2	30.7
Volusia	15.3	1	6	5	6.2	2.2	35.7	15.3	1	6	6.2	2.2	30.7
Wakulla	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Walton	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Washington	15.3	1	6		6.2	2.2	30.7	15.3	1	6	6.2	2.2	30.7
Weighted Average:	0.80		6.00	2.13	6.19		32.63						
Federal Tax Rates:							**18.40**						**24.4**

Sources: Florida Department of Revenue
*ELMS - Environmental Land Management Study
**SCETS - State Comprehensive Enhanced Transportation System
***Environ. Taxes and Inspection Fees include the taxes for Coastal Protection, Water Quality, Inland Protection, and the Pump Inspection fee.

MUNICIPAL UTILITY TAX

Florida Statutes: Section 166.231

Administered by: Municipalities and Charter Counties

MUNICIPALITIES

Fiscal Year	Total Collections	Electricity	Water	Other**
2007-08*	$743,900,000	$624,300,000	$81,300,000	$38,300,000
2006-07*	735,400,000	618,800,000	79,500,000	37,100,000
2005-06*	669,100,000	555,000,000	73,800,000	40,300,000
2004-05	579,360,408	479,646,370	66,761,601	32,952,437
2003-04	550,683,443	458,444,057	61,725,075	30,514,311
2002-03	525,869,943	439,052,701	55,277,710	31,539,532
2001-02	485,829,653	409,565,945	49,548,547	26,715,161

CHARTER COUNTIES

Fiscal Year	Total Collections	Electricity	Water	Other**
2007-08*	$270,300,000	$243,200,000	$19,100,000	$8,000,000
2006-07*	267,500,000	241,000,000	18,700,000	7,800,000
2005-06*	241,900,000	216,200,000	17,300,000	8,500,000
2004-05	209,377,112	186,836,189	15,666,326	6,874,597
2003-04	197,919,513	173,869,576	17,325,379	6,724,558
2002-03	179,107,099	157,112,252	14,312,678	5,682,170
2001-02	176,288,742	154,222,647	15,723,513	6,342,582

* Est.

** Includes natural gas, propane gas, fuel oil, kerosene, and cable television. Effective October 1, 2001, any municipal utility tax on cable television is replaced by the local communications services tax.

SUMMARY

The municipal utility tax is imposed by cities and charter counties on purchases of electricity, metered or bottled gas, and water service. The maximum tax rate is 10 percent.

DISPOSITION

Tax is collected by the seller of the taxable item from the purchaser at the time of payment for such service and remitted to the municipality levying the tax.

MUNICIPAL UTILITY TAX
(Continued)

BASE AND RATE

Municipalities and charter counties may levy up to a 10% tax on purchases of electricity, metered or bottled gas (natural LP Gas or manufactured), and water service. (s. 166.231 (1), F.S.)

HISTORY

Authority to tax public services was granted to municipalities in 1945. This tax, originally levied on electricity, metered or bottled gas, water service, and telephone and telegraph service, is called the municipal utility tax. In 1972, the Florida Supreme Court ruled that the Florida Constitution grants charter counties the authority to levy the municipal service tax. Specifically, they stated that charter counties have the "authority to levy any tax not inconsistent with general or special law as is permitted municipalities." Volusia County v. Dickinson, 269 So.2d 9 (Fla. 1972) and McLeod v. Orange County, 19 Fla L. Weekly 5536 (Oct, 1994) As of 2004, twelve charter counties and consolidated Duval/Jacksonville levied the municipal utility or public service tax. Charter counties may levy the tax only in the unincorporated area of the county. In 1985, telecommunications services, rather than telephone services, were made taxable by municipalities. A municipality could tax local telecommunications services alone at up to 10 percent or it could tax at up to 7 percent local service plus intrastate long distance service which originated or terminated within the municipality and was billed to a person, telephone number or device, or telecommunications number or device within the municipality (s. 166.231(9), F.S.). Authority to levy a tax upon cable TV service was removed effective October 1, 1977, unless the tax is necessary to pay off bonds (s. 166.231(1), F.S.). In 1978, municipalities were authorized to levy the tax on a physical unit basis, provided that upon conversion the effective tax rate for each type of service is preserved in the first year. Subsequently, rates may be amended by ordinance (s. 166.232, F.S.). In 1993, the municipalities were authorized to exempt metered or bottled gas or fuel oil used for agricultural purposes. In 1996, municipalities were authorized to exempt electricity and gas used directly in manufacturing. In 1997, the Legislature provided an exemption for Internet and similar computer on-line services by removing them from the definition of telecommunications services.

Chapter 2000-260, L.O.F., the Communications Services Tax Simplification Law, rewrote Florida's communications tax laws, replacing the existing taxes imposed on telecommunications and cable television services with a statewide tax and local taxes to be administered by the Department of Revenue. Effective October 1, 2001, subsection (9) of s. 166.231, F.S., was repealed, to be replaced by the local communications services tax under s. 202.19, F.S. The law provided that the rates would be set to replace revenue that would have been generated by the municipal services tax plus other sources of local revenue replaced by the new tax. Chapter 2001-140, L.O.F., established the revenue-neutral local communications services tax and the maximum allowable rates. Local governments adopted their communications services tax rates on July 15, 2001.

Ch. 2005-187, L.O.F., repealed the tax on substitute communications systems and provided that the Department of Revenue will not assess this tax back to October 1, 2001, when the communications services tax was implemented. The bill created a task force of experts in the areas of telecommunications policy, taxation, law, or technology to study the implications of emerging technologies on Florida's communications service tax.

MUNICIPAL UTILITY TAX
(Continued)

VALUE OF RATE CHANGE, EXEMPTIONS AND ALLOWANCES

RATE CHANGE	2007-08 (millions)
Approximately one-half of the municipalities in Florida either levy utility taxes of less than 10% or do not tax utilities at all under this law. Many who tax less than 10% do so on a sliding scale, e.g., 10% on the first $25; 5% on the next $50; and 2% thereafter. Also, many municipalities tax different services at different rates. Thus, each municipality must be examined individually to arrive at an estimate of the value of a tax rate change. However, an overall change of 10% in current rates would have the following impact:	$101.4
Fuel Oil (s. 166.231(2)) The maximum tax on fuel oil is 4 cent/gallon (unless the tax is being levied on a physical unit basis). For cities levying less than 10% on other services, the fuel oil tax must be reduced proportionately.	4.7
Fuel Adjustment Charges (s. 166.231(1)(b)) All fuel adjustment charges subsequent to October 1, 1973 are exempt from taxation.	253.6
Government Purchases (s. 166.231(5)) Purchases by the U.S. Government, the State of Florida or any public body as defined in s. 1.01(9), F.S., are exempt.	Indeterminate
Church Purchases (s. 166.231(5)) Church purchase of service used exclusively for church purposes are exempt from taxation.	Indeterminate
Enterprise zones (s. 166.231(8)) Effective from 7/1/95 to 12/31/2015, municipalities may exempt not less than 50% of the tax imposed on purchasers of electricity located within enterprise zones.	Indeterminate

STATE REVENUES SHARED WITH LOCAL GOVERNMENTS

Shared Collections - All State Sources

Fiscal Year	Municipalities	Counties	School Districts	Total	Annual Change
2007-08*	$ 977,500,000	$ 1,981,400,000	$ 1,210,800,000	$ 4,169,700,000	3.28%
2006-07*	938,800,000	$ 1,914,300,000	$ 1,184,200,000	$ 4,037,300,000	1.44%
2005-06	945,327,615	1,927,717,825	1,107,131,017	3,980,176,457	8.19%
2004-05	871,104,405	1,798,880,160	1,008,763,699	3,678,748,264	3.81%
2003-04	875,699,896	1,714,733,821	953,130,151	3,543,563,868	8.81%
2002-03	726,067,699	1,622,299,957	908,380,216	3,256,747,872	3.12%

* Estimated

2004-05 Revenues Disbursed by Source

Revenue Source	Authority	Administered By	Municipalities	Counties	School Districts	Total
State Revenue Sharing Program:						
Cigarette Tax	Ch. 210	DBPR	--	11,401,876	--	$11,401,876
Motor Fuel Tax (1 cent)	Ch. 206	DOR	94,054,299	--	--	94,054,299
Special and Motor Fuel Use Tax & Alternative Fuels Tax	Ch. 206	DOR	1,155,667	--	--	1,155,667
Sales Tax	Ch. 212	DOR	253,216,128	385,989,832	--	639,205,960
Total Revenue Sharing Program	Ch. 218	DOR	348,426,094	397,391,708	--	745,817,802
Other Shared Revenue:						
Sales Tax (1/2 cent)	Ch. 212	DOR	582,680,186	1,149,208,223	--	1,731,888,409
Sales Tax (formerly from Pari-mutuel taxes)	Ch. 212	DOR	--	29,900,000	--	29,900,000
Beverage License	Ch. 561-8	DBPR	6,764,269	6,105,727	--	12,869,996
Gross Receipts Tax	Ch. 203	DOR	--	--	975,793,335	975,793,335
Insurance License Fees	Ch. 624	DOI	--	5,246,202	--	5,246,202
Mobile Home License	Ch. 320	DHSMV	4,672,737	5,065,615	9,738,549	19,476,901
Motor Fuel Tax (3 cents)	Ch. 206	DOR	--	313,622,976	--	313,622,976
Motor Fuel Refunds	Ch. 206	DOR	2,784,329	1,796,525	2,736,215	7,317,069
Motor Vehicle License	Ch. 320	DHSMV	--	--	118,862,918	118,862,918
Motorboat Fees	Ch. 371	DEP	--	8,112,849	--	8,112,849
Oil & Gas Tax	Ch. 211	DOR	--	1,258,000	--	1,258,000
Solid Minerals Severance	Ch. 211	DOR	--	10,010,000	--	10,010,000
Total Other Shared Revenue			596,901,521	1,530,326,117	1,107,131,017	3,234,358,655
All Shared Revenue			$ 945,327,615	$ 1,927,717,825	$ 1,107,131,017	$ 3,980,176,457

FLORIDA REVENUE SHARING ACT

Florida Statutes: Chapter 218, Part II; and Sections 206.41(1)(c), 210.20(2)(a), 212.20(5)

Administered by: Department of Revenue

DISTRIBUTIONS

Fiscal Year	To Cities	Annual Change %	To Counties	Annual Change %
2007-08*	$379,000,000	4.94	$429,200,000	4.68
2006-07*	361,200,000	3.66	410,000,000	3.16
2005-06	348,426,094	6.33	397,391,708	8.75
2004-05	327,684,527	28.62	365,423,351	3.75
2003-04	254,769,684	7.44	352,219,937	7.02
2002-03	237,117,256	2.80	329,101,463	2.53
2001-02	230,655,617	1.42	320,994,259	1.10

* Est.

SUMMARY

Florida shares certain state revenues with cities and counties. A percentage of the sales tax, motor fuel and special fuel, and the alternative fuels taxes are deposited into the Municipal Revenue Sharing Trust Fund for distribution to cities. A percentage of the sales tax and cigarette tax is deposited into the County Revenue Sharing Trust Fund for distribution to counties. Sales tax revenue is also distributed to counties and municipalities under the Local Government Half-cent Sales Tax, Chapter 218, Part VI of the Florida Statutes. (See the Sales and Use Tax section).

COLLECTIONS

Revenue Sharing Trust Fund - Municipalities

a. Sales Tax – 1.3409% (s. 212.20(5)(e)6., F.S.)
b. 8th Cent Municipal Fuel Tax (s. 206.605(1); s. 206.875(2), F.S.)
c. Special Fuel & Motor Fuel Use Tax (s. 207.026, F.S.) and 25% of Collections of the Alternative Fuel User Fee (s. 206.879(1), F.S.)

FLORIDA REVENUE SHARING ACT
(Continued)

Fiscal Year	Total	Sales Tax	8th Cent Municipal Fuel Tax	Special Fuel Tax and Alternative Fuel User Fee
2007-08*	$379,000,000	$274,100,000	$103,600,000	$1,300,000
2006-07*	361,200,000	261,600,000	98,400,000	1,200,000
2005-06	348,426,094	253,216,128	94,054,299	1,155,667
2004-05	327,684,527	234,068,559	92,375,629	1,240,339
2003-04	254,769,684	164,835,986	88,532,465	1,401,233
2002-03	237,117,256	151,462,709	84,519,288	1,135,259
2001-02	230,655,617	147,517,049	82,184,764	953,804

* Est.

Revenue Sharing Trust Fund - Counties

a. Sales Tax – 2.044% (s. 212.20(5)(e)5., F.S.).
b. Cigarette Tax - 2.9% (s. 210.20(2)(a), F.S.).

Fiscal Year	Total	Sales Tax	Cigarette Tax
2007-08*	$429,200,000	$417,900,000	$11,300,000
2006-07*	410,000,000	398,700,000	11,200,000
2005-06	397,391,708	385,989,832	11,401,876
2004-05	365,423,351	354,704,849	10,718,502
2003-04	352,219,937	341,265,897	10,954,040
2002-03	329,101,463	318,054,685	11,046,778
2001-02	320,994,259	309,765,152	11,229,107

* Est.

DISTRIBUTION FACTORS

For Municipalities: Three equally weighted factors (s. 218.245(2)F.S.)

a. Total Population (less inmates and patients and weighted by a population group factor)
b Sales Tax Collections (allocated by proportion of county population)
c. Relative Revenue Raising Capacity (per capita non-exempt valuation weighted by population)

For Counties: Three equally weighted factors (s. 218.245(1)F.S.)

a. Total Population (less inmates and patients)
b. Population of Unincorporated Area
c. Sales Tax Collections

FLORIDA REVENUE SHARING ACT
(Continued)

ELIGIBILITY FACTORS FOR FULL SHARING BY CITIES AND COUNTIES

a. Report finances to Department of Banking and Finance.

b. Make provision for annual post-audits for the city or county governments and for each dependent special district that is budgeted separately from the general budget of the local governing authority.

c. Levy at least 3 mills (or raise equivalent revenue by property tax, utility tax, and occupational licenses), not including debt service or other special voted millage.

d. Meet certain employment and salary standards for police officers and firefighters.

e. Certify to the Department of Revenue that the millage requirements of s. 200.065, F.S., if applicable, have been met.

Eligible cities and counties must receive at least as much as in fiscal year 1971-72 from the same three sources as now fund the revenue sharing program ("guaranteed entitlement"). Total distributions in fiscal year 1971-72 were $84,045,989 for cities and $30,330,097 for counties. Also, eligible counties are entitled to receive a second guaranteed entitlement, which is equal to the amount of revenue received in the aggregate by an eligible county in fiscal year 1981-82, under the provisions of the then existing s. 210.20(2)(a), F.S., tax on cigarettes, and s. 199.292(4), F.S., tax on intangible personal property, less the guaranteed entitlement. The total distribution in fiscal year 1981-82 for counties was $64,756,373. Paragraph (6)(b) of s. 218.21, F.S., guarantees Miami-Dade no less than it received the previous year, plus, through fiscal year 2008-09, an annual increase proportionate to the annual increase in the Revenue Sharing Trust Fund for Municipalities for the preceding year.

Ineligible cities and counties must receive at least enough to service any outstanding debt for which the revenue sharing fund elements had been pledged (minimum entitlement).

LIMITATION ON USE OF STATE REVENUE SHARING FUNDS

Funds derived from the 1 cent municipal fuel tax may only be used by municipalities for transportation-related expenditures. There is no other use restriction on revenues shared, except that a local government may bond no more than 50 percent of the funds received under s. 218.21, F.S., in the previous year.

HISTORY

Sharing of certain state revenues with cities and counties began in Florida at least as early as 1931. Financial rescue of the counties from their overwhelming boom period road debts from the 1920's came principally through sharing of the state's motor fuel tax ("second gas tax" of 2 cents per gallon) under provisions of Article IX, Sec. 16, Constitution of 1885). Little sharing with cities occurred until the state cigarette tax collections (increased from 3 cents to 5 cents per pack) were made available to them in 1949. Since then, the distributions to cities have grown enormously in amount. In 1971-72, distributions to cities were derived from six state taxes. Distributions to counties were derived from fourteen state taxes, sale of certain state forest products, and three direct appropriations from general funds. These represented in combination twenty-four separate distribution formulas.

The Revenue Sharing Act of 1972 (ch. 72-360, L.O.F.) placed three shared tax sources for cities and three for counties into a "revenue sharing program" with an expiration date one year later. Separate three factor formulas were provided for the two types of governmental units. Annual distributions of $132,300,000 to cities and $39,000,000 to counties were set in the act. Meeting of certain salary and employment standards for police officers was required for participation. Financial reporting already required by law was also made a specific criterion of eligibility. Some semblance of need

was required for cities in the form of the levy of three mills on non-exempt valuations. An alternative was allowed by combining collections from utility tax, occupational licenses, and property tax to equal at least the amount of a three mill levy. In 1973, the act was considerably reworded but basic requirements were practically unchanged. Amounts to be distributed were to be all available funds, rather than a predetermined amount. Again a one year life for the act was specified. Renewal of the Revenue Sharing Act in 1974 was accomplished without an automatic expiration provision. Small changes in wording occurred but all the principal features of administration were left unchanged. It was made clear that formula computations were expected to be made only once each year and that the act does not apply to any special districts of the state.

In 1983, certain salary and employment standards for firefighters were added to the eligibility requirements for full revenue sharing by cities and counties. In 1984, the Legislature imposed a fee on alternative fuels. Twenty-five percent of the revenues collected from these fuels is transferred to the Revenue Sharing Trust Fund for Municipalities. In 1987, the Legislature approved a second guaranteed entitlement for eligible counties only. The second guaranteed entitlement is equal to the amount of revenue received in the aggregate by an eligible county in fiscal year 1981-82, under the provisions of the then existing s. 210.20(2)(a), F.S., tax on cigarettes, and s. 199.292(4), F.S., tax on intangible personal property, less the guaranteed entitlement. In 1989, ch. 89-169, L.O.F., required governments in addition to the existing eligibility criteria, to certify that each dependent special district that is budgeted separately from the general budget of the local governing authority has met the provisions for annual post audit of its financial accounts in accordance with the provisions of law. In 1990, the distribution of the intangibles tax to the Revenue Sharing Trust Fund for Counties was changed from 55% to 41.3% and changed again in 1992 from 41.3% to 33.5%. The cigarette tax was increased and the distribution formula for the County Revenue Sharing Trust Fund was increased from 1.24% to 2.9% of net collections and the distribution formula for the Municipal Revenue Sharing Trust Fund was increased from 11.24% to 32.4% of net collections.

