

**FLORIDA
REVENUE ESTIMATING CONFERENCE**

**2014
FLORIDA TAX HANDBOOK
Including
Fiscal Impact of Potential Changes**



**Honorable Rick Scott
Governor
State of Florida**

**Honorable Don Gaetz
President
Florida Senate**

**Honorable Will Weatherford
Speaker
House of Representatives**

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NOTE

The estimates in the 2014 edition of the Florida Tax Handbook are as accurate as possible given the scope of the document. An attempt has been made to provide point estimates of the fiscal impact for all current exemptions, refunds and allowances, and 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 data from annual collections through Fiscal Year 2012-13. The Fiscal Year 2013-14 estimates presented in this book represent what the revenue impact would be if the proposed tax law changes were in effect for the entire year. Normal delays caused by effective dates occurring after the beginning of the fiscal year, as well as collection and implementation lags, will reduce the actual revenue impact in the first year. Tax law changes that only affect revenues for part of a year will further modify the estimates. In addition, these estimates make no adjustments for the changes in quantity demanded resulting from changes to the tax rate, nor do they reflect potential losses due to tax avoidance behavior or unusual compliance and enforcement problems.

As each session begins, Impact Conferences are held to consider specific legislative proposals. Those results should be considered the most recent and complete expressions of fiscal impact. The results can be viewed online at <http://edr.state.fl.us/Content/conferences/revenueimpact/index.cfm>. Please note that the underlying revenue forecasts will also be updated three times each year, in early Spring, Summer, and late Fall. The latest forecasts can be viewed online at <http://edr.state.fl.us/Content/conferences/index.cfm>.

All estimates and projections used in this Handbook are based on a series of estimating conferences held in the Fall of 2013. However, additional conferences will be held in the Spring of 2014 that will revise many of these estimates and projections. For additional information regarding a specific revenue source, please contact the Legislative Office of Economic and Demographic Research at (850) 487-1402.

Beginning with the 2009 Florida Tax Handbook and available again this year is a section entitled "Proposed Legislation Repeated Multiple Years," located at the end of each state revenue source. An analysis was performed on proposed legislation dating back to the 2000 Legislative Session and continuing through the 2013 Legislative Session, covering each state revenue source. In this section, a brief description of each concept that has appeared over multiple years is followed by the bill numbers and the specific years in which the bills were filed. The letters "S" and "H" represent Senate and House bills, respectively. Bills similar to one another are denoted by "sm." Bills identical to one another are denoted by "idn." Starting with the 2010 electronic version of the Florida Tax Handbook, this section has been expanded to include links to the impact statements adopted by the Revenue Estimating Conference for each concept.

FOREWORD

The Revenue Estimating Conference is pleased to provide the 2014 edition of the Florida Tax Handbook, Including Fiscal Impact of Potential Changes. The Handbook provides statutory and administering authority for all specific revenue sources, and a review of tax collections and disposition, in conjunction with base and rate information and a brief history of sources. The Handbook also provides current revenue estimates and presents 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 tax base. The staffs of the Senate Appropriations Subcommittee on Finance and Tax, the House Appropriations Finance and Tax Subcommittee, the Legislative Office of Economic and Demographic Research, the Governor's Office of Policy and Budget, the Department of Revenue, Department of Highway Safety and Motor Vehicles, Department of Business and Professional Regulation, and the Department of Lottery provided the various analyses and updates.

The Handbook is divided into six sections.

Section I presents an overview of Florida's financial structure, including a summary of state tax preferences.

Section II presents an analysis of major and 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. The values of rate changes are not made for the minor state revenue sources.

Section III contains information about major local government revenue sources that are explicitly authorized in the Florida Constitution or the Florida Statutes. Not included in this section are local government revenue sources that counties and municipalities impose under their home rule powers (e.g., impact fees, special assessments, fees, etc.); revenue sources authorized by special or local bills; and minor revenue sources authorized in the Florida Statutes. For a more comprehensive description of local government revenue sources please refer to [The Local Government Financial Information Handbook](#). As in Section II, estimates and analyses are provided where available.

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

Section VI provides a listing of data sources on the Internet that are useful in tax research.

For further information or inquiries, contact the Legislative Office of Economic and Demographic Research, Room 574, Claude Pepper Building, 111 W Madison Street, Tallahassee, Florida 32399-6588, (850) 487-1402. Notice of any errors appearing in this publication should be sent to the staff of the Legislative Office of Economic and Demographic Research. Please feel free to offer suggestions for improvement of future editions. Copies of this and previous Tax Handbooks can be accessed online at <http://edr.state.fl.us/Content/revenues/reports/tax-handbook/index.cfm>.

FLORIDA'S FINANCIAL STRUCTURE

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. 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. In Fiscal Year 2013-2014, slightly over thirty-six percent of all taxes, licenses, fees, and other operating receipts will be credited to General Revenue, either directly upon deposit into the treasury or by transfer from various clearing and distribution accounts of the trust funds. Beginning in Fiscal Year 2009-2010, an 8.0 percent service charge on all income of a revenue nature deposited into trust funds is subsequently deducted and deposited into the General Revenue Fund. Partial and full exceptions from this requirement are made for trust funds enumerated in subsection (2) of s. 215.20, F.S., and in s. 215.22, F.S. In this regard, specific trust funds and revenues in the Department of Agriculture and Consumer Services and the Department of Citrus are assessed a 4.0 percent service charge, and other trust funds are exempt entirely.

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 account related to the trust fund. Based on their principal uses, trust fund accounts can be grouped into the following distinct types:

- a. *Operations or operating* – funding program operations;
- b. *Operations and maintenance* – depository for client services funded by third-party payers;
- c. *Administrative* – funding management activities that are departmental in nature;
- d. *Grants and donations* – funding for grant or donor agreement activities funded by restricted contractual revenue from private and public, nonfederal sources;
- e. *Agency working capital* – funding for data processing centers (see s. 216.272, F.S.);
- f. *Clearing funds* – depository to account for collections pending distributions to other funds or lawful recipients;
- g. *Federal grant* – funding allowable grant activities by restricted program revenues from federal sources.

3. Budget Stabilization Fund is required by the Florida Constitution and must be maintained at not less than 5 percent 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. Please see the separate section on the Budget Stabilization Fund within this document for additional detail.

Until 2005, Florida law provided for a separate Working Capital Fund consisting of the money in the General Revenue Fund that was 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 s. 215.32(2)(a), F.S., 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 Fund appropriations for the current fiscal year."

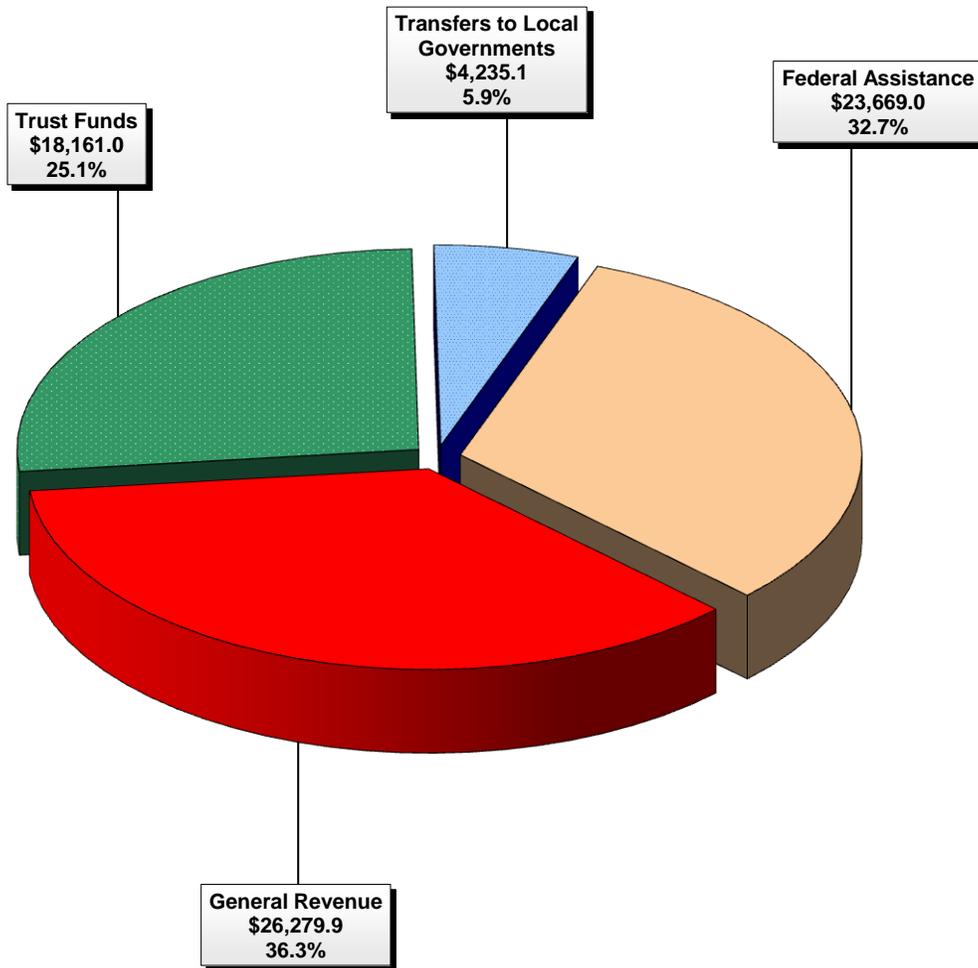
Constitution of Florida: Article III, Section 19.

FLORIDA STATE TREASURY FUNDS

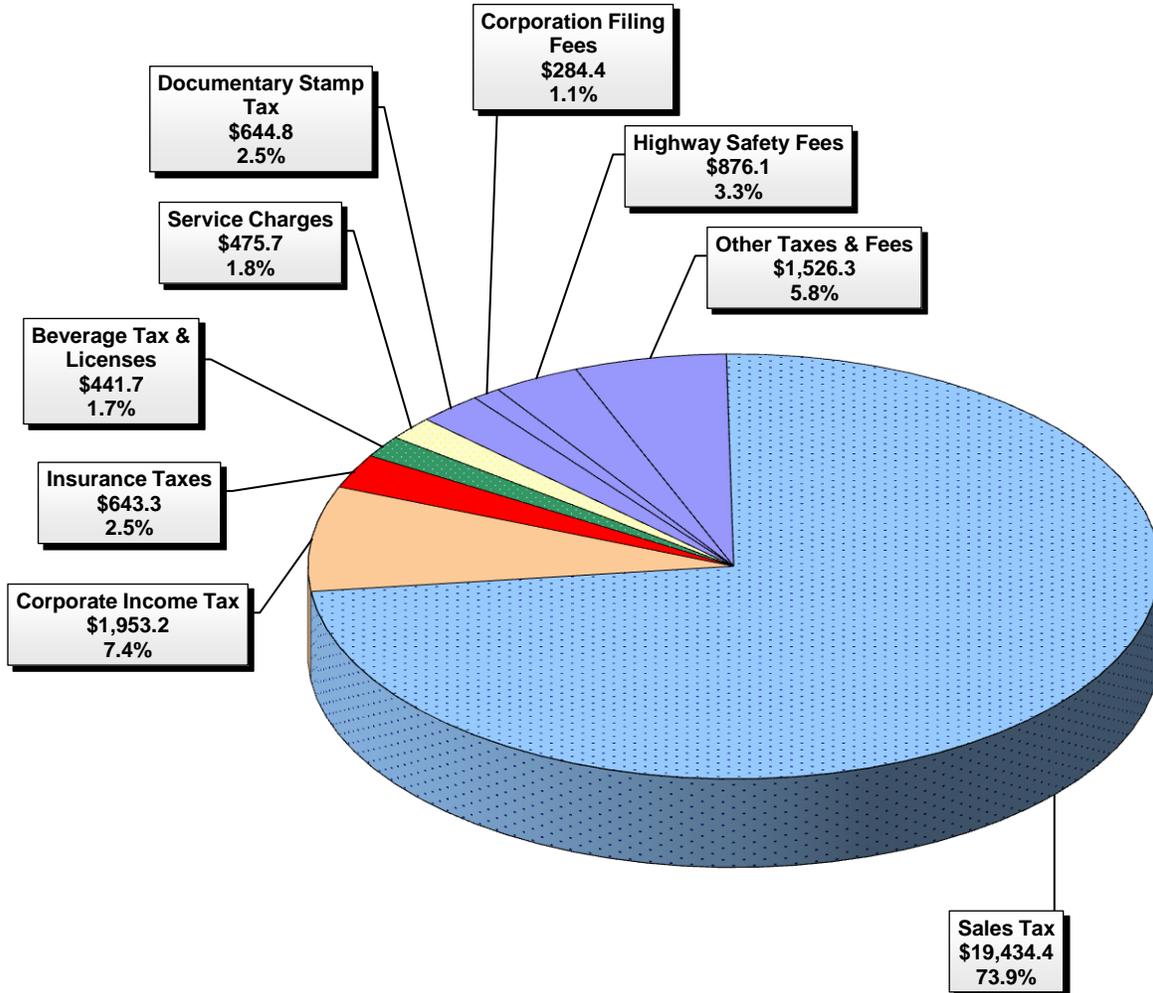
Florida Statutes: Sections 215.18; 215.20; 215.211; 215.22; 215.31; 215.32; 215.35, 216.222; 216.272.

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; 2009-71; 2009-78.

**Classification of State Receipts
FY 2013-2014
\$72,345.0 Million**



**Sources of General Revenue
FY 2013-2014
\$26,279.9 Million**



**TOTAL DIRECT REVENUE IN ALL FUNDS
FISCAL YEAR 2009-10 THROUGH 2013-14**

(Millions of Dollars)

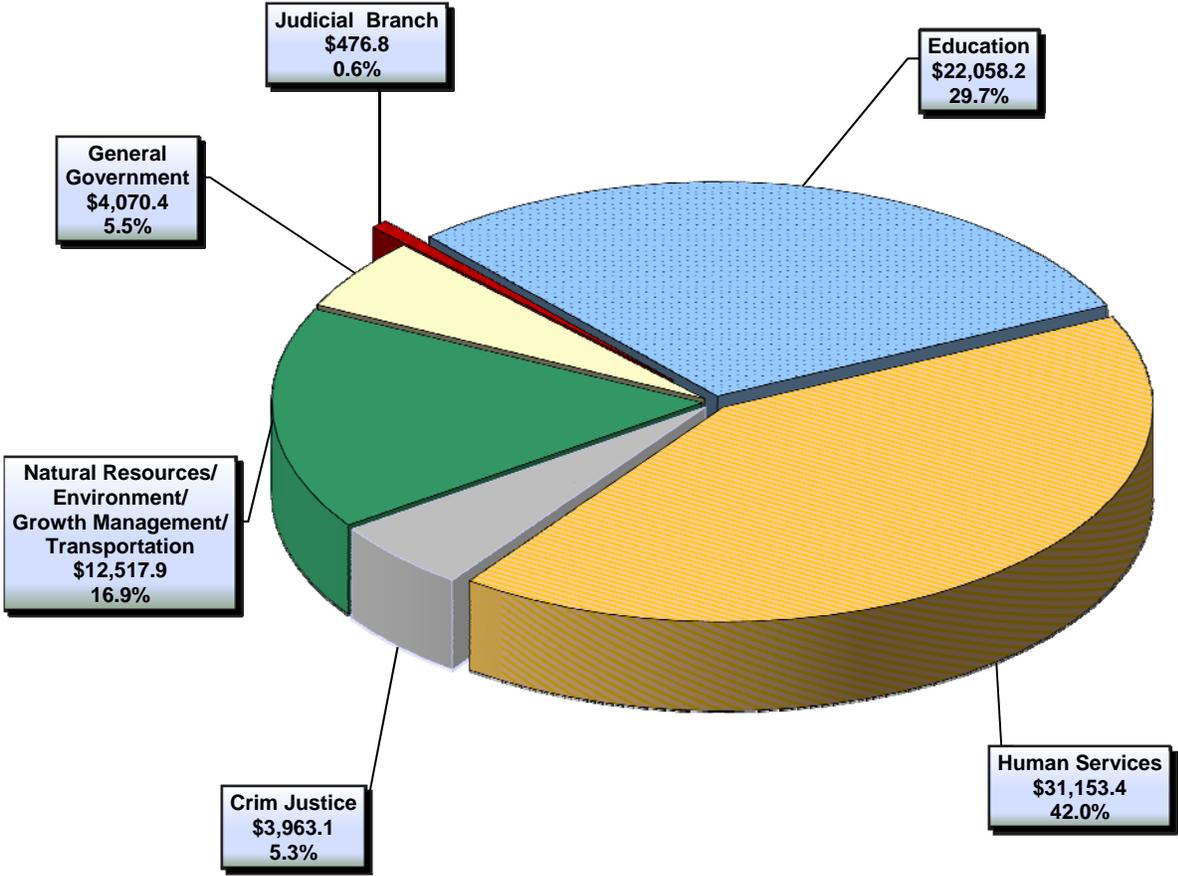
	ACTUAL FY 2009-10		ACTUAL FY 2010-11		ACTUAL FY 2011-12		ACTUAL FY 2012-13		PROJECTED FY 2013-14	
	Amount	% of Total	Amount	% of Total						
STATE TAXATION:										
ARTICLE V FEES	645.954	1.58%	864.116	2.02%	862.997	1.91%	841.851	1.76%	368.200	0.76%
AUTO TITLE AND LIEN FEES	281.455	0.69%	337.829	0.79%	347.939	0.77%	362.158	0.76%	382.434	0.79%
BEVERAGE LICENSES AND TAXES	627.078	1.54%	596.270	1.40%	564.701	1.25%	524.429	1.10%	489.323	1.01%
CITRUS INSPECTION FEES, LICENSES AND TAXES	56.212	0.14%	56.422	0.13%	60.742	0.13%	54.121	0.11%	49.319	0.10%
CORPORATE FILING FEES	238.147	0.58%	273.635	0.64%	275.848	0.61%	284.117	0.59%	284.400	0.58%
CORPORATION INCOME TAX	1,789.994	4.38%	1,874.526	4.39%	2,010.781	4.46%	2,080.989	4.35%	2,128.200	4.37%
DFS AND TREASURY FEES, LICENSES AND TAXES	116.746	0.29%	125.010	0.29%	130.082	0.29%	128.097	0.27%	131.421	0.27%
DOCUMENTARY STAMP TAX	1,078.562	2.64%	1,156.453	2.71%	1,261.620	2.80%	1,643.368	3.43%	1,898.000	3.90%
DRIVERS LICENSES AND FEES	304.361	0.75%	341.428	0.80%	346.397	0.77%	337.527	0.71%	310.400	0.64%
EARNINGS ON INVESTMENTS	271.078	0.66%	312.702	0.73%	279.487	0.62%	253.407	0.53%	166.052	0.34%
GENERAL INSPECTION FEES AND LICENSES	57.413	0.14%	69.820	0.16%	59.917	0.13%	72.917	0.15%	62.529	0.13%
GROSS RECEIPTS TAX	1,097.703	2.69%	1,071.647	2.51%	1,035.289	2.30%	1,003.048	2.10%	987.210	2.03%
HSMV - MISC FEES, LICENSES & FINES	28.179	0.07%	47.218	0.11%	91.447	0.20%	105.899	0.22%	103.600	0.21%
HUNTING AND FISHING LICENSES	47.432	0.12%	51.409	0.12%	50.787	0.11%	49.156	0.10%	49.700	0.10%
INDIAN GAMING	287.500	0.70%	140.417	0.33%	150.000	0.33%	226.083	0.47%	237.300	0.49%
INSURANCE TAXES	856.045	2.10%	867.618	2.03%	877.954	1.95%	894.068	1.87%	918.700	1.89%
INTANGIBLES TAX	158.711	0.39%	162.468	0.38%	184.647	0.41%	276.486	0.58%	310.000	0.64%
LOTTERY	3,953.700	9.68%	4,022.482	9.42%	4,463.798	9.90%	5,024.096	10.50%	5,335.522	10.96%
MEDICAL AND HOSPITAL FEES	210.239	0.51%	208.598	0.49%	235.293	0.52%	332.092	0.69%	292.700	0.60%
MISCELLANEOUS REVENUES	163.207	0.40%	265.125	0.62%	226.831	0.50%	185.868	0.39%	206.349	0.42%
MOTOR FUEL TAX	2,243.769	5.50%	2,238.343	5.24%	2,194.457	4.86%	2,224.780	4.65%	2,422.952	4.98%
MOTOR VEHICLE CHARGES	273.405	0.67%	304.786	0.71%	319.529	0.71%	336.701	0.70%	357.106	0.73%
MOTOR VEHICLE AND MOBILE HOME LICENSES	1,234.943	3.02%	1,341.965	3.14%	1,369.019	3.03%	1,416.329	2.96%	1,454.223	2.99%
OTHER FEES LICENSE AND TAXES	3,230.187	7.91%	3,098.571	7.26%	3,465.378	7.68%	3,346.874	6.99%	3,404.875	6.99%
OTHER NONOPERATING REVENUE	173.605	0.43%	146.901	0.34%	153.234	0.34%	144.187	0.30%	144.772	0.30%
OTHER FINES/FORFEITURES/JUDGEMENTS	299.866	0.73%	264.994	0.62%	296.811	0.66%	575.633	1.20%	280.932	0.58%
PARIMUTUEL FEES,LICENSES AND TAXES	26.613	0.07%	25.994	0.06%	26.906	0.06%	25.134	0.05%	27.810	0.06%
PROFESSIONAL AND OCCUPATIONAL FEES AND LICENSES	61.203	0.15%	77.965	0.18%	71.449	0.16%	88.182	0.18%	72.700	0.15%
SALES AND USE TAX	17,992.092	44.07%	18,697.073	43.78%	19,573.276	43.39%	20,686.374	43.22%	21,908.300	45.01%
SLOT MACHINE LICENSES	153.035	0.37%	149.420	0.35%	156.521	0.35%	160.529	0.34%	186.449	0.38%
SEVERANCE OIL AND GAS	3.929	0.01%	10.056	0.02%	13.453	0.03%	11.195	0.02%	13.100	0.03%
SEVERANCE SOLID MINERALS	58.554	0.14%	48.941	0.11%	34.479	0.08%	35.858	0.07%	34.800	0.07%
TOBACCO SETTLEMENT FINES/FORF/JUDGEMENTS	363.700	0.89%	366.900	0.86%	358.900	0.80%	368.500	0.77%	372.200	0.76%
TOBACCO TAX	1,342.861	3.29%	1,318.460	3.09%	1,240.936	2.75%	1,227.200	2.56%	1,200.589	2.47%
UNEMPLOYMENT COMP TAX	1,155.884	2.83%	1,674.195	3.92%	2,156.208	4.78%	2,247.805	4.70%	1,817.525	3.73%
WORKERS COMP TAX	131.957	0.32%	70.428	0.16%	87.207	0.19%	117.277	0.25%	118.520	0.24%
UNCLAIMED PROPERTY	351.500	0.86%	354.200	0.83%	380.700	0.84%	466.000	0.97%	457.800	0.94%
REFUNDS	-537.800	-1.32%	-326.100	-0.76%	-306.200	-0.68%	-290.300	-0.61%	-310.000	-0.64%
SUBTOTAL STATE TAXATION	40,829.017	100.00%	42,708.285	100.00%	45,108.820	100.00%	47,868.035	100.00%	48,676.012	100.00%
INTERGOVERNMENTAL AID:										
COUNTIES AND CITIES GRANTS	73.528	0.26%	69.230	0.24%	66.481	0.29%	63.940	0.29%	65.210	0.28%
OTHER ASSISTANCE & DONATIONS GRANTS	232.924	0.82%	151.151	0.52%	123.783	0.55%	131.788	0.59%	127.785	0.54%
US GOVERNMENT GRANTS	28,124.904	98.92%	28,950.466	99.24%	22,416.785	99.16%	22,089.085	99.12%	23,476.002	99.18%
SUBTOTAL INTERGOVERNMENTAL AID	28,431.356	100.00%	29,170.847	100.00%	22,607.049	100.00%	22,284.813	100.00%	23,668.997	100.00%
TOTAL DIRECT REVENUE	69,260.373	100.00%	71,879.132	100.00%	67,715.869	100.00%	70,152.848	100.00%	72,345.009	100.00%

**TOTAL DIRECT REVENUE BY FUND TYPE
FISCAL YEAR 2009-10 THROUGH 2013-14**

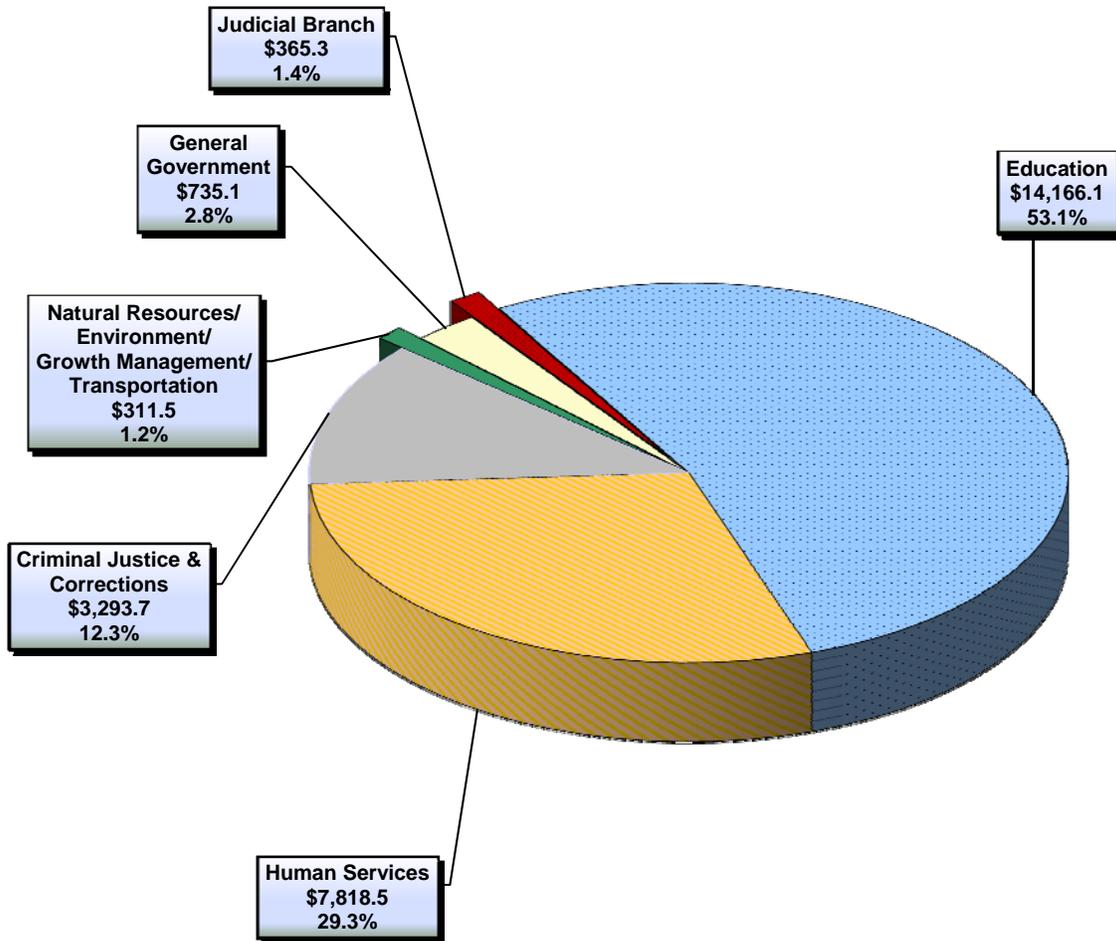
(Millions of Dollars)

DIRECT REVENUE SOURCE	ACTUAL FY 2009-10		ACTUAL FY 2010-11		ACTUAL FY 2011-12		ACTUAL FY 2012-13		PROJECTED FY 2013-14	
	General		General		General		General		General	
	Revenue	Trust Fund	Revenue	Trust Fund						
ARTICLE V FEES	192.514	453.440	167.289	696.827	165.405	697.592	284.327	557.524	197.900	170.300
AUTO TITLE AND LIEN FEES	182.323	99.132	234.858	102.971	242.204	105.735	58.236	303.922	68.950	313.484
BEVERAGE LICENSES AND TAXES	585.686	41.392	550.819	45.451	520.385	44.315	481.541	42.888	441.700	47.623
CITRUS INSPECTION FEES, LICENSES AND TAXES	0.000	56.212	0.000	56.422	0.000	60.742	0.000	54.121	0.000	49.319
CORPORATE FILING FEES	238.147	0.000	273.635	0.000	275.848	0.000	284.117	0.000	284.400	0.000
CORPORATION INCOME TAX	1,789.994	0.000	1,874.526	0.000	2,010.781	0.000	2,080.989	0.000	2,128.200	0.000
DFS AND TREASURY FEES, LICENSES AND TAXES	0.000	116.746	0.000	125.010	0.000	130.082	0.000	128.097	0.000	131.421
DOCUMENTARY STAMP TAX	143.319	935.243	167.226	989.227	208.600	1,053.020	380.969	1,262.399	644.800	1,253.200
DRIVERS LICENSES AND FEES	172.838	131.523	200.235	141.193	200.455	145.942	194.462	143.065	168.700	141.700
EARNINGS ON INVESTMENTS	118.065	153.013	135.593	177.109	117.342	162.145	107.278	146.129	74.700	91.352
GENERAL INSPECTION FEES AND LICENSES	0.000	57.413	0.000	69.820	0.000	59.917	0.000	72.917	0.000	62.529
GROSS RECEIPTS TAX	0.000	1,097.703	0.000	1,071.647	0.000	1,035.289	0.000	1,003.048	0.000	987.210
HSMV - MISC FEES, LICENSES & FINES	4.704	23.474	26.523	20.695	59.382	32.065	72.720	33.179	70.600	33.000
HUNTING AND FISHING LICENSES	0.000	47.432	0.000	51.409	0.000	50.787	0.000	49.156	0.000	49.700
INDIAN GAMING	287.500	0.000	139.667	0.750	146.250	3.750	221.583	4.500	230.200	7.100
INSURANCE TAXES	649.245	206.800	660.518	207.100	662.554	215.400	675.868	218.200	692.700	226.000
INTANGIBLES TAX	158.711	0.000	162.468	0.000	184.647	0.000	276.486	0.000	310.000	0.000
INTERGOVERNMENTAL AID	0.000	28,431.356	0.000	29,170.847	0.000	22,607.049	0.000	22,284.813	0.000	23,668.997
LOTTERY	0.000	3,953.700	0.000	4,022.482	0.000	4,463.798	0.000	5,024.096	0.000	5,335.522
MEDICAL AND HOSPITAL FEES	210.239	0.000	208.598	0.000	235.293	0.000	332.092	0.000	292.700	0.000
MISCELLANEOUS REVENUES	6.000	157.207	5.247	259.878	5.314	221.518	5.543	180.325	5.428	200.921
MOTOR FUEL TAX	0.000	2,243.769	0.000	2,238.343	0.000	2,194.457	0.000	2,224.780	0.000	2,422.952
MOTOR VEHICLE CHARGES	75.143	198.263	99.705	205.081	101.200	218.329	106.155	230.546	113.492	243.614
MOTOR VEHICLE AND MOBILE HOME LICENSES	311.000	923.942	404.217	937.749	424.981	944.038	437.169	979.160	454.382	999.841
OTHER FEES LICENSE AND TAXES	47.146	3,183.041	36.640	3,061.931	33.599	3,431.779	34.193	3,312.681	33.900	3,370.975
OTHER NONOPERATING REVENUE	173.605	0.000	146.901	0.000	153.234	0.000	144.187	0.000	144.772	0.000
OTHER FINES/FORFEITURES/JUDGEMENTS	18.162	281.704	19.463	245.531	60.928	235.883	276.452	299.181	13.400	267.532
PARIMUTUEL FEES, LICENSES AND TAXES	15.726	10.887	12.277	13.717	12.532	14.374	12.644	12.490	14.118	13.692
PROFESSIONAL AND OCCUPATIONAL FEES AND LICENSES	0.000	61.203	0.000	77.965	0.000	71.449	0.000	88.182	0.000	72.700
SALES AND USE TAX	16,014.737	1,977.355	16,638.328	2,058.745	17,422.018	2,151.258	18,417.563	2,268.811	19,511.360	2,396.940
SLOT MACHINE LICENSES	12.000	141.035	18.500	130.920	12.000	144.521	10.800	149.729	10.200	176.249
SEVERANCE OIL AND GAS	2.203	1.726	6.191	3.865	8.993	4.460	7.993	3.202	8.947	4.153
SEVERANCE SOLID MINERALS	10.809	47.745	12.404	36.537	12.302	22.177	13.210	22.648	12.400	22.400
TOBACCO SETTLEMENT FINES/FORF/JUDGEMENTS	0.000	363.700	0.000	366.900	0.000	358.900	0.000	368.500	0.000	372.200
TOBACCO TAX	205.839	1,137.021	213.424	1,105.036	199.776	1,041.160	202.089	1,025.111	186.200	1,014.389
UNEMPLOYMENT COMP TAX	0.000	1,155.884	0.000	1,674.195	0.000	2,156.208	0.000	2,247.805	0.000	1,817.525
WORKERS COMP TAX	0.000	131.957	0.000	70.428	0.000	87.207	0.000	117.277	0.000	118.520
UNCLAIMED PROPERTY	0.000	351.500	0.000	354.200	0.000	380.700	0.000	466.000	0.000	457.800
SERVICE CHARGES	435.200	-435.200	462.500	-462.500	449.000	-449.000	486.200	-486.200	475.700	-475.700
REFUNDS	-537.800	0.000	-326.100	0.000	-306.200	0.000	-290.300	0.000	-310.000	0.000
TOTAL DIRECT REVENUE BY FUND	21,523.055	47,737.318	22,551.651	49,327.481	23,618.823	44,097.046	25,314.566	44,838.282	26,279.849	46,065.160
TOTAL DIRECT REVENUE all FUNDS	69,260.373		71,879.132		67,715.869		70,152.848		72,345.009	
% OF TOTAL: GENERAL REVENUE AND TRUST FUNDS	31.08%	68.92%	31.37%	68.63%	34.88%	65.12%	36.08%	63.92%	36.33%	63.67%
ANNUAL % CHANGE: all FUNDS	15.69%		3.78%		-5.79%		3.60%		3.12%	

**Total Appropriations by
Program Area FY 2013-2014
\$74,239.8 Million**



**Total General Revenue Appropriations
by Program Area FY 2013-2014
\$26,690.2 Million**



**Fiscal Year 2013-14 Detailed Trust Fund Appropriations
Adjusted for Vetoes and Supplementals**

Fund Title	Fund #	State Dollars	Federal Dollars	Total Dollars
ADMINISTRATIVE TRUST FUND	2021	183,623,045	115,547,206	299,170,251
AG EMERGENCY ERAD TF	2360	12,849,274		12,849,274
AG LAW ENFORCEMENT TF	2025	23,035		23,035
AIR POLLUTION CONTROL TF	2035	23,106,622	2,032,141	25,138,763
ALCOHOL/DRUGABU/MEN HLH TF	2027		124,488,021	124,488,021
ALCOHOLIC,BEV,TOBACCO TF	2022	24,825,513		24,825,513
ANTI-FRAUD TRUST FUND	2038	200,000		200,000
ARCHITECTS INCIDENTAL TF	2033	907,679		907,679
BIOMEDICAL RESEARCH TF	2245	32,752,047		32,752,047
BRAIN & SPINAL CORD INJ/TF	2390	13,056,907	9,032,105	22,089,012
CAMP BLANDING MANAGEMNT TF	2069	1,675,672		1,675,672
CAP IMPROVEMENTS FEE TF	2071	91,648,962		91,648,962
CAPITAL COLLATERAL REG TF	2073		400,000	400,000
CERTIFICATION PROGRAM TF	2092	1,557,735		1,557,735
CHILD CARE/DEV BLK GRNT TF	2098		348,909,011	348,909,011
CHILD SUPPORT INCENTIVE TF	2075	2,156,783	31,451,503	33,608,286
CHILD SUPPORT TRUST FUND	2084	7,435,851	15,275,312	22,711,163
CHILD WELFARE TRAINING TF	2083	2,829,097		2,829,097
CITRUS ADVERTISING TF	2090	56,244,067	4,875,000	61,119,067
CITRUS INSPECTION TF	2093	15,950,492		15,950,492
CIVIL RICO TRUST FUND	2095	371,418		371,418
COASTAL PROTECTION TF	2099	14,902,386		14,902,386
COMMUNICATIONS WKG CAP TF	2105	124,387,984		124,387,984
CONS/REC LANDS PROGRAM TF	2931	29,524,014		29,524,014
CONSERVATION/REC LANDS TF	2131	61,292,489		61,292,489
CORRECTION WORK PROGRAM TF	2151	28,637,403		28,637,403
COUNTY HEALTH DEPT TF	2141	702,790,460	153,063,279	855,853,739
COURT EDUCATION TRUST FUND	2146	3,295,423		3,295,423
COURT/CSE COLL SYS TF	2115	1,057,098		1,057,098
CRIM JUST STAND & TRAIN TF	2148	16,617,322		16,617,322
CRIME STOPPERS TF	2202	4,660,804		4,660,804
CRIMES COMPENSATION TF	2149	30,257,768		30,257,768
CSE APP FEE & PROG REV TF	2104	2,634,106		2,634,106
DIV OF LICENSING TF	2163	23,383,084		23,383,084
DIV UNIV FAC CONST ADM TF	2222	5,644,563		5,644,563
DOMESTIC VIOLENCE TF	2157	7,491,770		7,491,770
DONATIONS TRUST FUND	2168	59,909,254	124,596,196	184,505,450
DRINKING WATER REV LOAN TF	2044		69,768,058	69,768,058
ECONOMIC DEVELOPMENT TF	2177	4,610,000		4,610,000
ECOSYSTEM MGT & RESTOR TF	2193	20,794,042		20,794,042
ED CERTIFICATION/SVC TF	2176	8,316,186		8,316,186
ED MEDIA & TECHNOLOGY TF	2183	133,426		133,426
ED/GEN STUD & OTHR FEES TF	2164	1,802,644,222		1,802,644,222
EDUCATIONAL ENHANCEMENT TF	2178	1,609,468,695		1,609,468,695
ELECTIONS COMMISSION TF	2511	1,424,446		1,424,446
EMER MGMG PREP/ASST TF	2191	13,657,311		13,657,311
EMERGENCY MED SVC TF	2192	22,746,432		22,746,432
EMPLOYMENT SECURITY ADM TF	2195		412,942,664	412,942,664
ENVIRONMENTAL LAB TF	2050	8,348,559		8,348,559
EPILEPSY SERVICES TF	2197	1,522,137		1,522,137
EXEC BR LOBBY REGIS TF	2203	215,136		215,136
FED LAW ENFORCEMENT TF	2719	169,000	4,152,851	4,321,851
FEDERAL GRANTS TRUST FUND	2261	33,004,714	4,513,259,371	4,546,264,085
FEDERAL REHABILITATION TF	2270		194,787,017	194,787,017

**Fiscal Year 2013-14 Detailed Trust Fund Appropriations
Adjusted for Vetoes and Supplementals**

Fund Title	Fund #	State Dollars	Federal Dollars	Total Dollars
FINANCIAL INST REG TF	2275	11,434,530		11,434,530
FL AGRIC PROM CAMPAIGN TF	2920	164,524		164,524
FL CONDO/TIMESHARE/MH TF	2289	7,029,503		7,029,503
FL FACILITIES POOL CLR TF	2313	38,255,689		38,255,689
FL INTER TRADE & PROM TF	2338	5,575,205		5,575,205
FL.CRIME PREV TR IN REV TF	2302	693,876		693,876
FL.PANTHER RESCH & MAN TF	2299	1,213,845		1,213,845
FLORIDA FOREVER TF	2348	60,000,000		60,000,000
FOOD & NUTRITION SVCS TF	2315		1,078,178,247	1,078,178,247
FORFEIT/INVES SUPPORT TF	2316	3,920,051	615,813	4,535,864
GAS TAX COLLECTION TF	2319	3,796,689		3,796,689
GENERAL INSPECTION TF	2321	73,599,382	395,049	73,994,431
GRANTS AND DONATIONS TF	2339	2,293,316,292	578,644,811	2,871,961,103
HEALTH CARE TRUST FUND	2003	922,750,448	105,966,375	1,028,716,823
HIGHWAY PATROL INS TF	2364	325,995		325,995
HIGHWAY SAFETY OPER TF	2009	385,376,433	16,919,101	402,295,534
HOTEL AND RESTAURANT TF	2375	20,579,322		20,579,322
INCIDENTAL TRUST FUND	2381	13,701,814		13,701,814
INDIGENT CIVIL DEFENSE TF	2976	871,975		871,975
INDIGENT CRIM DEFENSE TF	2974	20,324,389		20,324,389
INLAND PROTECTION TF	2212	166,990,529		166,990,529
INSTITUTE ASSESSMENT TF	2380	3,665,170		3,665,170
INSURANCE REG TF	2393	88,706,626		88,706,626
INTERNAL IMPROVEMENT TF	2408	15,175,285		15,175,285
INVASIVE PLANT CONTROL TF	2030	36,435,964		36,435,964
JUV CRIME PREV/ERLY INT TF	2415	412,903		412,903
JUVENILE JUSTICE TRNG TF	2417	2,760,227		2,760,227
L/G HF-CT SALES TAX CL TF	2455	17,800,000		17,800,000
LAND ACQUISITION TF	2423	191,007,694		191,007,694
LAW ENFORCEMENT RADIO TF	2432	23,017,940		23,017,940
LAW ENFORCEMENT TF	2434	703,692		703,692
LEGAL AFFAIRS REVOLVING TF	2439	14,737,006		14,737,006
LEGAL SERVICES TRUST FUND	2438	28,545,273		28,545,273
LEGIS LOBBYIST REGIS TF	2442	292,491		292,491
MARINE RESOURCES CONSV TF	2467	74,113,498	1,865,357	75,978,855
MARKET IMP WKG CAP TF	2473	4,310,676		4,310,676
MARKET TRADE SHOW TF	2466	176,601		176,601
MAT/CH HLTH BLOCK GRANT TF	2475		18,920,363	18,920,363
MEDICAL CARE TRUST FUND	2474	539,941,606	13,518,894,226	14,058,835,832
MEDICAL QLTY ASSURANCE TF	2352	63,276,785	223,631	63,500,416
MINERALS TRUST FUND	2499	2,687,344		2,687,344
MOTOR VEHICLE WARRANTY TF	2492	2,075,568		2,075,568
NON-GAME WILDLIFE TF	2504	6,804,821		6,804,821
NON-MANDATORY LAND RECL TF	2506	5,091,137		5,091,137
NURS STDNT LOAN FORGIVE TF	2505	1,081,869		1,081,869
OPERATING TRUST FUND	2510	355,960,970	1,126,331	357,087,301
OPERATIONS AND MAINT TF	2516	86,996,886	680,069,959	767,066,845
OPTIONAL RETIREMENT PRG TF	2517	230,983		230,983
PARI-MUTUEL WAGERING TF	2520	13,415,591		13,415,591
PERC TRUST FUND	2558	1,666,354		1,666,354
PERMIT FEE TRUST FUND	2526	10,357,234		10,357,234
PEST CONTROL TRUST FUND	2528	3,485,671		3,485,671
PHOSPHATE RESEARCH TF	2530	5,033,444		5,033,444
PLAN AND BUDGET SYSTEM TF	2535	5,618,899		5,618,899

**Fiscal Year 2013-14 Detailed Trust Fund Appropriations
Adjusted for Vetoes and Supplementals**

Fund Title	Fund #	State Dollars	Federal Dollars	Total Dollars
PLANNING AND EVALUATION TF	2531	22,218,087	8,754,551	30,972,638
PLANT INDUSTRY TF	2507	5,164,073		5,164,073
POL/FIREMEN PREMIUM TAX TF	2532	1,034,543		1,034,543
PRETAX BENEFITS TRUST FUND	2570	783,321		783,321
PREVENT HLTH SVCS BL GR TF	2539		1,472,457	1,472,457
PRISON INDUSTRIES TF	2385	750,000		750,000
PRIVATE INMATE WELFARE TF	2623	2,093,348		2,093,348
PROFESSIONAL REGULATION TF	2547	41,914,917		41,914,917
PROFESSIONAL SPORTS DEV TF	2551	3,500,000		3,500,000
PUB MEDICAL ASST TF	2565	607,660,000		607,660,000
PUB/DEF REVENUE TF	2059	4,782,681		4,782,681
PUBL FACILITIES FINANCE TF	2495	2,500,000		2,500,000
PUBLIC ED CO&DS TRUST FUND	2555	1,218,301,285		1,218,301,285
QUALITY LONG-TERM CARE TF	2126		1,000,000	1,000,000
R-O-W ACQ/BRIDGE CONST TF	2586	298,869,234		298,869,234
RADIATION PROTECTION TF	2569	7,700,689	498,492	8,199,181
RAPE CRISIS PROGRAM TF	2089	1,605,022		1,605,022
RECORDS MANAGEMENT TF	2572	1,939,089		1,939,089
REFUGEE ASSISTANCE TF	2579		42,188,390	42,188,390
REGULATORY TRUST FUND	2573	44,322,903	350,000	44,672,903
RELOCATION & CONST TF	2584	50,000		50,000
RET HLTH INS SUBSIDY TF	2583	81,996		81,996
REVOLVING TRUST FUND	2600	1,000,000	3,757,504	4,757,504
SALE/GOODS & SERVICES TF	2606	2,726,299		2,726,299
SALTWTR PRODUCTS PROM TF	2609	1,207,270		1,207,270
SAVE OUR EVERGLADES TF	2221	92,885,817		92,885,817
SAVE THE MANATEE TF	2611	3,524,370		3,524,370
SCH/DIS & CC/DIS CO&DS TF	2612	134,663,946		134,663,946
SEED TRUST FUND	2041	117,016,648		117,016,648
SHARED CO/STATE JUV DET TF	2685	71,446,071		71,446,071
SMALL CITIES COMM BLK GRNT	2109		32,423,614	32,423,614
SOCIAL SVCS BLK GRT TF	2639		155,788,272	155,788,272
SOLID WASTE MGMT TF	2644	15,268,067		15,268,067
SPEC EMPLOYMNT SECU ADM TF	2648	17,940,242		17,940,242
ST ST FIN ASSIST TF	2240	210,500		210,500
ST TRANSPORT (PRIMARY) TF	2540	5,319,170,605	3,018,379,203	8,337,549,808
STATE ATTNYS REVENUE TF	2058	40,280,098		40,280,098
STATE COURTS REVENUE TF	2057	87,554,166		87,554,166
STATE EMPLOYEES DIS INS TF	2671	31,170		31,170
STATE EMPLY HEALTH INS TF	2668	56,135,043		56,135,043
STATE EMPLY LIFE INS TF	2667	24,200		24,200
STATE GAME TRUST FUND	2672	50,012,022		50,012,022
STATE HOMES/VETERANS TF	2692	2,052,000		2,052,000
STATE PARK TRUST FUND	2675	75,471,482		75,471,482
STATE PERSONNEL SYSTEM TF	2678	39,596,988		39,596,988
STATE RISK MGMT TF	2078	61,391,734		61,391,734
STATE SCHOOL TF	2543	204,700,000		204,700,000
STUDENT LOAN OPERATING TF	2397		28,274,897	28,274,897
SUPERVISION TRUST FUND	2696	67,039,708		67,039,708
SURPLUS PROPERTY REVOLV TF	2699	307,697		307,697
TEACHER CERT EXAM TF	2727	12,930,271		12,930,271
TOBACCO SETTLEMENT TF	2122	382,056,274		382,056,274
TOURISM PROMOTIONAL TF	2722	25,910,940		25,910,940
TRANSPORT DISADVANTAGED TF	2731	52,175,287	61,984,633	114,159,920

**Fiscal Year 2013-14 Detailed Trust Fund Appropriations
Adjusted for Vetoes and Supplementals**

Fund Title	Fund #	State Dollars	Federal Dollars	Total Dollars
TREASURY ADM/INVEST TF	2725	6,439,405		6,439,405
TRUST FUNDS	2732	190,769,366	24,341,733	215,111,099
TURNPIKE GEN RESERVE TF	2326	617,015,933		617,015,933
TURNPIKE RENEW/REPLACE TF	2324	35,469,233		35,469,233
U.S. CONTRIBUTIONS TF	2750		233,061,283	233,061,283
U.S. TRUST FUND	2738		148,559,938	148,559,938
UNCLAIMED PROPERTY TF	2007	4,548,241		4,548,241
VITICULTURE TRUST FUND	2773	609,580		609,580
WASTEWTR/STORMWTR REVOL TF	2661		133,385,630	133,385,630
WATER MANAGEMENT LANDS TF	2776	52,718,894		52,718,894
WATER QUALITY ASSURANCE TF	2780	32,991,492		32,991,492
WELFARE TRANSITION TF	2401		386,904,795	386,904,795
WIRELESS COMM E911 TF	2344	137,010,544		137,010,544
WORKERS' COMP ADMIN TF	2795	27,355,177		27,355,177
WORKERS'COMP SPEC DISAB TF	2798	1,147,718		1,147,718
WORKING CAPITAL TRUST FUND	2792	85,799,319		85,799,319
TOTAL TRUST FUNDS		21,142,136,137	26,407,524,390	47,549,660,527

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 1994-95 fiscal year, at least 1 percent 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 percent of said amount for the 1995-96 fiscal year, at least 3 percent of said amount for the 1996-97 fiscal year, at least 4 percent of said amount for the 1997-98 fiscal year, and at least 5 percent of said amount for the 1998-99 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 percent 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 percent 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 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.

216.222 Budget Stabilization Fund; criteria for withdrawing moneys.--

(1) Moneys in the BSF may be transferred to the General Revenue Fund for:

(a)1. Offsetting a deficit in the General Revenue Fund. A deficit is deemed to occur when the official estimate of funds available in the General Revenue Fund for a fiscal year falls below the total amount appropriated from the General Revenue Fund for that fiscal year. Such a transfer must be made pursuant to s. 216.221, or pursuant to an appropriation by law.

2. Notwithstanding the requirements of s. 216.221, if, after consultation with the Revenue Estimating Conference, the Chief Financial Officer believes that a deficit will occur in the General Revenue Fund and if:

a. Fewer than 30 but more than 4 days are left in the fiscal year, the Legislature is not in session, and neither the Legislature nor the Legislative Budget Commission is scheduled to meet before the end of the fiscal year, or

b. Fewer than 5 days are left in the fiscal year and the Governor and the Chief Justice, the Legislature, or the Legislative Budget Commission have not implemented measures to resolve the deficit, the Chief Financial Officer shall certify the deficit to the Governor, the Chief Justice, the President of the Senate, and the Speaker of the House of Representatives, and may thereafter withdraw funds from the BSF to offset the projected deficit in the General Revenue Fund. The Chief Financial Officer shall consult with the Governor and the chair and vice chair of the Legislative Budget Commission before any funds may be withdrawn from the BSF. At the beginning of the next fiscal year, the Chief Financial Officer shall promptly determine the General Revenue Fund balance to be carried forward. The Chief Financial Officer shall immediately repay the BSF for the withdrawn amount, up to the amount of the balance. If the General Revenue Fund balance carried forward is not sufficient to fully repay the BSF, the repayment of the remainder of the withdrawn funds shall be as provided in s. 215.32(2)(c)3.

BUDGET STABILIZATION FUND

(b) Providing funding for an emergency as defined in s. 252.34. The emergency must have been declared by the Governor pursuant to s. 252.36 or declared by law. Such a transfer must be made pursuant to s. 252.37, subject to the conditions in that section, or pursuant to an appropriation by law.

(c) Providing temporary transfers to the General Revenue Fund pursuant to s. 215.18.

(2)(a) Moneys in the BSF may be transferred to the State Risk Management Trust Fund to provide funding for an emergency. For purposes of this subsection, an emergency exists when uninsured losses to state property exceed \$2 million per occurrence or \$5 million annual aggregate, as this constitutes an unanticipated financial need that the Legislature has found must be funded to serve an essential state responsibility.

(b) At such time that the Division of Risk Management certifies that uninsured property losses exceed \$2 million per occurrence or \$5 million annual aggregate, the division shall request a budget amendment through the procedures set out in s. 216.181. Transfers into the State Risk Management Trust Fund pursuant to this paragraph may not exceed \$38 million in any fiscal year.

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. During Fiscal Years 2004-05, 2005-06, and 2006-07, disbursements were made to the Casualty Insurance Risk Management Trust Fund. In addition, pursuant to Section 77 of the 2008-09 General Appropriations Act (HB 5001/Chapter 2008-152, L.O.F.), \$672.4 million was transferred to the General Revenue Fund in September 2008 to offset a deficit in the General Revenue Fund. Another \$400 million was transferred in February 2009 pursuant to Section 51 of Chapter 2009-1, L.O.F. (SB 2-A).

215.32 State funds; segregation.--

(c)1. The BSF shall consist of amounts equal to at least 5 percent of net revenue collections for the General Revenue Fund during the last completed fiscal year. The BSF's principal balance shall not exceed an amount equal to 10 percent of the last completed fiscal year's net revenue collections for the General Revenue Fund. As used in this paragraph, the term "last completed fiscal year" means the most recently completed fiscal year prior to the regular legislative session at which the Legislature considers the General Appropriations Act for the year in which the transfer to the BSF must be made under this paragraph.

2. By September 15 of each year, the Governor shall authorize the Chief Financial Officer to transfer, and the Chief Financial Officer shall transfer pursuant to appropriations made by law, to the BSF the amount of money needed for the balance of that fund to equal the amount specified in subparagraph 1., less any amounts expended and not restored. The moneys needed for this transfer may be appropriated by the Legislature from any funds.

3. Unless otherwise provided in this subparagraph, an expenditure from the BSF must be restored pursuant to a restoration schedule that provides for making five equal annual transfers from the General Revenue Fund, beginning in the third fiscal year following that in which the expenditure was made. For any Budget Stabilization Fund expenditure, the Legislature may establish by law a different restoration schedule and such change may be made at any time during the restoration period. Moneys are hereby appropriated for transfers pursuant to this subparagraph.

Through Fiscal Year 2012-13, all required transfers and repayments to and from the BSF have been made. Any interest earned on the BSF accrues to the General Revenue Fund.

BUDGET STABILIZATION FUND

BUDGET STABILIZATION FUND CALCULATION

\$ MILLIONS --- EDR Forecast Based on 12/2013 GR Estimate and 11/2013 Risk Management Trust Fund Estimate

Fiscal Year	Revenue	Revenue	Minimum	Minimum	Maximum	Constitutional	Net	Distributions	Adjusted	
	Base	Base for	BSF Fund	Fund	Fund					
	Year	Calculation*	Rate	Balance	Balance	Transfers	Loans and	& Repayments	Fund	
							Repayments	from General	Cash	
								Revenue	Subtotal**	Balance
1994-95	1992-93	12,059.0	1.0%	120.6	1,205.9	120.6			120.6	120.6
1995-96	1993-94	13,037.3	2.0%	260.7	1,303.7	140.1			140.1	260.7
1996-97	1994-95	13,647.0	3.0%	409.4	1,364.7	148.7			148.7	409.4
1997-98	1995-96	14,648.8	4.0%	586.0	1,464.9	176.6			176.6	586.0
1998-99	1996-97	15,738.4	5.0%	786.9	1,573.8	200.9			200.9	786.9
1999-00	1997-98	16,939.4	5.0%	847.0	1,693.9	60.1			60.1	847.0
2000-01	1998-99	17,879.4	5.0%	894.0	1,787.9	47.0			47.0	894.0
2001-02	1999-00	18,817.1	5.0%	940.9	1,881.7	46.9			46.9	940.9
2002-03	2000-01	19,178.1	5.0%	958.9	1,917.8	18.0			18.0	958.9
2003-04	2001-02	19,328.5	5.0%	966.4	1,932.9	7.5			7.5	966.4
2004-05	2002-03	19,984.2	5.0%	999.2	1,998.4	32.8	-3.4		29.4	995.8
2005-06	2003-04	21,823.9	5.0%	1,091.2	2,182.4	92.0	-9.8		82.2	1,078.0
2006-07	2004-05	24,969.4	5.0%	1,248.5	2,496.9	157.3	1.5		158.8	1,236.8
2007-08	2005-06	27,074.8	5.0%	1,353.7	2,707.5	105.2	2.8		108.0	1,344.8
2008-09	2006-07	26,400.3	5.0%	1,320.0	2,640.0	0.0	1.5	-1,072.4	-1,070.9	273.9
2009-10	2007-08	24,138.8	5.0%	1,206.9	2,413.9	0.0	1.0		1.0	274.9
2010-11	2008-09	21,036.4	5.0%	1,051.8	2,103.6	0.0	4.3		4.3	279.2
2011-12	2009-10	21,535.5	5.0%	1,076.8	2,153.6	0.0	0.1	214.5	214.6	493.8
2012-13	2010-11	22,574.0	5.0%	1,128.7	2,257.4	0.0	0.5	214.5	215.0	708.8
2013-14	2011-12	23,623.0	5.0%	1,181.2	2,362.3	0.0	1.5	214.5	216.0	924.8
<i>Forecast:</i>										
2014-15	2012-13	25,343.6	5.0%	1,267.2	2,534.4	0.0	0.0	214.5	214.5	1,139.3
2015-16	2013-14	26,279.9	5.0%	1,314.0	2,628.0	0.0	0.0	214.5	214.5	1,353.8
2016-17	2014-15	27,558.9	5.0%	1,377.9	2,755.9	24.1	0.0	0.0	24.1	1,377.9
2017-18	2015-16	28,830.6	5.0%	1,441.5	2,883.1	63.6	0.0	0.0	63.6	1,441.5
2018-19	2016-17	30,117.3	5.0%	1,505.9	3,011.7	64.4	0.0	0.0	64.4	1,505.9

* The "Revenue Base for Calculation" is drawn from the retrospect available during the Session prior to the fiscal year in which the transfer is made. The forecast portion is drawn from the October 30, 2013 Retrospect and the December 6, 2013 Financial Outlook Statement.

** Fiscal Year 2013-14 transfers have been authorized, but not yet completed.

CONSENSUS ESTIMATING CONFERENCE PROCESS

Economic, demographic, resource-demand, and revenue forecasts are essential for a variety of governmental planning and budgeting functions. Most importantly, revenue and resource-demand estimates are needed to ensure that Florida meets its constitutional balanced budget requirement. In this regard, the various forecasts are used primarily in the development of the constitutionally required Long-Range Financial Outlook, the Governor's budget recommendations, and the General Appropriations Act. Economic and demographic forecasts are also used to support the other estimates of revenues and demands for state services.

Florida's revenue forecasting system is founded on a base forecast which typically assumes a "current law, current administration" structure in which no changes are allowed to the legal setting and practices known at the time of the forecast. This multi-stage process begins with the adoption of a national economic forecast based in part on information from a private forecasting firm, and the subsequent development of a Florida-specific economic forecast linked to major elements from the national forecast. Key state economic variables are then used to model the likely paths of individual revenue sources. They are further adjusted by recent revenue collection trends and calibrated to current receipts.¹ This process determines the baseline forecasts, and proposed law changes are modeled as deviations from the projected base. In the next round of forecasts, the process begins again, and the baseline is updated to account for any new or changed information, such as data revisions and law changes. All revenue estimates are made on a "cash" basis where revenues are assigned to the fiscal year in which they are likely to be received. The resource-demand conferences follow a similar process, and most rely heavily on the shape of the Florida-specific economic forecast.

Rather than constitutional or statutory guidance, the classification of recurring and nonrecurring revenues is based on institutional forecasting conventions developed over time by the principals of the Revenue Estimating Conference. Typically, the forecasted revenue level for each baseline year is deemed to be the "recurring" amount of funds for that year, regardless of the projected levels in subsequent years. Narrow exceptions are made for one-time events such as hurricanes and the receipt of special federal funds, as well as time-limited statutory provisions. Recent estimates have included at least five complete fiscal years in the forecast adopted at the conference. Moreover, the annual Long-Term Revenue Analysis adopted each Fall contains 10-year forecasts for revenues.

Consensus estimating informally began in 1970 and was limited to forecasts of the General Revenue Fund. The law establishing the conference process in statute did not pass until 1985 (Chapter 85-26, L.O.F.). The use of consensus forecasting to support the planning and budgeting process has expanded in the years since, and there are now 10 estimating conferences formally identified in statute:

1. Economic Estimating Conference
 - a. Florida Economic
 - b. National Economic
2. Florida Demographic Estimating Conference
3. Revenue Estimating Conference
 - a. Ad Valorem
 - b. Article V Fees & Transfers
 - c. Documentary Stamp Tax
 - d. General Revenue
 - e. Gross Receipts/Communications Services Tax

¹ Designated principals also use independent (but informed) judgment to alter the forecast.

CONSENSUS ESTIMATING CONFERENCE PROCESS

- f. Highway Safety Fees
 - g. Indian Gaming
 - h. Long Term Revenue Analysis
 - i. Lottery
 - j. Public Education Capital Outlay (PECO)
 - k. Slot Machines
 - l. Tobacco Settlement
 - m. Tobacco Tax and Surcharge
 - n. Transportation Revenue
 - o. Unclaimed Property/State School Trust Fund
4. Education Estimating Conference
 - a. Public Schools Enrollment
 - b. Public Schools Capital Outlay Full-Time Equivalent Enrollment
 - c. Florida College System Enrollment
 - d. Post Secondary Financial Aid
 5. Criminal Justice Estimating Conference
 6. Social Services Estimating Conference
 - a. TANF/WAGES
 - b. Medicaid Caseloads
 - c. Medicaid Expenditures
 - d. Kidcare
 7. Workforce Estimating Conference
 8. Early Learning Programs Estimating Conference
 - a. School Readiness Program
 - b. Voluntary Prekindergarten Education Program
 9. Self-Insurance Estimating Conference
 - a. Risk Management Trust Fund
 - b. State Employees Health Insurance
 10. Florida Retirement System Actuarial Assumptions Estimating Conference
 - a. Florida Retirement System
 - b. Retiree Health Insurance Subsidy Benefit

While references to specific conferences exist in several places within the Florida Statutes, general statutory authority for the consensus process is provided in s. 216.133 through s. 216.138, 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.

The four principals for each conference are designated professional staff. The staff members represent the Governor's Office, Senate, House of Representatives, and Legislative Office of Economic and Demographic Research. Historically, the revenue 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. In the other conferences, the principals represent the same offices, but they are specifically chosen for their subject-matter expertise in the area

CONSENSUS ESTIMATING CONFERENCE PROCESS

represented by the conference. An exception is made for the coordinator of the Legislative Office of Economic and Demographic Research who – by law – sits as a principal on all conferences.

Consensus forecasting requires the conference principals to agree on the forecasts before they are finalized. 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.” Each state agency and the judicial branch must use the official results of the conference in carrying out their duties under the state planning and budgeting process; however, the Legislature is not bound to use the official consensus forecasts. Nevertheless, since 1970, the Florida Legislature has consistently used the results of these conferences in its official duties.

Over the course of each year, the principals meet in a series of regularly scheduled Consensus Estimating Conferences to provide the forecasts needed to support the planning and budgeting process. Recently, these conferences have occurred in three “seasons” (Summer, Fall, and Spring). In addition, impact conferences are held when estimates are needed to determine the impact of changes or proposed changes to current law or current administration. Current law does not specify the methods, techniques, or approaches for developing estimates or forecasts; however, the impact conferences typically use static analyses with modest adjustments for likely behavioral changes when conditions warrant their inclusion.

A special case of the estimating conference process has been developed for evaluating the fiscal impact of petition initiatives. In 2004, a constitutional amendment passed that requires initiative petitions be filed with the Secretary of State by February 1st of each general election year in order to be eligible for ballot consideration. Section 15.21, F.S., requires the Secretary of State to “immediately submit an initiative petition to the Attorney General and to the Financial Impact Estimating Conference” once the certified forms “equal...10 percent of the number of electors statewide and in at least one-fourth of the congressional districts required by s. 3, Art XI of the State Constitution.” At the point an initiative petition is received, the Financial Impact Estimating Conference (FIEC) has 45 days to complete an analysis and financial impact statement to be placed on the ballot (s.100.371, F.S.). The statement must include the estimated increase or decrease in any revenues or costs to state or local governments resulting from the proposed initiative. The FIEC consists of four principals: one person from the Executive Office of the Governor; the coordinator of the Legislative Office of Economic and Demographic Research, or his or her designee; one person from the professional staff of the Senate; and one person from the professional staff of the House of Representatives. Each principal must have appropriate fiscal expertise in the subject matter of the initiative. A separate FIEC is appointed for each initiative.

Another special case of the estimating conference process has been developed for evaluating legislative proposals—whether statutory or budgetary—based on tools and models not generally employed by the consensus estimating conferences, including cost-benefit, return-on-investment, or dynamic scoring techniques, when suitable and appropriate for the legislative proposals being evaluated. In 2010, HB 1178 was passed and signed into law (Chapter 2010-101, L.O.F.) establishing s. 216.138, F.S., which authorizes the President of the Senate and the Speaker of the House of Representatives to request special impact estimating conferences employing such tools and models. The Special Impact Estimating Conference consists of four principals: one person from the Executive Office of the Governor; the coordinator of the Legislative Office of Economic and Demographic Research, or his or her designee; one person from the professional staff of the Senate; and one person from the professional staff of the House of Representatives. Each principal must have appropriate fiscal expertise in the subject matter of the legislative proposal. A separate Special Impact Estimating Conference may be appointed for each proposal.