In 1993, ch. 93-233, L.O.F., reduced the annual guaranteed increase from the Municipal Revenue Sharing Trust Fund to Miami-Dade county from seven percent to the amount received in the previous year plus the percentage increase in the trust fund. Sources of shared revenue were changed significantly by the 2000 Legislature. Chapter 2000-173, L.O.F., repealed the sharing of intangibles tax revenues with counties and provided for a distribution from sales and use tax to the Revenue Sharing Trust Fund for Counties. Chapter 2000-355, L.O.F., restructured the Revenue Sharing Trust Fund for Municipalities by transferring the portion of cigarette tax that previously funded these trust funds to the General Revenue Fund and providing a distribution from sales and use tax to the Revenue Sharing Trust Fund for Municipalities. In addition, ch. 2000-355, L.O.F., repealed the Municipal Financial Assistance Trust Fund.

Chapter 2003-402, L.O.F., which provides state funding for costs related to the state judicial system, amended ss. 212.20 and 218.21, F.S., reducing distributions to the Local Government Half-cent Sales Tax Clearing Trust Fund and the Revenue Sharing Trust Fund for Counties, effective July 1, 2004. The distribution to the Revenue Sharing Trust Fund for Municipalities was increased to offset municipalities' loss from the Half-cent Sales Tax reduction.

TAX EXPENDITURES

As stated in the note at the beginning of this book, an attempt has been made to provide estimates for all current tax exemptions, deductions, allowances, exclusions, credits, preferential rates, and deferrals contained in Florida's tax structure. While estimates have not been possible for all tax exemptions, a large portion have been estimated.

This section attempts to look at these estimates of foregone revenue in a slightly different light--as tax expenditures. As this term implies, preferential tax treatment costs government's money just as appropriated expenditures do and can be viewed as directly comparable to an appropriation.

There are a number of important distinctions between appropriations and tax expenditures, however. Once adopted, tax expenditures often come under much less scrutiny than appropriated expenditures. Appropriations normally must pass every year while tax exemptions remain effective until a positive action is taken to change them. Tax expenditures are open-ended. In appropriating funds for regular expenditures, the Legislature is putting a ceiling on spending. But the cost of a tax expenditure is, in effect, decided by taxpayers who determine whether to take advantage of it. Tax expenditures distort economic choices which, of course, taxes do to some extent without tax expenditures. The existence of tax expenditures tends to induce more investment in tax-favored activities than would otherwise occur, causing a shifting of tax burden.

There are, of course, reasons why tax expenditures may be more desirable than direct appropriations. Many provisions of tax laws are intended not as necessary structural parts of a normative tax, but rather as tax incentives or hardship relief provisions. Tax expenditures may be viewed as improving the equity of the tax system or avoiding undesirable resource allocations. Administrative costs for distributing monies through tax expenditures may also be less than alternative direct expenditure programs.

From the viewpoint of tax expenditures, one of the purposes of this book can be stated a little differently than it is in the Foreword. Since tax expenditures are comparable to appropriations, their merit should be determined in relation to the possible programs that could be funded in their absence. Just as an appropriation, they are an allocation of scarce state tax resources. In addition, it is important to keep updated estimates of the cost of tax expenditures so that direct comparisons are possible for the budget year under consideration. This book hopefully provides the tools necessary for these tasks.

The following table presents summary estimates of the tax expenditures identified in this book by type for each tax for fiscal year 2007-08.

2007-08 TAX EXPENDITURES
(in millions of $)

Tax	Exemptions	Preferred/ Differential Rates	Credits	Refunds	Deductions/ Allowances	Partial Assessments	Total
State Taxes							
Auto Title and Lien Fees	18.6	--	--	--	--	--	18.6
Beverage Tax	6.1	--	--	--	11.8	--	17.9
Cigarette	29.2	--	--	0.8	6.1	--	36.1
Communications Services Tax	612.7	--	--	--	5.4	--	618.1
Corporate Income Tax	1,010.6	--	97.8	--	333.4	--	1,441.8
Documentary Stamp Tax	569.8	29.6	--	--	32.8	--	632.2
Driver Licenses	**	--	--	--	--	--	0.0
Gross Receipts Tax	216.2	--	--	--	--	--	216.2
Insurance Premium Tax	116.0	--	668.0	--	34.0	--	818.0
Intangibles Tax	**	--	--	3.1	--	--	3.1
Lottery	--	--	--	--	238.3	--	238.3
Motor Fuel Tax	14.1	--	--	52.0	4.9	--	71.0
Motor Vehicle Licenses	2.8	--	--	--	--	--	2.8
Pollutants Taxes	27.2	--	--	--	--	--	27.2
Sales Tax #	23,357.1	4.9	--	--	64.7	--	23,426.7
Severance Tax	*	--	--	--	--	--	0.0
Subtotal	**25,980.4**	**34.5**	**765.8**	**55.9**	**731.4**	**0.0**	**27,568.0**
Local Taxes							
Ad Valorem	13,657.5	8,850.1	--	--	1,192.7	6,773.1	30,473.4
Local Option	440.5	--	--	--	1.9	--	442.4
Municipal Utility	258.3	--	--	--	--	--	258.3
Subtotal	**14,356.3**	**8,850.1**	**0.0**	**0.0**	**1,194.6**	**6,773.1**	**31,174.1**
Total State and Local Taxes	**40,336.7**	**8,884.6**	**765.8**	**55.9**	**1,926.0**	**6,773.1**	**58,742.1**

* Insignificant
** Indeterminate

Sales tax exemptions include $24.6 million in professional sports-related subsidies.

Note: Some exemptions overlap so that repeal of all exemptions would not yield the total shown.

ALTERNATIVE SOURCES

STATE PROPERTY TAX

Florida Constitution: Prohibited by Article VII, Section I

Fiscal Year	Taxable Value** (millions)	1 Mill Levy (millions)	Annualized % Change
2007-08*	$1,795,449	$1,795.4	8.9
2006-07#	1,649,200	1,649.2	25.1
2005-06	1,317,737	1,317.7	18.2
2004-05	1,115,213	1,115.2	12.6
2003-04	990,395	990.4	11.4
2002-03	888,309	888.3	10.3
2001-02	805,057	805.1	10.3
2000-01	730,003	730.0	7.8
1999-00	677,095	677.1	7.3
1998-99	630,755	630.8	6.4
1997-98	592,850	592.8	6.0
1996-97	559,497	559.5	4.5
1995-96	535,609	535.6	4.6
1994-95	511,828	511.8	4.8
1993-94	488,624	488.6	1.8
1992-93	479,972	480.1	1.0
1991-92	475,097	475.1	5.8
1990-91	449,091	449.1	8.7
1989-90	413,319	414.7	9.3
1988-89	378,120	378.1	7.3
1987-88	352,410	352.4	9.1
1986-87	322,911	322.9	9.1
1985-86	296,038	296.0	11.2
1984-85	266,127	266.1	9.1
1983-84	243,937	244.0	7.7
1982-83	226,613	226.6	17.2

* Est.

** Assumes same tax base (real estate, personal property, and centrally assessed) and exemption structure as currently allowed for school districts. Does not include the value of intangible property because it is already subject to state taxation.

\# Preliminary

THE VALUE-ADDED TAX

The value-added tax (VAT) is paid by producers on the value-added by their firms. Value-added is simply a firm's total revenue minus the value of purchased non-labor inputs (from outside suppliers) that the firm uses to produce goods and services. For example, if a firm uses labor, equipment (which it owns), and raw materials (which it purchases) to make a product, then value-added by the firm will be revenue minus the cost of raw materials. A VAT would be a percentage levy on that amount.

Measuring Value-Added - Invoice-Credit Method

In practice, measuring value-added is not as simple as portrayed above. In those countries with national VATs, the tax is commonly computed using the invoice-credit method. Under this method, a firm applies the VAT rate to its gross receipts (revenue) and subtracts any VAT that was paid on purchased inputs, such as intermediate goods and capital goods. This is alleged to enhance compliance under a VAT in several ways. First, invoices provide a way of cross-checking the credits claimed by a taxpayer. Second, since taxpayers have the incentive to maximize the credit they can claim, it is in their interest that their suppliers pay the proper amount of VAT. It also concentrates the remittance burden on larger upstream businesses that can be audited more cost effectively and it reduces the amount of tax at risk due to skimming and under-reporting by smaller retailers.

Measuring Value-Added - Income- Additive Method

A second method for calculating a VAT is the income or additive approach. Instead of subtracting the value of inputs from receipts, this approach directly adds up those categories of expenditure and net income of a given business that represent value-added (i.e., wages + interest + rent + profit). Strict utilization of federal income tax accounting (e.g., measurement of income and expenditures, timing or recognition of these items, reporting time frames, etc.) in calculating the VAT would result in value-added being measured directly from items already reported on federal income tax returns. For multi-state entities, national value-added could be apportioned in the same manner that corporate profits are.

Experience in Other Jurisdictions

Most European countries rely on a VAT for a substantial portion of their revenue and have done so for at least four decades. The measurement method of choice has been the invoice-credit method. The VATs imposed in these jurisdictions are far from the pure VAT of theory. Equity considerations have led to substantial exemptions from the tax. Common among these are food, medical care and housing. Concern for record-keeping has led to exemptions for small businesses. In conformity with the concept that VATs are fundamentally taxes on consumption, businesses have been allowed to deduct the total expense of plant and equipment in the year of purchase. Nonetheless, the European experience with VATs seems to have been largely favorable.

The additive method has been used most prominently in Michigan. Michigan's VAT is known as the Single Business Tax (SBT) since it replaced several taxes on business including the corporate income tax. Michigan law provides numerous partial exemptions from the tax. Chapter S and professional corporations are partially exempted as are agriculture and forestry concerns. Like the European VATs, the SBT allows full current expensing of investment expenditures by firms. Michigan's apportionment method for national value-added closely resembles the three-factor formula used by most states with a corporate income tax. The U.S. Supreme Court has found this formula to be constitutional in apportioning the SBT. The SBT tax rate was enacted in 1976 at 2.3% and is reduced by 0.1% annually beginning January 1, 1999, provided that the Michigan Treasury's Rainy Day Fund reports an ending balance for the prior fiscal year of more than $250 million. The rate reductions that would have occurred January 1, 2003, 2004, and 2005 did not take place, leaving the rate for the 2005 calendar year at 1.9%. At the time it became apparent that SBT rate reductions would be passed, Public Act 531 of 2002 was approved, eliminating the tax altogether with tax years beginning after December 31, 2009.

Business Enterprise Tax

The Business Enterprise Tax (BET) was enacted in the mid-1990's by the State of New Hampshire. It is a broad-based business tax with some similarities to Michigan's SBT. Like the SBT the major component of the BET is compensation

paid to employees. The BET also taxes interest paid. However, the only other addition to the BET base is dividends paid to shareholders. Thus, it does not attempt to tax corporate profits. New Hampshire has a separate corporate profits tax. The tax is paid by businesses of all types (i.e., corporations, partnerships, proprietorships) but businesses with less than $150,000 in gross receipts or less than $75,000 in taxable base are exempt. The tax rate is currently .75%.

Incidence of the VAT

Firms subject to the VAT will try to pass it along to their consumers. The extent to which they are able to do so will depends on competitive conditions in markets for inputs to the production process and output markets. For practical purposes, it is generally assumed that the tax is fully-shifted forward in the production chain. In this case, the effect of a VAT is equivalent to taxing the total value of all taxable goods and services sold to final consumers. In the case where firms operate in multiple jurisdictions subject to a VAT, the matter is more complicated and the outcome is dependent, in large part, upon the form of VAT being employed.

Estimated revenue for 2007-08 from a 1% VAT in Florida:

Michigan-type SBT (additive method)	-	$ 3.48 billion
Invoice-credit VAT	-	$ 4.89 billion
New Hampshire –type BET	-	$ 3.91 billion

INHERITANCE TAX

Florida Constitution: Prohibited by Article VII, Section 5

BASE AND RATE

The inheritance tax is a tax on a beneficiary's privilege of receiving a distribution from a decedent's estate. Rates are generally graduated, varying in amount for different classes of beneficiaries with those closely related to the decedent paying lower rates than those of a distant relationship. In contrast, an estate tax is a tax on the net estate of the decedent based on the right to transmit property from a decedent's estate to the living. Both of these are commonly called " death taxes."

OTHER STATES

Eight states currently impose an inheritance tax: Indiana, Iowa, Kentucky, Maryland, Nebraska, New Jersey, Oregon, Pennsylvania and Tennessee. New Hampshire's inhe ritance tax was repealed effective January 1, 2003. Connecticut's inheritance tax was completely repealed on January 1, 2006.

EXEMPTIONS

There are usually five types of exemptions: (1) personal exemptions; (2) exemptions on property on which a tax has been paid; (3) exemptions on distributions to charitable, religious, or educational institutions; (4) exemptions of a specified amount allowed the entire estate; and (5) exemptions on particular types of property.

COMMENTS

An inheritance tax is complicated to administer and may encourage certain potential inheritors to change their Florida residency to states having a lower tax. Supporters of an inheritance tax claim it is progressive due to the fact that it reduces the concentration of wealth in society and (through exemptions) it promotes charitable giving. Opponents of an inheritance tax claim it taxes savings and asset accumulation, taxes income which was already taxed when earned, forces the liquidation of assets to pay for the tax (which impacts small and family businesses), and the cost of compliance and tax avoidance of the federal estate tax roughly equals that of revenues (approximately $23 billion according to a 1998 study).

ALTERNATIVE GAMBLING ACTIVITY SOURCES

Gambling activities that may be authorized by the Legislature:

Cruises-to-nowhere - Many of the cruise ships operating from Florida's 14 deepwater ports or various public and private marinas and docks conduct gambling activities when the vessels are on the high seas outside of the territorial waters of the state. Due to the fact that the gambling activity is authorized by exceptions to federal law, the state has only limited authority to prohibit it, and has no authority to tax gambling proceeds on such vessels. The state is currently imposing a tax on admission fees charged for cruises-to-nowhere.

Video Lottery - Currently, 12 states have legalized gaming devices such as video lottery and one-arm bandits outside the casino setting. The devices may take two forms: those under the supervision of state lotteries and those under other control. In Florida, the constitutional provision prohibiting lotteries other than those operated by the state may require such machines to be operated by a state agency, such as the Department of the Lottery. In other states, recent proposals have restricted the location of such devices, such as allowing them only in pari-mutuel facilities, rather than having them available in widespread locations. Tax is generally levied as a percent of net machine income and ranges as high as Rhode Island's rate of 62%.

Low-stakes card rooms - Florida now allows card rooms in certain pari-mutuel facilities, subject to local ordinance, with a bet limit of $2 for up to three raises per round of play. Twelve other states have authorized and implemented card room operations. California accounts for a substantial majority of the total U.S. gross wagering activity because of its large number of card rooms and the fact that it has had card rooms longer than any other state.

Expansion of pari-mutuel activities - The Florida pari-mutuel industry most recently sought legislation authorizing off-track betting in 1991 and telephone betting in 1992. Currently, 24 states are conducting some form of off-track betting and two states have authorized it but have not yet begun operations. Telephone betting has been implemented in 17 states.

Bingo - Florida Indian tribes currently conduct several large bingo operations. Florida law authorizes the conduct of bingo for the benefit of certain charitable, nonprofit, and veterans' organizations and by mobile home and condominium associations. Previous attempts to require state regulation and licensing of bingo operations have been unsuccessful.

Gambling activities that require a constitutional amendment:

Casino and riverboat gambling - At present, 29 states have operating casinos in some form. In November of 2004, Florida voters approved a constitutional amendment that allows slot machines in currently licensed pari-mutuel facilities located in Miami-Dade and Broward counties, if the voters in those counties approve such gambling. Broward County voters approved the slot machines while Miami-Dade County voters refused to do so. In December of 2005, the Legislature passed implementing legislation to allow the Broward County facilities to begin operation, and the first of these facilities opened in late November 2005. In November 1994, Florida voters defeated a proposed constitutional amendment which would have authorized up to 47 casinos, including five riverboat casinos and 30 casinos at existing pari-mutuel facilities. Florida voters also rejected casino gambling proposals in 1986 and 1979.

PERSONAL INCOME TAX

Florida Constitution: Prohibited by Article VII, Section	FY 2007-08 (Millions)
1% of Estimated:	
Federal Taxable Income (FTI)	$3,122
Federal Taxable Income $20K Exempt*	1,799
Federal Taxable Income $40K Exempt*	879
Federal Taxable Income $60K Exempt*	531
1% of Estimated:	
Federal Tax Liability	570.5
Federal Tax Liability Double Per Exempt#	504.2
Federal Tax Liability Double Std Ded#	482.7

* Allows each taxpayer to exempt stated amount of federal taxable income from state tax.

\# Allows double current standard deductions or personal exemptions in computing federal tax liability.

BASE AND RATE

Currently 43 states and the District of Columbia levy a personal income tax. Forty-one levy a broad-based tax while the remaining two have selected more limited income bases. Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming are the seven states that currently do not levy a personal income tax.

Limited Income Bases

New Hampshire and Tennessee tax only interest and dividend income after exemptions, at 5% and 6%, respectively.

Broad Income Bases

All but five of the states (Alabama, Arkansas, Mississippi, New Jersey and Pennsylvania) impose broad-based personal income taxes using the Federal Internal Revenue Code as the starting point in determining taxable income. Most states provide for personal exemptions and deductions which are similar in scope to those provided in the Federal Code.

Tax rate schedules are of two basic types: flat rate and incremental rate. Seven states levy a flat rate tax: Colorado, 4.63% on federal taxable income; Illinois, 3% on federal adjusted gross income; Indiana, 3.4% on federal adjusted gross income; Massachusetts, 5.3% on federal adjusted gross income, Pennsylvania, 3.07% on taxable income, Michigan, 3.9% on federal adjusted gross income; and Rhode Island, 25% on federal income tax liability.

Incremental tax rate schedules vary considerably among states. Minimum rates range from 0.36% (for the first $1,269 in Iowa) to 6% (for the first $12,750 in North Carolina). Maximum marginal rates range from 4.75% (for income above $3,000 in Maryland) to 9.5% (for income above $326,450 in Vermont).