SUMMARY OF THE CONSTITUTIONAL STATE REVENUE LIMITATION

In November 1994, the voters approved a constitutional amendment to limit state revenues (Article VII, Section 1, Florida Constitution). Placed before the voters by act of the Legislature (HJR 2053), the amendment limits state revenues to a specific dollar amount that is increased annually by an approximation of the growth rate in Florida's 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 until the fund reaches its maximum allowable balance, and thereafter refunded to taxpayers. The Legislature, by two-thirds vote of both houses, may decide 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; however, such legislation has yet to be 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.

Over a two-year period beginning in Fiscal Year 2002-03, revenue from the State University System (SUS) was devolved from state accounts to each university's local accounting system. Chapter 2002-387, L.O.F. (SB 20-E), directed the Revenue Estimating Conference to reduce the total receipts subject to the

SUMMARY OF THE CONSTITUTIONAL STATE REVENUE LIMITATION

limitation to reflect that transfer. The conference made the reduction all at once in Fiscal Year 2003-04 once the devolution was complete. From Fiscal Year 2003-04 forward, no SUS revenues are included in state revenues. Additionally, no SUS-related debt service deductions are made.

In 1998, the Constitution was amended (Article V, section 14(b)) to require that “All funding for the offices of the clerks of the circuit and county courts performing court-related functions, except as otherwise provided in this subsection and subsection (c), shall be provided by adequate and appropriate filing fees for judicial proceedings and service charges and costs for performing court-related functions as required by general law.” General law has since been passed to impose the required fees. The imposed fees generate revenues higher than necessary to perform the stated functions, and the excess money from those fees is transferred to the General Revenue Fund. The conference interpreted this to mean that any revenues used to perform the stated functions should not be counted as state revenue, while any additional funds should be included. Therefore only Article V revenues which are transferred to the General Revenue Fund are included as state revenue.

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. Since that time, revenues subject to the cap have generally grown more slowly than personal income. 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 suspended Florida’s estate tax at least temporarily. These changes in tax laws contributed to a widening gap between actual revenues and the revenue limit through Fiscal Year 2002-03 when revenues were almost \$5 billion below the limit. Over the next three years and despite the tax reductions mentioned above, state revenues grew faster than growth in the limit. As a result, Fiscal Year 2005-06 revenues were only \$658 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, state revenue collections fell in Fiscal Years 2006-07 through 2008-09, grew less than the cap growth rate in Fiscal Year 2009-10, and declined slightly in the 2010-11 and 2011-12 fiscal years, resulting in state revenues being more than \$20.0 billion below the cap in 2011-12.

In subsequent years, revenue growth is expected to return to more normal levels. However, the 2012 Revenue Limitation Forecast continues to project that state revenues will be well below the revenue limit—absent significant tax increases.

TAX PREFERENCES

For each individual tax source, the preparers of this document have attempted to provide estimates for all current tax preferences, including exemptions, deductions, allowances, exclusions, credits, preferential rates, and deferrals. While estimates have not been possible for all, a large portion of the total preferences have been estimated. This section presents these estimates of foregone revenue in a single table to show their relative and absolute magnitude. Preferential tax treatments reduce government revenue and compete with programs funded by appropriations for state and local use.

There are a number of important distinctions between appropriations and tax preferences. Once adopted, tax preferences often receive less scrutiny than appropriations, which must be enacted every year. Tax preferences typically remain effective until a positive action is taken to change them. Also, unlike appropriations which are for fixed amounts, tax preferences are often open-ended.

The following table presents summary estimates of the tax preferences identified in this book by type of preference for each tax source.

**ESTIMATE of FISCAL YEAR 2014-15 STATE TAX PREFERENCES
(in millions)**

TAX	TOTAL COLLECTIONS	EXEMPTIONS	PREFERRED/ DIFFERENTIAL RATES	CREDITS	REFUNDS	DEDUCTIONS/ ALLOWANCES	TOTAL TAX PREFERENCES
Beverage Tax	414.2	6.1				12.2	18.3
Cigarette and Other Tobacco Tax	1,183.8	14.3			0.4	3.9	18.6
Communications Services Tax	1,368.9	778.2				14.8	793.0
Corporate Income and Emergency Excise Tax	2,232.4	1,218.8		140.9		6.0	1,365.7
Documentary Stamp Tax	2,069.4	222.4	29.4			10.3	262.1
Gross Receipts Tax	993.7	199.8					199.8
Insurance Premium Tax	804.3	139.8		631.2		38.1	809.1
Intangibles Tax	337.8	*			1.7	0.2	1.9
Lottery	5,425.7					298.4	298.4
Motor Fuel & Diesel Fuel Tax	2,430.4	7.8			16.7	3.9	28.4
Pollutant Taxes	247.7	0.9					0.9
Sales and Use Tax**	22,960.4	12,033.0				56.0	12,089.0
TOTAL	40,468.7	14,621.1	29.4	772.1	18.8	443.8	15,885.2

* Indeterminate

** Sales and Use tax exemptions excludes \$19.5 billion associated with sales of services. Services are not exempt from the Sales Tax, instead, they are "excluded" because the sales tax generally applies to the sale of tangible personal property, not services.

NOTE: Some exemptions overlap so that repeal of all exemptions would not yield the total shown.

STATE REVENUE SOURCES

ARTICLE V FEES AND TRANSFERS

FLORIDA STATUTES: The authority for Article V fees and transfers are provided in Chapters 28, 34, 44, 142, 318, and 775, Florida Statutes. The specific statutory citation and corresponding fees, service charges and fines collected by the Florida Clerks of the Court and remitted to the state for deposit in the General Revenue Fund and various state trust funds are as follows:

F.S.	Fee, Service Charge, Fine Description
28.2401(1)	\$115 of each filing fee collected under paragraphs (1)(a), (1)(c) - (i), and (1)(k) in probate matters
28.2401(3)	\$3.50 of additional \$4 service charge in probate matters
28.2401(3)	\$0.50 of additional \$4 service charge in probate matters
28.241(1)(a)1.a.	\$195 of first \$200 in filing fees for circuit civil action
28.241(1)(a)1.a.	\$1 of first \$200 in filing fees for circuit civil action
28.241(1)(a)1.a.	\$4 of first \$200 in filing fees for circuit civil action
28.241(1)(a)1.c. & e.	\$3.50 of additional \$4 filing fee for circuit civil action
28.241(1)(a)1.c. & e.	\$0.50 of additional \$4 filing fee for circuit civil action
28.101(1)(a)	\$5 additional charge for petitions for dissolution of marriage
28.101(1)(b)	\$5 additional charge for petitions for dissolution of marriage
28.101(1)(c)	\$55 additional charge for petitions for dissolution of marriage
28.101(1)(d)	\$7.50 of additional \$32.50 charge for petitions for dissolution of marriage
28.101(1)(d)	\$25 of additional \$32.50 charge for petitions for dissolution of marriage
28.241(1)(a)1.b.	\$95 of first \$100 in filing fees for circuit civil action
28.241(1)(a)1.b.	\$1 of first \$100 in filing fees for circuit civil action
28.241(1)(a)1.b.	\$4 of first \$100 in filing fees for circuit civil action
28.241(1)(a)2.d.	\$930 in filing fees for circuit civil action relating to real property or mortgage foreclosure
28.241(1)(a)2.d.	\$1 in filing fees for circuit civil action relating to real property or mortgage foreclosure
28.241(1)(a)2.d.	\$4 in filing fees for circuit civil action relating to real property or mortgage foreclosure
28.241(1)(a)2.d.	\$195 in filing fees for circuit civil action relating to real property or mortgage foreclosure
28.241(1)(a)2.d.	\$700 in filing fees for circuit civil action relating to real property or mortgage foreclosure
28.241(1)(a)2.d.	\$770 in filing fees for circuit civil action relating to real property or mortgage foreclosure
28.241(1)(c)1.	\$295 or \$395 counterclaim filing fee for circuit civil action
28.241(1)(c)2.	\$295 counterclaim filing fee for circuit civil action
28.241(1)(c)2.	\$395 / \$900 / \$1,900 counterclaim filing fee for circuit civil action
34.041(1)(c)	\$295 counterclaim filing fee for county civil action
25.241, 35.22	\$50 of Supreme Court filing fee (from State Courts Operating Trust Fund)
28.241(2)	First \$80 of \$280 (or \$80) appellate filing fee
25.241, 35.22	Supreme Court and District Court of Appeal filing fees and service charges
34.041(1)(b)	First \$10 of the filing fees for county civil claims under subparagraph 34.041(1)(a)7
34.041(1)(b)	First \$80 of up to \$295 filing fee for county civil claims of more than \$2,500
34.041(1)(b)	\$15 of the filing fees for county civil claims under subparagraph 34.041(1)(a)4
34.041(1)(b)	\$3.50 of additional \$4 filing fee for county civil claims
34.041(1)(b)	\$0.50 of additional \$4 filing fee for county civil action
Chapter 2008-111	Additional Revenue pursuant to Chapter 2008-111, L.O.F.
142.01	All revenues received in the fine and forfeiture fund from court-related fees, fines, costs, and service charges
318.14(9)	18 percent of the civil penalty imposed under s. 318.18(3) if basic driver improvement school elected post February 1, 2009

ARTICLE V FEES AND TRANSFERS

318.18(19)(a)	\$5 of the \$10 fine for all noncriminal moving and nonmoving traffic violations under Chapters 316, 320 & 322.
318.18(19)(b)	\$3.33 of the \$10 fine for all noncriminal moving and nonmoving traffic violations under Chapters 316, 320 & 322.
318.18(19)(c)	\$1.67 of the \$10 fine for all noncriminal moving and nonmoving traffic violations under Chapters 316, 320 & 322.
318.21(20)	\$25 increase in fines assessed under s. 318.18(3) for unlawful speed
318.18(15)(a)1.	Remaining \$30 of \$158 civil penalty for violation of ss. 316.075(1)(c)1 or 316.074(1)
318.18(15)(a)1.	Remaining \$3 of \$158 civil penalty for violation of ss. 316.075(1)(c)1 or 316.074(1)
318.21(2)(a)	20.6 percent of remainder of civil penalties received pursuant to Chapter 318
318.21(2)(b)	7.2 percent of remainder of civil penalties received pursuant to Chapter 318
318.21(2)(c)	5.1 percent of remainder of civil penalties received pursuant to Chapter 318
318.21(2)(d)	8.2 percent of remainder of civil penalties received pursuant to Chapter 318
318.21(2)(e)	2 percent of remainder of civil penalties received pursuant to Chapter 318
775.083(1)(g)	Fine imposed when adjudication is withheld
44.108(1)	\$1 filing fee on all circuit and county proceedings
44.108(2)	Fees collected for court-ordered mediation services
44.106	Licenses Mediation Certification
28.241(6)	\$25 additional fee upon receipt of application for marriage license
34.041(8)	\$100 fee for attorneys appearing pro hac vice in circuit court
27.52(7)(b)	\$100 fee for attorneys appearing pro hac vice in county court
57.082(7)(b)	75 percent of any amount recovered by state attorney for fraudulent indigency claims in criminal proceedings
57.082(6)	75 percent of any amount recovered by state attorney for fraudulent indigency claims in civil proceedings
501.2075	Up to \$10,000 civil penalty assessed against persons found to have committed deceptive and unfair trade practices

ADMINISTERED BY: Florida Department of Revenue, the State Court System, the Justice Administrative Commission, and Florida Clerks of the Court

SUMMARY:

The 67 Clerks of the Court collect fees, service charges, and fines imposed pursuant to law. A portion of these fees, service charges, and fines are remitted monthly to the Florida Department of Revenue for deposit into the General Revenue Fund, State Court Revenue Trust Fund, Clerks of the Court Trust Fund, and various other state trust funds. Any excess revenues remaining in the Clerks of the Court Trust Fund in June of each year beyond that needed for current year operations are transferred to the General Revenue Fund beginning in January 2015.

REVENUE:

Fiscal Year	Total Collections	Annual Change %	Article V Fees General Revenue	Transfers to General Revenue	Article V Fees Local	Trust Funds
2014-15*	414,000,000	12.44%	241,200,000	0	30,500,000	142,300,000
2013-14*	368,200,000	-56.26%	197,900,000	0	30,500,000	139,800,000
2012-13	841,851,823	-2.45%	284,327,356	0	0	557,524,467
2011-12	862,996,262	-0.13%	165,404,637	0	0	697,591,625
2010-11	864,116,093	33.77%	167,289,215	0	0	696,826,878
2009-10	645,953,927	129.97%	192,513,803	0	0	453,440,124
2008-09	280,880,623	70.37%	230,280,623	29,900,000	19,400,000	1,300,000

* Estimate

ARTICLE V FEES AND TRANSFERS

Note: Article V revenues are deposited into the General Revenue Fund, the Clerks of the Court Trust Fund, and 12 other trust funds. Prior to Fiscal Year 2010-11, trust funds include only Clerks of Court Trust Fund receipts.

HISTORY:

On November 3, 1998, Florida voters approved Revision 7 to Article V, Section 14 (b) of the Florida Constitution providing that circuit and county courts performing court-related functions be funded by adequate and appropriate filing fees for judicial proceedings, and service charges and costs for performing court-related functions as required by general law.

During the 2000 Legislative Session, the Legislature approved Chapter 2000-237, L.O.F. (SB 1212), setting forth a process for the clerks to develop and propose a schedule of fees and services to the Legislature for consideration. In 2003, the Legislature approved Chapter 2003-402, L.O.F. (HB 113-A), regarding the implementation of Revision 7 to Article V, section 14 (b) of the Florida Constitution, which was developed in accordance with the process established in Chapter 2000-237, L.O.F. Chapter 2003-402, L.O.F., also provided a schedule of fines, fees, and service charges as well as the disposition of revenues to the various entities, funds, and trust funds. During the 2004 and 2005 Legislative Sessions, the Legislature approved Chapters 2004-265 and 2005-236, L.O.F. (SB 2962 and HB 1935), respectively, revising a number of fees, fines, and service charges. During the 2008 Legislative Session, the Legislature approved Chapter 2008-111, L.O.F. (SB 1790), establishing several new and increasing many existing fines, fees, and service charges. During the Special Legislative Session held in January 2009, the Legislature approved Chapter 2009-6, L.O.F. (SB 12-A), revising some fines and providing several new fines and fees to be collected by the Clerks of the Court for remission to the state and deposit in the newly created State Courts Revenue, Public Defenders Revenue, and State Attorneys Revenue Trust Funds. During the regular 2009 Legislative Session, Chapters 2009-61 and 2009-204, L.O.F. (SB 1718 and SB 2108), were approved, further revising fees and fines, redirecting some revenues, and changing the manner in which Clerks of the Court revenues and budgets were administered. The 2013 Legislature approved Chapter 2013-44, L.O.F. (SB 1512), redirecting \$80 of circuit filing fee revenues from General Revenue to the Clerks of Court and, in effect, reinstating the manner in which Clerks of the Court revenues and budgets were administered prior to the 2009 legislative changes.

BASE AND RATE:

\$115 of each filing fee collected under paragraphs (1)(a), (1)(c) - (i), and (1)(k) in probate matters; \$3.50 of additional \$4 service charge in probate matters; \$0.50 of additional \$4 service charge in probate matters; \$195 of first \$265 in filing fees for circuit civil action; \$1 of first \$265 in filing fees for circuit civil action; \$4 of first \$265 in filing fees for circuit civil action; \$3.50 of additional \$4 filing fee for circuit civil action; \$0.50 of additional \$4 filing fee for circuit civil action; \$5 additional charge for petitions for dissolution of marriage; \$5 additional charge for petitions for dissolution of marriage; \$55 additional charge for petitions for dissolution of marriage; \$7.50 of additional \$32.50 charge for petitions for dissolution of marriage; \$25 of additional \$32.50 charge for petitions for dissolution of marriage; \$80 of first \$165 in filing fees for circuit civil action; \$1.50 of first \$165 in filing fees for circuit civil action; \$3.50 of first \$165 in filing fees for circuit civil action; \$195 in filing fees for circuit civil action relating to real property or mortgage foreclosure; \$1 in filing fees for circuit civil action relating to real property or mortgage foreclosure; \$4 in filing fees for circuit civil action relating to real property or mortgage foreclosure; \$700 in filing fees for circuit civil action relating to real property or mortgage foreclosure; \$770 in filing fees for circuit civil action relating to real property or mortgage foreclosure; \$930 in filing fees for circuit civil action relating to real property or mortgage foreclosure; \$295 or \$395 counterclaim filing fee for circuit civil action; \$395 / \$900 / \$1,900 counterclaim filing fee for circuit civil action; \$295 counterclaim filing fee for county civil action; first \$80 of \$280 (or \$80) appellate filing fee; first \$10 of the filing fees for county civil claims under subparagraph 34.041(1)(a)7; \$15 of the filing fees for county civil claims under subparagraph 34.041(1)(a)4; \$3.50 of additional \$4 filing fee for county civil claims;

ARTICLE V FEES AND TRANSFERS

\$0.50 of additional \$4 filing fee for county civil action; additional revenue pursuant to Chapter 2008-111, L.O.F.; all revenues received in the fine and forfeiture fund (local) from court-related fees, fines, costs, and service charges; 18 percent of the civil penalty imposed under s. 318.18(3) if basic driver improvement school elected post February 1, 2009; \$5 of the \$10 fine for all noncriminal moving and nonmoving traffic violations under Chapters 316, 320, and 322; \$3.33 of the \$10 fine for all noncriminal moving and nonmoving traffic violations under Chapters 316, 320, and 322; \$1.67 of the \$10 fine for all noncriminal moving and nonmoving traffic violations under Chapters 316, 320, and 322; \$25 increase in fines assessed under s. 318.18(3) for unlawful speed; 20.6 percent of remainder of civil penalties received pursuant to Chapter 318; 7.2 percent of remainder of civil penalties received pursuant to Chapter 318; 5.1 percent of remainder of civil penalties received pursuant to Chapter 318; 8.2 percent of remainder of civil penalties received pursuant to Chapter 318; 2 percent of remainder of civil penalties received pursuant to Chapter 318, fine imposed when adjudication is withheld; and s. 44.106, fees assessed for court-ordered mediation services for mediation certification/licenses; s. 28.241(6), \$25 additional fee upon receipt of application for a marriage license; s. 34.041(8), \$100 fee for attorneys appearing pro hac vice in circuit court; s. 27.52(7)(b), \$100 fee for attorneys appearing pro hac vice in county court; s. 57.082(7)(b), 75 percent of any amount recovered by state attorney for fraudulent indigency claims in criminal proceedings; s. 57.082(6), 75 percent of any amount recovered by a state attorney for fraudulent indigency claims in civil proceedings; and s. 501.2075, up to \$10,000 civil penalty assessed against persons found to have committed deceptive and unfair trade practices.

DISPOSITION:

The Clerks of the Court collect fees, service charges, and fines from individuals and remit them to the Florida Department of Revenue by the tenth of each month following their collection. The revenues are deposited by the Department of Revenue in the General Revenue Fund and designated state trust funds as provided by law.

THE AFFECTED TRUST FUNDS ARE:

- 1) COCTF – Clerks of the Court Trust Fund
- 2) SCRTF – State Courts Revenue Trust Fund
- 3) DFSATF - Department of Financial Services Administrative Trust Fund
- 4) CETF – Court Education Trust Fund
- 5) PDRTF – Public Defenders Revenue Trust Fund
- 6) SARTF – State Attorneys Revenue Trust Fund
- 7) BSCITF – Brain and Spinal Cord Injury Trust Fund
- 8) ACCTF – Additional Court Costs Trust Fund
- 9) EMSTF – Emergency Medical Services Trust Fund
- 10) DVTF – Domestic Violence Trust Fund
- 11) DHTF – Displaced Homemaker Trust Fund
- 12) CWTF – Child Welfare Trust Fund
- 13) AWCTF – Audit and Warrant Clearing Trust Fund

OTHER STATES:

According to the National Center for State Courts, all 50 states, the District of Columbia, Guam, Puerto Rico, the Virgin Islands, and the U.S. Federal Court System impose some form of court fees.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

AUTO TITLE AND LIEN FEES

FLORIDA STATUTES: Chapter 319

ADMINISTERED BY: Department of Highway Safety and Motor Vehicles

SUMMARY:

Fees are imposed on motor vehicles titled in Florida. For each original certificate of title and for each duplicate copy, the fee is \$70.00. An additional \$10.00 fee is imposed on each original certificate of title issued for a motor vehicle previously registered outside Florida.

REVENUE:

Fiscal Year	Total Collections	Annual Change %	General Revenue	State Transportation Trust Fund	Other State Trust Fund
2014-15*	392,949,305	2.75%	77,203,745	298,118,467	17,627,093
2013-14*	382,433,509	5.60%	68,949,829	295,689,291	17,794,389
2012-13	362,158,471	4.09%	58,236,030	285,877,708	18,044,733
2011-12	347,939,628	2.99%	242,204,333	87,600,578	18,134,717
2010-11	337,828,717	20.03%	234,858,126	85,294,476	17,676,115
2009-10	281,455,638	153.41%	182,323,401	84,315,076	14,817,161
2008-09	111,068,707	-14.52%	24,196,128	80,467,357	6,405,222

* Estimate

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. (HB 271), required 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, Chapter 2000-257, L.O.F. (SB 862), eliminated the 7 percent General Revenue Service Charge on the \$24 original certificate of title fee and each duplicate copy fee, which increased the distribution to the State Transportation Trust Fund. Chapter 2002-235, L.O.F. (SB 522), required all auto title and lien revenues collected by county officials to be submitted by electronic funds transfer to the State Treasury no later than five working days, instead of seven working days as provided for in Chapter 116, F.S., after the close of the business day in which the funds were received. As a result of the 2009 Regular Legislative Session, Chapter 2009-71, L.O.F. (SB 1778), raised fees beginning September 1, 2009.

Chapter 2012-128, L.O.F. (SB 1998), redirected \$47 of the existing title lien revenues being deposited in the General Revenue Fund to the State Transportation Trust Fund. Deposits to the State Transportation Trust Fund resulting from the redirection are limited to \$200 million in any fiscal year; any collections in excess of the \$200 million cap are paid to the General Revenue Fund.

BASE AND RATE:

In accordance with s. 319.32, F.S., a \$70.00 fee is levied 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

AUTO TITLE AND LIEN FEES

charge for the recordation or notation of a lien which is not in connection with the purchase of a vehicle. A service fee of \$2.50, to be deposited into the Highway Safety Operating Trust Fund, is charged for shipping and handling for each paper title mailed by the department. The department has a separate title office which may be used by private citizens and licensed motor vehicle dealers to receive expedited service on title transfers, title issuances, duplicate titles, and recordation of liens, and certificates of repossession. A fee of \$10 for motor vehicles and mobile homes and \$5 for vessels is charged for this service, which is in addition to the fees imposed by s. 319.32, F.S. The fee, after deducting the \$1 odometer fee amount referenced by s. 319.324, F.S., and \$3.50 to be retained by the processing agency, shall be deposited into the General Revenue Fund. 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 \$20 late fee penalty.

DISPOSITION:

General Revenue Fund: \$48 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 from a For Hire vehicle. \$1 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 from vehicles other than For Hire vehicles.

State Transportation Trust Fund: \$21 per each original certificate of title and each duplicate copy of a certificate of title. This fee is not currently charged on For Hire vehicles per s. 319.32(1), F.S. Titles for vehicles other than For Hire distribute \$47 to the State Transportation Trust Fund capping at \$200 million. Any amount collected above that \$200 million is distributed to the General Revenue Fund.

Non-game Wildlife Trust Fund: An additional \$10 per each original certificate of title issued for a vehicle previously registered outside Florida.

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 to \$35, while others incorporate title fees into auto sales excise taxes. The most frequently occurring fees are in the range of \$1 to \$10.

2014-15
(millions)

VALUE OF RATE CHANGE:

Value of \$1 on all titles issued \$ 5.2

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Increase service charges for certificates of title, license plates, etc.	S1172/2004 idn H201 , S872/2005

BEVERAGE LICENSES

FLORIDA STATUTES: Chapters 561 - 568

ADMINISTERED BY: Department of Business and Professional Regulation, Division of Alcoholic Beverages and Tobacco

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.

REVENUE:

Fiscal Year	Total Collections	Annual Change %	Distributions		
			Cities & Counties	Trust Fund	General Revenue Service Charge
2014-15*	39,643,502	2.00%	15,235,000	20,820,797	3,135,252
2013-14*	38,866,179	1.60%	15,039,000	20,553,600	3,095,017
2012-13	38,254,113	1.26%	14,874,263	20,327,960	3,061,040
2011-12	37,777,421	15.10%	14,499,421	20,255,840	3,022,160
2010-11	36,256,748	-1.09%	14,448,748	18,907,440	2,900,560
2009-10	36,655,605	0.42%	13,746,605	20,343,080	2,565,920
2008-09	36,503,421	-0.89%	14,110,421	19,837,790	2,555,210

* Estimate

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 for liquor sales were limited to one per 2,500 residents, but special licenses were issued to certain organizations. Until 1986, distributions of license revenues were as follows: 24 percent to the county where collected; 38 percent to the city where collected; and the 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 percent 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, F.S., 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 areas, increased the Hughes Act 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 was added to exempt any manufacturer of wine that held a distributor's license on April 1, 1997, from the new prohibition. An additional exemption was 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' salesmen of spirituous or vinous beverages does not apply for cider. Chapter 2000-191, L.O.F. (HB 2281), 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 fifteen times the annual license fee be assessed on the transfer

BEVERAGE LICENSES

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.

In 2007, legislation was passed prohibiting a licensed alcoholic beverage establishment from denying service to a designated driver. In 2008, the Tied House Evil laws were extended to include importers, primary American sources of supply, brand owners or registrants, or any related brokers, sales agents, or sales persons to the prohibitions of giving financial aid and assistance to vendors. The law was extended to allow vendors to own brands, brand names, or labels of alcoholic beverages.

BASE AND RATE:

Beer: Vendor, on-premises \$40 - \$200 depending on the size of the county; off-premises 50 percent of on-premises rate; surtax of 40 percent 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 the county; off premises 50 percent of on-premises rate; surtax of 40 percent of license fee. Manufacturers of wine \$1, 000; wine and cordials \$2,000. Distributors \$50 - \$1,250.

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 are 75 percent 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.

DISPOSITION:

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

OTHER STATES:

There are 18 states that control the sale of liquor, and 32 states and the District of Columbia that license the sale of liquor. 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 among the states for which comparisons can be made in amount of revenues raised, Florida ranks high. Florida collects approximately 8.95 percent of the total alcoholic beverage license fee revenues in the United States annually, with only Texas, New York, and California collecting more revenues.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Allows for direct shipment of wine from out-of-state, and requires shippers to be licensed. Provides the annual registration fee for direct shipment licenses in the amount of \$100.	S656/2001, S480/2005, S906/2005, S272/2009 sm H251
Allows for direct shipment of wine from out-of-state, and requires shippers to be licensed. Provides the annual registration fee for direct shipment licenses in the amount of \$250.	S144/2006 sm H247 , S126/2007 , S2608/2008, S1096/2008 , S1736/2008

BEVERAGE TAX

FLORIDA STATUTES: Chapters 561 - 568

ADMINISTERED BY: Department of Business and Professional Regulation, Division of Alcoholic Beverages and Tobacco

SUMMARY:

Taxes on alcoholic beverages are levied at the wholesale level in Florida. An excise tax is imposed on the distributor on each gallon as follows: beer at \$0.48 per gallon; wine at \$2.25 to \$3.50 per gallon; cider at \$0.89 per gallon; and spirits at \$2.25 to \$9.53 per gallon, with rates varying with the alcohol content of the beverage.

Two percent of the monthly collections of the excise taxes on alcoholic beverages are deposited into the Alcoholic Beverage and Tobacco Trust Fund to meet the division's appropriation for the state fiscal year. The remainder of the excise taxes is credited to the General Revenue Fund.

REVENUE:

Fiscal Year	Total Collections**	Annual Change %	Beverage Tax Distributions	
			General Revenue	Alcoholic Beverage and Tobacco Trust Fund
2014-15*	414,240,599	-7.93%	406,040,599	8,200,000
2013-14*	449,920,338	-8.25%	441,702,255	8,218,083
2012-13	490,394,089	-7.49%	481,448,525	8,945,564
2011-12	530,082,264	-5.53%	520,386,064	9,696,200
2010-11	561,124,210	-5.95%	550,819,838	10,304,372
2009-10	596,594,211	0.59%	585,783,581	10,810,630
2008-09	593,080,436	-2.65%	582,178,194	10,902,242

* Estimate

** Includes On-Premise Consumption Surcharges of \$1,158,302, \$440,783 and \$149,063 for Fiscal Years 2008-09, 2009-10, and 2010-11, respectively.

Fiscal Year	Beverage Consumption (millions of gallons)							
	Beer	% change	Wine	% change	Spirits	% change	Total	% change
2014-15*	411.5	1.2%	73.0	2.8%	40.0	2.0%	524.5	1.5%
2013-14*	406.6	1.2%	71.0	6.4%	39.2	4.8%	516.8	2.2%
2012-13	401.6	-0.5%	66.7	1.7%	37.4	0.5%	505.7	-0.2%
2011-12	403.7	1.4%	65.6	5.3%	37.2	4.8%	506.5	2.1%
2010-11	398.1	-2.8%	62.3	4.7%	35.5	3.2%	495.9	-1.5%
2009-10	409.6	-2.1%	59.5	2.9%	34.4	1.8%	503.5	-1.3%
2008-09	418.4	-3.3%	57.8	-0.9%	33.8	-0.3%	510.0	-2.8%

* Estimate

HISTORY:

In 1933, Florida authorized the sale of alcoholic beverages and a tax was placed on manufacturers, distributors, and vendors of beer and liquor. In 1935, the beverage tax was extended to include beer,

BEVERAGE TAX

wine, and liquor. The tax rates were increased on specific beverage categories in 1937, 1941, 1947, 1949, 1967, 1968, and 1972. The primary tax rates were increased in 1945, 1963, 1977, and 1983 on all alcoholic beverages, and the classification of beverages was established as they now exist. The drinking age was increased from 19 to 21 in 1985. In 1986, the measurement for alcoholic content was changed from percent of alcohol by weight to percent 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 \$0.10 per ounce of liquor, \$0.10 per 4 ounces of wine, and \$0.04 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 \$0.10 per 4-ounce serving to \$0.06 per 12-ounce serving. In 1999, all surcharge tax rates were reduced by one-third, and in 2000 they were reduced again by one-half. 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, Chapter 2004-2, L.O.F. (SB 2002), directed the following distributions from beverage excise tax collections: Grants and Donations Trust Fund, Department of Elder Affairs - \$15 million annually; Biomedical Research Trust Fund - \$6 million annually; and the Florida State University School of Chiropractic Medicine - \$9 million annually. Chapter 2006-182, L.O.F. (HB 1027), eliminated the distributions to the Grants and Donations Trust Fund in the Department of Elder Affairs, the Biomedical Research Trust Fund, and the Florida State University School of Chiropractic Medicine and restored the funds to the General Revenue Fund. Chapter 2006-162, L.O.F. (HB 7105), repealed the on-premises consumption surcharge, effective July 1, 2007. Chapter 2010-24, L.O.F. (SB 2126), expanded the revenue sources against which tax credits may be granted for contributions to the Florida Tax Credit Scholarship Program to include alcoholic beverage taxes.

BASE AND RATE:

Type of Beverage	Alcohol By Volume	Per Gallon
Beer	0.500% or more	\$0.48
Wine	Less than 17.259%	\$2.25
Wine	17.259% or more	\$3.00
Sparkling Wine	All	\$3.50
Wine Coolers	All	\$2.25
Cider	All	\$0.89
Liquor	Less than 17.259%	\$2.25
Liquor	17.259% - 55.780%	\$6.50
Liquor	55.780% or more	\$9.53

Beer distributors are allowed 2.5 percent of taxes collected and remitted, liquor distributors are allowed 1 percent of taxes collected and remitted and wine distributors are allowed 1.9 percent of taxes collected and remitted as a dealer collection allowance.

BEVERAGE TAX

DISPOSITION:

Viticulture Trust Fund: 50 percent of all revenue collected from the excise taxes imposed on wine products produced by Florida manufacturers from products grown in the state, less 8 percent General Revenue Service Charge.

Alcoholic Beverage and Tobacco Trust Fund: 2 percent of Excise Tax collections for beer, wine, and liquor, less 8 percent General Revenue Service Charge.

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

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

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

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

General Revenue Fund: Receives the remainder of the proceeds.

OTHER STATES:

All states, plus the District of Columbia, tax the sale of alcoholic beverages. There are 18 states that control the sale of liquor, and 32 states and the District of Columbia that license the sale of liquor. 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 liquor. Alabama, North Carolina, South Carolina, Hawaii, and Alaska have higher excise tax rates on beer. Florida collects approximately 12.68 percent of the total alcoholic beverage excise taxes in the United States annually, with only Texas collecting more taxes.

	<u>2014-15</u> (millions)
VALUE OF RATE CHANGE:	
Value of 1 cent per gallon levy on beer	\$1.6
Value of 10 cents per gallon levy on liquor	\$19.1
Value of 10 cents per gallon levy on wine	\$13.8
(Note: After collection allowances)	
VALUE OF EXEMPTIONS:	
Beverages sold on military installations (s. 563.05, beer), (s. 564.06(8), wine), (s. 565.12(3), liquor)	\$6.1
VALUE OF REFUNDS AND ALLOWANCES:	
Dealer allowance on wine (1.9 percent) (s. 564.06(7))	\$3.0
Dealer allowance on beer (2.5 percent) (s. 563.07)	\$6.6
Dealer allowance on liquor (1 percent) (s. 565.13)	\$2.6

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

BEVERAGE TAX

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. This would allow taxes to be adjusted for inflation.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Exempts charitable organizations from sale and excise taxes on sales made from direct shipments of wine from out of state.	S656/2001, S480/2005
Provides out-of-state winery shippers to collect and remit sales and excise taxes to the Department of Business and Professional Regulation and Department of Revenue. The amount of tax is determined by designating the sale at the delivery location in this state.	S656/2001, S480/2005, <u>S144/2006</u> sm <u>H247</u> , <u>S126/2007</u> , S2608/2008 sm <u>H693</u> , S1096/2008, S1736/2008
Provides an exemption for non-profit organizations, licensed by the division under ss. 565.20 and 561.442, F.S., from surcharges on alcohol being consumed on premises.	<u>S286/2000</u> , S1458/2000
Revises excise tax amount payable by manufacturers, distributors, and vendors of malt beverages.	S2648/2006, S2224/2010 id H1595, S1534/2012

**CIGARETTE AND OTHER TOBACCO PRODUCTS
TAX AND SURCHARGE**

FLORIDA STATUTES: Chapter 210

ADMINISTERED BY: Department of Business and Professional Regulation, Division of Alcoholic Beverages and Tobacco

SUMMARY:

Taxes are imposed on the sale of cigarettes and other tobacco products in Florida. The tax is paid by the wholesale dealer at the time of first sale within the state. For cigarettes of common size the rate is \$0.339 per pack, with rates varying proportionately for cigarettes and packs of non-standard size. Additionally, a \$1.00 surcharge per pack of common size cigarettes is imposed, with rates varying proportionately for cigarettes and packs of non-standard size. For other tobacco products, the tax rate is 25 percent of the wholesale price, with an additional surcharge of 60 percent of the wholesale price.

REVENUE:

Fiscal Year	Total Collections	Annual Change %	Cigarette Tax Collections	Other Tobacco Products Tax Collections	Cigarette Surcharge	Other Tobacco Products Surcharge
2014-15*	1,183,754,939	-1.40%	271,204,118	29,659,190	811,709,574	71,182,057
2013-14*	1,200,589,279	-2.17%	276,040,069	28,935,795	826,167,505	69,445,909
2012-13	1,227,199,754	-1.11%	284,888,575	28,374,009	843,788,237	70,148,934
2011-12	1,240,936,358	-5.88%	287,940,021	27,952,928	859,451,742	65,591,666
2010-11	1,318,460,190	-1.82%	303,314,332	27,265,585	924,184,638	63,695,634
2009-10	1,342,860,720	200.40%	300,545,005	25,604,862	953,593,683	63,117,169
2008-09	447,020,309	0.74%	418,476,667	28,543,643	0	0

DISTRIBUTIONS:

Distributions from Cigarette Tax **						
Fiscal Year	Total Distributions	General Revenue***	County Revenue Sharing	Public Medical Assistance Trust Fund	H. Lee Moffitt Cancer Center & Research Institute	Biomedical Research Trust Fund
2014-15*	268,763,281	176,137,053	7,164,942	72,390,617	10,600,000	2,470,670
2013-14*	273,555,708	179,466,838	7,292,703	73,681,443	10,600,000	2,514,725
2012-13	287,408,865	196,511,714	7,673,756	77,531,400	5,691,996	0
2011-12	285,032,013	194,897,624	7,596,775	76,753,623	5,783,991	0
2010-11	305,288,664	210,617,344	8,202,075	80,869,245	5,600,000	0
2009-10	297,806,497	203,813,126	7,952,608	80,348,767	5,691,996	0
2008-09	415,085,749	280,871,171	11,115,167	112,301,512	10,797,899	0

**CIGARETTE AND OTHER TOBACCO PRODUCTS
TAX AND SURCHARGE**

Distributions from Cigarette and Other Tobacco Products Surcharge		
Fiscal Year	Health Care Trust Fund	General Revenue Service Charge
2014-15*	812,086,252	70,616,196
2013-14*	824,014,105	71,653,400
2012-13	834,744,097	73,026,948
2011-12	852,686,518	74,076,373
2010-11	911,739,250	79,660,088
2009-10	929,732,318	81,400,000
2008-09	0	0

* Estimate

** Amounts distributed vary from amounts collected because distributions do not include refunds or administrative costs.

*** Includes the 8 percent General Revenue Service Charge.

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 deposited 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 in the General Revenue Fund, up to a certain amount, were directed to be deposited in the Chronic Disease Research and Treatment Center Trust Fund for a period of three years. Chapter 85-141, L.O.F., imposed a 25 percent tax on the wholesale price of chewing tobacco, snuff, and loose tobacco for the first time. Chapter 90-132, L.O.F. (HB 3695), provided for a cigarette tax increase of 9.9 cents per pack, earmarked for deposit into the Public Medical Assistance Trust Fund, and authorized the Division of Alcoholic Beverages and Tobacco to withhold 0.9 percent of cigarette tax collections for deposit into the Alcoholic Beverage and Tobacco Trust Fund to fund the division. Chapter 98-286, L.O.F. (HB 3783), provided for a 10-year distribution of 2.59 percent to the H. Lee Moffitt Cancer Center and Research Institute and reduced the General Revenue distribution accordingly. Chapter 2000-355, L.O.F. (HB 2433), eliminated the distribution from cigarette tax to the Municipal Revenue Sharing Trust Fund and the Municipal Financial Assistance Trust Fund, resulting in an increase in the distribution to the General Revenue Fund. Chapter 2002-393, L.O.F. (HB 41-E), provided for an additional distribution to the H. Lee Moffitt Cancer Center and Research Institute: 0.2632 percent in 2002-03 and 2003-04; and 1.47 percent in 2004-05 through 2015-16, with the General Revenue distribution reduced accordingly. Chapter 2009-79, L.O.F. (SB 1840), imposed a surcharge of \$1.00 per pack of standard sized cigarettes, with proportionate surcharges on non-standard sized cigarettes. Additionally, a surcharge of 60 percent of the wholesale price was imposed on other tobacco products. Enforcement was strengthened concerning phone, mail, delivery service, and Internet sales of tobacco products. Indian-tax-exemption coupons were created to limit sale of untaxed cigarettes on Indian reservations.

**CIGARETTE AND OTHER TOBACCO PRODUCTS
TAX AND SURCHARGE**

Chapter 2009-58, L.O.F. (SB 1664), extended the 1.47 percent Moffitt Center distribution through 2019-20, with a corresponding reduction in the distribution to General Revenue.

Chapter 2012-32, L.O.F. (HB 7087), ended the 1.47 percent Moffitt Center distribution and provided for a 2.75 percent distribution from cigarette excise tax beginning July 1, 2013, and continuing through June 30, 2033. Additionally, the legislation created s. 210.21(2)(c), F.S., to provide a 1 percent distribution from cigarette excise tax to the Biomedical Research Trust Fund in the Department of Health beginning July 1, 2013, and continuing through June 30, 2021. Chapter 2013-42, L.O.F. (SB 406), extended the distribution to the Biomedical Research Trust Fund through June 30, 2033.

BASE AND RATE:

Cigarettes of common size (not over 3 lbs. per 1,000) are \$1.339 per pack (\$.339 tax and \$1.00 surcharge). For larger sizes and non-standard packs, other rates are specified (see ss. 210.02 and 210.011, F.S.). All non-cigarette tobacco products other than cigars are taxed at the rate of 85 percent (25 percent tax and 60 percent surcharge) of the wholesale sales price.

DISPOSITION:

Cigarette Tax: Deductions from total collections include 8 percent for the General Revenue Service Charge and 0.9 percent to the Alcoholic Beverage and Tobacco Trust Fund. Distributions are then made from the remaining revenue as follows: 2.9 percent to County Revenue Sharing, 29.3 percent to the Public Medical Assistance Trust Fund, 2.75 percent to the Board of Directors of the H. Lee Moffitt Cancer Center and Research Institute, 1 percent to the Biomedical Research Trust Fund, and the remainder to General Revenue.

Cigarette Surcharge: After a deduction of 8 percent for the General Revenue Service Charge, the remainder is distributed to the Health Care Trust Fund within the Agency for Health Care Administration.

Other Tobacco Products Tax: General Revenue Fund

Other Tobacco Products Surcharge: After a deduction of 8 percent for the General Revenue Service Charge, the remainder is distributed to the Health Care Trust Fund within the Agency for Health Care Administration.

OTHER STATES:

All states and the District of Columbia tax cigarettes at varying rates, ranging from \$0.17 in Missouri to \$4.35 in New York in 2013. Twenty-four states and the District of Columbia currently have higher cigarette tax rates than Florida (including the \$1.00 per pack surcharge).

VALUE OF RATE CHANGES:	<u>2014-15</u> (millions)
<u>Cigarette Tax:</u>	
Value of 1 cent per pack tax levy	\$8.0
(Note: this estimate assumes no reduction in consumption would result from a tax increase. With higher increases in the tax, consumption effects would likely occur, reducing the associated per penny increase in tax collections.)	
<u>Other Tobacco Products Tax:</u>	
Value of 1 percent levy on currently taxed products	\$1.2

**CIGARETTE AND OTHER TOBACCO PRODUCTS
TAX AND SURCHARGE**

VALUE OF EXEMPTIONS:

Cigarette Tax:

Cigarettes sold at federal installations (s. 210.04(4)(a), F.S.)	\$4.1
(Note: Title 4, Section 107 USC (Buck Act), prohibits states from levying excise taxes on cigarettes sold at federal installations.)	
Cigarettes sold on Indian reservations (s. 210.05(5), F.S.)	\$10.2

VALUE OF REFUNDS AND ALLOWANCES:

Dealer collection allowance (s. 210.05(3)(a), F.S.)	\$3.9
(2 percent of taxes collected and due calculated on a 24 cent tax rate)	
Refund for unsold products (s. 210.11, F.S.)	\$0.4

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Imposes the new Public Health Tobacco Equity Surcharge in the amount of \$0.36 per pack.	S2214/2001, 1508/2002
Allows for the exemption from Public Health Equity Surcharge by removing all outdoor advertising by tobacco companies.	S1998/2000, S2214/2001, S1508/2002
Imposes an additional fee on cigarettes sold by non-settling manufacturers at 20 mills per cigarette, increasing each year at the greater of either 3 percent, or the percentage change in the consumer price index.	S2112/2004 sm H405 , S1988/2006 sm H1313
Increases the tax on all cigarettes weighing more than three pounds per thousand that are less than six inches long, from 33.9 to 133.9 mills. Also increases the tax on all cigarettes weighing more than three pounds per thousand that are more than six inches long, from 67.8 to 267.8 mills.	H299/2008 , S2790/2008, H11/2009, H3-A/2009, H15-A/2009
Imposes a tax on moist snuff, at a rate of __ cents per ounce.	S2402/2007 sm H523 , S2328/2008 idn H681
Imposes a fee on the sale, receipt, purchase, possession, consumption, handling, distribution, and use of non-settling manufacturer cigarettes that are required to have a stamp affixed or stamp insignia applied to the package of cigarettes on which tax is otherwise required to be paid.	S2474/2009, S2344/2010, H1207/2011 , S1414/2012, S252/2013

CITRUS TAXES

FLORIDA STATUTES: Chapter 601

ADMINISTERED BY: Florida Citrus Commission

SUMMARY:

Each box of fresh and processed citrus grown and placed into the primary channel of trade in this state is subject to the citrus tax. The annual per box tax rates are determined by the Florida Citrus Commission each year, but cannot exceed maximum rates set forth in s. 601.15, F.S.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	35,284,000	0.00%
2013-14*	35,284,000	-8.87%
2012-13	38,718,173	-8.53%
2011-12	42,330,598	-0.15%
2010-11	42,395,271	2.32%
2009-10	41,435,508	-15.52%
2008-09	49,048,226	-7.73%

* Estimate

HISTORY:

The Florida Citrus Commission was established in 1935 to protect 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. The tax is imposed upon each box of citrus fruit subject to maximum annual tax rates, determined each season from the tables in s. 601.15, F.S., based upon the previous season's actual statewide production as reported by the USDA and subject to additional maximum limits imposed by the Legislature. 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. In 2011, further limits were placed on the maximum tax rate as provided by s. 601.15, F.S. The rate for fresh oranges is capped at 7 cents per box, fresh grapefruit at 36 cents per box, and 16 cents per box for other varieties. For processed citrus products, the rates were capped at 25 cents per box for oranges, 36 cents per box for grapefruit, and 25 cents per box for other varieties. In addition to those statutory maximums, effective July 1, 2011, the tax rate per box on grapefruit, oranges, tangerines, and citrus hybrids that enter the primary channel of trade for use in processed and fresh form may not exceed the tax rate per box in effect on May 1, 2011.

In 2012, the Legislature passed HB 1237 (Chapter 2012-182, L.O.F.), re-designating "excise tax" on citrus fruit as "assessments." The bill also revises the maximum assessment for grapefruit, oranges, tangerines, and citrus hybrids regulated by the Department of Citrus that enter the primary channel of trade for use in processed and fresh form.

BASE AND RATE:

The tax rates per box for the 2013-14 fiscal year are:

Fresh – 2.5 cents for oranges, 17 cents for grapefruit, and 7 cents for other varieties.

Processed – 23 cents for oranges, 34 cents for grapefruit, and 23 cents for other varieties.

CITRUS TAXES

DISPOSITION:

Citrus Advertising Trust Fund

OTHER STATES:

The nature of this tax precludes an interstate comparison, but some other states have similar taxes used to promote specific agricultural products.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

COMMUNICATIONS SERVICES TAX

FLORIDA STATUTES: Chapter 202

ADMINISTERED BY: Department of Revenue

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, F.S., on communications services is also administered under Chapter 202, F.S.

REVENUE (in millions):

Fiscal Year	Total Collections	Annual Change %	Distributed by Sales Tax Distribution Formula	Tax on Direct-to-Home Satellite Service**	Gross Receipts Tax
2014-15*	1,368.9	-0.4%	910.3	52.9	405.7
2013-14*	1,374.1	-2.3%	912.6	51.9	409.6
2012-13	1,407.2	-2.6%	937.8	51.1	418.3
2011-12	1,444.4	-3.1%	964.9	55.2	424.4
2010-11	1,490.3	-5.0%	1,001.2	57.0	432.2
2009-10	1,568.2	-2.4%	1,080.9	55.6	431.7
2008-09	1,607.2	0.3%	1,075.6	58.5	473.1

* Estimate

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

HISTORY:

Prior to 2001, nonresidential telecommunications services were subject to sales and use tax under Chapter 212, F.S., 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 at the rate of 2.5 percent under Chapter 203, F.S. Chapter 2000-260, L.O.F. (SB 1338), 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 locally imposed communications services tax to be administered by the Department of Revenue. Chapter 2001-140, L.O.F. (SB 1878), established the revenue-neutral tax rates for the state-wide and local communications services taxes. Chapter 2002-48, L.O.F. (HB 1511), 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. Chapter 2003-254, L.O.F. (SB 1176), exempted homes for the aged from the tax on communications services. Chapter 2005-187, L.O.F. (SB 2070), 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. Chapter 2006-229, L.O.F. (HB 293), redistributed communications services tax revenue from the Local Government Half-Cent

COMMUNICATIONS SERVICES TAX

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. Chapter 2010-138, L.O.F. (HB 7157), clarified that the partial exemption for residential households described in s. 202.125, F.S., does not apply to any residence that constitutes all or part of a transient public lodging establishment as defined in Chapter 509, F.S. Chapter 2010-83, L.O.F. (HB 281), allowed dealers to report credits for bad debts by netting the credit directly against communications services tax due. Chapter 2010-149, L.O.F. (SB 2024), decreased the sales tax rate to 6.65 percent and increased the gross receipts tax rate to 2.52 percent – effectively shifting 0.15 percent from the sales tax component to the gross receipts tax component – while retaining the exemption for residential households provided by s. 202.125(1), F.S., on the additional 0.15 percent gross receipts tax rate. Chapter 2011-120, L.O.F. (HB 887), required the tax to be calculated using the traditional “4-5” rounding rule, whereby the amount is rounded up if the third decimal place is greater than four, and allows the dealer to utilize rounding on the sales tax portion and gross receipts and at the item or invoice level. Chapter 2012-70, L.O.F. (HB 809), revised provisions of the law holding communications liable for misallocation of taxes across local governments and allowing dealers to unbundle taxable and non-taxable items stated jointly on a customer’s bill as long as the dealer could identify the items in its books and records.

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, are subject to state communications tax at a rate of 6.65 percent. Direct-to-home satellite service is taxed at a 10.8 percent rate. A gross receipts tax is also imposed on these services at a rate of 2.52 percent.

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., the emergency distribution under s. 218.65, F.S., and the fiscally constrained counties distribution under s. 218.67, F.S. The gross receipts tax which is administered under this law goes to the Public Education Capital Outlay and Debt Service Trust Fund.

OTHER STATES:

Communications services are taxed by all 50 states and the District of Columbia. A state-by-state comparison of tax rates in 2010 is available from the Tax Foundation at:
<http://www.taxfoundation.org/taxdata/show/27126.html>.

VALUE OF RATE CHANGE:

Value of 1 percent levy on tax base:

	<u>2014-15</u> (millions)
Cable Telecommunication Services	\$35.1
Wireless Telecommunication Services	\$71.5
Direct-to-Home Satellite Telecommunication Services	\$14.8
Residential Telephone Services	\$17.5
Other Telecommunication Services	<u>\$13.0</u>
Total Telecommunication Services	\$151.9

COMMUNICATIONS SERVICES TAX

VALUE OF EXEMPTIONS:

Residential telephone (not including mobile telephone) (s. 202.125)	\$119.0
Sales to government agencies, religious or educational 501(c)(3) organizations, and homes for the aged (s. 202.125, F.S.)	\$267.3
\$100,000 cap on taxes on incoming interstate communications services for holder of direct-pay permits (s. 202.12(3), F.S.)	\$12.9
Internet access (s. 202.17(3), F.S.)	\$379.0
Dealer collection allowance	\$14.8

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Provides for the deletion of the provision authorizing the imposition of local communications services tax on substitute communications systems.	H735/2004 , S818/2005

CORPORATION FEES

FLORIDA STATUTES: Sections 15.09, 607.0122, 607.193, 608.452, 609.02, 617.0122, 620.1109, 620.81055, and 679.525

ADMINISTERED BY: Department of State, Division of Corporations

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. A comprehensive list of fees can be found in the Florida Statutes sections detailed above.

REVENUE:

Fiscal Year	Partnership Fees (a)	Annual Report Fees (b)	Corporate Fees	Supplemental Corporate Fees	Late / Reinstatement Fees	Misc Fees (c)	Total Fees	General Revenue Distribution (d)
2014-15*	758,174	80,320,806	42,439,486	109,606,063	38,835,687	20,595,109	292,555,325	285,300,000
2013-14*	751,411	79,604,367	42,060,937	108,628,407	38,489,283	20,411,406	289,945,813	284,400,000
2012-13	749,164	79,366,268	41,935,132	108,303,497	38,374,161	20,350,355	289,078,577	284,116,765
2011-12	686,628	75,970,224	40,165,266	102,317,634	41,503,146	19,840,075	280,482,973	275,848,481
2010-11	731,659	72,307,321	38,093,386	96,294,399	50,573,053	20,242,955	278,242,773	273,635,225
2009-10	686,224	70,047,716	35,506,002	92,464,682	23,985,478	20,856,529	243,546,631	238,147,308
2008-09	741,239	72,424,917	34,134,442	96,466,496	12,760,639	28,164,368	244,692,101	239,887,130

* Estimate

- (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 copies, and photocopies.
- (d) The General Revenue distribution does not always equal total fees collected due to accounting practices, end of year balances, and timing of deposits.

HISTORY:

In 1943, the Uniform Limited Partnership Law was enacted. Fees of not less than \$10 or more than \$500 were adopted; 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 percent with 43 percent 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

C O R P O R A T I O N F E E S

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 Corporations Trust Fund was eliminated with all current balances transferred to the General Revenue Fund. Chapter 2007-5, L.O.F. (HB 7003) corrected a reference in s. 607.193, F.S., to render limited liability companies subject to the supplemental filing fee.

Section 679.527, F.S., authorizes the Department of State to select and contract with a private vendor to populate and maintain the Florida Secured Transaction Registry. The collections of the nonrefundable processing fees from secured transactions under the Uniform Commercial Code cover payment to the vendor, with the remaining amount deposited in the General Revenue Fund. Section 679.525(1)(a), F.S., sets a nonrefundable \$25 processing fee for filing an initial financing statement. In 2009, SB 1780 (Chapter 2009-72, L.O.F.) was enacted to add paragraph (h) to s. 679.525(1), F.S., to authorize an additional nonrefundable \$10 processing fee for the filing of the initial financing statement. The receipts of this fee are deposited into the General Revenue Fund and are not used in the calculation of the private vendor's compensation for performing services regarding the Florida Secured Transaction Registry.

Section 607.193(2) (b), F.S., imposes a late charge of \$400 on entities failing to file the supplemental corporate filing fee by May 1 of each year, unless the entity "did not receive the uniform business report prescribed by the department." In 2010, HB 5505 (Chapter 2010-152, L.O.F.) struck the language allowing exemption from the late fee and also required that entities seeking reinstatement after dissolution or revocation pay the applicable reinstatement fee.

Chapter 2012-71, L.O.F. (HB 827) allows Limited Agricultural Associations to convert to a not-for-profit corporation for a \$35 fee.

BASE AND RATE:

Specific fees are charged for each type of filing required by law. The current fee schedule for each type of entity is detailed below:

For corporations (s. 607.0122, F.S):

- (1) Articles of incorporation: \$35.
- (2) Application for registered name: \$87.50.
- (3) Application for renewal of registered name: \$87.50.
- (4) Corporation's statement of change of registered agent or registered office or both if not included on the annual report: \$35.
- (5) Designation of and acceptance by registered agent: \$35.
- (6) Agent's statement of resignation from active corporation: \$87.50.
- (7) Agent's statement of resignation from an inactive corporation: \$35.
- (8) Amendment of articles of incorporation: \$35.
- (9) Restatement of articles of incorporation with amendment of articles: \$35.
- (10) Articles of merger or share exchange for each party thereto: \$35.
- (11) Articles of dissolution: \$35.
- (12) Articles of revocation of dissolution: \$35.
- (13) Application for reinstatement following administrative dissolution: \$600.
- (14) Application for certificate of authority to transact business in this state by a foreign corporation: \$35.

CORPORATION FEES

- (15) Application for amended certificate of authority: \$35.
- (16) Application for certificate of withdrawal by a foreign corporation: \$35.
- (17) Annual report: \$61.25.
- (18) Articles of correction: \$35.
- (19) Application for certificate of status: \$8.75.
- (20) Certificate of domestication of a foreign corporation: \$50.
- (21) Certified copy of document: \$52.50.
- (22) Serving as agent for substitute service of process: \$87.50.
- (23) Supplemental corporate fee: \$88.75 (s. 607.193, F.S.).
- (24) Any other document required or permitted to be filed by this act: \$35.
- (25) Late fee for paying supplemental filing fee after May 1: \$400 (s. 607.193, F.S.).

For limited liability corporations (s. 608.452, F.S.):

- (1) For furnishing a certified copy, \$30.
- (2) For filing original articles of organization, articles of revocation of dissolution, or a foreign limited liability company's application for a certificate of authority to transact business, \$100.
- (3) For filing a certificate of merger of limited liability companies or other business entities, \$25 per constituent party to the merger, unless a specific fee is required for a party in other applicable law.
- (4) For filing an annual report, \$50.
- (5) For filing an application for reinstatement after an administrative or judicial dissolution or a revocation of authority to transact business, \$100.
- (6) For filing a certificate designating a registered agent or changing a registered agent, \$25.
- (7) For filing a registered agent's statement of resignation from an active limited liability company, \$85.
- (8) For filing a registered agent's statement of resignation from a dissolved limited liability company, \$25.
- (9) For filing a certificate of conversion of a limited liability company, \$25.
- (10) For filing any other limited liability company document, \$25.
- (11) For furnishing a certificate of status, \$5.
- (12) Supplemental corporate fee: \$88.75 (s. 607.193, F.S.).
- (13) Late fee for paying supplemental filing fee after May 1: \$400 (s. 607.193, F.S.).

For corporations not for profit (s. 617.0122, F.S.):

- (1) Articles of incorporation: \$35.
- (2) Application for registered name: \$87.50.
- (3) Application for renewal of registered name: \$87.50.
- (4) Corporation's statement of change of registered agent or registered office or both if not included on the annual report: \$35.
- (5) Designation of and acceptance by registered agent: \$35.
- (6) Agent's statement of resignation from active corporation: \$87.50.
- (7) Agent's statement of resignation from administratively dissolved corporation: \$35.
- (8) Amendment of articles of incorporation: \$35.
- (9) Restatement of articles of incorporation with amendment of articles: \$35.
- (10) Articles of merger for each party thereto: \$35.
- (11) Articles of dissolution: \$35.
- (12) Articles of revocation of dissolution: \$35.
- (13) Application for reinstatement following administrative dissolution: \$175.
- (14) Application for certificate of authority to transact business in this state by a foreign corporation: \$35.
- (15) Application for amended certificate of authority: \$35.
- (16) Application for certificate of withdrawal by a foreign corporation: \$35.
- (17) Annual report: \$61.25.
- (18) Articles of correction: \$35.

CORPORATION FEES

- (19) Application for certificate of status: \$8.75.
- (20) Certified copy of document: \$52.50.
- (21) Serving as agent for substitute service of process: \$87.50.
- (22) Any other document required or permitted to be filed by this chapter: \$35.

For partnerships (s. 620.81055, F.S.):

- (1) Partnership registration statement: \$50.
- (2) Statement of partnership authority: \$25.
- (3) Statement of denial: \$25.
- (4) Statement of dissociation: \$25.
- (5) Statement of dissolution: \$25.
- (6) Statement of qualification: \$25.
- (7) Statement of foreign qualification: \$25.
- (8) Limited liability partnership annual report: \$25.
- (9) Certificate of merger for each party thereto: \$25.
- (10) Amendment to any statement or registration: \$25.
- (11) Cancellation of any statement or registration: \$25.
- (12) Certified copy of any recording or part thereof: \$52.50.
- (13) Certificate of status: \$8.75.
- (14) Certificate of conversion: \$25.
- (15) Any other document required or permitted to be filed by this act: \$25.
- (16) Supplemental corporate fee: \$88.75 (s. 607.193, F.S.).
- (17) Late fee for paying supplemental filing fee after May 1: \$400 (s. 607.193, F.S.).

For limited liability partnerships (s. 620.1109, F.S.):

- (1) For furnishing a certified copy, \$52.50 for the first 15 pages plus \$1.00 for each additional page.
- (2) For filing an original certificate of limited partnership, \$965.
- (3) For filing an original application for registration as a foreign limited partnership, \$965.
- (4) For filing certificate of conversion, \$52.50.
- (5) For filing certificate of merger, \$52.50 for each party thereto.
- (6) For filing a reinstatement, \$500 for each calendar year or part thereof the limited partnership was administratively dissolved or foreign limited partnership was revoked in the records of the Department of State.
- (7) For filing an annual report, \$411.25.
- (8) For filing a certificate:
 - (a) Designating a registered agent, \$35;
 - (b) Changing a registered agent or registered office address, \$35;
 - (c) Resigning as a registered agent, \$87.50; or
 - (d) Of amendment or restatement of the certificate of limited partnership, \$52.50;
- (9) For filing a statement of termination, \$52.50.
- (10) For filing a notice of cancellation for foreign limited partnership, \$52.50.
- (11) For furnishing a certificate of status or authorization, \$8.75.
- (12) For filing a certificate of dissolution, \$52.50.
- (13) For filing a certificate of revocation of dissolution, \$52.50.
- (14) For filing any other domestic or foreign limited partnership document, \$52.50.
- (15) Supplemental corporate fee: \$88.75 (s. 607.193, F.S.).
- (16) Late fee for paying supplemental filing fee after May 1: \$400 (s. 607.193, F.S.).

For common-law declarations of trust (s. 609.02, F.S.):

For filing a copy of the declaration of trust, \$350.

C O R P O R A T I O N F E E S

For first page of initial financing statement (s. 679.525(1)(h), F.S.):

For filing the first page of an initial financing statement, \$10 to General Revenue.

DISPOSITION:

All corporate filing fees collected by the Department of State are deposited into the General Revenue Fund. In addition, the Florida Secured Transaction Registry must deposit the fee specified in s. 679.525(1)(h), F.S., 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 respective jurisdictions. A comprehensive list of state contacts with links to details on business filing fees can be found at <http://www.iaca.org/about-iaca/jurisdictional-information/>.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

CORPORATE INCOME AND EMERGENCY EXCISE TAX

FLORIDA STATUTES: Chapter 220; Florida Constitution Article VII, Subsection 5(b)

ADMINISTERED BY: Department of Revenue

SUMMARY:

Certain corporations doing business in Florida must pay tax of 5.5 percent 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 percent on property, 25 percent on payroll and 50 percent on sales. The first \$50,000 of net income is exempt, effective with tax years beginning January 1, 2013.

REVENUE:

Fiscal Year	Gross Collections	Annual Change %	Refunds	Annual Change %	Net Collections
2014-15*	2,232,400,000	4.90%	180,000,000	2.86%	2,052,400,000
2013-14*	2,128,200,000	2.27%	175,000,000	4.04%	1,953,200,000
2012-13	2,080,989,356	3.49%	168,205,758	-13.03%	1,912,783,598
2011-12	2,010,780,799	7.27%	193,400,240	-4.26%	1,817,380,559
2010-11	1,874,526,117	4.72%	202,013,808	-38.77%	1,672,512,309
2009-10	1,789,994,399	-2.37%	329,927,417	-20.45%	1,460,066,982
2008-09	1,833,390,567	-17.29%	414,738,704	40.20%	1,418,651,863

* Estimate

HISTORY:

In response to a constitutional amendment which authorized the levy of a state corporate income tax, the 1971 Legislature adopted a 5 percent corporate income tax, which became effective on corporate incomes earned after January 1972. In 1982, a 2 percent 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 cannot 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 percent, and the emergency excise tax was increased to 2.2 percent.

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, F.S. 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 percent enterprise zone job credit was adopted by the 1996 Legislature for WAGES participants and a 5 percent job credit was adopted for non-WAGES employees whose wages exceed \$1,500 a month. In 1997, Chapter 97-50, L.O.F. (SBs 780,520,692), 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.

CORPORATE INCOME AND EMERGENCY EXCISE TAX

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 percent 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. In 1999 the Legislature: (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; and (3) increased the community contribution tax credit from \$5 million to \$10 million. 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 piggybacking of the Internal Revenue Code by the Florida Income Tax Code, including 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. (SB 18-A), created an amnesty program for taxpayers. This law also increased the interest rate on certain tax deficiencies to prime plus 4 percent. Chapter 2003-391, L.O.F. (SB 30-A), 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 Fiscal Year 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. (SB 202), extended 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. The legislation also allowed 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 percent of the average private sector wage, and makes a cumulative capital investment of at least \$100 million. Chapter 2006-230, L.O.F. (SB 888), 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. The legislation 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. (HB 821), increased the annual community contribution tax credit by \$2 million. Chapter 2006-55, L.O.F. (SB 2728), 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. No major changes were made by the 2007 Legislature other than the annual "piggybacking" legislation.

The 2008 Legislature made several major changes. Chapter 2008-206, L.O.F. (HB 5065), provided for piggybacking of the Internal Revenue Code by the Florida Income Tax Code. However, the temporarily increased asset expensing and temporary additional depreciation allowances enacted by Congress in the

CORPORATE INCOME AND EMERGENCY EXCISE TAX

Economic Stimulus Act of 2008 were disallowed for Florida income tax purposes. Additionally, the legislation slightly accelerated the timing of all estimated payments by requiring remittance only before the first day of the month, not on the first day. Chapter 2008-241, L.O.F. (HB 653), increased the total annual tax credits allowed for contributions made by Florida corporations to non-profit scholarship funding organizations from \$88 million to \$118 million. Chapter 2008-153, L.O.F. (HB 5003), increased from \$10.5 million to \$13 million, for Fiscal Year 2008-09 only, the allowed total credits for the portion of the Community Contribution Tax Credit program dedicated to homeownership for low-income and very-low-income households. Chapter 2008-239, L.O.F. (HB 527), added to the Contaminated Site Rehabilitation Tax Credit (brownfields) new allowances for recovering the cost of solid waste removal and the cost of constructing a health care facility. In addition to various clarifications of renewable energy tax credit provisions, Chapter 2008-227, L.O.F. (HB 7135), allowed for the transferability of the corporate tax credits for renewable energy technologies investment.