Currently, 15 states provide some type of indexing. Arkansas (after 1998), California, Idaho, Iowa, Maine, Minnesota, Montana, Oregon, South Carolina, Vermont, and Wisconsin (after 1998) have statutory provision for automatic adjustment of tax brackets, personal exemption, or standard deductions to the rate of inflation. Massachusetts, Michigan, Nebraska and Ohio index the personal exemption amounts only.

Eight states give some type of tax credit against federal income taxes paid: Alabama, Iowa, Louisiana, Missouri, Montana, Oklahoma, Oregon, Utah.

Tax rates can be found at: http://www.taxadmin.org/fta/rate/tax_stru.html.

ECONOMIC INCIDENCE

The person whose income is subject to an income tax is considered to bear the full burden of the tax after allowing for federal income tax deductibility.

Due to the fact that state income taxes are deductible for federal tax purposes, it is estimated that approximately 24% of a flat rate tax upon a federal tax liability tax base would be shifted to the federal treasury.

Unless a state has a large commuter work force, nearly 100% of the initial impact of a personal income tax will fall upon residents of the levying state.

Most state income taxes are considered progressive with respect to a person's income, but because of the multiple tax bases and rate schedules possible, the incidence of the tax is an extremely variable policy parameter.

OTHER TAX ISSUES

GROWTH RELATED TAX ISSUES

INTRODUCTION

Concern over an equitable method of financing governmental costs of growth and development has become more prominent at the state and local level in recent years.

During the decade of the 1980's, Florida's population grew by an average of 874 persons each day. Growth has been somewhat slower during the 1990's, growing by an average of 726 persons a day. Florida's population is projected to be 21.8 million in 2015, an increase of 3.9 million over the 2005 estimate of 17.9 million.

While population growth and urbanization expand existing tax bases, evidence is mixed as to whether net benefits are positive or negative. One fact is clear: growth requires government expenditures for capital expansion that would be unnecessary if total population were static. Such expenditures include the cost of new water and sewer lines, as well as expanded pumping and treatment facilities, new parks and schools, additions to existing road capacity and new lane miles, added police cars and fire trucks, and so forth.

Such expenditures are generally made in advance of any significant tax contribution by new residents through conventional tax sources. It has been argued that using general taxes to finance such projects is unfair to existing residents, since capital facilities expansion would be unnecessary without growth. Existing residents are in effect double taxed: once to pay for sufficient capacity in government to serve themselves, and subsequently, taxed again for additional capacity to serve others. This can amount to a subsidy from old residents to new ones, encouraging an overly rapid pattern of in-migration and development.

IMPACT FINANCE

The following alternatives could be used to recoup capital facilities (or governmental infrastructure) expansion costs from those persons who directly use or benefit from newly constructed private property.

Impact Fees - A fee is a charge for a service rendered or benefit received. Impact fees are a total or partial payment to counties, municipalities, special districts, and school districts for the cost of additional infrastructure necessary as a result of new development. Impact fees are tailored to meet the infrastructure needs of new growth at the local level. In Florida, impact fees are an outgrowth of local governments' home rule powers to provide certain services within their jurisdictions. Accordingly, impact fees are governed by case law, rather than by statute.

In order for an impact fee to withstand challenge as an unauthorized tax, the Florida Supreme Court has ruled that the fee amount must be reasonably proportionate to costs incurred as a result of the development, and that the fee proceeds must be specifically earmarked to fund those costs.

These requirements could be modified in a state law specifically authorizing impact fees, to reduce the significant factual and evidentiary cost of establishing, administering, and judicially defending the fees.

Impact Taxes - There are inevitable uncertainties in demonstrating the necessary relationship between new growth in a community and the costs sought to be recovered by an impact fee. Such a relationship may be clear for those services and facilities which are directly related to a new development, such as new water and sewer plants, but not for other services and facilities, such as recreational facilities or traffic operations improvements, which are less directly related to a specific development.

Due to the fact that the practical difficulties of demonstrating the proportionate relationship of the fee to the new growth, most existing impact fees have been structured to recover only a portion of the incremental costs of new growth.

Specific legal authorization could be provided for a tax to finance growth costs. An impact tax is more easily formulated and administered than an impact fee. There can be a single impact tax to recover all governmental costs of new growth rather than a series of impact fees for the different types of services and facilities associated with new growth. The calculation of an impact tax and the accountability of the tax revenues can be simpler than for an impact fee.

Alternative tax bases for impact taxes include:

(1) A per unit levy on physical characteristics of new structures, such as per living unit, per bedroom, per square foot, or per unit land area;

(2) An excise tax on sales of construction materials;

(3) An occupational license tax on building contractors based on the value of completed property;

(4) A gross receipts tax on contractors and developers; and

(5) A rezoning tax, based on the category to which the land is zoned and the number of acres involved.

Partial-year Ad Valorem Assessment - Current property tax law provides for acquired or newly constructed property to be assessed on January 1, following acquisition or substantial completion. Because the tax is levied annually on an all or nothing basis, tangible personal property acquired and buildings substantially completed and capable of being occupied after January 1 are not billed for taxes until November 1 of the year after the year the property is acquired or completed - as much as 669 days after occupancy and these taxes can be paid as late as the following April 1 before becoming delinquent - 820 days or 2 1/4 years later.

This results in a growth-related problem more fundamental than financing capital facilities expansion. Owners of the newly acquired or completed property pay no ad valorem taxes for operating purposes (except for taxes on the land) for up to 27 months.

The constitutionality of this provision was recently challenged before the Supreme Court in the case of Fuchs v. Robbins . The Supreme Court resolved this case based on the issue of standing and did not address the constitutionality of the statute. If, in the future, the statute is found to be unconstitutional, or if this provision is repealed, property will be listed on the tax roll even if it is not substantially complete. As such, property under construction would bear a portion of the ad valorem tax burden.

An alternative method of recouping the loss from annual assessment is to assess acquired or newly completed property for the portion of the year during which it was acquired or completed before it goes on the current year tax rolls.

GROWTH BENEFIT TAXES

It is often argued that taxes or fees imposed exclusively on new property fail to recognize the positive aspects of growth on the entire community. Growth generally enhances the value of existing property. Such capital gains, whether realized or accrued, can be utilized as a basis of taxation for financing growth costs. Four examples follow:

GROWTH RELATED TAX ISSUES
(Continued)

1. Land Value Capital Gains Tax - Increases in the value of land (after allowing for inflation) can be characterized as unearned windfalls caused by the actions of persons other than the owners of land, and therefore should be subject to taxation for the benefit of all members of the community. Vermont imposes such a tax, which is intended to curb land speculation and to provide for property tax relief. The amount of tax levied under Vermont's legislation depends not only upon the value of the capital gain, but also the rate of gain and the length of time for which property is held before being sold. No potential revenue estimate is available for Florida because of the lack of essential data, but it is likely that a low percentage tax rate would generate several million dollars annually.

2. Property Value Added Tax - Apart from inflation, the primary cause of increased property value is higher population density. An annual tax on increases in property values for the preceding 12 months, after allowing for inflation and possibly, for changes in assessment levels, could be administered through the existing ad valorem system. This tax would be based on all real estate gains due to growth not just land gains and would apply in addition to ordinary ad valorem taxes. In other words, the tax rate would apply to the change in just value of each parcel. While falling heaviest on newly constructed property, the tax, if earmarked for capital facilities expansion, would insure that all property owners paid the costs of growth in proportion to benefits they received from growth.

3. Rezoning Tax - The rezoning of property by local governments can cause windfall monetary gains. A rezoning tax based upon the resulting change in value could be levied against these gains as they accrue or are realized.

4. Agricultural Assessment Recapture - Unlike the laws of many states, current Florida law governing the assessment of agricultural property provides for no special taxes when the land is converted from agricultural use to development uses. (See Alternative Property Tax Bases, pages 149-152, for a discussion of agricultural land taxation). A recapture tax upon land use conversion (based on the difference between the fair market value of the property and its assessment under agricultural use) could be earmarked for capital facilities expansion. Although not all land is classified agricultural prior to development (nor is all land developed upon revocation of agricultural assessment), this measure could be expanded or used in conjunction with others to tax financial gains which result from growth.

BROAD-BASED TAXES

It has been argued that taxes to finance capital expansion must be broad based. Otherwise, first time home buyers find prices (including impact fees or taxes) inordinately high. Broad based taxes, like growth benefit taxes, apply to a larger base than just new construction. However, unlike both growth benefit taxes and impact taxes, they bear no proportionate relationship to growth gains or costs.

1. Real Estate Transfer Tax - This is essentially a documentary stamp tax on real estate title recordation. The current state documentary stamp tax on deeds and other instruments relating to realty is levied at a rate of 70 cents per $100 consideration except in Dade County. A real estate transfer tax levied statewide in FY 2007-08 would yield an estimated $268 million for each 10 cent per $100 consideration.

2. Sales Tax on Real Estate Transactions - While there are legal and administrative distinctions, the practical effect of this tax is very similar to the real estate transfer tax. A major argument for this type of tax was that it was deductible for federal income tax purposes. With the Tax Reform Act of 1986 that was no longer true. However, the sales tax exemption has been reinstated in the federal tax code for tax years 2004 through 2006. A 6% sales tax on real estate would yield an estimated $16.1 billion in FY 2007-08.

ENVIRONMENTAL TAX ISSUES

Florida's exceptional growth over the last decades has produced a significant combination of benefits and costs. While most of the benefits have been widely recognized, some of the costs associated with this growth have been ignored or evaded. A cost of particular concern for policymakers involves damage to the environment.

Taxes and/or regulatory legislation are commonly cited tools for dealing with environmental clean-up or preservation. Either tool has the effect of assigning these environmental costs to their source. By placing taxes directly on the manufacturing, storage, processing, sales, or consumption of products which contribute disproportionately to environmental problems, it is possible to shift the burden from the general population to the entities that introduce these costs. Among the alternatives that are available to redirect environmental costs, three have received particular attention both in Florida and throughout the nation: pollutant taxes, container deposit legislation, and advance disposal fees. Florida has enacted pollutant taxes, a waste tire fee, and a lead-acid battery fee, to address the problems of pollution and solid waste management. (Florida enacted and repealed an advance disposal fee and a waste newsprint fee.)

Container Deposit Legislation

Container deposit legislation requires the consumer to pay a deposit on selected beverage containers at the place of purchase. When containers are returned to the place of purchase or a designated collection facility, the deposit is refunded in whole or in part. Early deposit legislation was designed to help control roadside littering, increase public safety and conserve resources. It eventually has evolved into a recycling mechanism. Eleven states (California, Connecticut, Delaware, Hawaii, Iowa, Maine, Massachusetts, Michigan, New York, Oregon, and Vermont) have deposit legislation on beverage containers. Unlike traditional deposit law systems, beverage containers in California and Hawaii are redeemed at recycling centers rather than at retail locations.

Advance Disposal Fees

Advance disposal fees (ADFs) assess a surcharge on a specific product prior to its disposal to generate revenues for subsidizing or offsetting the ultimate cost of its disposal. There is usually no direct link between the fee assessed and the actual disposal cost of the product. ADFs are intended to serve as a public education tool and as an incentive for manufacturers to produce a product that is easier to dispose, reuse or recycle and that uses recycled material. Although many states apply ADFs to specific products such as batteries and tires, Florida and the city and county of Honolulu are the only governments that have adopted ADFs for packaging containers generally. The Florida ADFs expired in October 1995. Many legislators felt that the ADF was a tax on packaging and thought it was not needed because many manufacturers had met the recycling or recycled content rates of the law.

Hawaii has an ADF on all glass containers. Since Hawaii enacted a deposit fee on beverage containers in 2002, the ADF no longer applies to glass beverage containers.

MAJOR PENDING LITIGATION

MAJOR PENDING LITIGATION

A. SIGNIFICANT EXCISE TAX[2] LITIGATION UPDATE

1. CONCLUDED UNITED STATES SUPREME COURT CASES

None.

2. PENDING UNITED STATES SUPREME COURT CASES

None

3. CONCLUDED FLORIDA SUPREME COURT CASES

Wiccan Religious Cooperative of Florida, Inc. v. Department of Revenue, et al., Case No. SC05-873, Florida Supreme Court; Case No. 1D03-3324, First District Court of Appeal; and Case No. 00-2602, Second Judicial Circuit. The amount in controversy was unknown.

This was an appeal of a final summary judgment order entered by the trial court dismissing the plaintiff's case. The plaintiff (Wiccan) contended the Department wrongfully denied its renewal application for certificate of exemption, and that Florida's exemption for religious publications and the exemption for leases by religious and other charitable organizations (See Section 501(c)(3), I.R.C. of 1686) from the commercial rentals tax is unconstitutional. See Sections 212.06(9) and 212.08(7)(m),(p), Florida Statutes (2003).

The order entered by the trial court held that Wiccan failed to exhaust its administrative remedies as to obtaining a renewal of its certificate of exemption. Based on the record in this case, there was no indication to the court that Wiccan would be denied a certificate of exemption if it complied with the information requests of the Department. The court further held that Section 212.06(9), Florida Statutes, is facially constitutional. With respect to the facial challenge of Section 212.06(9), Florida Statutes, the court held the statute does not implicate or violate the Establishment Clause of the United States Constitution. Finally, the court held that Subsections 212.08(7)(m) and (p), Florida Statutes, are constitutional as applied to Wiccan. The court held these subsections do not violate the Free Exercise Clause of the United States Constitution nor the due Process Clause of the United States Constitution.

Wiccan appealed the final order of the trial court to the First District. The First District issued its opinion in favor of the Department. See **Wiccan Religious Coop. of Fla., Inc. v. Zingale**, 898 So. 2d 134 (Fla. 1st DCA 2005). The First District held that Wiccan failed "to have the adverse interest necessary for standing and [was] not the proper party to assert the instant constitutional challenge." Wiccan sought review in the Florida Supreme Court and the Supreme Court accepted jurisdiction on November 17, 2005. See **Wiccan Religious Coop. of Fla., Inc. v. Zingale**, 915 So. 2d 1198 (Fla. 2005). On October 26, 2006 the Supreme Court dismissed the case stating that jurisdiction was "improvidently granted." **Wiccan Religious Coop. of Fla., Inc. v. Zingale**, 944 So. 2d 233 (Fla. 2006).

4. PENDING FLORIDA SUPREME COURT CASES

None.

5. CONCLUDED FLORIDA DISTRICT COURT CASES

Swago T-Shirts, Inc v. Department of Revenue, Case No. 4D05-2525, Fourth District Court of Appeal. The amount in controversy was $760,350.

This case arose from a sales and use tax assessment. The taxpayer (Swago) sold printed T-shirts, hats, and other clothing to others for resale, and engaged in some sales at retail. The taxpayer successfully argued at the trial court that no tax was due on its purchases because they were made for resale. The trial court rejected the Department's arguments

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Source: Office of the Attorney General, The Capitol – Revenue Litigation Section, Tallahassee, FL 32399-1050, (850) 414-3300

[2] Cases discussed in this section include sales and use, documentary stamp, intangible and corporate income tax.

and the Department appealed the summary judgment.

The Fourth District affirmed. See **Department of Revenue v. Swago T-Shirts, Inc.**, 877 So. 2d 761 (Fla. 4th DCA 2004). The Department then sought review in the Florida Supreme Court. The Court denied review on November 17, 2004.

After remand, the trial court granted the Department's Motion To Strike Claims for Attorney's Fees as a result of the taxpayer's failure to comply with section 284.30, Fla. Stat., which requires service on the Division of Risk Management of any pleading seeking attorney's fees against a state agency. The trial court entered final judgment for taxable costs in favor of the taxpayer as the prevailing party. The taxpayer then appealed to the Fourth District the judgment denying its request for attorney's fees.

On May 3, 2006 the Fourth District per curiam affirmed the trial court. **Swago T-Shirts, Inc v. Department of Revenue**, 929 So. 2d 597 (Fla. 4th DCA 2006).

Associated Industries Insurance Company, Inc. v. Florida Department of Labor and Employment Security, Case No. 05-2503, First District Court of Appeal; Case No. 01-CA-2573, Second Judicial Circuit. This case involved an assessment of insurance premium tax. The amount in controversy is approximately $5,500,000.

The issues in this case were whether the phrases "net premiums written" and "net premiums collected" include (1) premiums from insurance ceded to reinsurers; (2) brokerage fees & commissions; (3) policyholder dividends; and (4) premiums written off pursuant to Sections 440.49 & 440.51, Florida Statutes. The trial court entered final judgment denying a refund based upon ceded premiums and granting a refund based upon brokerage fees and commissions. The parties cross-appealed.

On March 27, 2006 the First District Court of Appeal issued an opinion in favor of the State and remanded it back to the trial court. **Associated Indus. Ins. Co. v. Department of Labor & Employment Security (Department of Financial Services)**, 923 So. 2d 1252 (Fla. 1st DCA 2006). The District Court ruled that the State is not estopped from issuing the assessment as a result of the Plaintiff's reliance on specific assurances from the Department's general counsel, director, and others that it could continue deducting ceded premiums. The peculiar language of Laws of Florida chapter 2000-150 created a "grace period," not a permanent forgiveness of debt. On remand, the trial court entered a final judgment in accordance with the First District's opinion.

Beckman Coulter, Inc. v. James R. Mitchell, Trustee of the Cardbeck Miami Trust, and Florida Department of Revenue, Case No. 1D06-402, First District Court of Appeal. The amount in controversy exceeds $4,000,000.

This case was an interlocutory appeal of an order by an administrative law judge denying intervention by Beckman Coulter, Inc. (**Beckman Coulter**) in the case of James Mitchell, Trustee of the Cardbeck-Miami Trust, v. Department of Revenue, DOAH case no. 05-2060.

The issues include: 1) Whether a tenant's rights are substantially affected by a commercial rent tax assessment against its landlord when the lease provides that the tenant is obligated to pay all taxes and when the applicable statutes impose the ultimate economic burden on the tenant (but obligate the landlord to collect and remit the tax); 2) Whether the tenant may intervene in an action in DOAH to contest such an assessment against its landlord; and, 3) Whether the tenant would be collaterally estopped from contesting its liability for commercial rent tax in a later circuit court action by the landlord seeking indemnification pursuant to the lease agreement.

The District Court of Appeal for the First District affirmed the decision of the Administrative Law Judge on December 29, 2006. **Beckman Coulter** did not seek rehearing or discretionary review in the Florida Supreme Court.