The 2009 Legislature also made several changes. Chapters 2009-18 and 2009-192, L.O.F. (SB 1112 and SB 2504), required taxpayers to “add back” to Florida income, deductions allowed for federal income tax purposes under the Economic Stimulus Act of 2008 and the American Recovery and Reinvestment Act of 2009, for increased asset expensing and additional depreciation allowances in the same manner as Chapter 2008-206, L.O.F. However, the 2009 legislation allowed such taxpayers to decrease their Florida taxable income by an amount equal to one-seventh of this “add back” amount for a seven-year period. The American Recovery and Reinvestment Act of 2009 also allowed taxpayers, for federal income tax purposes, to elect to defer recognition of income for certain debt acquisitions, modifications, and forgiveness. Chapter 2009-192, L.O.F., required taxpayers making such an election to “add back” to Florida income those amounts deferred for federal income tax purposes. Taxpayers are allowed to subtract such amounts from Florida income when such amounts are ultimately recognized for federal income tax purposes. Chapter 2009-50, L.O.F. (HB 485), created the Florida New Markets Development Program to provide state tax credits for investments in low-income communities. These tax credits may be used to offset corporate income or insurance premium tax liabilities. Credits available are capped at \$20 million annually and \$97.5 million for the life of the program. Chapter 2009-108, L.O.F. (HB 453), renamed the Corporate Income Tax Scholarship Program the Florida Tax Credit Scholarship Program and expanded the program to include insurance premium tax credits as eligible contributions to the scholarship program. Taxpayers claiming the insurance premium tax credit are not eligible for the corporate income tax credit.

Chapter 2010-24, L.O.F. (SB 2126), increased the Florida Tax Credit Scholarship Program cap from \$118 million to \$140 million for Fiscal Year 2010-11. For Fiscal Year 2011-12 and thereafter, the cap will increase by 25 percent whenever tax credits approved in the prior fiscal year are equal to or greater than 90 percent of the tax credit cap amount for that year. The law also expanded the revenue sources against which tax credits may be granted for contributions to the program to include: (1) severance taxes on oil and gas production; (2) self-accrued sales tax liabilities of direct pay permit holders; and (3) alcoholic beverage taxes. Chapter 2010-147, L.O.F. (SB 1752), created the Jobs for the Unemployed Tax Credit. The program provides \$10 million in total corporate income tax credits over Fiscal Years 2010-11 and 2011-12 to any new or existing qualified targeted industry business that hires a new employee who is unemployed. The legislation also created a five-year, \$242 million transferable tax credit incentive program for Florida’s film and entertainment industry. Generally, the credits are 20 percent of qualified expenditures, with additional amounts available in certain circumstances. The law provided that credits awarded may be used to offset corporate income tax or sales and use tax liabilities.

Chapter 2011-229, L.O.F. (HB 7185), required taxpayers to “add back” to Florida income, deductions allowed for federal income tax purposes under the Small Business Jobs Act of 2010 and the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, for increased asset expensing and additional depreciation allowances in the same manner as Chapter 2009-18, L.O.F., and allowed such

CORPORATE INCOME AND EMERGENCY EXCISE TAX

taxpayers to decrease their Florida taxable income by an amount equal to one-seventh of this “add back” amount for a seven-year period. Chapter 2011-76, L.O.F. (HB 143), made several changes. The law allowed qualified corporations to use a single sales factor apportionment formula to calculate their corporate income tax liability, instead of the current three factor formula that uses sales, property, and payroll. To qualify, a business must invest a total of \$250 million in qualifying capital expenditures within Florida over a two-year period beginning no earlier than July 1, 2011. The law provided an annual corporate income tax credit for qualifying research and development expenses in Florida. The credit will be equal to 10 percent of the current year’s expenses that exceed the average expenses over the past four years. The amount of credits available to be awarded under the bill is \$9 million. The law increased from \$2 million to \$5 million the corporate income tax credits that are annually available to partially compensate taxpayers that voluntarily clean up drycleaning-solvent-contaminated or brownfield sites. The law allowed a certified spaceflight business to apply for a credit equal to 50 percent of the business’s corporate income tax liability in a given year. A certified spaceflight business may also convert net operating losses into transferable corporate income tax credits. A business wishing to take advantage of either type of credit created by this program must demonstrate that it engaged in spaceflight projects, created 35 new jobs, and invested \$15 million dollars in the three years prior to being certified for the credits. The total amount of credits that may be approved under the legislation is \$10 million. The law repealed the corporate income emergency excise tax, but allowed taxpayers with unused credits related to the tax to take such credits against corporate income tax. The law increased funding for the film and entertainment tax credit program from \$38 million to \$42 million per year for Fiscal Years 2012-13, 2013-14, and 2014-15. The law also created three new bonus credit programs and made other changes to qualification criteria and reporting requirements. Chapter 2011-223, L.O.F. (HB 879), allows certain qualifying businesses that do not have sufficient business tax liability to carry forward and use the capital investment tax credit in years 21-30 after the commencement of operations of the qualified project. Chapter 2011-229, L.O.F. (HB 7185), increased the corporate income tax exemption amount from \$5,000 to \$25,000 effective for tax years beginning on or after January 1, 2012. Previously, under the Florida Tax Credit Scholarship Program, corporate income tax credits were limited to 75 percent of the tax due. Chapter 2011-123, L.O.F. (HB 965), removed this limitation.

Chapter 2012-145, L.O.F. (HB 5701), provided that any estimated tax payment originally due on June 30, 2013, must now be made on or before June 28, 2013. The result shifted an estimated \$100 million of revenue from Fiscal Year 2013-14 to 2012-13. Chapter 2012-32, L.O.F. (HB 7087), increased the corporate income tax exemption amount from \$25,000 to \$50,000 effective for tax years beginning on or after January 1, 2013. The legislation provided an additional \$42 million for tax credits for the Entertainment Industry Financial Incentive Program for Fiscal Year 2015-16. The legislation also increased the total amount of tax credits available for the New Markets Development Program from \$97.5 million to \$163.8 million and increased the amount of credits that may be taken in a given fiscal year from \$20 million to \$33.6 million. Chapter 2012-117, L.O.F. (HB 7117), reinstated and modified the Florida Renewable Energy Production Credit for electricity produced and sold on or after January 1, 2013, through June 30, 2016. The legislation also reinstated the Renewable Energy Technologies Investment Tax Credit for 75 percent of all capital costs, operation and maintenance costs, and research and development costs in connection with an investment in the production, storage, and distribution of biodiesel and ethanol in Florida incurred between July 1, 2012, and June 30, 2016. The law limited the annual tax credits for all applicants to \$5 million for Fiscal Year 2012-13 and \$10 million for Fiscal Years 2013-14 through 2016-17.

Similar to legislation passed in 2009 and 2011, Chapter 2013-46, L.O.F. (SB 1516), required taxpayers to “add back” to Florida income, deductions allowed for federal income tax purposes under the American Taxpayer Relief Act of 2012 for increased asset expensing and additional depreciation allowances.

CORPORATE INCOME AND EMERGENCY EXCISE TAX

BASE AND RATE:

Corporate Income Tax: 5.5 percent of net income less a \$50,000 exemption (effective with tax years beginning January 1, 2013). 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 percent), property (25 percent) and payroll (25 percent). 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 percent without a three-fifths vote of the membership of each house of the Florida Legislature (Article VII, Section 5(b), Florida Constitution).

DISPOSITION:

General Revenue Fund

OTHER STATES:

All states and the District of Columbia currently impose some form of corporate income or franchise tax, except for Nevada, South Dakota, Washington (state), and Wyoming. Most levying states and the District of Columbia have flat tax rates. These rates range from 4.63 percent to 9.99 percent. Fourteen states use graduated rates. Most of the ranges fall completely between 1.0 and 9.99 percent. Iowa has a 12 percent maximum rate. Ohio, Texas, and Michigan have made major changes to the structures of their business income taxes in recent years. More comparisons can be found at:

<http://www.taxfoundation.org/data>.

VALUE OF RATE CHANGE:

2014-15
(millions)

Value of a 1 percent levy on apportioned net income \$ 369.4

VALUE OF EXEMPTIONS:

Exemptions:

Chapter S Corporations	I.R.C.	\$ 716.3
Master Limited Partnerships	I.R.C.	24.2
Standard \$50,000 (*note 1)	s. 220.14(1)	30.5
Limited Liability Companies	s. 220.02(1)	178.5

Subtractions from Federal Taxable Income:

Foreign Source Income (s.78 I.R.C. Income)	s. 220.13(1)(b)2.b.	43.7
Foreign Source Income (s.951 I.R.C. Subpart F Income)	s. 220.13(1)(b)2.b.	55.6
Net Foreign Source Dividends	s. 220.13(1)(b)2.a.	29.5
Florida Net Operating Loss Carryover	s. 220.13(1)(b)1.a.	35.8
Florida Net Capital Loss Carryover	s. 220.13(1)(b)1.b.	38.7
Florida Excess Charitable or EPB Contribution Carryover	s. 220.13(1)(b)1.c.	1.5
Florida Targeted Jobs Deduction	s. 220.13(1)(b)3.	14.5
Non-Florida Non-Business Income	s. 220.13(1)(b)4.	39.5
International Banking Facility Income	s. 220.63(5)	10.5

VALUE OF CREDITS:

2014-15
(millions)

Credits Against Florida Tax Liability:

Florida HMO Consumer Assistance Assessment	s. 631.828	\$ 0.7
Capital Investment	s. 220.191	11.8
Enterprise Zone Jobs	s. 220.181	7.3

CORPORATE INCOME AND EMERGENCY EXCISE TAX

Community Contribution (\$14m cap) (*note 2)	s. 220.183	14.0
Enterprise Zone Ad Valorem	s. 220.182	2.4
Hazardous Waste Facility	s. 220.184	0.2
Alternative Minimum Tax (AMT)	s. 220.186	1.2
Rehabilitation of Contaminated Sites (\$5m cap) (*note 3)	s. 220.1845	3.0
Child Care Facility (\$2m cap)	s. 220.19	0.0
State Housing Tax	s. 220.185	2.4
Scholarship Funding Organizations (\$286.25m cap)(*note 4)	s. 220.187	52.2
Rural and Urban High-Crime Area Job Tax Credit	s. 220.1895	0.1
Entertainment Industry (\$42.0m cap)(*note 5)	s. 220.1899	8.4
Research and Development Tax Credit (\$9m cap)	s. 220.196	9.0
Renewable Energy Tech. Invest. Tax Credit (\$10m cap)	s. 220.192	6.3
Renewable Energy Production Tax Credit (\$10m cap)	s. 220.193	10.0
Spaceflight Projects Tax Credit (*note 6)	s. 220.194	0.0
New Markets (\$163.8m cap, \$20m annually)(*note 7)	s. 288.9916	11.9

Notes:

1. The Florida Constitution states that there shall be exempt not less than \$5,000 (Article VII, Section 5(b)).
2. This credit may be taken against both Corporate Income Tax and Insurance Premiums Tax.
3. This credit may be taken against both Corporate Income Tax and Sales Tax.
4. This credit may be taken against Corporate Income Tax, Insurance Premiums Tax, Beverage Tax, and certain Sales/Use Tax.
5. This credit may be taken against both Corporate Income Tax and Sales Tax.
6. This credit is not estimated to impact revenues until Fiscal Year 2015-16.
7. This credit may be taken against both Corporate Income Tax and Insurance Premiums Tax. The annual cap will increase to \$33.6 million in Fiscal Year 2014-15.

VALUE OF DEDUCTIONS: 2014-15 (millions)

Deductions from Florida Apportioned Income:		
University Research and Development	s. 220.15(2)(c)	\$ 6.0

ALTERNATIVE BASES: 2014-15 (millions)

Base Reduction Measures:		
Exempt Florida Non-Business Income	s. 220.16	(8.0)
Delete Florida Alternative Minimum Tax	s. 220.11(3)	(11.2)
Exempt Interest Received from Federal Government		
Notes and Bonds	s. 220.13(1)(a)2	(58.5)
Base Expansion Measures:		
Delete the deduction for advertising expenditures		796.0
Delete the deduction for interest expenses (include financial institutions)		4,632.4
Delete the deduction for interest expenses (exclude financial institutions)		1,704.7
Create an addition for deductible Florida Credit		Insignificant

CORPORATE INCOME AND EMERGENCY EXCISE TAX

Limit net loss carry forward to one year	Insignificant
Impose a minimum payment requirement of \$200:	
On C Corporations Only	48.8
On C and S Corporations	147.1
Require combined reporting of all domestic corporations (waters-edge unitary apportionment)	490.7
Adopt the throwback rule	50.0
Apply the tax to gross receipts rather than net profits:	
Status C Corporations (replace CIT)	61,893.0
Partnerships	10,493.0
Status S Corporations	12,494.3
Proprietorships	<u>3,648.3</u>
Total	88,528.5
Apply the tax to Earned Surplus (gross profits plus compensation of officers):	
Status C Corporations (replace CIT)	17,741.6
Partnerships	6,210.5
Status S Corporations	5,778.5
Proprietorships	<u>2,508.4</u>
Total	32,239.0

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Provides for the apportionment of adjusted federal income to this state.	H1155/2001 , S126/2002, H121/2002
Provides for the total amount of tax credit which may be granted each fiscal year.	S2062/2002, S116/2003 sm H239 , S2062/2003 , H57-A/2003, S1210/2004 sm S1370
Implements an amnesty program for state and local taxes described in Chapter 220, F.S.	H1935/2003, H59-A/2003
<i>The following rows contain proposed bills regarding corporate income tax credits for donations to, or participation in, the following programs:</i>	
Description	Bill Number/Year
Industrial Partnership Professorship	S74/2000 sm H727 , S1164/2001 sm H443
Non-Profit Scholarship-Funding Organizations	S2314/2000 sm H1127, S1048/2001 sm H271 , S2008/2001, S1100/2003 sm H805, S2532/2003, S2106/2004 , H313/2004, S2574/2006, S2846/2007, S1222/2007 , S258/2008
District School-Boards and Public Schools	S1836/2003 sm H1043, S1740/2004, H383/2004 , H175/2005, S2518/2005, H815/2005, S1542/2011 idn H475
Non-Profit Cultural Organizations	S406/2004 sm H219, S668/2004 idn H439, S630/2005 sm H941, S1582/2005 idn H243
Voluntary Brownfield and Contamination Site Clean-Up	H1757/2000, H485/2004 sm S330 , S1448/2005 sm H1857, S1092/2006 , S2682/2007, S2018/2008 idn S2594

CORPORATE INCOME AND EMERGENCY EXCISE TAX

Enterprise Zones	S1056/2000 sm H741 , S1934/2000 sm H1951, S460/2001 sm S1216 , S1826/2001 sm H1645, S2252/2003 sm S2328 and H809 , S598/2004, S1708/2004 sm H617, S624/2006, S350/2009 sm H47, S2578/2009, S2098/2010 idn H997, S1976/2010
Community Contribution	S966/2001, S710/2005 sm H15 and H503 , S784/2006, S840/2007 sm H129
Businesses Offering Health Insurance to Employees	S2268/2001, S96/2002, S1540/2003 sm H447, S598/2004, S2182/2004, H1221/2004 , H1255/2004
Capital Investment	S2588/2000, S30-B/2001, S2414/2002, S2410/2003 sm H691 , S850/2008 sm H293 , S1526/2009 , H423/2009, H133/2010 , S1436/2011 idn H905, S1470/2011 idn H1069
Employing Special Hires (felons, disabled etc.)	S2448/2003 , S1173/2003 , S2182/2004, H1255/2004 , S2064/2004 idn H1101 , S14/2006, S520/2006, S470/2007 sm H1459, S2826/2007, S1328/2008, H925/2009 sm S218, S1928/2009 sm H723, H459/2010 sm S148, S266/2011 idn H197, S490/2012 idn H199, S105/2012 sm S160, S368/2013 sm H513
Low Income Housing	S1828/2003, H775/2003, S330/2004, S648/2004 sm H767, S3002/2004 sm H109 and H1795
Energy Technologies	S2074/2005 sm H1597, S2074/2005, S2100/2006 sm H1575, H1473/2006 , S2274/2007, S2666/2007 , H13-D/2007, S308/2008, S310/2008, S314/2008 sm H229, S412/2008, S1544/2008, S2250/2008, S1610/2009 sm H879, S1724/2011 idn H1349
Businesses Providing Fitness Facilities or Supporting Fitness-Related Activities by Employees	S1230/2006 sm H729 , S194/2007 , H325/2007
Community Reinvestment Plan	S2320/2005, S332/2006, S702/2007, S1348/2008
Computer Equipment	H1159/2001 , S742/2006
Research and Development Program	S1398/2008 , H733/2008 , S768/2009, H577/2009 , S1184/2010 sm H607
New Product or Market Donations	H1215/2001 , H11-B/2001, H562/2002 sm H289 , H1-E/2002 sm H39-E, S2280/2007
Health Care Clinics	S1646/2007, H203/2007
Prohibits certain private schools from participating in corporate scholarship tax credit program.	S2882/2004, S2978/2004 , S766/2005, S1310/2009
Water's Edge Groups	S2766/2008 sm H1237, S2270/2009 sm H1247, S1590/2012
OTTED	S1526/2009, S1188/2010
Aerospace Sector	S2156/2009 sm H1115, S2572/2010 sm H1539
Entertainment Industry	S1912/2006 idn H1595 , S2110/2006 sm H1321 , H47/2009, S1430/2010 sm H697

COUNTIES' MEDICAID SHARE

FLORIDA STATUTES: Section 409.915

ADMINISTERED BY: Agency for Health Care Administration

SUMMARY:

Counties' Medicaid Share, previously known as Medical Hospital Fees (aka county contributions to Medicaid) are payments made to the state as reimbursement for a portion of the cost of certain services provided to county residents through Florida's Medicaid program.

REVENUE:

Fiscal Year	Collections	Annual Change %
2014-15*	296,800,000	1.40%
2013-14*	292,700,000	-11.86%
2012-13	332,091,941	41.14%
2011-12	235,293,347	12.80%
2010-11	208,597,751	-0.78%
2009-10	210,239,434	52.22%
2008-09	138,114,189	-16.74%

* Estimate

HISTORY:

Chapter 72-225 created s. 409.267, F.S., which required county participation in the cost of the following items provided under Medicaid: 35 percent of the cost of inpatient hospitalization in excess of 12 days and 35 percent of the cost of nursing home or intermediate care facilities in excess of \$170 per month. In 1975, a limitation of \$55 per resident per month on the required reimbursements for services provided by nursing home and intermediate care facilities was enacted. In 1991, s. 409.267, F.S., was repealed and replaced with s. 409.915, F.S. An exemption for county residents in the Medically Needy program component of Medicaid was also enacted at this time. In 1996, required reimbursements were extended to services provided to health maintenance organization members if the services would have been reimbursable in a fee-for-service setting. In 2001, the 12 day exclusion for inpatient hospital services was reduced to 10 days, and an exemption for the cost of adult lung transplant services was established. In 2012, the law was changed to allow payments to be withheld from the distribution of the half-cent sales tax to the counties, rather than having the counties pay directly.

For the period from State Fiscal Year 1994-95 through Fiscal Year 2006-07, county contributions to Medicaid collections were approximately 93 percent of total billings in any fiscal year. For Fiscal Year 2007-08 through Fiscal Year 2011-12, county contributions to Medicaid collections dropped to less than 90 percent of total billings, with only 64.7 percent of billings in Fiscal Year 2010-11 being paid in that year. The decline in collections was caused mainly by the inability of the agency and individual counties to reach agreement on whether certain Medicaid recipients were residents of the county. The decline in the amount of billings collected resulted in a large backlog of past due billings.

In 2012, the Legislature reacted to this situation by enacting Chapter 2012-33, L.O.F. (HB 5301). That law provided specific processes whereby the agency worked with the counties and the Department of Revenue (DOR) to address payment backlog, prospective billings, and an administrative review and appeal for the billing and refund process.

COUNTIES' MEDICAID SHARE

Chapter 2013-48, L.O.F. (SB 1520), amended s. 409.915, F.S., to revise the current process for county Medicaid billings. Instead of the current practice based on certain Medicaid expenditures incurred on behalf of a county's residents, the bill provided for an annual county contribution for Medicaid. The bill established a total contribution of \$269.6 million for State Fiscal Year 2013-14 and \$277.0 million for State Fiscal Year 2014-15. For State Fiscal Years 2015-16 through 2019-20, the total annual amount of the counties' contribution is adjusted by one half of the percentage change in state Medicaid expenditures over the two most recently completed State Fiscal Years. For each State Fiscal Year after 2019-20, the total amount of the counties' annual contribution shall be the total contribution for the prior State Fiscal Year adjusted by the percentage change in the state Medicaid expenditures as determined by the Social Services Estimating Conference.

The agency is responsible for calculating the amount of each county's annual contribution and providing that information to the DOR by May 15 of each year.

By June 1 of each year, DOR must notify each county of its annual contribution. Counties must pay, via check or electronic transfer, 1/12th of the total, by the 5th of each month. If a county fails to remit payment by the 5th of the month, DOR is directed to reduce the county's monthly distribution from the Local Government Half-Cent Sales Tax Trust Fund by the amount of the monthly installment. The payments and the amounts by which the distributions are reduced are transferred to the General Revenue Fund.

BASE AND RATE:

The statute establishes a total contribution of \$269.6 million for State Fiscal Year 2013-14 and \$277.0 million for State Fiscal Year 2014-15. For State Fiscal Years 2015-16 through 2019-20, the total annual amount of the counties' contribution is adjusted by one half of the percentage change in state Medicaid expenditures over the two most recently completed State Fiscal Years. For each State Fiscal Year after 2019-20, the total amount of the counties' annual contribution shall be the total contribution for the prior State Fiscal Year adjusted by the percentage change in the state Medicaid expenditures as determined by the Social Services Estimating Conference.

DISPOSITION:

Reimbursements are deposited into the General Revenue Fund.

OTHER STATES:

The results of a 2013 survey of state Medicaid programs shows that a total of 21 states (including Florida) indicated that county or other local units of government were required by law to contribute to the non-federal share of Medicaid, although the survey did not capture the level of this contribution

VALUE OF RATE OR TAX BASE CHANGE:

See BASE AND RATE above.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this state revenue source.

DOCUMENTARY STAMP TAX

FLORIDA STATUTES: Chapter 201

ADMINISTERED BY: Department of Revenue

SUMMARY:

The documentary stamp tax comprises 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.

REVENUE:

Fiscal Year	Collections	Annual Change %
2014-15*	2,069,400,000	9.03%
2013-14*	1,898,000,000	15.49%
2012-13	1,643,367,428	30.26%
2011-12	1,261,620,631	9.09%
2010-11	1,156,452,051	7.22%
2009-10	1,078,561,961	-3.94%
2008-09	1,122,781,684	-42.57%

Distributions					
Fiscal Year	General Revenue	General Revenue Service Charge	Preservation 2000 & Florida Forever Outstanding Debt Service	State Transportation Trust Fund	Water Protection and Sustainability Program Trust Fund
2014-15*	730,400,000	165,500,000	172,600,000	317,100,000	0
2013-14*	644,800,000	151,800,000	172,500,000	289,000,000	0
2012-13	380,968,783	131,433,190	403,105,906	159,186,549	0
2011-12	208,600,141	109,977,034	425,753,301	116,337,455	0
2010-11	167,225,533	92,479,234	428,342,451	91,225,892	0
2009-10	143,318,883	86,267,200	423,519,181	75,859,352	0
2008-09	130,233,296	78,824,390	399,068,205	92,729,020	13,690,882

DOCUMENTARY STAMP TAX

Distributions					
Fiscal Year	Dept. of Economic Opportunity and Grants and Donations Trust Fund	Ecosystem Management and Restoration Trust Fund	Marine Resources Conservation Trust Fund	DACS General Inspection Trust Fund	Land Acquisition Trust Fund
2014-15*	2,400,000	21,800,000	0	4,900,000	94,800,000
2013-14*	2,100,000	19,700,000	0	4,500,000	95,400,000
2012-13	1,259,500	11,609,306	0	3,863,726	96,239,249
2011-12	700,000	6,456,424	0	2,944,742	89,978,536
2010-11	549,266	5,052,799	0	2,683,852	83,051,377
2009-10	456,745	4,209,995	0	2,496,308	76,050,424
2008-09	558,316	5,146,218	339,845	2,636,278	98,330,000

Distributions					
Fiscal Year	Water Management Lands Trust Fund	Conservation & Recreational Land Trust Fund	Invasive Plant Control Trust Fund	State Game Trust Fund	DEP Water Quality Assurance Trust Fund
2014-15*	61,200,000	59,200,000	34,500,000	16,800,000	4,700,000
2013-14*	61,500,000	54,300,000	34,600,000	15,500,000	4,300,000
2012-13	61,966,250	46,965,395	34,238,342	13,402,209	3,754,204
2011-12	48,448,377	36,063,131	26,300,548	10,308,887	2,883,832
2010-11	44,286,320	32,977,703	24,041,145	9,410,632	2,636,090
2009-10	41,270,714	30,732,139	22,404,101	8,769,830	2,456,591
2008-09	43,473,850	32,372,699	23,600,090	9,237,986	2,587,729

Distributions			
Fiscal Year	State Housing Trust Fund	Local Government Housing Trust Fund	State Economic Enhancement and Development Trust Fund
2014-15*	69,310,000	162,330,000	150,000,000
2013-14*	61,680,000	144,440,000	140,000,000
2012-13	50,310,699	117,844,924	125,000,000
2011-12	55,917,502	130,839,457	0
2010-11	51,113,795	119,599,425	0
2009-10	47,633,282	111,455,472	0
2008-09	50,176,068	117,405,272	0

* Estimate

DOCUMENTARY STAMP TAX

HISTORY:

Tax Rate:

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 per \$100 of consideration, and the tax has 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, when the current rates—70 cents per \$100 for documents relating to realty and 35 cents per \$100 for notes of indebtedness—were set. (The tax rate on documents relating to realty is 60 cents in Miami-Dade County, which since 1983 has levied a discretionary surtax on deeds of 45 cents for each \$100 of consideration except for deeds on single family residences.)

Disposition of Tax Proceeds:

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 the tax. Since 1979, increases in the documentary stamp tax rate have been used to fund several programs, including acquisition of environmentally sensitive land, state infrastructure, and 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 7 percent on a recurring basis. (The General Revenue Service Charge was increased to 8 percent in 2009.) Chapter 90-217, L.O.F. (HBs 1911/1039/1815/3141), 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.) In 1992, the Legislature reduced the General Revenue distribution by 8.66 percent and redirected funds to the State Housing Trust Fund, effective July 1, 1995 (SB 94-H/Chapter 92-317, L.O.F.). Chapter 98-311, L.O.F. (HB 3427), provided that a portion of documentary stamp tax receipts 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.

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 (SB 908/Chapter 99-247, L.O.F.). Additional debt service was limited to \$30 million in each fiscal year for ten years, and the total annual debt service was limited to \$300 million. This legislation 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 (DACS) General Inspection Trust Fund. In 2000, the Legislature provided that \$2 million be paid into the Marine Resources Conservation Trust Fund annually from the documentary stamp tax General Revenue distribution (SB 186/Chapter 2000-197, L.O.F.). Chapter 2002-261, L.O.F. (HB 813), provided for a portion of the documentary stamp tax collections to be used to pay the debt service on Everglades Restoration Bonds.

Chapter 2005-92, L.O.F. (HB 1889), capped 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. The law included a growth factor which increased the cap for each fund based on growth in documentary stamp collections. Calculated distributions in excess of the limits specified in the bill were credited to the General Revenue Fund. Chapter 2005-290, L.O.F. (SB 360), provided \$750 million annually to fund specified transportation, school, and water projects, effective July 1, 2007. Chapter

DOCUMENTARY STAMP TAX

2006-185, L.O.F. (HB 1249), 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 DACS General Inspection Trust Fund to fund oyster management and restoration programs in the bay and other areas of the state. Chapter 2007-60, L.O.F. (SB 1060), eliminated a \$105 million annual distribution to the PECO Trust Fund and directed that amount to the General Revenue Fund. Chapter 2007-72, L.O.F. (SB 2800), authorized the sale of \$300 million in new Florida Forever bonds and \$100 million in new Everglades Restoration bonds.

Chapter 2008-24, L.O.F. (HB 7019), repealed s. 201.022, F.S., which required a return to be filed with the clerk of the circuit court, and provided a commission to the clerks for processing these returns. Chapter 2008-49, L.O.F. (SB 1552), extended authorization for the sale of Everglades Restoration bonds through Fiscal Year 2019-20 and authorized additional bonds to be sold for four years to fund the Florida Keys Area of Critical State Concern protection program. Chapter 2008-114, L.O.F. (SB 1882), changed the distribution of documentary stamp revenues by calculating trust fund distributions as a percentage of available revenue, capped at a dollar amount, and assessing the cost of administering the tax to all funds that receive revenue from it. Chapter 2008-152, L.O.F. (HB 5001), authorized the sale of \$300 million in new Florida Forever bonds, and chapter 2008-229, L.O.F. (SB 542), extended the statutory authority for Florida Forever bond sales through Fiscal Year 2019-20.

Chapter 2011-142, L.O.F. (SB 2156), provided that certain documentary stamp distributions to the State Transportation Trust Fund and the State Housing Trust Fund must be transferred to the newly-created State Economic Enhancement and Development Trust Fund within the Department of Economic Opportunity, beginning in the 2012-13 fiscal year. The total amount to be transferred is \$125 million in Fiscal Year 2012-13, \$140 million in Fiscal Year 2013-14, and \$150 million in subsequent years. The Local Government Housing Trust fund was also affected by this transfer, since the amount available for distribution to it from the State Housing Trust fund was reduced. This legislation also removed the statutory caps on distributions to the housing trust funds that were enacted in 2005.

Exemptions and Limitations:

In 1997, transactions of real property made pursuant to the dissolution of marriage were exempted from the tax. Chapter 98-187, L.O.F. (HB 4373), 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 2002-128, L.O.F. (SB 842), capped the amount of documentary stamp tax due on unsecured loans at \$2,450. Chapter 2002-218, L.O.F. (SB 426), repealed the tax on original issues of stock certificates. Chapter 2007-198, L.O.F. (HB 1375), provided a documentary stamp tax and intangibles tax exemption for all notes, mortgages, security agreements, letters of credit, or any other instruments connected with financing any housing under Chapter 420, F.S.

Clarification of Legislative Intent:

In 2009, the Legislature enacted Chapter 2009-131, L.O.F. (SBs 2430/1960), which expressed legislative findings and intent related to a 2005 decision of the Florida Supreme Court holding that the transfer of property between a grantor and its wholly owned grantee, absent any exchange of value, is not subject to the documentary stamp tax. Specifically, the law stated that the Supreme Court's decision in *Crescent Miami Center, LLC v. Florida Department of Revenue*, 903 So. 2d 913 (Fla. 2005), was inconsistent with the intent of the Legislature because it permits tax avoidance. Rather, the prior holding of the district court of appeal in this same case prevented tax avoidance and therefore was consistent with the intent of the Legislature at the time the relevant statute – s. 201.02, F.S. – was amended in 1990. Finally, the law expressed the intent of the Legislature to impose documentary stamp tax when the beneficial ownership of real property is transferred to a new owner by the use of techniques applicable in the Supreme Court case in combination with transfers of ownership of, or distributions from, artificial entities. Additionally, the law amended s. 201.02, F.S., to provide for the application of documentary stamp tax on certain

DOCUMENTARY STAMP TAX

conveyances of property involving a conduit entity and to impose documentary stamp tax on the transfer for consideration of a beneficial interest in real property. This legislation also provided for priority distribution of documentary stamp tax revenue for the benefit of Florida Forever bonds, Everglades Restoration bonds, and Preservation 2000 bonds issued prior to July 1, 2009, when required to meet these bond obligations. Chapter 2010-138, L.O.F. (HB 7157), codified existing Department of Revenue policy that the unpaid indebtedness that is forgiven or released by a mortgagee holding a mortgage on the grantor's interest in the property as part of a short sale transfer is not subject to documentary stamp tax. Chapter 2012-145, L.O.F. (HB 5701), extended the priority distribution of documentary stamp tax revenue for the benefit of Florida Forever bonds, Everglades Restoration bonds, and Preservation 2000 to bonds issued before January 1, 2013.

BASE AND RATE:

Deeds and other documents relating to realty: 70 cents per \$100 or fractional part of \$100 of the consideration. (In Miami-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.