Rabin, et al. (Formerly Citrix Systems, Inc., et al.) v. Department of Revenue, First District Court of Appeal, Case no. 1D06-2753. The amount in controversy was unknown.

This was an attempted class action refund of all sales taxes based upon the peculiar claim that taxes are facially unconstitutional pursuant to the First Amendment because they are imposed on purchases of tangible personal property related to free speech. Plaintiffs demanded a jury trial and requested certification of a class of all Florida taxpayers.

Plaintiffs filed the action in Broward County Circuit Court. Citrix later dismissed its claims. In 2005, the Fourth District affirmed the Circuit Court's order to transfer venue to Leon County. See **Rabin, et al. v. Department of Revenue**, 884 So. 2d 983 (Fla. 4th DCA 2004). The Appellant then filed a Motion for Rehearing and Clarification Motion for Rehearing En Banc or In the Alternative Motion to Certify a Question of Great Public Importance to the Florida Supreme Court; the Florida Supreme Court denied discretionary review. See **Rabin, et al. v. Department of Revenue**, 901 So. 2d 874 (Fla. 2005).

In September, 2005, the Department filed a Renewed Motion to Dismiss Amended Complaint, Motion to Strike and Restated Motion for Sanctions and a hearing on that motion was held on April 18, 2006. The trial court entered a Final Judgment dismissing the case with prejudice, on August 3, 2006. The taxpayers appealed to the First District, Case No. 1D06-2753. The parties settled the case with the Department receiving from the sum of $15,899 from the taxpayers' counsel in satisfaction of the Department's claims for sanctions, costs, or attorneys fees against the taxpayers. On November 28, 2006 the Department filed a Notice of Filing of Joint Stipulation of Dismissal with Prejudice in the trial court concluding **Rabin, et al. (Formerly Citrix Systems, Inc., et al.) v. Department of Revenue**, Case no. 37-2005-CA-001728, Second Judicial Circuit, and in the First District Court of Appeal. On December 4, 2006 the District Court dismissed the appeal pursuant to Florida Rule of Appellate Procedure 9.35(a).

6. PENDING FLORIDA DISTRICT COURT CASES

Rendon v. Department of Highway Safety and Motor Vehicles, 11th Judicial Circuit Court, Case No. 96-17716; Case No. 3D02-611, Third District Court of Appeal. The amount in controversy is estimated to be in excess of $35 million.

Plaintiffs challenge the constitutionality of Section 320.0848, Florida Statutes, which imposes a fee on the windshield handicapped parking placard. In this Declaratory judgment action, Plaintiffs seek a refund and class action certification. A central issue in this case is whether the plaintiffs can proceed with a class action refund claim when no one in the class has applied for a refund claim.

The Third District Court of Appeal rejected the Plaintiffs' case and ruled in favor of the State. See **Department of Highway Safety v. Rendon**, 832 So. 2d 141 (Fla. 3d DCA 2002).
Plaintiffs sought review in the Supreme Court of Florida. The Supreme Court of Florida denied review in July, 2003 (at 851 So. 2d 729). Rendon filed for review in the United States Supreme Court. The Supreme Court has remanded the case back to the Third District for further consideration in light of **Tennessee v. Lane**, 541 U.S. 509 (2004). See **Rendon v. Fla. Department of Hwy. Safety & Motor Vehicles**, 541 U.S. 1059 (2004). The Third District heard oral argument in December, 2004. No decision has been made to date.

Suntrust Bank v. Department of Revenue, Case No. 5D06-190, Fifth District Court of Appeal; Case No. 01-3902, Ninth Judicial Circuit. The amount in controversy is $6,922,756.

This case involved the question of whether the financial institution is the dealer who has paid the tax and is entitled to refunds or credits for any tax paid by the dealer on bad debts or as an "assignee" pursuant to Section 212.17(2) and (3), Fla. Sta., for vehicles repossessed under defaulted retail installment sales contracts purchased from automobile dealers?

Taxpayer challenged the ruling of **Department of Revenue v. Bank of America**, N.A., 752 So.2d 637 (Fla. 1st DCA. 2000), review denied, **Bank of America, N.A. v. Florida Dept. of Revenue**, 776 So. 2d 274 (Fla. 2000) ("**Bank of America**") and desired to create a conflict with the decision of the First District Court of Appeal for an eventual appeal to the Florida Supreme Court. The taxpayer, in addition to its assignment argument rejected by the First District Court of Appeal in **Bank of America**, argued that it qualified as the dealer who has paid the tax. The taxpayer filed a motion for final summary judgment and the Department of Revenue filed a cross-motion for final summary judgment. The trial court entered a Final Judgment in favor of the Department and Suntrust appealed to the Fifth District Court of Appeal, Case No. 5D06-190.

On January 23, 2007, the District Court issued a per curiam affirmance of the trial court. The Department prevailed on all issues in the case. Suntrust timely filed a motion for rehearing, a request for a written opinion, and for certification. The Department served its response on February 14, 2007.

Golden West Financial Corporation v. Florida Department of Revenue, Case No.1D07-135, Case No. 04-218, Second Judicial Circuit. The amount in controversy is 2,923,378 (refund).

The issues in this case are the following: 1). Whether the taxpayer, a consolidated group of corporations, is prohibited by Florida Administrative Code Rule 12C-1.013 from using the net operating losses incurred by a corporation before the corporation joined the consolidated group to reduce the income of the consolidated group when the loss sought to be used has no nexus with the Florida income it would reduce? 2). Whether the loss limitation provisions of Florida Administrative Code Rule 12C-1.013 violates the taxpayer's federal due process and equal protection rights when the rule differentiates between single and consolidated Florida and foreign corporations to determine the extent to which net operating losses may be used to reduce taxable income?

In November, 2004, the trial court issued an order consolidating this case with **Golden West Financial Corporation v. Florida Department of Revenue**, Case No. 02-2957 CA, Second Judicial Circuit. The parties each filed a motion for summary judgment. On December 14, 2006 the trial court granted the Department's motion for summary judgment. The taxpayer filed its notice of appeal on January 4, 2007.

In this recently filed appeal, the taxpayer appeals a Final Summary Judgment denying its refund claims. The case is currently in the briefing stage. No oral argument has been set.

7. CONCLUDED FLORIDA CIRCUIT COURT CASES

WH, Interest, Inc., a Texas Corporation, d/b/a Wyndham Harbour Island Hotel v. State of Florida, Department of Revenue, Case No. 04-486, Thirteenth Judicial Circuit. The amount in controversy was 397,000.00.

This case arose from a sales and use tax audit concerning whether the ground lease for the real property that the hotel sits on is exempt under the exemption for dwelling units or is considered a multiple use property and taxable. Plaintiff also contested whether square footage apportionment is a correct method to determine what part of the hotel is taxable.

On 03-07-06, the circuit court granted the Department's motion to dismiss case for lack of prosecution.. The trial court entered a Judgment of dismissal, without prejudice. The taxpayer then re-filed the case in the Thirteen Judicial Circuit, Case No. 06-2633. The Department filed a motion to dismiss for lack of jurisdiction because the taxpayer's complaint was filed over two years after the date of the notice of decision and the prior action (Case No. 04-CA-0486, previously dismissed on 03-21-06) did not toll the statute of non-claim, Section 72.011, Fla. Stat. The taxpayer subsequently filed a motion to stay, citing the pending appeal in **WHI Limited, d/b/a Wyndham Hotel v. Department of Revenue**, Case No. 1D05-5439, First District Court of Appeal. The trial court granted the taxpayer's motion. The parties settled this case in October, 2006 with the Department receiving $410,843.00.

HCA Squared, LLC, a Delaware limited liability company, and HCA-The Healthcare Company, a Delaware corporation, and its Subsidiaries v. Department of Revenue of the State of Florida, Case no. 01-1169 CA 37, Second Judicial Circuit. The amount in controversy was $6,597,027.92 .

Plaintiff brought an as applied constitutional challenge to Section 220.03(1)(r), Florida Statutes. The issue in this case was whether Subpart F income is an allowable foreign source income subtraction under subparagraph 220.13(1)(b)2., Florida Statutes, and whether the Florida subtraction provision in subparagraph 220.13(1)(b)3., Florida Statutes, unconstitutionally discriminates against interstate commerce. US Const. Art I. sec. 8, cl. 3.

The parties settled this case in June, 2006, with the Department receiving $601,573.

AmSouth Bank, an Alabama corporation v. Florida Department of Revenue, an agency of the State of Florida, Case no. 05-3095, Thirteenth Judicial Circuit. The amount in controversy was $3,810,599.

This case involved an assessment of corporate income tax made by the Department of Revenue for the period 12/31/97 through 12/31/99 entered against AmSouth Bank of Florida, a bank with a number of branches that merged with AmSouth, an Alabama corporation. The branches continue to operate in Florida under AmSouth ownership. AmSouth succeeded to the tax liability. The original assessment was entered against the apportioned amount of the bank's portfolio investments, the average daily account balances and excluded negative cash balances. AmSouth argued that the portfolio is managed in Alabama pursuant to a management agreement and could not be included in the property factor of the apportionment calculation.

The parties settled the case with the Department receiving $3,368,734.83.

Chicago Title Insurance Company v. State of Florida, Department of Revenue, Case No. 05-CA-693, Second Judicial Circuit. The amount in controversy was approximately $2,500,000.

Plaintiff is a Missouri title insurance carrier that contests the Department of Revenue's assessment and refund denial of premium and retaliatory tax on policies issued in Florida pursuant to Sections 624.509 and 624.5091, Fla. Stat., for the years 2000-2003. This case is similar to another action it filed in the Second Judicial Circuit, **Chicago Title Insurance Company v. State of Florida, Department of Revenue**, Case No. 2006-CA-00110 (**Chicago Title II**), as well as actions filed by another taxpayer. See **Fidelity National Title Insurance Company of New York**, Case No. 03 CA 698 and **Fidelity National Title Insurance Company of New York**, Case No. 05 CA 1184, reported below.

Plaintiff contended that section 624.509, Fla. Stat., imposes premium tax only on the typically 30% portion of gross title insurance premiums the insurance carrier retains. Plaintiff argued the remaining portion of the sums collected should be deemed an agent's commission rather than premium for purposes of premium tax. Plaintiff further contended that the statutes of both Florida and Missouri would require that the tax be imposed solely upon the portion of premium retained by the carrier and that the Florida retaliatory tax, therefore, would be inapplicable.

The Department of Revenue argued that 1) the legislative history supports the Department of Revenue's long-standing history of administration of the law; 2) Missouri taxes similar Florida title insurance companies based upon their gross premiums; and 3) if the Plaintiff is successful in reducing the amount of its Florida premium tax obligations, the Florida retaliatory tax (section 624.5091) would provide Florida a set-off in the approximate amount by which the premium tax is reduced.

In October, 2006 the taxpayer and the Department settled this case and **Chicago Title II** with the Department receiving $5,217,731.97.

Fidelity National Title Insurance Company of New York v. Florida Department of Revenue, Case No. 05-CA-1184, Second Judicial Circuit. The amount in controversy was approximately $2,000,000.

Plaintiff is a New York title insurance carrier that contests the Department of Revenue's assessment and refund denial of premium and retaliatory tax on policies issued in Florida pursuant to sections 624.509 and 624.5091, Fla. Stat., for the years 2000-2003. This case is similar to **Fidelity National Title Insurance Company of New York**, Case No. 03 CA 698 (**Fidelity I**) and **Chicago Title Insurance Company v. State of Florida, Department of Revenue**, Case No. 05-CA-693, and **Chicago Title Insurance Company v. State of Florida, Department of Revenue**, Case No. 2006-CA-00110, which also are pending in the Second Judicial Circuit.

Both the Plaintiff and the Department made the same arguments as they made in **Chicago Title Insurance Company v. State of Florida, Department of Revenue**, Case No. 05-CA-693, Second Judicial Circuit, described above. In October, 2006 the taxpayer and the Department settled this case and **Fidelity I** with the Department receiving $3,334,286.48.

Merrill Lynch & Co., Inc., & Affiliates v. State of Florida, Department of Revenue, Case No. 05-124, Second Judicial Circuit. The amount in controversy was $5,934,448.80.

This case involves a corporate income tax assessment against Merrill Lynch that involved a multi-count complaint challenging the Department's interpretation of various provisions of sections 220.15(5), 220.807 and 220.809, Fla. Stat., and Florida Administrative Code Rule 12C-1.0155, as well as the constitutionality of section 220.03(1)(r), Fla. Stat. In addition, the taxpayer complained that Florida Administrative Code Rules 12C-1.0155 (3)(c) and 12C-1.003(4) constituted an invalid exercise of delegated legislative authority.

The parties settled the case in August, 2006, with the Department of Revenue receiving $2,026,398.92.

Penske Trucking Leasing Company, L.P., a Foreign Limited Partnership v. State of Florida Department of Revenue, a State agency, Case No. 03-2543, Second Judicial Circuit. The amount in controversy is $1,415,480.13 (refund claim).

This case involves an action contesting the Department of Revenue's denial of Penske's claim for a refund of a portion of sales tax paid on purchases of new trucks and other motor vehicles pursuant to section 212.09, Florida Statutes, and Florida Administrative Code Rule 12A-1.074.

The taxpayer filed a Notice of Voluntary Dismissal Without Prejudice in May, 2006. This case is concluded.

McLane Suneast, Inc. (Tobacco Tax Refund Claim) v. Department of Business & Professional Regulation, Case No. 03-CA-290, Second Judicial Circuit. The amount in controversy was in excess of 14 million dollars.

This case was a refund claim for other Tobacco Products Tax for the period of 4/97 thru 3/02. McLane is a distributor of smokeless tobacco products to retailers in Florida. Florida taxes such products at the rate of 25% of the "wholesale sales price." McLane contended the taxable wholesale sales price was the lower price US Tobacco's Sales & Marketing subsidiary paid to US Tobacco's manufacturing subsidiary for the product McLane later purchased, rather than the price McLane paid for the product and on which McLane paid tax.

On March 7, 2005, the Court issued its final judgment approving settlement of refund claims by which the Department of Business & Professional Regulation agreed to allow a credit of $6,211,857.31 against McLane's future taxes and by which each party agreed to pay its own costs and attorney's fees. The Court retained jurisdiction for one year. Currently pending before the Court is a motion by the Department of Business & Professional Regulation (DBPR) to determine and clarify the public records status of various documents UST, Inc. and some of its various subsidiaries (third parties) produced, subject to a protective order, during the course of discovery. On September 29, 2006, the third parties filed a motion to Modify Protective Order and Notice of Revocation of Confidential Status of Certain Documents. A hearing was held on the third parties and DBPR's motions and on December 4, 2006, the trial court entered an order granting the third parties' motion to Modify Protective Order.

8. PENDING FLORIDA CIRCUIT COURT CASES

American Airlines, Inc. v. Florida Department of Revenue, Case No. 06-1829, Second Judicial Circuit. The amount in controversy is $2,843,000.

This case involves an assessment of corporate income tax. The issue in this corporate income tax case is whether the apportionment boundaries provided for in Section 220.151(2)(c), Florida Statutes, unconstitutionally apportion income to Florida.

The taxpayer provides interstate air transportation services. The taxpayer uses an apportionment formula to calculate its Florida income subject to tax. The formula, provided for in Section 220.151(2), Florida Statutes, is premised on revenue miles. Section 220.151(2)(c), Florida Statutes, defines Florida revenue miles - that is, miles deemed traveled in Florida for purposes of comparing FL miles to everywhere miles. The definition used latitude and longitude to create a box. This box covers more territory than the official boundary description of Florida contained in the Article II, Section 1 of Florida's Constitution. The taxpayer asserts that the statutory definition of revenue miles violates the commerce and due process clauses of the federal constitution and the due process and state boundary clauses of the Florida constitution.

The Department of Revenue filed its answer to the complaint on September 7, 2006. The trial court has not set a final hearing date.

Beckman Coulter, Inc. v. State of Florida, Department of Revenue, Case No. 2006-CA-000613, Second Judicial Circuit. The amount in controversy is unknown at this time.

This is a companion case to **James R. Mitchell, Trustee of the Cardbeck Miami Trust v. Florida Department of Revenue**, DOAH Case No. 05-2060 (**Cardbeck Miami Trust**), described below . The case is an action by a commercial tenant seeking a declaratory judgment that its lease agreement with Cardbeck Miami Trust should be deemed a mortgage rather than a lease for purposes of the commercial rental tax under section 212.031, Fla. Stat. The Department issued an assessment against the landlord, Cardbeck Miami Trust, and the landlord contested the assessment in DOAH. See **Cardbeck Miami Trust**, below.

The administrative law judge (ALJ) originally granted Beckman-Coulter's motion to intervene and then rescinded the order allowing intervention as a result of Beckman-Coulter's lack of standing. Beckman-Coulter appealed that decision to the First District, see **Beckman Coulter, Inc. v. James R. Mitchell, Trustee of the Cardbeck Miami Trust, and Florida Department of Revenue**, Case No. 1D06-402 (**Beckman Coulter**), the First District on December 29, 2006 affirmed the DOAH ALJ. See **Beckman Coulter**, above.

The primary issues in the present case include: 1) Whether this case is ripe for declaratory relief when the Department has issued an assessment against plaintiff Beckman-Coulter's landlord and that assessment is currently in litigation; 2) Whether the Circuit Court should abstain from considering taxability of a lease when that issue is currently in litigation in DOAH; 3) Whether the administrative law judge's decision that Beckman-Coulter lacks standing to intervene in DOAH is res judicata of Beckman-Coulter's lack of standing; 4) Whether Beckman-Coulter has failed to exhaust administrative remedies; and 5) Whether the Complaint should be dismissed without prejudice as a result of pleading deficiencies.

This case was abated during the pendency of **Beckman Coulter**. Beckman-Coulter filed a motion for status conference in January, 2007. The trial court will hear that motion on April 10, 2007. No trial date has been set.

CC-Investors 1997-11 v. State of Florida, Department of Revenue, Case No. 41-2006-CA-003514, 12th Judicial Circuit. The amount in controversy is $1,387,280.29.

The issue in this sales tax assessment case is whether the circuit court should reject a commercial rent tax assessment by deeming a business lease to be a nontaxable financing arrangement pursuant to the Final Order in the Bridgestone/Firestone, Inc. v. Department of Revenue, 1993 Fla. Tax Lexis 204, Case No. 92-2483 (DOAH).

The Department answered the complaint on July 28, 2006. Discovery is ongoing. The trial court has not set a final hearing date.

DaimlerChrysler Corporation v. State of Florida, Department of Revenue, Case No.06-2229, Second Judicial Circuit. The amount in controversy is $4,653,538.19 (tax assessment) and $3,379,299 (refund).

In this corporate income tax case there are two issues. First, is the add-back of interest income derived from U.S. government obligations required by Section 220.13(1)(a)2., Fla. Stat., unconstitutional because it taxes U.S. government obligations? In the event that Section 220.13(1)(a)2. Fla. Stat., is constitutional, is the taxpayer required to follow Section 220.15(5)(a), Fla. Stat., which excludes interest income from the sales factor of the apportionment formula? Second, did the taxpayer properly substantiate and compute Emergency Excise Tax credits that it used to reduce its 1996-1998 Florida corporate income tax liabilities?

The Department of Revenue has not yet answered the complaint in this recently filed case.

Farm Credit of Central Florida ACA; Farm Credit of North Florida ACA; Farm Credit of Northwest Florida ACA; Farm Credit of South Florida ACA; Farm Credit of Southwest Florida ACA v. State of Florida Department of Revenue, Case no. 2006 CA 2413, Second Judicial Circuit. The amount in controversy is $2,107,235.57.

Plaintiffs are federally chartered Florida agricultural credit associations created under 12 U.S.C. Section 2279c-1 which provide long-term real estate loans and short-term operating loans to farmers evidenced by notes that are sometimes secured by mortgages on real estate. Plaintiffs each contest an intangible personal property or documentary stamp tax assessment pursuant to Chapters 199 and 201, Fla. Stat., respectively, claiming that these transactions when they involve an agricultural credit association are exempt under Florida Administrative Code Rule 12B-4.002.

This case was filed in the circuit court on September 22, 2006. The Department was granted an extension and has not yet answered the complaint.

The Northwestern Mutual Life Insurance Company, a Wisconsin corporation v. Department of Revenue of the State of Florida, Case No. 06-008794, Thirteenth Judicial Circuit. The amount in controversy is $8,156,345.13.

This case is a challenge to an insurance premium tax assessment made by the Department pursuant to Section 624.509, Fla. Stat., which imposes a tax equal to 1.75 percent of the gross amount of premium receipts of life and health insurance policies covering Florida residents. The taxpayer asserts that the Department is reversing its long standing interpretation of Section 624.509, Fla. Stat., by now imputing premium receipts to life insurance companies in the case of policy dividends received by policyholders who then elected a contractual benefit that allowed them to increase the amount of their insurance without paying any additional premium. The taxpayer asserts that the Department's change of policy constitutes a "rule" under Chapter 120, Fla. Stat., that has not been promulgated pursuant to Chapter 120, Fla. Stat., and that the assessment is without statutory authority, and, therefore, is unlawful.

This case was filed in the circuit court on September 28, 2006. The Department answered the complaint on October 23, 2006. The case is in the discovery phase and trial has not yet been scheduled.

Pagenet, Inc.,, Inc., f/k/a Pageing Network of Tennessee, Inc., a Delaware Corporation v. The State of Florida, Department of Revenue, Case No. 02-CA-1208, Second Judicial Circuit. The amount in controversy is $1,874,832.60.

This case involves an assessment of sales and use tax pertaining to telecommunication services. On January 30, 2003, the trial court granted the Department's Motion To Set A Definite Security Arrangement Or Dismiss The Complaint For Lack of Jurisdiction. In June, 2003, the taxpayer (Pagenet) filed a motion for entry of a final order. After a hearing on the taxpayer's motion, the trial court entered a Final Order Dismissing Case With Prejudice in February, 2004. The taxpayer (Pagenet) appealed to the First District in March, 2004.

The issue in that appeal is whether the trial court's dismissal for lack of subject matter jurisdiction was correct when Pagenet failed to comply with the financial responsibility requirements of section 72.011(3)(b), Fla. Stat., which are jurisdictional pursuant to section 72.011(5), Fla. Stat. On February 22, 2005, the First District reversed the trial court and held that because Pagenet filed a motion for alternative security arrangement at the time it filed its complaint, Pagenet satisfied the jurisdictional requirements of Section 72.011(3), Fla. Stat. See **PageNet, Inc. v. Department of Revenue**, 896 So. 2d 824 (Fla. 1st DCA 2005).

On remand, the trial court issued an order on June 7, 2005,staying the case pending Pagenet's establishment of alternative security with the Department. Pagenet established alternative security in July, 2006. The parties are currently engaged in discovery. No trial date has been set.

Chrysler Financial Company, LLC. v. Department of Revenue, Case No. CIO 01-3925, Div. 37, Ninth Judicial Circuit (amount in controversy $7,159,217); **Arcadia Financial, Ltd. v. Department of Revenue,** Case No. CIO 01-3903, Div. 40, Ninth Judicial Circuit (amount in controversy $3,537,119); **Suntrust Bank v. Department of Revenue,** Case No. CIO 01-3902, Div. 32, Ninth Judicial Circuit (amount in controversy $6,922,756); **WFS Financial, Inc. v. Department of Revenue,** Case No.: 01-3894, Div. A, Thirteenth Judicial Circuit (amount in controversy $690,777); **Wells Fargo Financial Acceptance Florida, Inc., v. State, Department of Revenue,** Case No.: CIO 01-4327, Div. 34, Ninth Judicial Circuit (amount in controversy $217,824).; and **Wells Fargo Financial Acceptance**

Florida, Inc., v. State, Department of Revenue, Case No.: 01-CA-1545 16W, Eighteenth Judicial Circuit (amount in controversy $329,053).

Taxpayers are attempting to challenge the ruling of **Department of Revenue v. Bank of America, N.A.**, 752 So.2d 637 (Fla. 1st DCA. 2000), review denied, **Bank of America, N.A. v. Florida Dept. of Revenue**, 776 So. 2d 274 (Fla. 2000) ("**Bank of America**") by creating a conflict with the decision of the First District Court of Appeal for an eventual appeal to the Florida Supreme Court. The taxpayers, in addition to their assignment argument rejected by the First District Court of Appeal in **Bank of America**, argue that they qualify as the dealer who has paid the tax.

In **Bank of America v. Department of Revenue**, 752 So. 2d 637 (Fla. 1st DCA 2000), review denied, 776 So. 2d 274 (Fla. 2000), the First District found that a dealer cannot assign a right to receive a sales tax refund that the dealer does not possess at the time of assignment. The First District concluded that the circuit court failed to give sufficient consideration to the principle that tax refund statutes are to be strictly construed against the taxpayer, and failed to accord proper deference to the manner in which the Department has applied Section 212.17(2) and (3), Florida Statutes, since its enactment. Finally, the First District noted that it appeared that the trial court failed to give effect to the plain, unambiguous language of the statute, which expressly provides that only selling dealers who retain a security interest in the installment contracts are entitled to a refund of the uncollected portion of sales tax paid on unpaid balances due the selling dealer upon repossession.

The parties have all agreed that one case would be the test case for those related cases. It was decided that **Suntrust Bank v. Department of Revenue (Suntrust Bank)** would be the test case. The **Suntrust Bank** case is currently on appeal in the Fifth District. On January 23, 2007 issued a per curiam affirmance of the trial court. The Department prevailed on all issues in the case. Suntrust timely filed a motion for rehearing, a request for a written opinion, and for certification. The Department served its response on February 14, 2007. See above, **Suntrust Bank v. Department of Revenue,** Case No. 5D06-190, Fifth District Court of Appeal.

Oracle Corporation & Subsidiaries v. State of Florida, Department of Revenue, Case No. 04-541, Second Judicial Circuit. The amount in controversy is $19,096,178.90.

This case involves an assessment of corporate income tax. The Taxpayer is a Delaware corporation, headquartered in California, the parent of an affiliated group. The taxpayers develop and market computer software. The affiliated group filed Florida consolidated income tax returns in 1998-2000 and then obtained through a technical assistance advisement the Department of Revenue's conditioned authorization to deconsolidate. Oracle filed a separate Florida return in 2001. The Department of Revenue's audit for the period 1998 through 2001 determined that one of the conditions for deconsolidation had not been met. The auditor and the taxpayer disagree as to whether an item of income was business as opposed to nonbusiness income which directly affects the condition imposed on deconsolidation (combined Florida income tax of all separately filed returns must be greater than a pro forma consolidated return). The audit made a number of adjustments to the taxpayer's income and deductions re, among other things, disallowance of nonbusiness income. The case is compromised of 11 counts largely challenging the Department of Revenue's characterization of the items of income as apportionable business income as opposed to nonbusiness income. However, Count V of the complaint challenges the facial constitutionality of section 220.03(1)(r), Florida Statutes, alleging that it is void for vagueness because it defines income in the negative and vests in the Department Revenue the authority to define income in the positive.

The taxpayer filed, with the Department's consent, an amended complaint on March 6, 2006. On September 1, 2006, the Department filed a motion for summary judgment. The hearing on the Department's motion will be held on March 14, 2007. Discovery is ongoing.

MAJOR PENDING LITIGATION
(Continued)

HCA, Inc., a Delaware Corporation and its subsidiaries v. Department of Revenue, State of Florida, Case No. 03-0440 CA 37, Second Judicial Circuit. The amount in controversy is $7,000,000 (refund).

There are two issues in this corporate income tax case are as follows: (1) Whether the corporate taxpayer (and/or its affiliated members) owned an interest that should be classified as nonbusiness income, pursuant to Subsection 220.03(1)(r), Florida Statutes, and allocated to taxing jurisdictions pursuant to Section 220.16, Florida Statutes; and (2) Whether various amounts of interest, dividend, and capital gain income derived from intangible assets should be included in the sales factor of Florida's apportionment formula, pursuant to Sections 220.15 and 220.152, Florida Statutes.

The parties settled the assessment issues in this case in June, 2006. The refund claim, based upon the apportionment issues, described above, remains open. Discovery is ongoing. A trial date has not been set.

HCA - The Healthcare Company, a Delaware corporation, and its Subsidiaries v. Department of Revenue of the State of Florida, Case No. 01-0074 CA 37, Second Judicial Circuit. The amount in controversy exceeds $1,000,000 (refund).

This case involves a facial challenge to Sections 220.03(1)(r) and 220.13(1)(b)3, Florida Statutes. There are five issues in this corporate income tax case are as follows:

(1) Whether various amounts of dividends, interest, and capital gains received from the stocks of various corporations, of which the corporate taxpayer (and/or its affiliated members) own a minority interest that should be classified as nonbusiness income, pursuant to Subsection 220.03(1)(r), Florida Statutes, and allocated to taxing jurisdictions, pursuant to Section 220.16, Florida Statutes, and Florida Administrative Code Rule 12C-1.016.

(2) Whether the corporate taxpayer can successfully challenge subsections (1)(a), and (1)(b)2., 3 and 4 of Florida Administrative Code Rule 12C-1.016 in a circuit court, as exceeding delegated statutory authority.

(3) Whether the definition of "nonbusiness income" in Subsection 220.03(1)(r), Florida Statutes, is void for vagueness and an unlawful delegation of legislative authority to Florida's courts. This statute defines nonbusiness income as any income which "due process" permits to be apportioned and taxed.

(4) Whether Florida's subtraction provision in Subsection 220.13(1)(b)3., Florida Statutes, is unconstitutionally discriminates against interstate commerce, under U.S. Constitution Article I, section 8, clause 3. This subtraction only allows Florida's portion of the wages, that are disallowed as a deduction in computing federal taxable income, to be taken as a subtraction when computing "adjusted federal income" (i.e., Florida's pre-apportionment tax base).

(5) Whether various amounts of interest, dividend, and capital gain income derived from intangible assets should be included in the sales factor of Florida's apportionment formula, pursuant to Section 220.152, Florida Statutes.

The parties settled the assessment issues in this case in June, 2006. The refund claim, based upon the apportionment issues, described above, remains open. Discovery is ongoing. A trial date has not been set.

Delta Air Lines, Inc. v. State of Florida, Department of Revenue, Case No. 04-2132, Second Judicial Circuit. The amount in controversy is approximately $820,000.00.

This is a sales and use tax case. The issues in this case are (1) Whether a final assessment was required to be completed by March 31, 2003; (2) Whether an assignment of rights is required before a buyer or purchaser may obtain a credit for overpayments within an audit sample; and (3) Whether the cleaning charges included as part of the same agreement as the purchase of meals with the taxpayer's caterer are subject to sales tax.

Discovery is ongoing and no trial date has been set.

Times Publishing Company, a Florida Corporation v. State of Florida, Department of Revenue, Case No. 04-CA-000913, Second Judicial Circuit. The amount in controversy is $1,323,394.65 (refund).

This is a sales and use tax refund case. The issue in this case is whether the taxpayer (Times Publishing) is entitled to a refund for the years 1997-1999 based on the exemption available to purchases of industrial machinery and equipment purchased for use in an expanding manufacturing printing business.

The Department of Revenue filed a Motion to Dismiss And Memorandum of Law in Support in April, 2004. A hearing date has not been set for the trial court to hear this motion. Discovery is ongoing. No trial date has been set.

Allstate Insurance Company, Allstate Indemnity Company, Allstate Floridian Insurance Company, Northbrook Indemnity Company, and Northbrook Property & Casualty Insurance Company v. State of Florida, Department of Revenue, Case No. 04-CA-492, Second Judicial Circuit. The amount in controversy is approximately $17 million refund claim (plus interest).

Plaintiffs are Illinois-domiciled insurance carriers that paid approximately $17,000,000 in Florida retaliatory taxes pursuant to section 624.5091, Fla. Stat., during 1994-1996. The retaliatory taxes were in the amount needed to equalize the burden that Florida's 1.75% premium tax under section 624.509, Fla. Stat., would impose on an Illinois carrier with the 2% privilege tax Illinois would impose on a similar Florida carrier. When the Illinois Supreme Court declared the Illinois privilege tax unconstitutional in **Milwaukee Safeguard Ins. Co. v. Selcke**, 688 N.E.2d 68 (Ill. 1997), Plaintiffs claimed the Illinois privilege tax should be deemed void ab initio, and therefore should not be considered for retaliatory tax purposes.

Plaintiffs seek a refund of more than $17,000,000, plus interest, and a declaratory judgment that section 624.5091 is unconstitutional as applied, as a violation of the equal protection and due process clauses of the United States and Florida constitutions.

The Department of Revenue is actively defending the case on the basis that: 1. The Illinois Supreme Court did not order a refund of the Illinois Privilege Tax to all carriers and that tax, therefore, remained a burden on Florida carriers; and 2. The Department is entitled to a set-off of the amount of the tax Plaintiffs passed on to their policy holders through the premium rate-making process because a recovery of that amount would constitute an improper windfall. The case is in the discovery phase and trial has not yet been scheduled.

On September 21, 2006 the trial court issued an order granting the parties' agreed motion to bifurcate the case and stating that the parties shall complete discovery relevant to the "Preliminary Issues" (i.e., whether Illinois law "imposed" a premium tax on insurers domiciled in Florida for the years 1994-1996 and whether, as a matter of law, the "pass-through" defense is a valid defense to an action for refund of Florida Retaliatory Tax) by September 29, 2006, and shall file any motions with respect to the Preliminary Issues by October 31, 2006. In addition, the trial court postponed discovery on the existence or amount of setoffs to Plaintiffs' recovery (if any) until after the Court resolves the "Preliminary Issues," and, in the event that the Court's resolution of the "Preliminary Issues" is not fully dispositive of this case, the Court will hold a case management conference to address the time required to complete discovery of remaining issues before scheduling trial. No trial date has been set.
Discovery is ongoing.

General Motors Corporation v. Florida Department of Revenue, Case No. 04-2739, Second Judicial Circuit. The amount in controversy in excess of $32,000,000.00.

The case involves an assessment for sales and use tax (and related local use taxes) pertaining to parts used for discretionary after-warranty adjustments/repairs to vehicles made by General Motors ("GM") dealers for its customers. These warranty "adjustments" are done by GM dealers after the expiration of the [express] new vehicle limited warranty (e.g., three-year/30,000 miles) which is included in the purchase price of the vehicle.

There are three types of programs of warranty adjustments, referred to as: (1) "Special Policy Adjustment Programs"; (2) "Dealer Product Campaign Bulletins"; and (3) "Goodwill Adjustments." The first relates to government-mandated safety and emissions matters; the second relates to GM (i.e., non-mandated) repairs regarding other safety matters; and, the third relates to all other adjustments without charge to the customer after the expiration of the basic warranty period. The third type of adjustments (the so-called "case-by-case adjustment program") is the only one at issue in this case.

Case-by-case adjustments are discretionary repairs of parts and/or labor made at no charge to the customer, after the expiration of the express warranty. The Department of Revenue's assessment is for the value of the parts installed and labor costs at no (or a reduced) charge to the customers. GM argues that the cost of this warranty program is included in original price of the vehicle when purchased, even though it is not legally required to make these repairs (it is made solely at GM's discretion). GM further argues this is required to provide customer goodwill and satisfaction when there are defects in materials and/or workmanship in the vehicle after the expiration of the original express warranty. The Department of Revenue's position is that these discretionary repairs by GM are taxable as a separate transaction from the original purchase of the motor vehicle. See **Florida Hotel & Motel Association, Inc. v. Department of Revenue**, 635 So. 2d 1044 (Fla. 1st DCA 1994). The Supreme Court of Ohio has considered this issue and ruled in favor of Ohio's taxing authority. See **General Motors Corporation v. Wilkins**, 2004 Ohio 1869, 806 N.E. 2d 517 (2004).

The tax period at issue is 01-01-91 through 12-31-96. The Notice of Reconsideration sustained the sales and use tax assessment in the aggregate amount of approximately $31,912,352, along with aggregate local government surtax assessments of approximately $1,745,000. GM paid an undisputed portion of the assessment on 03-03-03 in the sum of $2,537,100. The main assessment of state sales and use tax consists of tax in the amount of $15,240,667, penalty in the amount of $6,876,952, and interest through 08-16-04 in the amount of $18,590,000.

Discovery is ongoing. No trial date has been set.

Macy's Florida, Inc., f/k/a Burdines, Inc. v. Department of Revenue, State of Florida, 05-13758-CA-09, Eleventh Judicial Circuit. The amount in controversy is $6,994,750.

This case involves an assessment. Plaintiff sold merchandise to customers by credit card accounts which the customers failed to pay, and which became worthless after Plaintiff remitted sales tax to the State on those transactions.