DISPOSITION:

Eight percent of total collections are deducted as General Revenue Service Charge, and deductions are made for costs of collection and enforcement of the tax. Distributions are then made as follows:

- 63.31 percent as follows:
 - Debt service for Preservation 2000, Florida Forever, and Everglades Restoration
 - Of the remainder:
 - Lesser of 38.2 percent or \$541.75 million in each fiscal year, to the State Transportation Trust Fund
 - Lesser of 5.64 percent or \$80.0 million in each fiscal year, to the Water Protection and Sustainability Program Trust Fund
 - Lesser of 0.23 percent or \$3.25 million in each fiscal year, to the Grants and Donations Trust Fund in the Department of Economic Opportunity
 - Lesser of 2.12 percent or \$30 million in each fiscal year, to the Ecosystem Management and Restoration Trust Fund
 - Lesser of 0.14 percent or \$2 million in each fiscal year, to the Marine Resources Conservation Trust Fund
 - Lesser of 0.02 percent or \$300,000 in each fiscal year, to the General Inspection Trust Fund
 - The remainder to the General Revenue Fund
- Lesser of 7.56 percent or \$84.9 million in each fiscal year, to the Land Acquisition Trust Fund for any lawful purpose*
- Lesser of 1.94 percent or \$26 million in each fiscal year, to the Land Acquisition Trust fund for acquiring or managing coastal lands
- Lesser of 4.2 percent or \$60.5 million in each fiscal year, to the Water Management Lands Trust Fund*
- 3.52 percent to the Conservation and Recreation Lands Trust fund, with 11.15 percent of that amount being transferred to the State Game Trust Fund for land management activities
- Lesser of 2.28 percent or \$34.1 million, to the Invasive Plant Control Trust Fund*
- Lesser of 0.5 percent or \$9.3 million in each fiscal year, percent to the State Game Trust Fund for implementing the Lake Restoration 2020 Program*
- 0.25 percent each to the Water Quality Assurance Trust Fund and to the General Inspection Trust Fund in the Department of Agriculture and Consumer Services

DOCUMENTARY STAMP TAX

- 7.53 percent, the first \$35 million of which is transferred to the State Economic Enhancement and Development Trust Fund and the remainder is distributed half to the State Housing Trust Fund and half to the Local Government Housing Trust Fund
- 8.66 percent, the first \$40 million of which is transferred to the State Economic Enhancement and Development Trust Fund and the remainder is distributed 12.5 percent to the State Housing Trust Fund and 87.5 percent to the Local Government Housing Trust Fund
- The remainder to the General Revenue Fund

*In the case that the amount to be distributed increases from the prior fiscal year, the stated maximum amounts in these distributions are increased by an amount equal to 10 percent of the increase in the amount to be distributed multiplied by the applicable percentages.

OTHER STATES:

Thirty-seven states and the District of Columbia levy taxes on the recording of certain documents or on property transfers. (Alaska, Idaho, Indiana, Louisiana, Mississippi, Missouri, Montana, New Mexico, North Dakota, Oregon, Texas, Utah, and Wyoming do not levy document or transfer taxes, and California authorizes local transfer taxes but does not levy a statewide tax.) Although some states levy document recording taxes only on documents relating to real estate transfers, others, including Florida, have a more general tax that is also levied on documents relating to indebtedness.

	<u>2014-15</u> (millions)
VALUE OF RATE CHANGE:	
Value of 1 cent levy for each \$100 of consideration on deeds	\$18.0
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	\$23.7
VALUE OF EXEMPTIONS AND DIFFERENTIALS:	
Stock transfers (s. 201.05)	\$8.0
Renewal notes (s. 201.09)	\$29.2
Certificates of deposit (s. 201.10)	Indeterminate
Wholesale warehouse mortgage agreements (s. 201.21)	\$30.8
Leases	\$104.6
Uniform Commercial Code documents (s. 201.22)	Indeterminate
Security dealers - 30 days or less (s. 517.32)	\$28.1
Foreign notes (s. 201.23(1))	\$2.0
Obligations of political subdivisions (s. 201.24)	\$2.3
International banking transactions (s. 201.23(4))	\$10.4
Out-of-state notes held by Florida businesses (s. 201.08)	\$1.7
Supplements on utility bond financing (s. 201.08(4))	Indeterminate
10 cent rate differential for Miami-Dade County (s. 201.031)	\$29.4
Dissolution of marriage (s. 201.02(7))	\$4.1
Cross collateralization of loans (s. 201.08(7))	\$1.1
Tax only on increased amount of renewed loans (s. 201.09(1))	\$0.1
VALUE OF REFUNDS AND ALLOWANCES:	
Agents commission (0.5 percent) (s. 201.11(2))	\$10.3

DOCUMENTARY STAMP TAX

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Provides that documentary stamp tax applies to certificates of title issued in judicial sale of real property pursuant to court order, or final judgment issued in foreclosure proceeding.	S1632/2001 , S180/2002
Provides for the limit of \$2,450 for the amount of tax on promissory or nonnegotiable notes as written obligations to pay money, etc.	S2140/2001, H123/2002
Decreases the maximum rate of documentary stamp surtax from 45 to 30 cents for each \$100, which will only apply to documents taxable under s. 201.02, F.S. Also provides that administration costs may not exceed 5 percent of the tax.	S2812/2007, H1357/2007
Allows county government authorities, by ordinance, to levy a surtax on deeds and other documents taxed under s. 201.02, F.S. Also, sets a maximum rate on surtax not to exceed 5 cents per \$100.	S2874/2004, S1886/2005
Provides for an exemption on deeds and other instruments, if property is conveyed from an electric utility to a regional transmission organization.	S128/2001 , S1978/2001 sm H1981
Provides for an exemption on deeds and other instruments, if the property is being transferred between spouses within the first year of marriage.	S2376/2002, H647/2008
Contracts to sell the residence of an employee who is relocating at the direction of his or her employer. The taxes imposed only apply to the transfer of real property comprising the residence by deed that vests legal title in a named grantee.	S1068/2002, S2302/2002 sm H1995
Provides for an exemption on notes or other written obligations to pay money executed by agriculture producers, in this state, to the Commodity Credit Corporation.	S1386/2004 idn H469, S556/2005 idn H89
Property Short Sales	S728/2009 sm H55, S234/2010 idn H109, S1976/2010

In addition to exemptions, the majority of bills proposed illustrated permutations regarding the distribution of revenue generated by the documentary stamp tax.

DRIVER LICENSES

FLORIDA STATUTES: Chapter 322

ADMINISTERED BY: Department of Highway Safety and Motor Vehicles

SUMMARY:

Driver licenses fees are collected from individuals who apply for the following types of licenses (originals, renewals, and replacements): Learners, Class E operators, Class E with motorcycle endorsement, Class E motorcycle only license, and Class A, B, and C commercial driver licenses with or without endorsements. In addition, fees are collected for delinquent renewals, reinstatements following suspensions, revocations, disqualifications, and cancellations.

REVENUE:

Fiscal Year	Collections	Annual Change %	General Revenue	Highway Safety Operating Trust Fund
2014-15*	282,000,000	-9.15%	138,300,000	143,700,000
2013-14*	310,400,000	-8.04%	168,700,000	141,700,000
2012-13	337,527,343	-2.56%	194,462,195	143,065,148
2011-12	346,396,945	1.46%	200,455,245	145,941,700
2010-11	341,428,253	12.18%	200,235,270	141,192,983
2009-10	304,361,811	126.99%	172,838,462	131,523,349
2008-09	134,086,682	10.07%	82,846,682	51,240,000

* Estimate

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, 1989, 1991, 2008, and 2009. 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, the 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 was 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 was 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 retake the driving exam. The 2006 Legislature imposed additional reinstatement fees for specific types of suspended or revoked licenses. Persons convicted of patient

DRIVER LICENSES

brokering (s. 817.505, F.S.), 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.

In 2008, Chapter 2008-176, L.O.F. (SB 1992), became effective October 1, 2008 and the term of the driver license and identification card was changed from four or six (safe driver) years to eight years. However, applicants who are at least 80 years old will be issued a license valid for a six-year term. These changes resulted in the fees for driver licenses, identification cards, and license endorsements being raised to reflect the new terms. Duplicate and replacement licenses were combined and are all now labeled “replacements.” This change caused the distribution of the funds to be modified; however, the General Revenue Fund and the Highway Safety Operating Trust Fund were both held harmless in this change.

As a result of the 2009 Regular Legislative Session, Chapter 2009-71, L.O.F. (SB 1778), raised the following fees effective September 1, 2009.

Fee Type	Previous Fee	New Fee	New Distribution
Original Class E License	\$27	\$48	General Revenue
Renewal Class E License	\$20	\$48	General Revenue
Motorcycle Only License (Class E + \$7 Endorsement)	\$34	\$55	General Revenue
Replacement License (Increased revenue distributed to General Revenue)	\$10	\$25	\$18 to General Revenue \$7 to Highway Safety Operating TF
Commercial Driver License (Original / Renewal)	\$67	\$75	General Revenue
School Bus CDL	\$27	\$48	General Revenue
Delinquent Fee	\$1	\$15	General Revenue
Knowledge Re-Exam	\$5	\$10	\$10 to Highway Safety Operating TF
Skills Re-Exam	\$10	\$20	\$20 to Highway Safety Operating TF
Identification Card - Original	\$10	\$25	General Revenue
Identification Card - Renewal / Replacement	\$10	\$25	\$19 to General Revenue \$6 to Highway Safety Operating TF
D6 Reinstatement Fee (Increased revenue distributed to Highway Safety Operating Trust Fund)	\$47.50	\$60	\$22.50 to Highway Safety Operating TF \$37.50 to Clerk of Court, Tax Collector, or General Revenue
Suspension Reinstatement Fee (Increased revenue distributed to Highway Safety Operating Trust Fund)	\$35	\$45	\$15 to General Revenue \$30 to Highway Safety Operating TF
Revocation Reinstatement Fee (Increased revenue distributed to Highway Safety Operating Trust Fund)	\$60	\$75	\$35 to General Revenue \$40 to Highway Safety Operating TF
Disqualification Reinstatement Fee (Increased revenue distributed to Highway Safety Operating Trust Fund)	\$60	\$75	\$35 to General Revenue \$40 to Highway Safety Operating TF
Tax Collector Service Fee	\$5.25	\$6.25	\$6.25 to Tax Collector
Administrative Review Filing Fee	\$0	\$25	\$25 to Highway Safety Operating TF
Administrative Hearing Filing Fee	\$0	\$12	\$12 to Highway Safety Operating TF
DUI Administrative Fee	\$115	\$130	\$130 to Highway Safety Operating TF
Ignition Interlock Device Assessment Fee	\$0	\$12	\$12 to Highway Safety Operating TF
3-Year Transcript	\$2.10	\$8	\$8 to Highway Safety Operating TF
7-Year Transcript	\$3.10	\$10	\$10 to Highway Safety Operating TF
Certified Transcript	\$3.10	\$10	\$10 to Highway Safety Operating TF

DRIVER LICENSES

OTHER STATES:

All states license vehicle operators. Most states issue four-year licenses at costs ranging from \$4.50 to \$60. It is common to require somewhat higher fees for a commercial license than for an operator license.

VALUE OF RATE CHANGE:

2014-15
(millions)

Value of \$1 levy on all driver licenses issued

\$ 3.7

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Deletes the fee for a change of address on driver licenses.	S216/2003, H65/2007
Provides for an additional fee for the reinstatement of suspended driving privileges.	S1456/2003, H189/2003, H15-A/2003, S1528/2004, S2400/2005, H1195/2009
Provides for a fee imposed on persons participating in the health care advance directive and blood type registry who are applying for driver licenses and identification cards.	S2902/2004, H1655/2004, S2324/2006 sm H1011
Requires an additional fee for the reinstatement of a suspended or revoked driver's license when the revocation was for an offense relating to a fraudulent insurance claim.	S1124/2006 sm H533, S1596/2006, H7263/2006
Provides for a free identification card to anyone who surrenders their license.	S1752/2006, S734/2009
Restrictions and fines for passengers permitted in a vehicle operated by a person under a certain age.	S1698/2005, H1543/2006, S608/2009 smH7

DRY CLEANING TAX

FLORIDA STATUTES: Sections 376.303, 376.70, and 376.75

ADMINISTERED BY: Department of Environmental Protection and Department of Revenue

SUMMARY:

The dry-cleaning tax is levied in the amount of 2 percent on gross receipts of all dry-cleaning facilities from the dry-cleaning or laundering of clothing or other fabrics at the facility. The dry-cleaning 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 dry-cleaning facility.

REVENUE:

Fiscal Year	Total Collections	Annual Change %	Gross Receipts Tax Collections	Perchloroethylene Tax Collections	Registration Fee Collections
2014-15*	7,724,000	0.00%	7,400,000	320,000	4,000
2013-14*	7,724,000	0.77%	7,400,000	320,000	4,000
2012-13	7,665,138	-1.11%	7,322,526	338,612	4,000
2011-12	7,751,433	-1.19%	7,369,000	377,933	4,500
2010-11	7,844,922	-3.60%	7,397,467	442,955	4,500
2009-10	8,137,946	-10.17%	7,680,056	453,184	4,706
2008-09	9,059,626	-12.23%	8,555,221	496,271	8,134

* Estimate

HISTORY:

Taxation of gross receipts from dry-cleaning and laundry services and the production and importation of perchloroethylene was enacted in 1994, with proceeds used to fund dry-cleaning facility restoration. The 1995 Legislature adopted the following changes to the dry-cleaning tax: exempted uniform rental and linen supply services from the gross receipts tax, retroactive to October 1, 1994; exempted perchloroethylene not used by a dry-cleaning 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 percent to 2 percent 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.

BASE AND RATE:

Dry-cleaning Facilities and Wholesale Suppliers Registration Fee:
\$100 annually.

Tax on the Gross Receipts of Dry-cleaning Facilities:

2 percent of the gross receipts from the dry-cleaning or laundering of clothing or other fabrics; \$30 initial registration fee for any person taxable under the Gross Receipts of Dry-cleaning Facilities Tax.

Tax on the Sale or Importation of Perchloroethylene:

\$5 per gallon on the sale or importation of perchloroethylene by a dry-cleaning facility; \$30 initial registration fee for any person producing or importing perchloroethylene.

DRY CLEANING TAX

DISPOSITION:

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

OTHER STATES:

Dry-cleaning services are taxed under the general sales or gross receipts tax systems in 21 states, at rates ranging from 0.4 percent to 7 percent, 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 dry-cleaning services or materials.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

EARNINGS ON INVESTMENTS

FLORIDA STATUTES: Sections 17.57 and 17.61

ADMINISTERED BY: Chief Financial Officer

SUMMARY:

Cash balances not needed for day-to-day transactions are invested.

REVENUE:

Fiscal Year	Collections	Annual Change %	General Revenue	Trust Funds
2014-15*	210,502,231	26.77%	95,900,000	114,602,231
2013-14*	166,051,571	-34.47%	74,700,000	91,351,571
2012-13	253,407,422	-9.33%	107,277,989	146,129,433
2011-12	279,486,997	-10.62%	117,342,250	162,144,747
2010-11	312,702,329	15.36%	135,593,065	177,109,265
2009-10	271,077,866	-38.16%	118,064,536	153,013,331
2008-09	438,327,200	-58.73%	126,815,413	311,511,787

* Estimate

HISTORY:

The Division of Treasury manages a fixed-income investment portfolio for the state that includes General Revenue and trust fund balances. The Treasury Investment Portfolio is made up of internally and externally managed securities. Approximately 70 percent of the portfolio is invested in securities with maturities of three years or less. These short-term fixed-income investments are internally managed by the Treasury. The remainder is composed of intermediate-term fixed-income investments with maturities ranging from five to fifteen years. This portion of the portfolio is externally managed. The portfolio is managed with liquidity and capital preservation as primary goals in order to ensure funds are available to spend when needed. Agencies may request that trust fund balances be invested with earnings accruing to the trust fund. Otherwise, earnings accrue to the General Revenue Fund. Section 17.61, F.S., provides that earnings on specific trust funds accrue to the General Revenue Fund.

BASE AND RATE:

Not applicable.

DISPOSITION:

Earnings on certain trust fund balances accrue to the trust funds. Otherwise, earnings accrue to the General Revenue Fund.

OTHER STATES:

All states have policies in place to invest cash balances.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

E S T A T E T A X

FLORIDA STATUTES: Chapter 198

ADMINISTERED BY: Department of Revenue

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 was phased out beginning in 2002 and was eliminated in 2008. While the statutory authorization still exists for the Florida estate tax, it is no longer effective. On January 1, 2013, the Economic Growth and Tax Relief Reconciliation Act of 2001 sunset provisions would again apply with additional federal action necessary to eliminate the Florida estate tax for 2013. However, on January 2, 2013, the President signed into law the American Taxpayer Relief Act (ATRA). The pick up tax, which was a state estate tax that was collected based on a portion of the federal estate tax bill prior to 2005, was not resurrected by ATRA. This means that states like Florida will not see a revenue boon from a state estate tax in 2013 or future years unless the federal government reverses this legislation.

However, if the federal estate tax had been reinstated without modification (including the credit for state taxes), the following amounts would be collected:

Fiscal Year	(in millions)*
2014-15	\$1,110.8
2015-16	\$1,162.2
2016-17	\$1,228.4
2017-18	\$1,303.8
2018-19	\$1,398.6
2019-20	\$1,551.1
2020-21	\$1,746.2
2021-22	\$1,937.2

* See History

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	0	0.00%
2013-14*	0	-100.00%
2012-13	298,300	-12.99%
2011-12	342,852	-67.73%
2010-11	1,062,459	-68.19%
2009-10	3,339,802	-30.05%
2008-09	4,774,391	-60.90%

* Estimate

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

ESTATE TAX

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 percent of any unpaid tax for the first 30 days and 10 percent of any unpaid tax due for more than 30 days. In 1992, this late penalty was increased to 10 percent for the first 30 days and 20 percent for more than 30 days. The federal Economic Growth and Tax Relief Reconciliation Act of 2001 phased out the federal estate tax and repealed the state credit against the federal tax by 2005. This law, which was to expire on January 1, 2011, was modified in December 2010 and extended for two years. Under the revised law, the federal estate tax is set at 35 percent with a \$5 million exemption. There is, however, no credit for state taxes. On January 1, 2013, the federal estate tax exemption is set to dip to \$1 million from \$5.12 million in 2012, and the tax rate is set to rise from 35 percent to as high as 55 percent, with the state credit restored. As a result, 30 states will resume collecting estate taxes. However, given the current negotiations over the “fiscal cliff,” there is great uncertainty as to whether the President and Congress will allow the federal estate tax to revert back to pre-2001 law.

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.

DISPOSITION:

General Revenue Fund

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 50 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. Fifteen states have retained their estate tax statutes. Of these, twelve states (Illinois, Maine, Maryland, Massachusetts, Minnesota, New Jersey, New York, North Carolina, Oregon, Rhode Island, Vermont, and Wisconsin) have decoupled from the federal estate tax law and continue to levy an estate tax that is the same or very similar to the estate tax prior to the enactment. Virginia also decoupled from the federal estate tax law but repealed its tax on July 1, 2007. Connecticut, Kansas, and Washington replaced their tax with an estate tax that was similar to what they received from the piggyback tax, but it is not tied to the federal tax.

Indiana, Iowa, Kentucky, Nebraska, Ohio, Oklahoma, Pennsylvania, and Tennessee levy a state inheritance or estate tax that was never tied to the federal tax. Nebraska repealed the state inheritance tax for deaths occurring on or after January 1, 2007, however, an inheritance tax is still levied at the county level. Under legislation enacted in 2011, the Ohio estate tax was repealed, effective for decedents dying on or after January 1, 2013. Indiana is scheduled to repeal its tax effective January 1, 2022.

Maryland and New Jersey levy both an estate tax that is similar to the enactment and a separate inheritance tax.

E S T A T E T A X

Wisconsin repealed its estate tax on January 1, 2008. Kansas and Oklahoma repealed their estate tax on January 1, 2010.

Hawaii was the most recent state to restore its state estate tax, effective May 1, 2010. Although the Hawaii estate tax exemption appears to be set at \$3,500,000, in calculating the tax due, the tax does not take effect until the estate exceeds \$3,600,000.

On June 27, 2011, S.L. 2011-330 was signed into law in North Carolina. This law clarified that the North Carolina estate tax does not apply to the estates of decedents who died in 2010 but applies to the estates of decedents dying on or after January 1, 2011, with a \$5,000,000 exemption.

In June 2013, Washington state passed new legislation that: (1) increased the top rate by 1 percentage point; (2) indexed the value of the exempt amount to the Seattle MSA CPI; (3) allowed a deduction of up to \$2.5 million for the value of the decedent's "qualified family-owned business interest;" and (4) required a marital QTIP trust to be subject to the estate tax upon the second spouse's death.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Imposes a retaliatory tax on property of a nonresident decedent when the nonresident's state of domicile imposes inheritance, estate, or other death taxes on Florida residents.	S2620/2010 sm H1197, S1006/2011 idn H183

GROSS RECEIPTS TAX ON UTILITIES

FLORIDA STATUTES: Chapter 203; Constitution Article XII Section 9(a)

ADMINISTERED BY: Department of Revenue

SUMMARY:

The gross receipts tax is imposed at the rate of 2.5 percent on the gross receipts of sellers of electricity and natural or manufactured gas, and at a rate of 2.52 percent on the gross receipts of sellers of communications services.

REVENUE:

Fiscal Year	Collections	Annual Change %
2014-15*	993,680,000	0.66%
2013-14*	987,210,000	-1.58%
2012-13	1,003,047,943	-3.11%
2011-12	1,035,289,306	-3.39%
2010-11	1,071,648,705	-2.37%
2009-10	1,097,702,590	-2.53%
2008-09	1,126,220,560	0.02%

* Estimate

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. In 1990, the 1.5 percent tax rate was increased to 2.0 percent, again to 2.25 percent on July 1, 1991, and to 2.5 percent 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 12-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 percent to 2.37 percent. 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. (SB 1430), exempted the sale of manufactured gas to an electric utility from the gross receipts tax and Chapter 2003-254, L.O.F. (SB 1176), exempted homes for the aged from the gross receipts tax on communications services. Chapter 2010-149, L.O.F. (SB 2024), reduced the sales tax rate imposed on communication services that originate and/or terminate in Florida from 6.80 percent to 6.65 percent. The legislation also amended s. 203.01, F.S., to increase the gross receipts tax rate on communications services from 2.37 percent to 2.52 percent.

GROSS RECEIPTS TAX ON UTILITIES

BASE AND RATE:

A tax of 2.5 percent is imposed on the gross receipts from the sale of electricity, gas, and cogenerated electrical power transmission, and a tax of 2.52 percent 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 percent to 50 percent of unpaid taxes.

DISPOSITION:

Public Education Capital Outlay and Debt Service Trust Fund

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 percent to as much as 10 percent. 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.

2014-15
(millions)

VALUE OF RATE CHANGE:

Value of 0.1 percent levy on the current base	\$39.4
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VALUE OF EXEMPTIONS:

Sale of LP Gas – residential (s. 203.012)	\$7.6
Sale of LP Gas – nonresidential (s. 203.012)	\$6.1
Sale of natural or manufactured gas used to generate electricity (s. 203.01(3))	\$128.8
Sale of communications services to governments, tax-exempt religious or educational organizations, and homes for the aged (s. 202.125)	\$57.3

ALTERNATIVE BASES:

Water Services	\$84.5
Sewer Services	\$79.3
Solid Waste Services	\$82.5

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

HEALTH CARE ASSESSMENTS

FLORIDA STATUTES: Sections 395.701 and 395.7015

ADMINISTERED BY: Agency for Health Care Administration

SUMMARY:

Health care assessments are imposed on net operating revenues of hospitals at the rate of 1.5 percent for inpatient services and 1.0 percent for outpatient services. Assessments are imposed at the rate of 1.0 percent on net operating revenues of ambulatory surgical centers and clinical laboratories

REVENUE:

Fiscal Year	Collections	Annual Change %
2014-15*	510,000,000	0.00%
2013-14*	510,000,000	3.35%
2012-13	493,472,136	0.31%
2011-12	491,956,266	6.57%
2010-11	461,638,091	-0.18%
2009-10	462,489,458	10.68%
2008-09	417,848,021	13.74%

* Estimate

HISTORY:

The assessment on hospitals was enacted in 1984 as part of the Health Care Consumer Protection and Awareness Act (Chapter 84-35, L.O.F.). The assessment was imposed on all hospitals other than those operated by the Department of Health and Rehabilitative Services (now, the Department of Children and Families) or the Department of Corrections, at the rate of 1.5 percent of annual net operating revenues. The Act created the Public Medical Assistance Trust Fund and specified its use to reimburse hospitals for uncompensated care 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. In 1998, outpatient radiation therapy services provided by a hospital were exempted from the assessment as well. Effective July 1, 2000, the assessment rate for outpatient services provided by hospitals was reduced from 1.5 percent to 1.0 percent.

The Second Judicial Circuit found the ambulatory assessment to be 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 Public Medical Assistance Trust Fund was distributed, and the Agency for Health Care Administration (AHCA) discontinued the assessments. In 2003, a number of hospitals brought separate administrative actions challenging AHCA's implementation of those portions of Chapter 2000-256, L.O.F. (HB 2339), enacting the assessment rate changes currently in effect. A Final Order from the Division of Administrative Hearings supporting the hospitals was issued during calendar year 2006 and was later upheld by the First District Court of Appeals. Assessments subject to the Order were returned to providers during Fiscal Year 2007-08.

HEALTH CARE ASSESSMENTS

BASE AND RATE:

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

DISPOSITION:

Public Medical Assistance Trust Fund

OTHER STATES:

As of 2014, health care provider taxes are levied in 49 states and the District of Columbia (DC); only Alaska does not levy a tax. Such taxes generally are levied as a percentage of net revenue or as a bed tax per patient day. Of the 49 states and DC, 40 levy assessments on hospitals, 44 tax nursing homes, 37 tax intermediate care facilities for the mentally retarded, 12 tax managed care organizations, and 13 tax other providers.

2014-15
(millions)

VALUE OF RATE CHANGE:

Increase hospital inpatient assessment by 1 percent	\$215.1
Increase hospital outpatient assessment by 1 percent	\$111.5

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Amends health care assessment on outpatient services to equal 1 percent of the annual net operations revenue.	S2154/2000, H931/2000
Removes the health care assessments on annual net operations revenue for outpatient services.	S388/2002 idn H541, S598/2003
Amends health care assessments on outpatient services to equal 0.5 percent of the annual net operations revenue.	S254/2001 sm H55 , S652/2006 sm H503
Amends annual assessment for inpatient revenue. Any hospital may claim credit for any amount spent during each fiscal year for the purchase of mechanical lifting devices, etc., equal to 100 percent of the cost.	S2208/2007, H1193/2007

**HIGHWAY SAFETY FEES
LATE CIVIL PENALTIES**

FLORIDA STATUTES: Section 318.18(8) (a), F.S.

ADMINISTERED BY: Penalties are collected by the various clerks of court and remitted by the 10th of the following month to the Florida Department of Revenue for deposit into the Highway Safety Operating Trust Fund and the General Revenue Fund.

SUMMARY: Section 318.18(8) (a), F.S., provides for an additional \$16 civil penalty for failure to comply with requirements or pay specified penalties within 30 days.

REVENUE:

Fiscal Year	Total Collections	Annual Change %	General Revenue	Highway Safety Operating Trust Fund
2014-15*	24,975,122	1.40%	10,005,565	14,828,979
2013-14*	24,629,084	5.12%	9,780,325	14,623,519
2012-13	23,430,311	14.21%	9,359,384	14,070,927
2011-12	20,514,598	3.70%	8,189,379	12,325,219
2010-11	19,781,883	16.80%	7,817,981	11,963,902

* Estimate

HISTORY: The civil penalty was originally established by Chapter 86-154, L.O.F., at a rate of \$10 per violation. Chapter 87-108, L.O.F., increased the amount to \$12. Chapter 2009-14, L.O.F. (SB 40-A), increased the amount to the current \$16.

BASE AND RATE:

\$16 per violation

DISPOSITION:

\$9.50 of additional \$16 civil penalty for failure to comply with court requirements or pay specified penalties within 30 days is deposited in the Highway Safety Operating Trust Fund, and \$6.50 is deposited in the General Revenue Fund.

OTHER STATES: The National Center for State Courts provides comparative information regarding state traffic laws. However, the center does not provide data regarding the mechanism used by states to encourage timely payment of civil traffic penalties. According to the Department of Highway Safety and Motor Vehicles, most, if not all, states provide some mechanism for encouraging the timely payment of civil traffic penalties.

VALUE OF RATE CHANGE:

Value of 10 percent rate change

2014-15
(millions)

\$2.5

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

**HIGHWAY SAFETY FEES
RED LIGHT CAMERAS**

FLORIDA STATUTES: Sections 316.0083(3) & 318.18(15)(a)2. and 3., F.S.

ADMINISTERED BY: Department of Highway Safety and Motor Vehicles, Department of Revenue, clerks of the court, and counties and municipalities operating traffic infraction detector programs.

SUMMARY:

Sections 316.0083(3) and 318.18(15)(a)2. and 3., F.S., provide for a civil penalty of \$158 to be imposed on the owner of a motor vehicle when a traffic infraction detector has indicated that the driver has failed to stop at a traffic signal and the resulting traffic ticket has been issued by a state or local traffic enforcement officer. Notices of violations are issued by local governments and penalties are collected by those local governments when paid within 60 days of notification. Vehicle owners who do not pay on time or request a local hearing receive a traffic citation which must be paid to the clerk of the court in the county in which the violation occurred. Local governments and the clerks of court remit the state portion of revenues to the Florida Department of Revenue.

REVENUE:

Fiscal Year	Total Collections	Annual Change %	General Revenue	Department of Health Admin. Trust Fund	Brain & Spinal Cord Injury Trust Fund
2014-15*	77,306,455	7.16%	65,192,534	9,318,401	2,795,520
2013-14*	72,137,920	-4.48%	60,833,908	8,695,394	2,608,618
2012-13	75,520,152	24.54%	63,360,594	9,243,997	2,709,548
2011-12	60,640,351	173.48%	51,052,605	7,406,306	2,181,439
2010-11	22,173,759	100.00%	18,671,942	2,688,063	813,755

* Estimate

HISTORY:

Chapter 2010-80, L.O.F. (HB 325), establishing the Mark Wandall Traffic Safety Program and providing for the use of traffic infraction detectors, was approved by the 2010 Legislature and amended by Chapter 2013-160, L.O.F. (HB 7125), approved by the 2013 Legislature.

BASE AND RATE:

The penalty for failure to stop at a traffic signal is \$158 per violation.

DISPOSITION:

When a violation is issued by the Department of Highway Safety and Motor Vehicles, the Department of Revenue deposits \$100 into the General Revenue Fund, \$10 into the Department of Health Administrative Trust Fund, and \$3 into the Brain and Spinal Cord Injury Trust Fund. In addition, the Department of Revenue or clerk of court remits \$45 to the local jurisdiction issuing the violation. To date, the department has not initiated the issuance of red light cameras (RLC) violations.

When a violation is issued by a local government, the Department of Revenue deposits \$70 into the General Revenue Fund, \$10 into the Department of Health Administrative Trust Fund, and \$3 into the Brain and Spinal Cord Injury Trust Fund. In addition, the local government retains, or the clerk of court remits, \$75 to the local jurisdiction issuing the violation.

OTHER STATES:

According to the National Campaign to Stop Red Light Running, over 110 cities and towns in 20 states across the country currently participate in a red light camera program.

**HIGHWAY SAFETY FEES
RED LIGHT CAMERAS**

2014-15
(millions)

VALUE OF RATE CHANGE:

The value of a 10 percent increase in the penalty

\$7.2

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Creates pilot project in Palm Beach & Broward Counties administered by HSMV	S1436/2000 id H1159, S1586/2001 sm S1830, H71, H1033, S1234/2002 sm H21
Provides for county or municipality to enforce traffic control signal steady red light indication using traffic control photographic system	S2252/2005 sm H1439, S2614/2006 idn H259

HOTEL AND RESTAURANT LICENSES AND FEES

FLORIDA STATUTES: Sections 509.251, 509.302, 399.01, 399.03, and 399.07

ADMINISTERED BY: Department of Business and Professional Regulation, Division of Hotels and Restaurants

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 or services for food service establishments.

REVENUE:

Fiscal Year	Collections	Annual Change %
2014-15*	29,155,053	0.00%
2013-14*	29,155,053	-1.62%
2012-13	29,636,506	-0.38%
2011-12	29,749,559	-3.37%
2010-11	30,786,568	-5.43%
2009-10	32,555,253	1.60%
2008-09	32,041,125	2.83%

* Estimate

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 1993, the caps on various fees were increased. In 1996, the Legislature required that all hospitality education fees be used for the sole purpose of funding the Hospitality Education Program. Chapter 2001-186, L.O.F. (SB 336/190), increased the caps for various fees related to elevator safety. Chapter 2002-299, L.O.F. (SB 1808), increased the Hospitality Education Fee cap from \$6 to \$10, and excluded certain fees from the maximum aggregate license fee for public food service establishments. Chapter 2012-165, L.O.F. (HB 249), deregulated all rooming houses and any apartment buildings inspected by the U.S. Department of Housing and Urban Development that are designated primarily as housing for persons age 62 or older.

BASE AND RATE:

Public Lodgings: Apartments - basic fee - transient unit - \$125, non-transient unit - \$95, plus additional amount based on number of units. Single unit (transient only) - \$10; 2 (transient) or 5 (non-transient) to 25 units - \$20; 26 to 50 units - \$35; 51 to 100 units - \$50; 101 to 200 units - \$75; 201 to 300 units - \$105; 301 to 400 units - \$135; 401 to 500 units - \$160; over 500 units - \$190. Hotels & Motels - basic fee \$170, plus additional amount based on number of units, same as apartments, ranging from \$10-\$190. Single and Group Condominiums - basic fee \$150, plus additional amount based on number of units, same as

HOTEL AND RESTAURANT LICENSES AND FEES

hotels, motels, and rooming houses. Collective Condominiums - basic fee \$150, plus \$10 per unit up to \$1,000 maximum fee (175 units).

Food Service: Each permanent seating establishment \$185, plus additional amount according to seats: 1 to 49 seats - \$55; 50 to 149 - \$65; 150 to 249 - \$85; 250 to 349 - \$105; 350 to 499 - \$125; 500 or more seats - \$145. Theme park food carts - base fee \$185, plus additional amount based on number of carts like seating, ranging from \$55 to \$145. Permanent Nonseating Establishments - \$220. Mobile food dispensing vehicle licenses - base fee \$185, plus service type fee \$135. Caterers - base fee \$185, plus service type fee \$55. Vending machines - base fee \$10. Temporary food service licenses - 1 to 3 day events - \$77; 4 to 30 day events - \$90; annual license - \$942. A fee of approximately 5 percent is added to each food service license fee for epidemiological services provided by the Department of Health for food borne illness investigations. Except for annual temporary event licenses, aggregate fees per establishment may not exceed \$400.

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

Elevator Licensing Fees: Basic fee of \$75 per device. Certificate of competency fee for elevator professionals is \$50 per year.

DISPOSITION:

Hotel and Restaurant Trust Fund

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.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

HUNTING AND FISHING LICENSES

FLORIDA STATUTES: Sections 379.353 - 379.357 and 379.361 - 379.377

ADMINISTERED BY: Fish and Wildlife Conservation Commission

SUMMARY:

Hunting and fishing in Florida generally requires a license unless an exemption applies. Permits are also required to hunt and fish certain species or seasons. Florida licenses and permits are issued by the Fish and Wildlife Conservation Commission (FWC). They may be purchased from tax collectors, or for an additional fee, from retail vendors and via the telephone and Internet. License fees are set by statute and are based on intended activity, duration of the license, location, and residency status. License fees support fish and wildlife resource conservation including species/habitat management, research, and law enforcement, and provide hunting and fishing opportunities.

REVENUE:

Fiscal Year	Total Collections	Annual Change %	State Game Trust Fund	Marine Resources Conservation Trust Fund	Dedicated License Trust Fund	Lifetime Fish and Wildlife Trust Fund
2014-15*	49,700,000	-1.29%	19,800,692	26,456,426	2,130,004	1,312,877
2013-14*	50,350,000	2.43%	20,059,655	26,802,436	2,157,862	1,330,047
2012-13	49,156,169	-3.21%	18,778,007	26,276,780	2,412,013	1,689,370
2011-12	50,786,995	-1.21%	20,332,206	27,267,240	2,191,483	996,066
2010-11	51,408,698	8.38%	21,661,219	26,512,312	1,962,742	1,272,425
2009-10	47,431,945	-0.26%	18,683,630	25,462,042	2,102,648	1,183,625
2008-09	47,553,208	2.70%	19,780,826	24,922,343	1,961,414	888,625

* Estimate

HISTORY:

Florida enacted a law requiring hunting and freshwater fishing licenses in 1929. License and/or permit fees were increased in 1961, 1963, 1977, 1979, 1985, 1989, 1990, 2007, and 2009. There have been many new types of licenses created over the years, including combination hunting and fishing licenses established in 1985 and a resident sportsman license created in 1987. Beginning in 1989, the Legislature required a saltwater fishing license for the first time. In 1990, persons who operated charter boats (vessels carrying customers who fish for a fee) were required to obtain a saltwater vessel license (customers fishing from a licensed charter boat are exempted from having to obtain a personal recreational saltwater fishing license). Resident lifetime and 5-year hunting and fishing licenses were created in 1991. A special recreational spiny lobster license was created in 1993. Chapter 98-333, L.O.F. (HB 3673), eliminated the resident saltwater \$10/10-day license; and reduced the resident 5-year hunting license fee from \$270 to \$55 (and excluded all permits from the license, requiring the licensee to buy permits individually).

In 1999, the Legislature implemented the constitutional amendment that created the Fish and Wildlife Conservation Commission from the former Game and Fresh Water Fish Commission, Marine Fisheries Commission, and marine programs from the Department of Environmental Protection; all hunting, freshwater fishing, and saltwater fishing licenses were transferred to FWC. Chapter 2000-362, L.O.F. (SB 386), created the following combination residential licenses: hunting, freshwater, and saltwater fishing; and freshwater and saltwater fishing. Chapter 2005-45, L.O.F. (HB 395), created the Military Gold Sportsman's license with a fee of \$18.50 (for residents who are active or retired members of the U.S. Armed Forces, U.S. Armed Forces Reserves, National Guard, U.S. Coast Guard, or the U.S. Coast Guard Reserves). Chapter 2006-304, L.O.F. (HB 471), created a \$5 crossbow permit and, accordingly,

HUNTING AND FISHING LICENSES

increased the annual fees of the Sportsman's license from \$66 to \$71 and the Gold Sportsman's license from \$82 to \$87. Chapter 2007-223, L.O.F. (HB 7173), established commercial license fees associated with the Blue Crab Effort Management Program, increased licenses fees for recreational fishing and hunting licenses, and enabled FWC to solicit donations for youth hunting and fishing programs as a voluntary check-off at the time hunting and fishing licenses are sold. Chapter 2008-106, L.O.F. (SB 1286), provided for hunting and fishing license fees and vessel registration fees to be adjusted by the percentage change in the Consumer Price Index (CPI), starting in 2013 and every five years thereafter, unless otherwise provided by law; these provisions were repealed by Chapter 2013-56, L.O.F. (HB 5503).

Chapter 2009-86, L.O.F. (HB 1423), increased the following annual recreational permit fees, effective July 1, 2010: waterfowl permit from \$3 to \$5; resident turkey permit from \$5 to \$10; non-resident turkey permit from \$100 to \$125; snook permit from \$2 to \$10; and spiny lobster permit from \$2 to \$5. It also authorized an increase for the special use permit (to participate in limited entry hunting or fishing activities authorized by FWC) from \$100 to \$150 per day, or from \$250 to \$300 per week; and authorized an increase, from \$25 to \$30 per year, of the maximum fee for a management area permit to hunt or fish on land owned, leased, or managed by the FWC. The legislation also created a permit with a maximum fee of \$5 per day or \$30 per year for anyone to hike, camp, or otherwise engage in other outdoor recreational activities, except hunting or fishing, on management area lands; it also created a \$5 annual deer permit. Chapter 2009-65, L.O.F. (SB 1742), repealed the recreational saltwater shoreline exemption authorized for Florida residents and required residents who saltwater fish from the shoreline or a structure fixed to the land to purchase a shoreline license at a cost of \$7.50; the license is not required if they possess an annual saltwater fishing license or if they fall under an exemption.

Chapter 2010-146, L.O.F. (SB 1514), repealed the fee for the shoreline license created in 2009 (it did not repeal the requirement for the shoreline license). Chapter 2012-95, L.O.F. (HB 7025), reduced the commercial blue crab/soft shell endorsement annual fee from \$250 to \$125. Chapter 2013-194, L.O.F. (HB 333), exempted disabled veterans and active military from having to obtain a recreational hunting or fishing license when participating in a hunting or fishing special event whose organizing entity has obtained an FWC permit; this same legislation modified the restricted species criteria for certain veterans who wish to become commercial saltwater fishermen.

BASE AND RATE:

Hunting/Game Licenses/Permits, annual unless otherwise specified: Licenses: Resident Hunting: \$15.50; 5-year \$77.50; Lifetime 4 years or younger \$200, 5 - 12 years \$350, 13 - 63 years \$500. Non-Resident Hunting: \$150; 10-day \$45. Trapping: Resident \$25; Non-Resident \$25. Fur and hide dealers: Resident \$100; Non-Resident \$500. Private hunting preserve: \$70; Commercial \$500. Game farm \$50. Permits, Resident or Non-Resident: Waterfowl \$5; Deer \$5; Management Area, for hunting and fishing, not to exceed \$30; Management Area, for activities other than hunting and fishing, not to exceed \$5/day or \$30/year; Muzzle-loading Gun \$5; Archery \$5; Crossbow \$5. Turkey Permit: Resident \$10; Non-Resident \$125. Special use permits for limited entry hunting or fishing activities, not to exceed \$150/day or \$300/week.

Freshwater Fishing Recreational License, annual unless otherwise specified: Resident: \$15.50; 5-year \$77.50; Lifetime 4 years or younger \$125; 5 - 12 years \$225; 13 years or older \$300. Non-Resident: 3-day \$15.50; 7-day \$28.50; annual \$45.50.

Freshwater Fishing Commercial License, annual: Commercial Fishing: Resident \$25; Non-Resident \$100. Freshwater Fish Dealer: Resident (also allows Wholesale activities) \$40; Non-Resident \$100. Wholesale Fish Dealer, Non-Resident, \$50 - \$500. Fish Pond (greater than 20 acres) \$3 per surface acre (allows those fishing to be exempt from freshwater fishing license requirement). Annual Gear license: Trawl Seines \$50; Haul Seines \$100. Lake Okechobee Permits: Resident Trawl \$50; Resident Haul

HUNTING AND FISHING LICENSES

Seines \$100; Non-Resident or Alien Trawl or Haul Seines \$500; Tag Fee (for sale of game fish commercially harvested from Lake Okeechobee) up to \$.50/each.

Alligator Licenses, annual: Alligator Trapping: Resident \$250; Non-Resident \$1,000. Farming or Processing \$250; Trapper or Farmer Agent \$50.

Saltwater Fishing, Recreational Licenses/Permits, annual unless otherwise specified: Licenses: Resident \$15.50; 5-year: \$77.50; Shoreline: \$0; Lifetime 4 years or younger \$125; 5 - 12 years \$225; 13 years or older \$300. Non-Resident: 3-day \$15.50; 7-day \$28.50; annual \$45.50. Special Recreational Spiny Lobster License \$100. Fishing Pier \$500 (allows those fishing to be exempt from saltwater fishing license requirement). Recreational Vessel \$2,000 (allows those fishing to be exempt from saltwater fishing license requirement). Permits: Snook \$10; Spiny Lobster \$5; Tarpon tag \$50/each.

Combination Recreational Licenses, annual unless otherwise specified: Hunting and freshwater fishing \$31; Freshwater and saltwater fishing \$31; Hunting, freshwater and saltwater fishing \$46.50; Sportsman's \$79; Sportsman's, 64 years and older \$12 (lifetime); Gold Sportsman's \$98.50; Military Gold Sportsman's \$18.50. Resident Lifetime Sportsman: 4 years or younger \$400; 5 - 12 years \$700; 13 years or older \$1,000.

Saltwater Fishing Licenses/Endorsements, Commercial (Saltwater Products), annual: Licenses: Individual Resident \$50; Non-Resident \$200; Alien \$300. Individual/Vessel and all aboard: Resident \$150; Non-Resident \$600; Alien \$900. Vessel and all aboard: Resident \$100; Non-Resident \$400; Alien \$600. Oyster (Apalachicola Bay) Resident \$100; Non-Resident \$500. Live/dead bait/shrimp production, Tampa Bay, Resident \$250, Non-Resident \$1,000. Endorsements: Marine Life \$75; Stone Crab \$125 (plus trap certificate fees); Blue Crab/hard shell \$125 (plus trap certificate fees); Blue Crab/soft shell \$125 (plus trap certificate fees); Spiny Lobster \$125 (plus trap certificate fees). Trap retrieval fee \$10. St. Johns Seine Net permit \$250. Gear License: purse seines \$25.

Wholesale and Retail Saltwater Products Dealer Licenses, annual: Wholesale/County: Resident \$400; Non-Resident \$600; Alien \$1,100. Wholesale/State: Resident \$550; Non-Resident \$1,100; Alien \$1,600. Retail: Resident \$75 (\$25 per additional location); Non-Resident \$250 (\$40 per additional location); Alien \$300 (\$65 per additional location).

Saltwater Charter Boat Licenses, annual: To carry more than 10 customers \$800; to carry no more than 10 customers \$400; to carry 6 or fewer customers \$200.

Possessing, Selling, Exhibiting Captive Wildlife Licenses, annual: Personal Possession \$0-140; Exhibition or Sale \$50-\$250; Venomous Reptile/Reptile of Concern \$100.

DISPOSITION (into trust funds administered by FWC, unless otherwise noted):

Hunting, Freshwater Fishing, and Captive Wildlife Licenses, Fines, Forfeitures, and Administrative Fees: State Game Trust Fund.

Saltwater Fishing Licenses, Fines, Forfeitures, and Administrative Fees: Marine Resources Conservation Trust Fund; General Inspection Trust Fund and Florida Saltwater Products Promotion Trust Fund (administered by the Department of Agriculture and Consumer Services).

Lifetime Fishing and Hunting License Fees: Lifetime Fish and Wildlife Trust Fund.

5-Year Fishing and Hunting License Fees: Dedicated License Trust Fund.

HUNTING AND FISHING LICENSES

OTHER STATES:

All states collect hunting and fishing license fees.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

INDIAN GAMING REVENUES

FLORIDA STATUTES: Chapter 285

ADMINISTERED BY: Department of Business and Professional Regulation, Division of Pari-Mutuel Wagering

SUMMARY:

The compact with the Seminole Tribe of Florida allows the play of covered games in seven Seminole tribal facilities. The Tribe makes payments to the state for the privilege of being allowed to conduct those games in its tribal facilities.

REVENUE:

Fiscal Year	Total Collections	Annual Change %	Distributions to General Revenue	Distributions to Local Governments
2014-15*	254,200,000	7.12%	246,600,000	7,600,000
2013-14*	237,300,000	4.96%	230,200,000	7,100,000
2012-13	226,083,337	50.72%	221,583,337	4,500,000
2011-12	150,000,000	6.82%	146,250,000	3,750,000
2010-11	140,416,667	-6.39%	139,666,667	750,000
2009-10	150,000,000	94.59%	287,500,000	0
2008-09	77,083,333	27.59%	0	0

* Estimate

** In Fiscal Years 2007-08 and 2008-09, receipts were held in reserve (GR Unallocated) pending legislative approval of the compact in accordance with the opinion of the Florida Supreme Court in case no. SC07-2154.

HISTORY:

On November 14, 2007, the Governor and the Seminole Tribe of Florida executed a gaming agreement which was subsequently invalidated by the Florida Supreme Court. On August 28, 2009, and August 31, 2009, the Governor and the Tribe executed another agreement which was sent to the President of the Senate and the Speaker of the House of Representatives but not ratified or approved by the Legislature. On April 7, 2010, the Governor and the Tribe executed another agreement, which was subsequently ratified by the Legislature (SB 622/Chapter 2010-29, L.O.F.), and approved by the United States Secretary of the Interior. The compact allows play of covered games in seven Seminole tribal gaming facilities. Covered games include slot machines at all seven facilities and banked card games at five of the seven facilities. Expressly excluded are roulette, craps, roulette-style games, and craps-style games. The Tribe is granted exclusive rights to offer the covered games. The compact has a term of 20 years, with the exception that the authorization to offer banked card games lasts only five years. When banked card game authorization ceases in Fiscal Year 2015-16, the state will no longer receive revenue from the Tribe's facilities in Broward County.

BASE AND RATE:

During the initial period (the first 24 months of the agreement), the Tribe agreed to pay the State \$12.5 million per month. Beginning with the 25th month, Revenue Share calculation is as follows: 12 percent of the first \$2.0 billion in Net Win, 15 percent of Net Win between \$2.0 billion and \$3.0 billion, 17.5 percent of Net Win between \$3.0 billion and \$3.5 billion, 20 percent of Net Win between \$3.5 billion and \$4.0 billion, 22.5 percent of Net Win between \$4.0 billion and \$4.5 billion, and 25 percent of Net Win in excess of \$4.5 billion. There are guaranteed minimum payments of \$233 million for the 25th through 36th

INDIAN GAMING REVENUES

months and the 37th through 48th months, and \$234 million for the 49th through 60th months. The Tribe also pays an annual oversight payment of no more than \$250,000, indexed for inflation.

DISPOSITION:

97 percent is distributed to the General Revenue Fund, with the remaining 3 percent being distributed to the affected local governments.

OTHER STATES:

In addition to Florida, there are Indian casinos in 27 other states.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

INSPECTION LICENSES AND FEES

FLORIDA STATUTES: Chapter 472; sections 487.041, 487.045, 500.459, 501.605, 525.09, 526.51, 531.60-531.66, 576.041, 578.08, 580.041, 601.28, 601.59, 603.12, 604.19, and 616.242

ADMINISTERED BY: Department of Agriculture and Consumer Services

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.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	76,151,447	21.79%
2013-14*	62,529,095	-14.25%
2012-13	72,917,109	21.70%
2011-12	59,916,692	-14.18%
2010-11	69,820,141	21.61%
2009-10	57,413,433	-5.86%
2008-09	60,984,698	14.40%

* Estimate

HISTORY:

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. Following is a listing of the various types of fees and the date of their implementation:

Type of Fee	Base and Rate	Date of Creation	Last Increase	Disposition
Citrus Inspection	Fees for inspection of citrus grade and maturity in continuous inspection packing houses, inspection for pounds solid and brix acid levels at processing plants, inspection of imported fruit at terminal markets.	1949	2008	Citrus Inspection Trust Fund
Citrus Licenses	Each applicant that qualifies for a citrus fruit dealer's license must pay a \$25 per shipping season license fee. A \$10 per shipping season registration fee is required for each agent of the licensed citrus fruit dealer.	1949		Citrus Inspection Trust Fund

INSPECTION LICENSES AND FEES

Gas and Kerosene Inspection	An inspection fee of one-eighth cent per gallon is assessed on all gasoline, kerosene (except when used as aviation turbine fuel), and #1 fuel oil for sale or use in this state.	1919		General Inspection Trust Fund
Produce Dealers Licenses	A license is required before conducting business as a dealer in agricultural products. The license fee may not exceed \$500.	1941	2006	General Inspection Trust Fund
Pesticide Licenses	A license is required for a pesticide applicator that uses or supervises the use of restricted use pesticides. The license fee varies by type of applicant.	1975	2009	General Inspection Trust Fund
Professional Surveyors and Mappers Licenses	A license is required from the department for a professional to practice surveying and mapping in the state. The initial license fee shall not exceed \$200.	1994		General Inspection Trust Fund
Fairs and Expos Permits	Fees are established by rule to cover the costs and expenditures associated with the Bureau of Fair and Rides Inspection.	1986	2005	General Inspection Trust Fund
Weights & Measures Instruments and Devices Commercial Use Permits	Fees are established to administer permits for the use of various weights & measures instruments and devices. The permit fee is based on the manufacturer's rated capacity, device design, or use and whether measuring by an inch, pound, or the metric equivalent.	2009		General Inspection Trust Fund
Fruit and Vegetable Inspection	When requested by the shipper, the department will furnish car lot inspections of fruits, vegetables, nuts, grains, and other agricultural products at shipping point. The expense of the inspection is paid by the shipper in the form of inspection fees.		2008	General Inspection Trust Fund
Feed Registration	Each distributor of commercial feed must annually obtain a master registration for each brand that will be distributed in the state. The registration fee is	1905	2008	General Inspection Trust Fund

INSPECTION LICENSES AND FEES

	determined by the number of tons of feed distributed in this state by the distributor during the previous year.			
Fertilizer Inspection	\$1 per ton for fertilizer sold in the state.	1966	2008	General Inspection Trust Fund
Seed Registration	A seed dealer must obtain a license prior to selling seed in the state. The license fee is determined by the gross receipts from the sale of such seed for the preceding license year.	1945	1992	General Inspection Trust Fund
Brake Fluid Permit	A permit fee of \$100 is required for the registration of each brand of brake fluid sold in the state. Renewal fees are \$50 per year.	1961		General Inspection Trust Fund
Phosphate and Lime Nitrogen	30 cents per ton for phosphate and lime sold or used for agricultural purposes in the state.	2003		General Inspection Trust Fund
Telecommunication List Solicitor	A license fee of \$1,500 is required for businesses to engage in commercial telephone solicitation in the state.	1991		General Inspection Trust Fund
Water Vending Permits	A water vending machine permit is required of any person who establishes, maintains, or operates a water vending machine in the state. The permit fee is \$35 per machine.	1984		General Inspection Trust Fund

In 2009, Chapter 2009-66, L.O.F. (SB 1744), transferred the regulation and licensing of the surveyors and mappers profession from the Department of Business and Professional Regulation to the Department of Agriculture and Consumer Services. In that same law, effective retroactively to January 1, 2009, a supplemental biennial registration fee for each registered brand of pesticide was added to defray the expenses of the department for testing pesticides for food safety. Each registration issued to a registrant in an odd numbered year is assessed a supplemental fee of \$630 per brand and in an even numbered year is assessed a supplemental fee of \$315 per brand. Also, ss. 531.60-531.66, F.S., were established to permit requirements and fees for weighing and measuring devices used for commercial purposes. The various fees for instruments and devices range from \$60-\$300 for weighing devices of up to and including 100- pound capacity, \$200-\$1,000 for devices weighing greater than 100-pound capacity including wheel load weighers, static railroad track scales, and in-motion railroad track scales, and \$50-\$500 for mass flow meters, volumetric flow meters, tanks used as measuring containers, taximeters, grain moisture meters, and multiple-dimension measuring devices. Additionally, the annual fee for specialty fertilizer was revised to \$200 for each specialty fertilizer brand registration by an applicant. Also, the annual registration fee for seed dealers was doubled, now ranging from \$100-\$4,600 based on various levels of gross receipts from the sale of seeds per place of business.

INSPECTION LICENSES AND FEES

In 2013, Chapter 2013-55, L.O.F. (HB 5501), transferred the collection of motor fuel inspection fees to the Department of Revenue and eliminated the fees on kerosene and #1 oil. The funds continue to be deposited into the General Inspection Trust Fund.

OTHER STATES:

All states engage in some form of regulation and inspection of agricultural commodities.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

INSURANCE LICENSE FEES

FLORIDA STATUTES: Sections 624.501 - 624.506, 624.521, and 624.523

ADMINISTERED BY: 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 a biennial state license fee of \$12, an appointment fee of \$42, and a county license fee of \$6.

REVENUE:

Fiscal Year	Collections	Annual Change %	Insurance Regulatory Trust Fund**	Agents County Tax Trust Fund
2014-15*	59,556,529	1.09%	54,561,362	4,995,167
2013-14*	58,915,725	0.95%	53,974,304	4,941,421
2012-13	58,361,335	0.76%	53,466,412	4,894,923
2011-12	57,922,052	1.00%	53,063,973	4,858,079
2010-11	57,348,566	-1.12%	52,538,587	4,809,979
2009-10	57,997,298	-2.74%	53,128,520	4,868,778
2008-09	59,632,769	5.42%	54,601,790	5,030,979

* Estimate

** 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.

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.

BASE AND RATE:

Each insurer company: \$1,000 annually.

Each resident property, casualty, marine, surety, life, health, title, and limited lines insurance agent pays a \$60 biennial license fee (\$42 appointment fee, \$12 state license fee, and \$6 county license tax). Each non-resident insurance agent and all adjusters, whether resident or non-resident, pay a \$60 biennial appointment fee. Non-resident agents pay a \$6 biennial county license tax for each county in which he or she transacts insurance. Each title insurer and title insurance agency pays an annual \$200 administrative surcharge to be deposited in the Insurance Regulatory Trust Fund.

DISPOSITION:

Insurance Regulatory Trust Fund: All “state tax” portions (\$12) of the agents’ licenses are collected to fund the administrative costs of the Division of Insurance Fraud. The \$42 appointment fee is also deposited in the Insurance Regulatory Trust Fund.

INSURANCE LICENSE FEES

General Revenue Fund: Residual of all "state tax" portions of agents' license fee 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.

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.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Provides for an additional fee on applications for the reinstatement of a suspended license. Amends s. 624.501, F.S.	S1098/2008, H661/2008

INSURANCE PREMIUM TAX

FLORIDA STATUTES: Sections 624.509 - 624.519, 624.4625, and 252.372

ADMINISTERED BY: Department of Revenue and Department of Financial Services

SUMMARY:

Taxes are imposed on insurance premiums and paid by insurance companies at the following rates: 1.75 percent on gross premiums minus reinsurance and return premiums; 1 percent on annuity premiums; and 1.6 percent on self insurers.

REVENUE:

Fiscal Year	Receipts		Distributions**			
	Collections	Annual Change %	General Revenue	Insurance Regulatory Trust Fund	Police & Firefighters Premium Tax Trust Fund	Emergency Mangement Preparedness & Assitance Trust Fund
2014-15**	804,300,000	12.21%	567,900,000	39,400,000	179,500,000	14,500,000
2013-14*	716,800,000	2.14%	487,800,000	38,200,000	173,700,000	14,100,000
2012-13	701,800,000	-0.21%	477,000,000	38,300,000	165,900,000	13,600,000
2011-12	703,300,000	0.96%	492,300,000	38,800,000	162,600,000	14,000,000
2010-11	696,600,000	4.38%	482,500,000	37,900,000	154,900,000	14,300,000
2009-10	667,400,000	2.03%	460,000,000	36,300,000	156,400,000	14,100,000
2008-09	654,100,000	-8.94%	454,000,000	35,400,000	156,300,000	14,100,000

* Estimate

** Distributions do not equal collections due to beginning and ending cash balances and refunds.

*** Beginning Fiscal Year 2014-15 the Affordable Care Impact of \$76.4 million takes effect.

HISTORY:

Adoption of a revised insurance code in 1959 carried forward previous tax arrangements which fully 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. In 1988, legislation removed statutory distinctions between domestic, regional home office, and foreign insurance companies, subjecting all insurance companies to a 2 percent premium tax. A new salary tax credit equal to 15 percent 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 percent of total premium tax liability. In 1989, the premium tax rate was reduced from 2 percent to 1.75 percent and the cap on the combined salary and corporate income tax credit from 75 percent to 65 percent. The 100 percent exclusion from considering the salary credit when calculating retaliatory taxes was reduced to 80 percent exclusion. Also, the distribution of retaliatory taxes was changed with not more than 10 percent going to the Insurance Commissioner's Regulatory Trust Fund and the remainder into the General Revenue Fund. Annual tax credits for the Florida Insurance Guaranty Association (FIGA) and Florida Life and Health Insurance Guaranty Association (FLAHIGA) assessments were reduced from 5 percent to 0.1 percent and totally eliminated after three 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.

INSURANCE PREMIUM TAX

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 FLAHIGA assessment credit against premium taxes paid.

Beginning with the 1997 tax year, companies are allowed to take a credit of 0.1 percent of their FLAHIGA assessments paid prior to the 1997 tax year plus a credit of 5.0 percent 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 raised to \$10 million in 1999. The 2000 tax year introduced many changes in available tax credits. Insurance companies became exempt from the recurring intangibles tax, which meant intangibles tax credit was no longer available. An investment in Capital Companies (CAPCO'S) provided a tax credit limited to \$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 to insurance companies to take against their premium taxes or corporate income taxes.

The 2004 Legislature passed four laws which impacted the insurance premium tax. Chapter 2004-27, L.O.F. (SB 2488), increased the potential one-year Florida Hurricane Catastrophe Fund (FHCF) assessment from 4 percent to 6 percent. The FHCF multiple years' aggregate assessment limit was also raised from 6 percent to 10 percent. This law also provided for an emergency assessment exemption from the insurance premium tax. Chapter 2004-370, L.O.F. (SB 2038), 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 and Chapter 2004-390, L.O.F. (SB 2994), provided that any local government workers' compensation self-insurance fund created after October 1, 2004, is subject to the requirements placed on a commercial fund for five years and must pay insurance premium tax. Chapter 2004-266, L.O.F. (HB 1251), exempted 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 Chapter 2005-280, L.O.F. (HB 1813), 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 provided that community contributions tax credits will not increase retaliatory tax owed by an insurer. Chapter 2005-94, L.O.F. (HB 105), exempted 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. (HB 1159), provided 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. Chapter 2006-55, L.O.F. (SB 2728), allowed certain salary credits to be transferred to a member of an affiliated group.

INSURANCE PREMIUM TAX

Chapter 2009-97, L.O.F. (SB 538), adjusted the boundaries of a special fire district to include an area that has been annexed until the completion of the four-year period provided in s.171.093(4), F.S., or when a special fire district is providing services pursuant to an inter-local agreement. It also allowed any participating municipality that provides police protection services to other incorporated municipalities for 12 months or more, pursuant to an inter-local agreement, to receive 0.85 percent excise tax in the other incorporated municipality. Chapter 2009-108, L.O.F. (HB 453), permitted the scholarship tax credit to be taken from the insurance tax, and this credit does not impact on the retaliatory tax under the insurance premium tax. Chapter 2009-50, L.O.F. (HB 485), created a credit for long-term debt security in low-income communities. The credit is capped at \$20 million per year. No credits are provided for the initial investment or the first anniversary of the initial investment. On the second anniversary of the investment, there is a 7 percent credit, and an 8 percent credit for each of the third, fourth, fifth, and sixth anniversaries. If a taxpayer's state tax liability exceeds the tax credit, then the tax credit may be carried forward for future taxable years; however, all tax credits expire December 31, 2022. The tax credits are allocated on a first-come, first-serve basis. Chapter 2010-49, L.O.F. (HB 159), amended s. 631.57, F.S., such that neither emergency assessments nor regular assessments of the FIGA will be part of premiums subject to the insurance premium tax.

BASE AND RATE:

Premium Tax: Premium tax is applied to insurance premiums written in Florida at the following rates: gross property and casualty premiums less reinsurance and returned premiums, life premiums, accident and health premiums, and prepaid limited health premiums, 1.75 percent; commercial self-insurance, group self-insurance, medical malpractice self-insurance, and assessable mutual insurance, 1.6 percent; and annuities, 1 percent. 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 percent 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 percent 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 perils, and business owner's property insurance policy, issued on or after May 1, 1993, pursuant to s. 252.372, F.S.

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.

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

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 0.4 percent

INSURANCE PREMIUM TAX

to 4.265 percent, with the average rate for all states being around 2 percent. All insurance taxes are complicated by retaliatory taxes which nearly every state levies under some circumstances.

	<u>2014-15</u> (millions)
VALUE OF RATE CHANGE:	
0.5 percent increase	\$316.2
VALUE OF CREDITS:	
Community Contributions (s. 624.5105)	\$0.2
Corporate Income Credits Claimed (s. 624.509(4))	\$152.1
Florida Employee's Salary (s. 624.509(5))	\$265.9
Capital Company Investment Credit (s. 288.99)	\$0.0
Municipal Firefighter's Pension Fund (s. 175.141)	\$109.4
Municipal Police Officer's Retirement Fund (s. 185.12)	\$76.0
Capital Investment Tax Credit (s. 220.191 (2))	\$0.0
Child Care Credit (s. 624.5107)	\$0.0
Scholarship Credit (s. 624.51055)	\$27.6
VALUE OF DEDUCTIONS:	
Workers' Compensation Assessments Credit (s. 440.51)	\$32.2
Florida Life and Health Insurance Guarantee Association Assessment (s. 631.711)	\$5.9
VALUE OF EXEMPTIONS:	
Annuity premiums (s. 624.509(8)) – exempt from 1 percent tax when savings are passed on to policy holders	\$139.8
PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:	
There has been no proposed legislation repeated multiple years regarding this revenue source.	

**INSURANCE SURPLUS LINES AND INDEPENDENTLY
PROCURED INSURANCE TAX**

FLORIDA STATUTES: Sections 626.932 and 626.938

ADMINISTERED BY: Department of Financial Services

SUMMARY:

Taxes are imposed on surplus lines premiums and independently procured coverage at 5 percent and paid by surplus lines companies.

REVENUE:

Fiscal Year	Receipts		Distributions	
	Total Collections	Annual Change %	General Revenue	Insurance Regulatory Trust Fund
2014-15*	209,000,000	2.00%	176,100,000	32,900,000
2013-14*	204,900,000	3.02%	204,900,000	0
2012-13	198,900,000	16.79%	198,900,000	0
2011-12	170,300,000	-4.33%	170,300,000	0
2010-11	178,000,000	-5.92%	178,000,000	0
2009-10	189,200,000	-0.79%	189,200,000	0
2008-09	190,700,000	-12.56%	160,700,000	30,000,000

* Estimate

HISTORY:

Before 1990, the tax on surplus lines and independently procured insurance was levied at 3 percent. In 1990, this tax was raised to 5 percent, but the amount of such assessment distributed to the Department of Insurance was reduced from 3 percent to 2.75 percent.