Plaintiff contends the Department of Revenue erroneously interprets section 212.17(3), Fla. Stat., as limiting a credit for sales taxes paid on such bad debts to the taxpayer that actually owns the unpaid accounts. Plaintiff contends the statute allows it a credit for worthless credit card accounts owned by the affiliated entity which issued the credit cards and which joined Plaintiff in filing consolidated federal income tax returns.

The Department of Revenue filed its answer and affirmative defenses. The Department of Revenue contends that only the company that owns the unpaid accounts and that paid the tax can receive a credit or refund. The case is currently in the discovery phase. The taxpayer filed a motion for protective order on January 19, 2007 which is set to be heard by the trial court on March 15, 2007. No trial date has been set.

Regions Bank, N.A. v. Florida Department of Revenue, an agency of the State of Florida, Case No. 05-6535, Thirteenth Judicial Circuit. The amount in controversy is $13,871,169.

This case involves two assessments of corporate income tax. Audit A, 12/31/96 through 12/31/98 and Audit B, 12/31/99 through 12/31/01. Regions Bank is an Alabama bank with a number of branches in Florida. The case involves a statute of limitations issue challenging the time the assessment was made. Substantively, the case involves the apportioned amount of Regions Bank's portfolio investments, the average daily account balances and excluded negative cash balances. Regions Bank avoids the assessment on the premise that the portfolio is managed in Alabama pursuant to a management agreement and cannot be included in the property factor of the apportionment calculation.

By agreement of the parties, the complaint has not been answered in this case. The parties filed a Joint Motion to Stay which is pending before the circuit court. The parties are currently engaged in discovery. No trial date has been set.

Universal City Property Management Company v. State of Florida, Department of Revenue, Case No. 05-496, Second Judicial Circuit. The amount in controversy is $1,056,551.

This is a corporate income tax case. The issue is whether the plaintiff Universal City is required to include in its taxable income for the short tax year ended 06-05-95 certain tax items related to the deemed sale of a fifty (50%) per cent interest in a partnership under Sections 220.131(4) and 220.13(2)(f), Florida Statutes. The Notice of Reconsideration dated as of January 4, 2005 sustained corporate income tax in the amount of $609,667, along with accrued interest in the

amount of $446,884, with a per diem accrual of interest of $133.63.

On 06-05-95, Seagrams purchased an 80% interest (merger) in MCA. Universal City thus became a member of an affiliated group of corporations for which Seagrams was the common parent. The Seagrams Group filed consolidated tax returns for both Florida and federal tax purposes with a 07-31 fiscal year end. For federal income tax purposes, the tax years for MCA and Universal City ended after the merger and became 06-05-95, and they adopted Seagrams' July 31st fiscal year end. Treas. Reg. 1.1502-76(b)(1) and 1.1502-76(a)(1). Thereafter, the Seagrams Group changed from a July 31 Y/E to a June 30 Y/E between 1995 and 1996.

Universal City was a wholly-owned subsidiary of MCA until 06-05-95. MCA did not have nexus with Florida and the MCA Group did not file consolidated Florida tax returns. Universal City did have nexus with Florida due to its 50% interest in University City Partners, a Florida partnership ("UCP"). Universal City filed a short-year Florida corporate income tax return for the period ended 06-05-95; however, it only included income from its operations of UCP and not those items related to the deemed termination (and deemed sale) of UCP under federal tax law. This issue in this case is the timing of the inclusion of the Universal City tax items in its federal and Florida consolidated tax returns in 1995 in connection with the deemed termination due to the merger; that is, the Department contends that Universal City should have included the UCP items related to the deemed termination of UCP under federal tax law.

The taxpayer argues that the provisions of IRC Section 1502 apply only where there is both a federal and Florida consolidated return. Here, Universal City filed a separate Florida corporate income tax return. In addition, the taxpayer argues that if the federal consolidated regulations apply, they only apply to Universal City after 06-05-95 (i.e., on 06-06-95) and Chapter 220 only adopted the provisions of IRC Section 1502 relating to the computation of the tax liability. Here, the issue raised by the auditor is not one of computation, but rather is an issue of how and when the income of UCP is to be "returned," not how it is to be "computed."

Section 220.13(2)(f), Florida Statutes, defines "taxable income," in the case of a corporation which is a member of an affiliated group of corporations filing a consolidated income tax return for the taxable year for federal income tax purposes, as the "taxable income of such corporation for federal income tax purposes as if such corporation had filed a separate federal income tax return for the taxable year and each preceding taxable year for which it was a member of an affiliated group, unless a consolidated return for the taxpayer and others is required or elected under s. 220.131." The Department concluded that the taxpayer's partnership income including the deemed sale of its 50% partnership interest in UCP constitutes income includible in taxable income for Florida purposes pursuant to Sections 220.13(2)(f) and 220.131(4), Florida Statutes.

Discovery is ongoing. No trial date has been set.

Vivendi Universal Holdings II Corporation v. Department of Revenue, Case No. 04-2939, Second Judicial Circuit. The amount in controversy is $1,633,884.23.

This is a corporate income tax case. The Notice of Reconsideration dated as of 10-14-04, sustained the assessment of tax in the amount of $1,140,212 along with accrued interest in the amount of $493,672, for an aggregate assessment in the amount of $1,633,884. The per diem accrual of interest is $249.23.

This case deals with a series of transactions pertaining to the JE Seagram Corporation ("Seagram"), a New York corporation. During the years at issue, 1995-1999, Seagram and subsidiaries were involved in reshaping the affiliated corporate group along two business lines: (1) the spirits, wine and juice business; and (2) the entertainment business (including films and music).

Issue 1: This issue concerns whether sales of tangible personal property of members of the Florida consolidated group that are located out of Florida has to be included in the numerator, as well as the denominator, of the sales apportionment factor (even though the out-of-state consolidated group members have no payroll or property in Florida and would not otherwise be subject to Florida corporate income tax). See Sections 220.15(5) and 220.131(5), Florida Statutes. The intercompany sales at issue are sales of fruit juices of its Tropicana sub Tropicana Products, Inc. ("TPI") made to J.E. Seagrams & Sons ("JES") and later resold by a division of JES called Tropicana Sales Division.

The taxpayer argues the Department's position is contrary to the Commerce Clause (U.S. Constitution) and Public Law 86-272. In addition, the taxpayer relies on TAA 85(C)1-004R and **Department of Revenue v. Anheuser -Busch, Inc.**, 527 So. 2d 877 (Fla. 1st DCA 1988).

The Department of Revenue asserts the plain language of 220.131(1) subjects all of the income of the consolidated group to Florida corporate income tax regardless of whether such member is subject to tax under this (the Florida) code. In addition, the Commerce Clause and PL 86-272 are inapplicable.

Issue 2: This issue concerns which expenses should be allocated to the gain derived from the sale of Time Warner common stock, which gain is treated as nonbusiness income under Section 220.03(1)(r), Florida Statutes. In tax years 1997 and 1998, Seagram sold common shares it owned in Time Warner, realizing capital gains in the amounts of $154,300,077 and $925,744,419, respectively. In determining the allowable non-business income subtraction, the auditor allocated 10% of these capital gains as expenses attributable to the earning of capital gain income. The allocated expenses for 1997 and 1998 were $15,430,008 and $95,574,442, respectively.

The taxpayer argues the Time Warner stock was purchased in a series of transactions over a term of over five years as an investment; Seagram is not in the business of buying and selling stock in non-related businesses as Time Warner. These were "market sales" entirely in New York through normal trading activities of brokerage houses located in NYC, and all expenses had been included in the gain(s). The taxpayer also claims this is a non-rule policy of the Department of Revenue, citing **Department of Revenue v. Vanjaria Enterprises, Inc.**, 765 So. 2d 252 (Fla. 5th DCA 1996).

The Department of Revenue relies on the language of Section 220.03(1)(r), Florida Statutes, which defines "income" to mean "gross receipts less all expenses directly or indirectly attributable thereto..." (emphasis supplied). The Department contends the brokerage expenses do not cover the expenses of management and holding the investment of the Time Warner common stock, citing several federal Treasury Regs. See e.g., 1.861-8(e)(4) and 1.8619T(a).

Discovery is ongoing. No trial date has been set.

Robert Bruce, individually and on behalf of all others similarly situated, Milton Bruce, individually and on behalf of all others similarly situated, John Monaco, individually and on behalf of all others similarly situated, Paige Patman, individually and on behalf of all others similarly situated, Stephanie Vega, individually and on behalf of all others similarly situated v. Mitsubishi Motor Credit of America, Inc., Nissan Motor Acceptance Corporation, BMW Financial Services NA, LLC., Banc One Acceptance Corporation, American Honda Finance, Second Judicial Circuit, 05-3003 (formerly Case no. 04-3648, Eleventh Judicial Circuit.). The amount in controversy is unknown.

This is a class action refund case concerning the allegation that fees were charged unlawfully under the guise of a "tax." The issues pertain to whether charges by automobile leasing companies for 1) excess mileage; 2) wear and tear; and 3) disposition are taxable.

This case was transferred from the Eleventh Judicial Circuit to the Second Judicial Circuit in November, 2005. The Department filed a motion to dismiss in March, 2006 which has not yet been scheduled for a hearing. In May 2006, the trial court entered an Agreed Order of Partial Dismissal with Prejudice as to Certain Claims Against Defendant American Honda Finance. No trial date has been set.

David Penzer and Ronnie Penzer, individually and on behalf of all other similarly situated; Mickey Vanek and James Vanek, individually and on behalf of all others similarly situated; Katherine Perdomo, individually and on behalf of all others similarly situated v. Ford Motor Credit Company; Daimler Chrysler Services North America LLC d/b/a Chrysler Financial; Chase Manhattan Automotive Finance Corporation and the State of Florida, Florida Department of Revenue, Second Judicial Circuit, 05-3006. The amount in controversy is unknown.

This is a class action refund case concerning the allegation that fees were charged unlawfully. The issues pertain to whether charges by automobile leasing companies for 1) excess mileage; 2) wear and tear; and 3) disposition are taxable.

This case transferred from the Eleventh Judicial Circuit upon the Department of Revenue's Motion to Transfer Venue. After the case was transferred from the Eleventh Judicial Circuit, the Department and the other defendants each filed a motion to dismiss and Ford Motor Credit Company filed a Motion for Judgment of the Pleadings Dismissing the Complaint. In September, 2006 the trial court issued an order on the motions to dismiss and the motion for judgment on the pleadings. The trial court granted the motions to dismiss, denied the motion for judgment on the pleadings, and granted leave to the plaintiffs to file an amended complaint by October 12, 2006. No amended complaint has been filed.

Marcus and Patricia Ogborn on behalf of themselves and others similarly situated v. Jim Zingale, Acting in his Official Capacity as the Director, Florida Department of Revenue, Second Judicial Circuit, Case No. 05-1354. The amount in controversy is unknown.

The Plaintiffs have brought this class action refund claim challenging the communications services tax. Plaintiffs have alleged that the communications services tax is unconstitutional to the extent that it imposes or authorizes a sales tax on the provision of satellite broadcasting service and excludes cable television service from taxation. Plaintiffs allege that the communications services tax, contained in Chapters 202 and 203, Florida Statutes, is unconstitutional as applied under the Commerce Clause, the Supremacy Clause and the Equal Protection Clause of the United States Constitution as well as Florida's Taxpayer's Bill of Rights (section 213.015), and Article I, section 2 and 9 of the Florida Constitution. The legislative intent of the communication services tax is: "that the creation of this chapter fulfills important state interests by reforming the tax laws to provide a fair, efficient, and uniform method for taxing communications services sold in this state." See, Section 202.105, Florida Statutes.

The Plaintiffs filed an Amended Complaint in November, 2005. In December, 2005 the Department filed an Amended Motion to Dismiss and Motion to Strike which was heard in the trial court on July 10, 2006. The trial court has not yet ruled on this motion.

DirecTV, Inc., and Echostar Satellite L.L.C. v. State of Florida Department of Revenue, Second Judicial Circuit, Case No. 05-1037. The refund claim exceeds $107 million.

Plaintiffs seek a refund of taxes paid to the state since October 1, 2002. Plaintiffs allege that Section 202.12(1)(c), Fla. Stat., imposes a tax on satellite television services at a rate substantially higher rate than the rate on competing cable television services and is therefore facially unconstitutional under the commerce and the equal protection clauses of the United States Constitution. Plaintiffs allege that the tax constitutes economic protectionism and confers an unfair advantage on locally franchised cable operators. Furthermore, plaintiffs allege that the tax discriminates between competing providers of television programming based on in-state or out-of-state location of their distribution facilities, which serves no legitimate state purpose.

The Department of Revenue has not yet answered the complaint in this recently filed case. The Department of Revenue filed a motion to dismiss which has not been scheduled for hearing before the trial court. The Department of Revenue in its motion argues that plaintiffs have not exhausted their administrative remedies and that plaintiffs have not satisfied the jurisdictional requirements set forth in Section 72.011, Fla. Stat., for bringing this action. The Department of Revenue also argues that the complaint does not allege ultimate facts showing that the case is ripe for a declaratory judgment under Chapter 86, Fla. Stat.; that plaintiffs (rather than their subscribers who bore the economic burden of the tax) have an adverse interest that would create standing to seek a declaratory judgment; that plaintiffs (rather than their subscribers) have borne the economic burden of the tax and therefore have standing to seek a tax refund; and, that plaintiffs would be entitled to injunctive relief. Plaintiff filed a motion for scheduling order in the trial court in August, 2006; the trial court has not yet ruled on that motion.

A hearing on the Department of Revenue's Motion has not yet been set. No trial date has been set. Discovery is ongoing.

Rug Doctor, L.P., a Delaware limited partnership v. Department of Revenue of the State of Florida, Case No. 06-5991, 13th Judicial Circuit. The amount in controversy is $2,062,835.

This is a challenge to a sales tax assessment issued by the Department of Revenue.

Issue One: Whether the agreement to place taxpayers' carpet cleaning machines at various retail stores constitutes a license or lease of real property pursuant to Section 212.031, Florida Statutes.

Issue Two: Whether or not the assessment should be based upon receipts received or on square footage.

The Department of Revenue filed its answer to the complaint on September 7, 2006. The trial court has not set a final hearing date. Discovery is ongoing.

Waste Management, Inc. & Affiliates v. State of Florida, Department of Revenue, Case No. 06-011533, Seventeenth Judicial Circuit. The amount in controversy is $3,102,673.00.

This case involves a challenge to a corporate income tax assessment. There are three main issues.

Issue 1: Whether the taxpayer is entitled to a refund of taxes on the basis of its claim that it was entitled to use net operating loss carryovers of one corporation to offset the income of another? Is Florida Administrative Code Rule 12C-1.013(14)(j), which is Florida's separate return limitation year (SRLY) rule, an unlawful exercise of delegated legislative authority?

Issue 2: Whether the taxpayer is entitled to a refund of taxes on the basis that it added back certain state income taxes, specifically the Michigan Single Business Tax, when it should not have?

Issue 3: Whether the taxpayer is entitled to a refund of taxes on the basis of its claim that it incorrectly computed the property factor of the apportionment formula?

The Department answered the complaint in this case on August 25, 2006. No trial date has been set.

Six Continents Hotels, Inc. v. Martha O. Haynie, as Comptroller for Orange County, Florida; Orange County, Florida; and the Florida Department of Revenue, Case No. 2006-CA-000130, Second Judicial Circuit. The amount in controversy is unknown at this time.

This case concerns the denial by the Orange County Comptroller of refund claims filed by Plaintiff for the refund of certain tourist development taxes paid to Orange County.

The Department has not yet answered the complaint in this case. No trial date has been set.

Hyatt Corporation v. Martha O. Haynie as Comptroller for Orange County, Florida; Orange County, Florida and the Florida Department of Revenue, Case No. 5-2143, Second Judicial Circuit. The amount in controversy is unknown at this time.

This case concerns the denial by the Orange County Comptroller of refund claims filed by Plaintiff for the refund of certain tourist development taxes paid to Orange County.

On December 12, 2006 the Defendants Martha O. Haynie, as Comptroller for Orange County, and Orange County filed a motion to dismiss for improper venue, or, in the alternative, a motion to transfer on the ground of improper venue. On February 2, 2007 the Court entered an order denying the Defendants' motions. No trial date has been set.

9. CONCLUDED FLORIDA DIVISION OF ADMINISTRATIVE HEARINGS CASES

Levi Strauss & Company v. Department of Revenue, Case No. 06-1990, Division of Administrative Hearings (DOAH). The amount in controversy is $2,723,000.

This case involves an assessment of corporate income tax. The issues include: (1) adjustments to the taxpayer's corporate income tax returns in Florida resulting from changes in an Internal Revenue Agent's report (RAR) subsequent to the taxpayer and the Department entering a settlement agreement on the audit period in question; and (2) the classification of royalty income for Florida corporate income tax purposes.

On July, 13, 2006, the Administrative Law Judge upon the Department's motion relinquished DOAH' s jurisdiction. The parties settled the case in January, 2007 with the Department receiving $167,438.39.

10. PENDING FLORIDA DIVISION OF ADMINISTRATIVE HEARINGS CASES

James R. Mitchell, Trustee of the Cardbeck Miami Trust v. Florida Department of Revenue, DOAH Case No. 05-2060. The amount in controversy exceeds $4,000,000.

The issue in this tax assessment case is whether a business lease pursuant to a sale/leaseback arrangement should be deemed a true operating lease (by which all rent payments are subject to tax imposed by section 212.031, Fla. Stat.) or a financing arrangement/synthetic lease (under which the monthly payments would escape tax).

On July 18, 2005, the Administrative Law Judge (ALJ) granted the unopposed Petition for Leave To Intervene by Beckman-Coulter, Inc. The Department did not initially object to Intervention but after significant discovery, the Department was concerned that an unlimited intervention wastes scarce administrative resources and provided no benefit to the tax assessment at issue. On December 19, 2005 the Department filed a motion in DOAH asserting that DOAH lacked subject matter jurisdiction over Beckman's ancillary claims involving transactions between it and the predecessor in interest to James Mitchell, Trustee of the Cardbeck Miami Trust ("the Trust") and other third parties.

On January 12, 2006 the DOAH ALJ entered an order granting the Department's motion stating that DOAH does not have jurisdiction over Beckman-Coulter or its legal theories. Beckman-Coulter appealed the order and DOAH granted its motion for stay pending the appeal. The District Court of Appeal for the First District affirmed the decision of the Administrative Law on December 29, 2006. See **Beckman Coulter, Inc. v. James R. Mitchell, Trustee of the Cardbeck Miami Trust, and Florida Department of Revenue**, Case No. 1D06-402, First District Court of Appeal, above. The parties filed a Joint Status Report in accordance with the order granting the stay on January 4, 2007. No final hearing date has been set in this case.

GulfCoast Telephone Company v. The Florida Department of Revenue, Case No. 05-4330, Division of Administrative Hearings (DOAH). The amount in controversy is $1,565,000.

The issue in this case is whether the taxpayer's telecommunications projects purchased for public schools are exempt under Section 212.08(6), Florida Statutes, which provides for the exemption for public works contracts. The taxpayer was a subcontractor that bid on various public work projects to provide and install tangible personal property. After the general contractor accepted the taxpayer's winning bid, the parties agreed to a change order that withdrew the tangible personal property from the contract with the general contractor. Instead, the government entity purchased the tangible personal property directly from the taxpayer, and the taxpayer installed the tangible personal property pursuant to its contract with the general contractor. The taxpayer brought the tangible personal property to the jobsite as the taxpayer was ready to install it. Thus, the Department believes that the purchase and installation were part of a single integrated or collapsible transaction. The step transaction doctrine should apply.

In June, 2005 the parties filed a joint motion to relinquish jurisdiction in DOAH. The parties are currently negotiating a written settlement agreement.

Travelers Life and Annuity Company v. Department of Revenue, Case No. 05-3989, Division of Administrative Hearings (DOAH). The amount in controversy is $1,108,000.

This is a corporate income tax case for the tax years 2000-2002. The main issue in this case is whether the Department is required to follow the taxpayer's apportionment of income done on an agreed basis, i.e., by written agreement, among its affiliated companies pursuant to a written agreement. The taxpayer asserts the Department has no authority to reallocate income and tax credits among the affiliated companies contrary to the terms of their express written agreement. See Section 624.509(5), Florida Statutes.

On December 12, 2005 the parties filed a joint motion to relinquish jurisdiction in DOAH. The parties are currently finalizing a written settlement agreement.

B. SIGNIFICANT AD VALOREM TAX LITIGATION UPDATE

1. CONCLUDED FLORIDA SUPREME COURT CASES

Jim Smith, as Property Appraiser of Pinellas County, Florida, and James A. Zingale, as the Executive Director of the Department of Revenue, State of Florida v. Stephen Krosschell, Case No. SC05-488, Florida Supreme Court.

The issue in this case was whether the 2001 amendment to section 193.155, Florida Statutes, is to be applied retroactively so that a Property Appraiser may make a correction to the "base year" assessment of homestead exemption property.

Oral argument was held on December 1, 2005. On August 31, 2006 the Supreme Court quashed the District Court opinion, remanded it back to the district court for further consideration consistent with the opinion, and held that "section 197.122(1), rather than section 193.155(8)(a), applies to correct the computer data entry error which occurred in the instant case and, pursuant to that subsection, Smith possesses the statutory authority to correct the erroneous data and result on the assessment of Krosschell's property 'at any time.'" **Smith v. Krosschell**, 937 So. 2d 658, 663 (Fla. 2006).

2. PENDING FLORIDA SUPREME COURT CASES

None.

3. CONCLUDED FLORIDA DISTRICT COURT OF APPEALS CASES

William Donegan v. The Holy Land Experience Ministries, Inc., Case No. 5D06-1307, Fifth District Court of Appeal. The amount in controversy was unknown.

This was an appeal of a Final Judgment in which the trial court ruled that the Property Appraiser's denial of an ad valorem tax exemption for real property, upon which is located the "Holy Land Experience", a living Bible museum, was improper on the basis that it met the criteria for an ad valorem tax exemption.

The first action filed in this case was for the tax year 2001. **Zion's Hope, Inc v. Bill Donegan, Orange County Property Appraiser, et al**, Case No. CIO-01-9794, 9th Judicial Circuit (**Zion's Hope**). The taxpayer later filed similar actions for the tax years 2002-2004 (Case nos. 02-12146, 03-7898, and 2004-CA-7574, Ninth Judicial Circuit - same case style) and for the tax year 2005, **Holy Land Experience Ministries, Inc. v. Bill Donegan, in his capacity as Orange County Property Appraiser, Earl K. Wood, in his capacity as Orange County Tax Collector, and Jim Zingale, in his capacity as Director of the Florida Department of Revenue**, Case No. 05-10575, all of which have been consolidated with the first case filed, **Zion's Hope**.

In July, 2005 the Court granted the plaintiff's motion and entered a Final Order of Dismissal on March 3, 2006. The Property Appraiser filed a notice of appeal on March 31, 2006. The Property Appraiser filed a notice of voluntary dismissal on June 22, 2006. This case has been concluded.

City of Gainesville v. Ed Crapo, Alachua County Property Appraiser et al., Case No. 1D05-4253, First District Court of Appeal; Eighth Judicial Circuit, Case No. 03-CA-4664, Div. J (Consolidated With Case No. 01-04-CA-4560). The amount in controversy has not been determined at this time.

This is an action brought by the City of Gainesville (the City) seeking a declaratory judgment that certain property owned by the City are exempt from ad valorem taxation under Article VII, Section 3, of the Florida Constitution. The City alleges that for tax years 2003 and 2004 the Property Appraiser's tax assessment of certain telecom towers and fiber optic network (internet) equipment owned and used by the City to provide telecommunication services is not valid. In addition, the City alleges that property it claims it purchased as a buffer for future utility expansion is also exempt under Article VII, Section 3, of the Florida Constitution.

After hearing on June 29, 2005, the trial court ruled that of the three categories of property: (1) the fiber-optic system and related internet equipment were being exclusively used for public purposes and were exempt from *ad valorem* taxation; and (2) the telecom towers and the buffer acreage were not being used exclusively for public purposes and therefore were taxable. The trial court entered final judgment on August 22, 2005 and the City appealed and the Department cross-appealed to the First District Court of Appeal. The recent decision in the case of **Florida Department of Revenue v. City of Gainesville**, 918 So. 2d 250 (Fla. 2005) (**Gainesville II**) (see above) will most likely impact the outcome of this case.

Oral argument was held on October 25, 2006. On February 12, 2007 the First District issued its opinion (**Gainesville III**). The First District affirmed the trial court on the Deerhaven property and the telecommunication towers, but reversed the trial court with respect to the fiberoptic network. In addition to reversing the trial court on the fiberoptic network issue, the First District remanded the case back to the trial court because the record did not "contain adequate facts" for the First District to determine whether the City's provision of telecommunications services serve a municipal or public purposes under **Gainesville II**. This case will now return to the trial court for it to determine whether the City's fiberoptic network is taxable or exempt under **Gainesville II** and **Gainesville III**.

4. PENDING FLORIDA DISTRICT COURT OF APPEALS CASES

Wayne Weeks, Property Appraiser, Clay County, Florida, Jimmy Week, Tax Collector, Clay County, Florida and Jim Zingale, Executive Director of Florida Department of Revenue, an agency of the State v. The Crossings at Fleming Island Community Development District, a Unit of special purpose government, 1D06-2026 (1D06-2158 consolidated under this case), First District Court of Appeal; Case No. 00-921, Fourth Judicial Circuit. The amount in controversy exceeds $150,000 (refund) and $5,900 (assessment).

This is an action contesting the ad valorem tax assessment of Plaintiff's property brought pursuant to Chapters 86, 190,194 (Part II), and 195, Fla. Stat. (2001), the Equal Protection clauses of Fla. and U.S. Constitutions, requesting injunctive relief, declaratory relief, and award of attorneys' fees and costs.

The taxpayer (CDC) is a community development district created under Chapter 190, Florida Statutes. It alleges that it is immune or exempt from ad valorem taxation in the same manner as a Florida municipality. The CDC owns, operates and maintains a public golf course, a swim and tennis center, and a waterfront park and playgrounds. The taxpayer also alleges it is not being treated the same as similar property owned by the City of Green Cove in Clay County. A bench trial in this case was held on November 17, 2004.

After remand and additional post-trial motions, the circuit court entered an amended final judgment on April 11, 2006 declaring certain property was taxable and other property was exempt from ad valorem taxation. The trial court held that the ponds, the golf pro shop and the restaurant were taxable; the other recreational facilities were held tax exempt. The Department filed a notice of appeal on April 18, 2006. The recent decision in the case of **Gainesville II** (see above) will most likely impact the outcome of this case. Oral argument is scheduled for March 21, 2007.

5. CONCLUDED FLORIDA CIRCUIT COURT CASES

Jeffrey J. Hover v. Ronnie Hawkins, Property Appraiser for Sumter County, a political subdivision of the State of Florida, Jim Zingale, as Executive Director of the Florida Department of Revenue, Case no. 04-756, Fourth Judicial Circuit.

This case was an as applied constitutional challenge to section 196.011(1)(b), Fla. Stat. Plaintiff holds a deep religious conviction that the Social Security number is the Number of the Mark of the Beast spoken of in the Bible. Therefore, Plaintiff did not submit a Social Security number with his application for homestead exemption as required by section 196.011(1)(b), Fla. Stat., and the Sumter County Property Appraiser denied his application for homestead exemption. Plaintiff asserted that the Property Appraiser's denial of his homestead exemption violated his rights under both the state and federal constitution with respect to privacy and the freedom of religion. Plaintiff also asserted that section 196.011(1)(b), Fla. Stat., places a condition precedent on him receiving the homestead exemption that is not in the clear and unambiguous language of Article VII, section 6, Florida Constitution, and he was, therefore, "entitled" to homestead exemption under that Article. The trial court entered summary judgment in favor of the Department on December 5, 2006.

6. PENDING FLORIDA CIRCUIT COURT CASES

Fred A. Thomas and Joy S. Thomas v. Jim Smith, Property Appraiser, Pinellas Co., Fred Petty, Tax Collector, Pinellas County, L.H. Fuchs, Executive Director, State of Florida, Department of Revenue, Case No. 97-7159 CI-020, Sixth Judicial Circuit. Section 196.011(1)(b), Florida Statutes, is involved.

This case involves a facial constitutional challenge to Section 196.011(1)(b), Florida Statutes. The issue in the case is whether the plaintiffs can be forced to disclose their social security number as a prerequisite to obtaining a homestead exemption. The trial court ruled that Section 196.011(1)(b), Florida Statutes, and Florida Administrative Code Rule 12d-7.001(4) do not violate Florida's right to privacy, the equal protection guarantees of the U.S. and Florida Constitutions, and the federal Privacy Act of 1974.

The taxpayer appealed to the Second District Court of Appeal and on August 13, 2004 the Second District affirmed the dismissal as to the Federal Privacy Act and equal protection claims, but the Court agreed with the taxpayers that the trial court erred in dismissing with prejudice their claim for an alleged violation of their right to privacy under the

Florida Constitution. See **Thomas v. Smith**, 882 So. 2d 1037 (Fla. 2d DCA 2004). The Second District remanded the case for further proceedings to determine whether the taxpayers' right to privacy had in fact been violated under the "compelling state interest" standard as articulated in **Winfield v. Div. of Pari-Mutuel Wagering**, 477 So. 2d 544 (Fla. 1985). The Department and the Property Appraiser jointly moved to have the Second District certify a question of great public importance to the Florida Supreme Court. The joint motion to certify was denied on September 30, 2004. The Department declined to seek discretionary review in the Florida Supreme Court.

In December, 2005 the taxpayer also filed similar actions in the Sixth Judicial Circuit. See, **Fred A. Thomas and Joy S. Thomas v. Jim Smith, in his capacity as Property Appraiser of Pinellas County, Florida; Diane Nelson, in her capacity as Tax Collector, Pinellas County, Florida, and Jim Zingale, in his capacity as Executive Director of the State of Florida, Department of Revenue**, Case Nos. 05-8184 and 06-9095, Sixth Judicial Circuit. The trial in this case was held on November 20-21, 2006. The trial court has not yet entered a Final Judgment in this case.

CSX Intermodal, Inc. v. The Department of Revenue, Case No. 06-2812, Second Judicial Circuit. The amount in controversy has not been determined at this time.

This is an ad valorem tax case brought by CSX Intermodal, Inc. (CSXI). CXSI transports semi-trailers on flatbed railcars over railroads in the state of Florida, and, therefore, the Department of Revenue considers these operations to be railroad operating property. Railroad operating property in Florida is subject to ad valorem tax. See **CSX Transportation, Inc., v. Department of Revenue**, Case No. 06-CV-342, U.S. District Court (N.D. Fla.), below, for an explanation of the Department's authority and procedure for administering ad valorem tax on railroad property.

CSX Corporation is the parent corporation to both CSXT and CSX Intermodal, Inc. CSX Corporation and CSXI have their home office and principal place of business located in Jacksonville, Florida. The primary issue in this case is whether the taxpayer's operations are railroad operating property. CXSI contends that it is a trucking company and therefore not subject to ad valorem tax in Florida as railroad operating property.

The Department answered CXSI's amended complaint on November 27, 2006. No trial date is set.

Verizon Wireless Personal Communications, L.P., f/k/a Primeco Personal Communications, L.P., a Delaware limited partnership v. Gary R. Nikolits, as Property Appraiser of Palm Beach County, Florida; John K. Clark, as Tax Collector of Palm Beach County, Florida; and James Zingale, as Executive Director of Department of Revenue for the State of Florida, Case no. 05-11462, Fifteenth Judicial Circuit. The amount in controversy is $687,802.33.

The issue in this ad valorem tax assessment challenge for the 2005 tax year is whether certain wireless telecommunications switching equipment (switches), owned by Plaintiff (Verizon) and located in Palm Beach County, comes under the definition of computer software contained in Section 192.001(19), Fla. Stat., and is therefore not to be considered as tangible personal property and not subject to ad valorem taxes. Verizon has also filed a similar challenge for the 2006 tax year in Palm Beach County, Case no. 06-13442.

Trial in this case is set for the week of March 19, 2007.

7. PENDING FLORIDA DIVISION OF ADMINISTRATIVE HEARINGS CASES

None.

8. PENDING FEDERAL DISTRICT COURT CASES

CSX Transportation, Inc., v. Department of Revenue, Case No. 06-CV-342, U.S. District Court (N.D. Fla.) . The amount in controversy has not been determined at this time.

This is an ad valorem tax case brought by CSX Transportation, Inc. ("CSXT") to challenge the Department's 2006 assessment of its Florida railroad property (real and tangible personal property). The Department's assessment was issued to "CSX Corporation," not CSXT. CSX Corporation is the parent corporation to both CSXT and CSX Intermodal, Inc. CSXT seeks a determination in federal District Court that the Department's 2006 assessment is excessive and discriminatory pursuant to the Railroad Revitalization and Regulatory Reform Act of 1976 (codified as 49 U.S.C. Section 11501, et seq., also known as "the 4R Act"). CSXT is an interstate carrier by railroad with extensive operations in Florida (approximately 40 counties).

The Department is responsible for the annual valuation and assessment of railroad property in Florida for ad valorem purposes. See Art. VII, Section 2 and 4, Fla. Const., and Sections 193.011 and 193.085(4), Florida Statutes. Florida law requires the Department to submit railroad assessments to each county's property appraiser by June 1 of each year, and to certify to the property appraisers when railroad assessments have been finalized by the Department. Section 193.085(4), Florida Statutes.

In a letter dated as of 07-07-06, the Department notified CSX that it valued CSX's railroad property in Florida for the 2006 tax year at $949,080,000 and that it intended to assess CSX's railroad property in Florida at $795,984,853. The Department based its Florida CSX assessment on a full system-wide valuation of CSX property of approximately $14.750 billion. In its complaint, CSXT asserts that its system-wide unit value is only $6.75 billion (with lower correlated assessments in Florida).

In 2005, the Department did not do an appraisal of the railroad operating unit of CSX system-wide because the taxpayer and the Department reached an agreed aggregate assessment for the 2003-2005 tax years in settlement of [prior - 2003-04] 4R Act litigation. The Department's agreed aggregate assessment of CSXT for tax year 2005 was just under $468 million.

49 U.S.C. Section 11501, et seq., ("the 4R Act") prohibits unjust and unreasonable discrimination ad valorem taxation against railroads as an undue burden on Interstate Commerce. The standard is whether the ratio of assessed value to true market value is more than five (5%) per cent that the ratio applicable to other commercial and industrial property in Florida. The plaintiff's complaint seeks a determination of the "correct" valuation and for other (injunctive) relief.

Discovery is ongoing. A bench trial is scheduled to begin November 19, 2007.

Norfolk Southern Railway Company v. The Department of Revenue of the State of Florida, Jim Zingale, as Executive Director of the Department of Revenue of the State of Florida, Case No. 4:06-CV-409, U.S. District Court (N.D. Fla.) . The amount in controversy has not been determined at this time.

The taxpayer (NSRR) is a foreign corporation with it home office and principal place of business located in Virginia, operating a railroad in several of the United States and the state of Florida. This is an *ad valorem* tax case pertaining to the Department's proposed 2006 tax assessment. In this case the Department alleges the railroad's system-wide correlated unit value is approximately $19.25 billion. This results in an adjusted unit value allocated to Florida of $85.265 million, equalized to $73.886 million.

This is an ad valorem tax case brought by NSRR to challenge the Department's 2006 assessment of its Florida railroad property (real and tangible personal property). NSRR seeks a determination that the Department's 2006 assessment is excessive and discriminatory pursuant to the Railroad Revitalization and Regulatory Reform Act of 1976 (codified as 49 U.S.C. Section 11501, et seq.). NSRR is an interstate carrier by railroad with extensive operations in Florida (approximately 30 counties).

49 U.S.C. Section 11501, et seq., ("the Four-R Act") prohibits unjust and unreasonable discrimination ad valorem taxation against railroads as an undue burden on Interstate Commerce. The standard is whether the ratio of assessed value to true market value is more than five (5%) per cent that the ratio applicable to other commercial and industrial property in Florida. The plaintiff's complaint seeks a determination of the "correct" valuation and for other (injunctive relief).

The Department is responsible for the annual valuation and assessment of railroad property in Florida for ad valorem purposes. See Art. VII, Section 2 and 4, Fla. Const., and Sections 193.011 and 193.085(4), Florida Statutes. Florida law requires the Department to submit railroad assessments to each county's property appraiser by June 1 of each year, and to certify to the property appraisers when railroad assessments have been finalized by the Department. Section 193.085(4), Florida Statutes. Discovery is ongoing and a bench trial is scheduled to begin September 4, 2007.

INTERNET DATA SOURCES

INTERNET DATA SOURCES

Federal Data Sources

Website	*Organization Name*	*Brief Description of Uses*
ftp://ftp.census.gov/pub/govs/statetax/	U.S. Census	1992 until.. State by state tax burden and other comparison statistics
http://www.bea.doc.gov/	Bureau of Economic Analysis	Economic statistics
http://www.bls.org/	Bureau of Labor Statistics	Economic statistics
http://www.census.gov/	U.S. Census	data for exemptions
http://www.census.gov/epcd/www/econ97.html	U.S. Census	Economic statistics
http://www.faa.gov/	Federal Aviation Association	to complete bill analysis
http://www.fcc.gov/	Federal Communications Commission	to complete bill analysis
http://www.fcc.gov/fee/gov/wtb/databases/	Federal Communications Commission	databases
http://www.fcc.gov/telecom.html	Federal Communications Commission	Teleco Act of 1996
http://www.fdic.gov/	Federal Deposit Insurance Corp.	Economic statistics
http://www.ffeic.gov/	Federal Financial Institution Examination Council of the Federal Reserve System	Economic statistics, timely reporting of reserve board stats and related articles
http://www.huduser.org/	U.S. Department of Housing and Urban Development	data for exemptions
http://www.irs.ustreas.gov/prod/cover.html	IRS website	Economic statistics
http://www.sec.gov/edgarhp.html	Securities and Exchange Commission	Edgar is the computerized system that companies use to file their quarterly and annual reports with the Securities and Exchange Commission
http://www.taxadmin.org/	FTA's website homepage	Good state-by-state tax rate comparisons, conference descriptions and papers, including work on electronic commerce
http://www.taxsites.com/	Tax and Accounting Sites Directory	Tax and Accounting Sites Directory
http://www.tiaonline.org/government/overview/	Telecommunications Industry Association website	databases
http://www.yardeni.com/	Dr. Ed Yardeni's Economics Network	General US and International Economic Data and Analyses

Florida Data Sources

Website	*Organization Name*	*Brief Description of Uses*
http://www.dbf.state.fl.us/banking/bank lists/	Department of Banking and Finance website	Lists of banking associations, and related articles that pertain to Florida
http://www.dot.state.fl.us/finalcialplanning/	DOT website	Includes the Fuel Tax Primer (need Adobe 4 for this publication
http://www.fcn.state.fl.us/acir/98handbook/format.html	Legislative Committee on Intergovernmental Relations' website	1998 Local Government Handbook
http://www.fcn.state.fl.us/lcir/	Legislative Committee on Intergovernmental Relations' website	Contains local government revenue estimates
http://www.fcn.state.fl.us/owa_gsd/owa/gsd_www.main_frame.main	411 Direct - State Telephone Numbers and General State Information	411 Direct - State Telephone Numbers and General State Information
http://www.fcn.state.fl.us/teldir/standards2.html	Florida agencies e-mail naming standards	Florida agencies e-mail naming standards
http://www.fcta.com/	Florida Cable Telecommunications Association	to complete bill analysis
http://www.fispa.org/	Florida Internet Service Providers	to complete bill analysis
http://www.flasports.com/	Florida Sports Federation	data for exemptions
http://www.floridataxwatch.org/	Florida TaxWatch	research data resource
http://www.itflorida.com/	Florida Information Technology Task Force	Information Technology resource
http://www.law.fsu.edu/crc/	Florida State University- Law School	databases
http://www.state.fl.us/edr/	Economic and Demographic Research	Revenue estimates (REC's)
http://www.state.fl.us/edr/taxref/tindex.html	State Tax Task Force website	Analysis resource
http://www.sun6.dms.state.fl.us/dor/	DOR's website homepage	Bill information, statutes, and links to other agencies

US General Information

Website	*Organization Name*	*Brief Description of Uses*
http://www.alec.org/	American Legislative Exchange Counsel	Analysis resource
http://www.cbpp.org/	Center for Budget and Policy Priorities	Analysis resource
http://www.ctj.org/	Citizens for Tax Justice	Evaluations of mostly federal proposals
http://www.digitaltelevision.com/	Digital Television: The Site	to complete bill analysis
http://www.dismal.com/	The Dismal Economist	General US and International Economic Data and Analyses
http://www.ecommercecommission.org/	Advisory Commission on Electronic Commerce	Analysis resource
http://www.faa.gov/	Federal Aviation Association	to complete bill analysis
http://www.forrester.com/Home/0,3257,1,FF.html	Forrester Research	Internet Commerce
http://www.frbatlanta.org/	Federal Reserve Bank of Atlanta	Analysis resource
http://www.mediacity.com/	Sports Stadiums Site	data for exemptions
http://www.mtc.gov/	Multi-state Commission	multi state data resource
http://www.nass.usda.gov/census/	National Agriculture Statistics Service	1997 Census of Agriculture
http://www.nber.org/	National Bureau of Economic Research	Economic statistics
http://www.nccs.urban.org/	Center for Charitable Statistics	data resource
http://www.ncsl.org/login.htm?returnpage=http://www.ncsl.org/	National Conference on State Legislatures	data resource

INTERNET DATA SOURCES

http://www.ncua.gov/	National Credit Union Admin.	financial resource
http://www.nga.org/	National Governor's Association	data resource
http://www.sec.gov/edgarhp.html	Securities and Exchange Commission	Edgar is the computerized system that companies use to file their quarterly and annual reports with the Securities and Exchange Commission
http://www.taxadmin.org/	FTA's website homepage	Good state-by-state tax rate comparisons, conference descriptions and papers, including work on electronic commerce
http:/www.nmoa.com	National Mail Order Association	data for exemptions

Florida General Information

Website	*Organization Name*	*Brief Description of Uses*
ftp://ftp.census.gov/pub/govs/statetax/	U.S. Census	1992 until.. State by state tax burden and other comparison statistics
http://www.cefcorp.dos.state.fl.us/	Department of State	Corporate Filings
http://www.dbf.state.fl.us/banking/bank lists/	Department of Banking and Finance website	Lists of banking associations, and related articles that pertain to Florida
http://www.dca.state.fl.us/fhcd/programs/sdip/index.html/	Special Taxing Districts in Florida	data resource
http://www.dot.state.fl.us/finalcialplanning/	DOT website	Includes the Fuel Taax Primer (need Adobe 4 for this publication
http://www.ecommercecommission.org/	Advisory Commission on Electronic Commerce	analysis data resource
http://www.fcn.state.fl.us/acir/98handbook/format.html	Legislative Committee on Intergovernmental Relations' website	1998 Local Government Handbook
http://www.fcn.state.fl.us/lcir/	Legislative Committee on Intergovernmental Relations' website	Contains local government revenue estimates
http://www.fcn.state.fl.us/owa_gsd/owa/gsd_www.main_frame.main	411 Direct - State Telephone Numbers and General State Information	411 Direct - State Telephone Numbers and General State Information
http://www.fcn.state.fl.us/teldir/standards2.html	Florida agencies e-mail naming standards	Florida agencies e-mail naming standards
http://www.fcta.com/	Florida Cable Telecommunications Association	to complete bill analysis
http://www.firn.edu/doe/	Florida Department of Education	data for exemptions
http://www.fispa.org/	Florida Internet Service Providers	to complete bill analysis
http://www.fl-ag.com/	Florida Department of Agriculture	data for exemptions
http://www.flasports.com/	Florida Sports Federation	data for exemptions
http://www.flcourts.org/	State Courts	State court decisions, including DCA's and Supreme Court
http://www.floridataxwatch.org/	Florida TaxWatch	reseach data resource
http://www.fsba.state.fl.us/	State Board of Administration	data resource
http://www.governing.com/	Governing Magazine	For State and Local Governments
http://www.itflorida.com/	Florida Information Technology Task Force	Information Technology resource
http://www.law.fsu.edu/crc/	Florida State University- Law School	databases
http://www.leg.state.fl.us/	Florida Legislature website	to research House and Senate Bills
http://www.leg.state.fl.us/citizen/documents/constitution/index.html	Florida Legislature website	Florida Constitution Index
http://www.mtc.gov/	Multi-state Commission	multi state data resource
http://www.oppaga.state.fl.us/	OPPAGA	OPPAGA Reports
http://www.psc.state.fl.us/	Public Service Commission	to complete bill analysis
http://www.state.fl.us/edr/	Revenue estimates (REC's)	data resource
http://www.state.fl.us/edr/taxref/tindex.html	State Tax Task Force website	data resource
http://www.state.fl.us/eog/	Governor's Office website	analysis data resource
http://www.stateline.com/	State News	State News
http://www.sun6.dms.state.fl.us/dor/	DOR's website homepage	Bill information, statutes, and links to other agencies
http://www.taxsites.com/	Tax and Accounting Sites Directory	Tax and Accounting Sites Directory
http://www.tiaonline.org/government/overview/	Telecommunications Industry Association website	databases

Other State Sites

Website	*Organization Name*	*Brief Description of Uses*
http://www.cc.gatech.edu/gvu/user_surveys/	Georgia Tech's site for Internet Purchases	survey
http://www.cds.duke.edu/	Duke University	Center for Demographic Studies
http://www.commserv.ucsb.edu/	University of California- Santa Barbara	to complete bill analysis, glossary of communications terms
http://www.gvu.gatech.edu/user_surveys/	Georgia Tech website	Survey results about internet usage
http://www.okstate.edu/economics/journal.south1.html	Oklahoma State University	Abstracts of articles published in the southern Economic Journal

Congress Information

Website	*Organization Name*	*Brief Description of Uses*
http://www.thomas.loc.gov/	Federal (congressional) legislation	searchable federal legislation

INTERNET DATA SOURCES

Florida State Government Sites

Website	*Organization Name*	*Brief Description of Uses*
http://www.cefcorp.dos.state.fl.us/	Department of State	Corporate Filings
http://www.dca.state.fl.us/fhcd/programs/sdip/index.html/	Special Taxing Districts in Florida	data for exemptions
http://www.dot.state.fl.us/finalcialplanning/	DOT website	Includes the Fuel Tax Primer (need Adobe 4 for this publication
http://www.fcn.state.fl.us/acir/98handbook/format.html	Legislative Committee on Intergovernmental Relations' website	1998 Local Government Handbook
http://www.fcn.state.fl.us/lcir/	Legislative Committee on Intergovernmental Relations' website	Contains local government revenue estimates
http://www.fcn.state.fl.us/owa_gsd/owa/gsd_www.main_frame.main	411 Direct - State Telephone Numbers and General State Information	411 Direct - State Telephone Numbers and General State Information
http://www.fcn.state.fl.us/teldir/standards2.html	Florida agencies e-mail naming standards	Florida agencies e-mail naming standards
http://www.firn.edu/doe/	Florida Department of Education	data for exemptions
http://www.fl-ag.com/	Florida Department of Agriculture	data for exemptions
http://www.flcourts.org/	State Courts	State court decisions, including DCA's and Supreme Court
http://www.fsba.state.fl.us/	State Board of Administration	data resource
http://www.leg.state.fl.us/	Florida Legislature	to research House and Senate Bills
http://www.leg.state.fl.us/citizen/documents/constitution/index.html	Florida Legislature website	Florida Constitution Index
http://www.oppaga.state.fl.us/	OPPAGA	OPPAGA Reports
http://www.psc.state.fl.us/	Public Service Commission	to complete bill analysis
http://www.state.fl.us/edr/	Revenue estimates (REC's)	data resource
http://www.state.fl.us/edr/taxref/tindex.html	State Tax Task Force website	data resource
http://www.state.fl.us/eog/	Governor's Office website	analysis data resource
http://www.sun6.dms.state.fl.us/dor/	DOR's website homepage	Bill information, statutes, and links to other agencies

Publications

Website	*Organization Name*	*Brief Description of Uses*
http://www.governing.com/	Governing Magazine	For State and Local Governments
http://www.nytimes.com/	New York times website	News
http://www.stateline.com/	State News Network	State News

Banking

Website	*Organization Name*	*Brief Description of Uses*
http://www.dbf.state.fl.us/banking/bank lists/		Lists of banking associations, and related articles that pertain to Florida
http://www.fdic.gov/	Federal Deposit Insurance Corp.	financial resource
http://www.ffeic.gov/	Federal Financial Institution Examination Council of the Federal Reserve System	Economic statistics, timely reporting of reserve board stats and related articles
http://www.frbatlanta.org/	Federal Reserve Bank of Atlanta	financial resource
http://www.ncua.gov/	National Credit Union Admin.	financial resource

E - Commerce

Website	*Organization Name*	*Brief Description of Uses*
http://www.cc.gatech.edu/gvu/user_surveys/	Georgia Tech's site for Internet Purchases	survey
http://www.ecommercecommission.org/	Advisory Commission on Electronic Commerce	data resource
http://www.forrester.com/Home/0,3257,1,FF.html	Forrester Research	Internet Commerce
http://www.gvu.gatech.edu/user_surveys/	Georgia Tech website	Survey results about internet usage
http:/www.nmoa.com	National Mail Order Association	data for exemptions

Universities

Website	*Organization Name*	*Brief Description of Uses*
http://www.cc.gatech.edu/gvu/user_surveys/	Georgia Tech's site for Internet Purchases	survey
http://www.cds.duke.edu/	Duke University	Center for Demographic Studies
http://www.commserv.ucsb.edu/	University of California- Santa Barbara	to complete bill analysis, glossary of communications terms
http://www.gvu.gatech.edu/user_surveys/	Georgia Tech website	Survey results about internet usage
http://www.law.fsu.edu/crc/	Florida State University Law School	databases
http://www.okstate.edu/economics/journal.south1.html	Oklahoma State University	Abstracts of articles published in the southern Economic Journal

Other

Website	*Organization Name*	*Brief Description of Uses*
http://www.pcworld.com/software/internet/	PC World's website	Lists and describes the features of the major Internet Service Providers

INTERNET DATA SOURCES

Other State DOR Websites

	State/City	DOR Homepage URL	Stats/Analysis URL (if applic.)
1	Alabama	http://www.ador.state.al.us	
2	Alaska	http://www.revenue.state.ak.us/	
3	Arizona	http://www.revenue.state.az.us/	
4	Arkansas	http://www.state.ar.us/dfa	
5	California	http://www.ftb.ca.gov/	http://www.ftb.ca.gov/fidm/index.htm
6	**Colorado ***	http://www.revenue.state.co.us/	http://www.revenue.state.co.us/stats_dir/taxstats.html
7	Connecticut	http://www.drs.state.ct.us/	http://www.drs.state.ct.us/research/research.html
8	Delaware	http://www.state.de.us/revenue	http://www.state.de.us/revenue/other/tax_stats.html
9	District of Columbia	http://www.dccfo.com/	
10	**Florida**	http://sun6.dms.state.fl.us/dor/	http://sun6.dms.state.fl.us/dor/taxes/distributions.html
11	Georgia	http://www.state.ga.us/Departments/DOR/	
12	**Hawaii ***	http://www.state.hi.us/	http://www.state.hi.us/tax/txcolrpt.html
13	Idaho	http://www.state.id.us/tax/home.html	
14	Illinois	http://www.revenue.state.il.us/	
15	Indiana	http://www.ai.org/dor/index.html	
16	**Iowa***	http://www.state.ia.us/tax	http://www.state.ia.us/tax/taxlaw/taxlaw.html
17	Kansas	http://www.ink.org/public.kdor/	http://www.ink.org/public.kdor/pvd/pvdcountystateinfo.html
18	Kentucky	http://www.state.ky.us/agenciels/revenue/revhome.htm	
19	Louisiana	http://www.rev.state.la.us/	
20	Maine	http://janus.state.me.us/revenue	
21	**Maryland***	http://www.comp.state.md.us	
22	Massachusetts	http://www.state.ma.us/dor	http://www.state.ma.us/dor/stats/stats.html
23	Michigan	http://www.treas.state.mi.us/	http://www.treas.state.mi.us/revdata/reveindx.htm
24	Minnesota	http://www.taxes.state.mn.us/	
25	Mississippi	http://www.mstc.state.ms.us/	http://www.mstc.state.ms.us/info/stats/main.htm
26	Missouri	http://dor.state.mo.us/	
27	Montana	http://www.state.mt.us/revenue	
28	Nebraska	http://www.nol.org/revenue	http://www.nol.org/revenue/research/research.htm
29	Nevada	http://www.state.nv.us/	
30	New Hampshire	http://www.state.nh.us/revenue	
31	New Jersey	http://www.state.nj.us/treasury/taxation	
32	New Mexico	http://www.state.nm.us/tax/	
33	New York State	http://www.tax.state.ny.us/	http://www.state.ny.us/statistics/stat_sales.htm
34	New York City	http://www.ci.nyc.ny.us/finance	
35	North Carolina	http://www.dor.state.nc.us/DOR	http://www.dor.state.nc.us/downloads/00-01salestat.html
36	North Dakota	http://www.state.nd.us/taxdpt	
37	**Ohio ***	http://www.state.oh.us/tax	http://www.state.oh.us/tax/tabstats.htm
38	Oklahoma	http://www.oktax.state.ok.us/	
39	**Oregon ***	http://www.dor.state.or.us/	http://www.dor.state.of.us/statistics.html
40	Pennsylvania	http://www.revenue.state.pa.us/	
41	Rhode Island	http://www.doa.state.ri.ux/tax	
42	South Carolina	http://www.sctax.org/	
43	**South Dakota***	http://www.state.sd.us/revenue	http://www.state.sd.us/revenue/stats.html
44	Tennessee	http://www.state.tn.us/revenue	
45	**Texas***	http://www.window.state.tx.us/	http://www.window.state.tx.us/taxbud/overview
46	Utah	http://www.tax.ex.state.ut.us/	
47	Vermont	http://www.state.vt.us/tax	
48	Virginia	http://www.tax.state.va.us/	http://www.tax.state.va.us/publications.htm
49	**Washington ***	http://dor.wa.gov/	http://dor.wa.gov/
50	West Virginia	http://www.state.wv.us/taxrev/	
51	**Wisconsin***	http://www.dor.state.wi.us/	http://www.dor.state.wi.us/html/stats.html
52	Wyoming	http://revenue.state.wy.us/	