Chapter 2003-395, L.O.F. (HB 1059), changed the distribution of the tax on surplus lines and independently procured coverage from 55 percent to the Insurance Regulatory Trust Fund and 45 percent to the General Revenue Fund to 24.3 percent to the Insurance Regulatory Trust Fund and 75.7 percent to General Revenue. Chapter 2004-27, L.O.F. (SB 2488), made surplus lines insurance policies subject to Florida Hurricane Catastrophe Fund assessments. Chapter 2008-132, L.O.F. (HB 5043), changed the distribution of the Surplus Lines Tax between the General Revenue Fund and the Insurance Regulatory Trust Fund by increasing the percentage deposited into the General Revenue Fund, from 75.7 percent to 84.26 percent. The remainder is deposited into the Insurance Regulatory Trust Fund. Chapter 2009-70, L.O.F. (SB 1758), redirected 100 percent of the Surplus Lines Tax, Independent Procured Coverage Tax, and Risk Retention Group Tax to the General Revenue Fund. This redistribution of 100 percent of tax proceeds to General Revenue will expire by July 1, 2014, and starting in Fiscal Year 2014-15, the distribution of tax proceeds will revert to the distribution mechanism specified in Chapter 2008-132, L.O.F. (i.e., 15.74 percent to the Insurance Regulatory Trust Fund and 84.26 percent to the General Revenue Fund), absent any subsequent law changes.

Chapter 2011-46, L.O.F. (SB 1816), authorized the Department of Financial Services and the Office of Insurance Regulation to enter into a cooperative reciprocal agreement with other states to collect and allocate non-admitted insurance taxes for multistate policies pursuant to the NRRA. It also changed the tax base from the portion of the premium that is properly allocable to risks located in Florida to the entire gross premium if Florida is the insured's "home state" as defined in the Nonadmitted and Reinsurance Reform Act (NRRA) of 2010 (passed by the 111th U.S. Congress).

**INSURANCE SURPLUS LINES AND INDEPENDENTLY
PROCURED INSURANCE TAX**

BASE AND RATE:

Surplus lines and independently procured insurance: 5 percent.

DISPOSITION:

From Fiscal Year 2009-10 to Fiscal Year 2013-14, the tax on surplus lines and independently procured coverage is distributed 100 percent to the General Revenue Fund. Starting July 1, 2014, the tax proceeds will be distributed 15.74 percent to the Insurance Regulatory Trust Fund and 84.26 percent to the General Revenue Fund.

OTHER STATES:

Surplus lines premium and independently procured coverage taxes are imposed in most states. Taxes imposed vary considerably from state to state, with a range from 1 percent to 5 percent.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Rescinds the repeal of an alternative tax rate.	S390/2000, S1688/2001

INTANGIBLES TAX

FLORIDA STATUTES: Chapter 199, Section 196.199(2)

ADMINISTERED BY: Department of Revenue

SUMMARY:

The Florida Constitution prohibits the state from levying property tax on real estate or tangible personal property but allows a state tax on intangible personal property. The maximum rate allowed is 2 mills. (1 mill = .1 cent or \$.001; also expressed as \$1 per \$1,000 or .1 percent.) 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, and revenue from this source goes to the General Revenue Fund. (Leasehold interests in property owned by certain governmental units but used by nongovernmental lessees are taxed as intangible personal property if the lessee does not serve or perform a governmental, municipal, or public purpose or function. Revenue from the tax on leasehold interests is distributed directly to local school boards.)

REVENUE:

Fiscal Year	Total Collections*	Annual Change %	Obligations Secured by Liens on Florida Realty	General Revenue Distribution*
2014-15*	337,800,000	8.97%	337,800,000	337,800,000
2013-14*	310,000,000	12.12%	310,000,000	310,000,000
2012-13	276,485,652	49.74%	276,485,652	276,485,652
2011-12	184,646,727	13.65%	184,646,727	184,646,727
2010-11	162,468,222	2.37%	162,468,222	162,468,222
2009-10	158,711,122	-20.64%	158,711,122	158,711,122
2008-09	199,982,000	-54.17%	199,982,355	199,982,000

* Estimate

** Since July 1, 2004, all intangible tax revenue except revenue from the tax on leaseholds has been distributed to General Revenue.

HISTORY:

Prior to 1924, there was no constitutional distinction between intangible property and other property, and all property 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 in the state's General Revenue Fund. In 1941 intangibles tax revenue was used to fund county tax assessors and collectors, and revenue not needed for these purposes was divided between General Revenue (75 percent) and the county where collected (25 percent). 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 two-year phased reduction to 1 mill.

In 1967, 55 percent 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 (Chapter 72-360, L.O.F.) channeled the counties' 55 percent share through a revenue

INTANGIBLES TAX

sharing formula. In 1974, a \$20,000 exemption against the annual tax was created for each taxpayer and spouse.

Several changes were made to the intangibles tax in 1990. The annual tax rate was increased to 1.5 mills with an exemption of \$100,000 per taxpayer 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 percent 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 percent to 65 percent of corporate taxes due and banks were guaranteed the higher of this credit or a credit equal to 33 percent of their intangible tax liability. The distribution was changed in 1990 from 55 percent to 41.3 percent to the Revenue Sharing Trust Fund for Counties and from 45 percent to 58.7 percent 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 percent to 33.5 percent to the Revenue Sharing Trust Fund for Counties and from 58.7 percent to 66.5 percent to the General Revenue Fund.

In 1998, the Legislature made several significant changes 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 percent for the Revenue Sharing Trust Fund for Counties for Fiscal Year 1998-1999 and to 37.7 percent for Fiscal Year 1999-00 (HB 1450/Chapter 98-132, L.O.F.).

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 (SB 318/Chapter 99-242 and SB 2496/Chapter 99-274, L.O. F.) The next year, Chapter 2000-173, L.O.F. (HB 67/187), 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 distribution of intangibles tax to counties and replaced the revenue with a sales tax distribution.

Chapter 2001-225, L.O.F. (HB 21), 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, which were mainly businesses. These changes were postponed until the 2004 tax year in Special Session C in December 2001. Chapter 2004-234, L.O.F. (SB 2644), provided 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. Chapter 2006-312, L.O.F. (HB 209), repealed the annual tax on intangible personal property,

INTANGIBLES TAX

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. Chapter 2012-32, L.O.F. (HB 7087), exempted governmental leaseholds from intangibles tax when the lessee serves or performs a governmental, municipal, or public purpose or function.

BASE AND RATE:

A 2 mill one-time tax is imposed on obligations for the payment of money secured by liens on Florida real property. An annual .5 mill tax is imposed on non-exempt governmental leaseholds.

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.

OTHER STATES:

Most states include income from intangible personal property in their personal income tax base. Along with Florida, the states of Kansas and Kentucky 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.

2014-15
(millions)

VALUE OF RATE CHANGE:

Value of .5 mill levy on stocks, bonds, notes, etc.*	\$210.5
Value of 1 mill levy on liens secured by Florida realty*	\$168.9

VALUE OF EXEMPTIONS:

Exemption for credit unions from state and local taxes (s. 213.12(2), F.S.)	Indeterminate
Exemption for property owned by the state or by religious, educational, or charitable institutions (s. 199.183, F.S.)	Indeterminate

VALUE OF REFUNDS AND ALLOWANCES:

Clerk of Circuit Court Commission (0.5 percent) (s.199.135(3), F.S.)	\$1.7
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DISTRIBUTION TO SCHOOL BOARDS

Government leasehold collections (s. 199.292(1), F.S.)	\$0.2
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* 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.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Repeals the annual intangible personal property tax.	S906/2000 sm H425 , S1570/2000, S976/2001, H23-C/2001, S1014/2003 sm H47, S3068/2004, H75/2004 sm H1131, S880/2005 sm H383 and H661, H963/2005 , S260/2006 idn S1946, S714/2006, H711/2006
Reduces the rate of annual intangible personal property tax from 1.5 mills to 1 mill	S60/2000 , H187/2000

INTANGIBLES TAX

imposed on each dollar of the just valuation of property.	
Provides that all accounts receivable are exempt from intangible personal property taxes.	S60/2000, H187/2000
Amends s. 199.052, F.S., providing that a trustee is not responsible for returns and is not required to pay annual tax on trust property.	S192/2000 sm H415, H2443/2000
Exempts certain natural persons from the payment of annual tax.	S1676/2002 idn H917, H55-C/2001
Increases the exemption amount for natural persons on the value of property otherwise subject to the annual intangible personal property tax.	S204/2000, S128/2001 , H9-C/2001
Increases the percentage of voluntary cleanup cost of contamination sites allowed as a tax credit against the intangibles tax.	H485/2004, S1448/2005 sm H1857

INTERGOVERNMENTAL AID

FLORIDA STATUTES: 215.32(2)(b)

ADMINISTERED BY: Various agencies

SUMMARY:

Approximately 31.6 percent of total direct revenue received by the state in Fiscal Year 2012-13 was federally funded. Health and Human Services grants make up the majority of funding and are located in the following agencies/departments: Children and Families, Health, Agency for Health Care Administration, and the Agency for Persons with Disabilities. The majority of Community Affairs grant funding is disaster related and fluctuates based on the level of disasters experienced annually.

REVENUE:

Fiscal Year	Collections	Annual Change %	Federal Grants	County and City Grants	Other Assistance and Donations Grants
2014-15*	21,768,337,000	-8.03%	21,572,797,000	66,090,000	129,450,000
2013-14*	23,668,997,000	6.21%	23,476,002,000	65,210,000	127,785,000
2012-13	22,284,813,010	-1.43%	22,089,085,017	63,939,900	131,788,093
2011-12	22,607,048,683	-22.50%	22,416,785,473	66,480,705	123,782,505
2010-11	29,170,847,456	2.60%	28,950,466,300	69,230,249	151,150,907
2009-10	28,431,356,220	37.33%	28,124,904,180	73,528,064	232,923,976
2008-09	20,702,686,370	14.94%	20,483,011,997	72,601,000	147,073,373

* Estimate

Note: Fiscal Year 2008-09 through Fiscal Year 2014-15 Total Collections includes additional Federal Grants funding for the American Recovery and Reinvestment Act. Fiscal Year 2009-10 through Fiscal Year 2012-13 includes additional Other Assistance and Donations Grants from BP for the Gulf Oil Spill clean-up.

HISTORY:

Intergovernmental Aid is a combination of three types of grant funding: County and city grants, federal government grants, and other assistance and donations grants. In FY 2012-13, Intergovernmental Aid made up 31.6 percent of total direct revenue to the state. From FY 1970-71 through FY 2012-13 this funding category is averaging 24.8 percent of total direct revenue to the state.

The state receives county and city grant funds from Boards of County Commissioners, County Health Care Taxing Districts, County School Boards, and various other levels of county or city governments. These funds are generally provided to fund activities appropriate to the services being provided. In addition, the local governments may request that the state provide specific services and enter into agreements related to these specific services.

Federal government grant funds are received from many different federal agencies for the purpose of providing support services to a variety of department clients, supporting regulatory activities of the state's various departments, and for other such purposes as may be appropriate. The state's various agencies receive the funds through the federal government grant award process, either directly from the awarding federal agency or transfers from another state agency. The grants are used for specific purposes in accordance with the directives of the grant.

INTERGOVERNMENTAL AID

Other assistance and donations grants are received from various foundations and non-profit organizations for the purpose of providing specific services as directed by the grant or donation, and as matching funds for various services.

BASE AND RATE:

Various matching formulas are program-specific. Matching funds required for federal aid may vary from zero to 100 percent.

DISPOSITION:

Various Agency Trust Funds (earmarked accounts appropriate to the purpose of each type of aid received).

OTHER STATES:

All states receive similar types of grant funding at a variety of levels. Federal government grant funding levels are generally guided by population, program, and need based on economic indicators.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

L O T T E R Y

FLORIDA STATUTES: Chapter 24

ADMINISTERED BY: Department of Lottery

SUMMARY:

The Lottery's mission is to maximize revenues for educational enhancement in Florida. To do so, it operates both instant ticket games and terminal-generated games. The Lottery is self-funded. In addition to ticket sales, a relatively small portion of Lottery proceeds is generated from security lending, interest earnings, terminal fees, and retailer fees. Finally, 80 percent of unclaimed prize money is transferred to the Educational Enhancement Trust Fund (EETF).

REVENUE:

Fiscal Year	Collections	Annual Change %	DOL Distributions to Educational Enhancement Trust Fund**
2014-15*	5,425,667,888	1.69%	1,491,664,317
2013-14*	5,335,521,568	6.20%	1,478,698,522
2012-13	5,024,096,000	12.55%	1,382,000,000
2011-12	4,463,798,000	10.97%	1,321,663,602
2010-11	4,022,482,355	1.74%	1,184,000,000
2009-10	3,953,699,798	-1.31%	1,246,794,000
2008-09	4,006,008,000	-4.70%	1,289,109,000

* Estimate

**Beginning in Fiscal Year 2012-13, estimates reflect actual cash transfers to the EETF, rather than weekly sales as previously estimated, because there is a delay in the transfer of weekly sales receipts to the EETF of up to two weeks.

HISTORY:

In November 1986, voters approved an amendment to the Florida Constitution (Article X, Section 1) providing for a state-operated lottery. The Department of Lottery was created during the 1987 Regular Legislative Session, and the state lottery officially began selling tickets on January 12, 1988. Beginning July 1989, the allocation for education was increased from the original 35 percent to 37.5 percent and increased again to 38 percent in July 1990. During the 2002 Regular Session, the Legislature authorized the Department of Lottery to determine a variable percentage of revenue from instant tickets to return to players as prizes, removing the requirement that 38 percent of instant game sales be transferred to the EETF. In the following year, the Legislature increased the allocation for education from 38 percent to 39 percent for terminal games. However, in 2005, the terminal game prize and education allocations were made variable as well. The Lottery determines prize percentages that maximize education funding. The variable prize authority was the major factor in the \$219 million or 87 percent increase, from Fiscal Year 2001-02 to Fiscal Year 2007-08, in education funding generated by sales of instant games.

In 2003, the Legislature eliminated the \$180 million cap on money used from the EETF for bonding, and removed designated transfers going to the Classroom First program. During Special Session E, HB 43-E (Chapter 2003-426, L.O.F.) transferred \$30,147,947 of unclaimed lottery prize money to the EETF.

During the 2005 Regular Session, HB 840 (Chapter 2005-84, L.O.F.) required 80 percent of unclaimed lottery prize money to be deposited in the EETF and the remaining 20 percent to be added to the pool for future prizes or special prize promotions. The bill also authorized the department to establish variable percentages for terminal games prize payouts and transfers to the EETF, as noted above.

LOTTERY

Two bills related to the Lottery were passed during the 2006 and 2007 sessions. House Bill 755 (Chapter 2006-278, L.O.F.) narrowed the standard of review for administrative law judges when considering protests of the Lottery's competitive procurement actions. The Lottery expected this legislation to reduce agency costs over the long term. Senate Bill 1376 (Chapter 2007-128, L.O.F.) added the authority to obtain patents to the Lottery's existing ability to hold copyrights, trademarks, and service marks.

The Legislature appropriated funds for Instant Ticket Vending Machines (ITVMs) during the 2009 and 2010 Legislative Sessions. Funds appropriated for the first year were sufficient to lease and install 1,000 ITVMs, primarily in the largest grocery chains in the state. Locations with ITVMs showed net gains in sales exceeding forecasted impacts in Fiscal Year 2009-10. During the 2010 Legislative Session, the Lottery was given a specific appropriation allowing the department to lease and install an additional 500 machines. Installation of these machines in additional grocery chain stores and selected, high-volume convenience stores was completed by January 2011.

Initially, lottery vending machines in Florida could dispense only instant tickets. However, in 2012, HB 843 (Chapter No. 2012-130, L.O.F.) authorized the use of Full Service Vending Machines (FSVMs) in Florida. Tickets for both instant and terminal games can be purchased at these machines. In Fiscal Year 2012-13 the Lottery was able to activate and place 500 FSVMs and to redeploy the ITVMs to new locations.

BASE AND RATE:

In Fiscal Year 2012-13, monthly surveys conducted by the Lottery found that 67.8 percent of adult Florida respondents reported playing at least one Florida Lottery game during the preceding 12 months. Fifty-seven percent reported playing at least one game during the past month. During that same fiscal year, funds generated for the EETF equaled 26 percent of total Lottery proceeds.

DISPOSITION:

Total collections are distributed as follows: variable percentages, as determined by the department, of the gross revenue from the sale of terminal and instant lottery tickets are returned to Lottery players as prizes. The next portion of the proceeds is used to compensate the nearly 13,300 Lottery retailers around the state that sold the tickets. A third portion of the proceeds is used for operational costs including payments to vendors, advertising and promotional expenses, and administrative expenses of the department. The spending authority for operating costs is appropriated through the legislative budget process. Revenues from ticket sales remaining after payment of prizes, retailer fees and department operating expenses are transferred to the EETF. Following an annual financial audit, any unencumbered balance which remains in the Operating Trust Fund at the end of each fiscal year is transferred to the EETF. In Fiscal Year 2012-13, approximately 67 percent of Lottery proceeds were spent on prizes, 5.5 percent on retailer compensation, and 1.5 percent on operational costs, leaving 26 percent for transfer to the EETF.

OTHER STATES:

Currently, 43 states and the District of Columbia are authorized to operate state lotteries. Forty-two of these states and the District of Columbia operate instant ticket games and at least one form of terminal game. (North Dakota does not operate its own state games, but instead, participates in multi-state games.) In Fiscal Year 2012-13, Florida ranked second in total sales and ninth in per capita sales among U.S. lotteries. In regard to transfers to government, the Florida Lottery ranks second.

VALUE OF RATE CHANGE:

The Lottery has had the authority to vary the prize payout and EETF transfer rates since 2002 for instant games and since 2005 for terminal games. The Lottery's higher prize payout and ticket price strategies made possible by this authority resulted in a Fiscal Year 2007-08 level of EETF from instant game sales that was \$219 million higher than in Fiscal Year 2001-02. However, prize payout and EETF transfer rates have been at or near their optimal levels for maximizing EETF since then, and further gains solely from rate changes are likely to be limited. Use of prize and price strategies for terminal games has been more deliberate, but they have still resulted in positive net EETF returns in most cases.

LOTTERY

VALUE OF REFUNDS AND ALLOWANCES:

The Lottery has a statewide network of nearly 13,300 retailers selling lottery games and cashing winning tickets. These retailers are compensated for providing these services and for marketing lottery games through point-of-sale materials and special promotions. Each retailer receives a 5 percent commission on lottery sales and a 1 percent cashing bonus on the value of prizes redeemed at that retailer location. In Fiscal Year 2012-13, these commissions and cashing bonuses totaled \$276.8 million or 5.5 percent of ticket sales.

In addition, the Lottery is authorized to spend money on retailer incentives aimed at encouraging greater sales. Typically, the launch of a new or especially important game or promotion is accompanied by a retailer incentive, for example, paying a higher sales commission for the new product for a limited time. During Fiscal Year 2012-13, the Lottery expended \$1.7 million on such incentive programs.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

MOTOR FUEL & DIESEL FUEL TAXES

FLORIDA STATUTES: Chapter 206, Section 212.0501, F.S.

ADMINISTERED BY: Department of Revenue

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 a statutorily 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.

Combined state fuel tax rates for Calendar Year 2014 are: motor fuel – 24.2 cents per gallon and diesel fuel – 25.3 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 percent use tax.

REVENUE:

Fiscal Year	Total Collections**	Annual Change %	Chapter 206 & s. 212.0501	SCETS TAX
2014-15*	2,430,404,636	1.82	1,745,056,558	685,348,078
2013-14*	2,386,955,040	1.74	1,713,063,125	673,891,915
2012-13	2,346,088,011	2.69	1,682,808,567	663,279,444
2011-12	2,284,684,853	0.27	1,638,597,911	646,086,862
2010-11	2,278,575,336	0.48	1,641,347,717	637,227,619
2009-10	2,266,815,488	1.7%	1,630,707,298	636,108,190
2008-09	2,229,829,430	-2.94	1,607,792,595	622,036,835

* Estimate

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

Distributions						
Fiscal Year	Service Charges	Diversions***	DOR Admin. Costs	Agriculture Emergency Eradication Trust Fund	Marine Resources Conservation Trust Fund	Total
2014-15*	3,529,465	49,015,514	18,008,516	10,550,229	13,400,000	94,503,724
2013-14*	3,470,468	48,196,179	17,707,488	10,373,873	13,400,000	93,148,007
2012-13	3,415,814	47,437,184	17,428,630	10,210,505	13,400,000	91,892,133
2011-12	1,220,019	84,118,911	15,652,131	9,959,707	13,400,000	124,350,768
2010-11	3,260,000	67,454,200	16,107,533	9,845,281	13,400,000	110,067,014
2009-10	3,800,000	61,390,000	17,690,000	9,870,000	13,400,000	106,150,000
2008-09	4,300,000	61,700,000	13,436,435	9,370,924	13,400,000	102,207,359

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

MOTOR FUEL & DIESEL FUEL TAXES

Allocation by Type of Fuel**				
Fiscal Year	Motor Fuel	Diesel Fuel	Off-Highway Fuel@	Aviation
2014-15*	1,410,056,754	264,365,996	16,200,000	54,433,808
2013-14*	1,386,486,484	257,666,663	15,700,000	53,209,978
2012-13	1,364,652,051	250,404,920	13,895,343	53,856,253
2011-12	1,335,671,987	234,782,152	11,000,000	57,143,852
2010-11	1,334,955,474	231,151,560	10,100,000	65,140,683
2009-10	1,338,464,743	220,713,182	7,912,574	64,598,035
2008-09	1,303,602,897	232,943,087	13,589,951	64,851,275

* Estimate

** 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.

HISTORY:

Florida began taxing gasoline in 1921. Starting with a rate of 1 cent per gallon, Florida had a series of rate increases until it was set at 7 cents in 1931. In 1939, similar taxation of special motor fuels was provided (Chapter 206, Part II, F.S.). 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. In 1980, a five-year exemption was granted from the first gas tax for gasohol and beginning July 1, 1980, to July 1983, gasohol was granted an exemption from the 7th cent tax. The legislation provided that the exemption would be reduced to only 2 cents of the first gas tax in 1985 and then would be totally removed in 1987. 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 percent 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. The fees collected pursuant to s. 206.87(7), were deposited into the newly created State Alternative Fuel User Fee Clearing Trust Fund and the Local Alternative Fuel User Fee Clearing Trust Fund.

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 1-cent Gas Tax, the County 1-6 cents Local Option Gas Tax, and the County 1-5 cents Local Option Motor Fuel 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. The authorization was set to expire July 1, 1989, but was extended by the 1989 and 1990 Legislatures and was scheduled to expire July 1, 1991. In 1990, the sales tax on motor and special fuel was increased from 5 percent to 6 percent 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 SCETS tax was enacted. The SCETS tax was levied on gasoline in each county levying a local option gas tax at a rate equal to two-thirds of the sum of the county's local option gas taxes, not to exceed 4 cents per gallon. The SCETS tax is annually adjusted by the average of the Consumer Price Index. The equalization of local option fuel taxes on diesel fuel was also adopted. Effective calendar year 1991, the local option tax rate on diesel cannot be lower than 4 cents per gallon; in 1992, 5 cents per gallon; and in 1993, 6 cents per gallon. Effective calendar year 1994, the local option tax rate on diesel fuel was 7 cents per gallon.

MOTOR FUEL & DIESEL FUEL TAXES

Chapter 94-146, L.O.F. (HB 1317), 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 1999-00, administrative costs would be deducted proportionally from all fuel taxes, except the Constitutional gas tax.

In 1996, the motor and special fuel tax statutes were rewritten 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 percent 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. (SB 330), provided for a five-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. (HB 81), allowed owners of noncommercial vessels to purchase tax-exempt (dyed) diesel fuel provided that such fuel purchases were subject to the 6 percent general sales and use tax. 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. Effective July 1, 1998, the \$1.5 million distribution of fuel tax revenues to the Board of Regents for the Center for Urban Transportation Research was repealed. Effective July 1, 1999, the distribution to the Invasive Plant Control Trust Fund was decreased from \$7.55 million to \$6.3 million; and the distribution to the Fish and Wildlife Conservation Commission was increased from \$1.25 million to \$2.5 million.

Effective July 1, 2000, the 7.3 percent General Revenue Service Charge was eliminated on the Fuel Tax Collection Trust Fund. The July 1, 2000, date affected 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 was eliminated on SCETS tax collections. Chapter 2000-266, L.O.F. (SB 772), 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. In 2002, the Legislature reinstated the aviation fuel tax exemption for certain air carriers, which expired July 1, 2001. The 2003 Legislature authorized 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 million in 2003-04; \$5.0 million in 2004-05; \$8.5 million in 2005-06; \$10.9 million in 2006-07; and \$13.4 million 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.

Effective July 1, 2007, a refund of the local option fuel tax, the SCETS tax, and the fuel sales tax was granted for any person who used motor fuel in the operation of aviation ground support vehicles or equipment that were not driven or operated on the public highways of Florida.

BASE AND RATE:

Chapter 206

Motor fuel, diesel fuel, and diesel fuel use tax, 4 cents excise tax per gallon. Counties may levy local option fuel taxes.

Aviation fuel, 6.9 cents per gallon.

Fuel sales tax: The tax rate is determined annually by adjusting the statutorily established tax rate of 6.9 cents per gallon by the percentage change in the average of the Consumer Price Index between 1989 and the present. However, the rate cannot fall below 6.9 cents per gallon. The tax is collected from the terminal supplier.

MOTOR FUEL & DIESEL FUEL TAXES

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 between 1989 and the present. The tax is collected from the terminal supplier.

Section 212.050, F.S.

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

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, F.S.

State Transportation Trust Fund

ALLOCATION FORMULAS:

Constitutional and county gas tax: area 25 percent; population 25 percent; collections 50 percent (see Article XII, Sec. 9(c)(4), Florida Constitution). Foregoing subject to debt service requirements established under earlier formula. (see Article IX, Sec. 16(a), Florida Constitution of 1885.)

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 50 states plus the District of Columbia charge 10 cents or more per gallon of motor fuel and diesel fuel.

2014-15
(millions)

VALUE OF RATE CHANGE:

Value of 1 cent levy per gallon of motor and diesel fuel (excludes off-highway use) \$98.70

Value of 1 cent levy per gallon on aviation fuel \$ 7.88

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

VALUE OF EXEMPTIONS:

Sales to U.S. Government (s.206.62, F.S.) \$3.5

Farmers and Fishermen (s. 206.874(3)(a) and (e), F.S.) \$4.3

VALUE OF REFUNDS AND CREDITS:

Aviation Fuel Employment Refund (s. 206.9855, F.S.) \$11.0

MOTOR FUEL & DIESEL FUEL TAXES

Refunds to Counties (ss. 206.41(4)(d), 206.625(1), 206.874(4), F.S.)	\$2.2
Refunds to Municipalities (ss. 206.41(4)(d), 206.625(1), 206.874(4), F.S.)	\$1.0
Refunds to School Districts (ss. 206.41(4)(e), 206.625(2), 206.874(4), F.S.)	\$1.5
Refunds for Farmers and Fishermen (ss. 206.41(4)(c), 206.64, F.S.)	\$0.2
Refunds to Local Transit Systems (ss. 206.41(b), 206.874(5)(d), F.S.)	\$0.8
Dealer Collection Allowances (ss. 206.43 and 206.91, F.S.)	\$3.9

VALUE OF DISTRIBUTIONS:

Aquatic Weed Control and Other Boating Related Activities (s. 206.606(1)(a) and (b), F.S.)	\$8.8
Agricultural Emergency Eradication Trust Fund (ss. 206.606(1)(c) and 206.608(1), F.S.)	\$10.2
Marine Resources Conservation Trust Fund (s. 206.606(1)(d), F.S.)	\$13.4

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Amends definition of term “local government user of diesel fuel” to include certain fire control districts. Allows such districts to be licensed to use untaxed diesel fuel in motor vehicles.	S1000/2000 , S704/2001
Provides for the adjustment in the tax rate for the 9 th cent fuel tax.	S1616/2002 sm H869, S1356/2003, S510/2007 , H527/2007, S984/2007
Provides for refunding motor fuel taxes paid on fuel used for certain commercial aviation purposes.	S1932/2006 sm H989 , H67/2007
Constitutional amendment to limit state revenues. Requires voter approval of new taxes.	H905/2009, S1906/2009 sm H1263, S2420/2010
Aviation Fuel Tax Exemption	S2610/2009, H313/2009, S1500/2010 idn H931 , S1256/2011 idn H593

DISTRIBUTION OF MOTOR FUEL AND DIESEL FUEL TAXES

(Thousands of Dollars)

	2009-10		2010-11		2011-12		2012-13	
	Motor	Diesel Fuel						
STATE SHARE OF SALES TAX ON FUEL								
Dept. of Transportation	949,512	154,754	945,979	161,594	958,935	164,063	990,368	178,828
Dept. of Env. Protection - Aquatic Weed Control	5,418	882	5,418	882	5,418	882	5,418	882
Fish and Wildlife Conservation Commission	13,665	2,235	13,665	2,235	13,665	2,235	13,665	2,235
Agr. Emergency Eradication Trust Fund	6,337		6,314		6,399	0	6,604	0
Refunds - Agr. and Commercial Fish	228		240		291	0	152	0
Refunds - City Transit	132	500	121	540	150	442	100	566
Refunds - Municipal, County & School District	2,997	3,198	2,541	3,042	2,834	3,621	1,979	2,393
Refunds as Result of 1996 Fuel Tax Rewrite	17,754	9,428	17,299	7,930	13,174	7,548	10,409	9,590
Administrative Trust Fund	9,610	1,805	7,544	1,230	7,861	1,343	9,311	1,593
General Revenue Service Charge (8.0%)								
TOTAL	1,005,653	172,802	999,121	177,453	1,008,726	180,133	1,038,006	196,088
CONSTITUTIONAL FUEL TAX (2 Cents)								
Counties and County Road Debt	164,974	27,136	164,365	27,850	162,054	27,574	162,467	28,413
Refunds as Result of 1996 Fuel Tax Rewrite	1,217	992	888	706	529	783	405	655
TOTAL	166,191	28,128	165,252	28,556	162,583	28,358	162,872	29,068
COUNTY FUEL TAX (1 Cent)								
Administrative Trust Fund	814	141	582	87	609	95	700	108
Refunds - Municipalities, Counties and School Boards	247	263	211	251	230	291	156	186
Refunds as Result of 1996 Fuel Tax Rewrite	1,568	538	1,434	424	1,050	430	782	546
County Aid	73,236	10,977	73,243	11,449	72,181	11,163	72,363	11,643
General Revenue Service Charge (8.0%)	6,439	967	6,420	1,003	6,330	979	6,353	1,022
TOTAL	82,304	12,886	81,889	13,215	80,400	12,957	80,355	13,505
MUNICIPAL FUEL TAX (1 Cent)								
Administrative Trust Fund	810	145	588	93	614	101	707	115
Revenue Sharing Trust Fund	73,945	11,652	73,931	12,144	72,848	11,900	72,931	12,244
Refunds - Farmers and Fishermen	9		8		10	0	0	0
Refunds as Result of 1996 Fuel Tax Rewrite	604	493	438	348	263	389	198	323
General Revenue Service Charge (8.0%)	6,500	1,026	6,480	1,064	6,388	1,044	6,403	1,075
TOTAL	81,868	13,316	81,445	13,649	80,123	13,434	80,239	13,757
TOTAL - Motor & Diesel Fuel	1,336,016	227,132	1,327,706	232,873	1,331,832	234,882	1,361,472	252,418
TOTAL: Fuel Tax Distribution	1,563,148		1,560,580		1,566,714		1,613,891	
Annual Change	1.38%		-0.16%		0.39%		3.01%	

MOTOR VEHICLE AND MOBILE HOME LICENSES

FLORIDA STATUTES: Chapter 320

ADMINISTERED BY: Department of Highway Safety and Motor Vehicles

SUMMARY:

Motor vehicles and mobile homes must register annually in Florida. License fees for private autos and light trucks range from \$19.50 to \$44.00 according to vehicle weight. License fees for truck tractors are based on gross vehicle weight and range from \$60.75 to \$1,322. Mobile home license fees range from \$20 to \$80 according to length and recreational vehicle license fees are \$27 to \$47.25 depending on vehicle type and weight.

REVENUE:

Fiscal Year	Total Collections	Annual Change %	General Revenue	State Trust Fund	Other
2014-15*	1,472,885,048	2.38%	465,003,969	893,466,741	114,414,338
2013-14*	1,438,701,869	4.07%	454,351,272	872,354,488	111,996,109
2012-13	1,382,462,836	3.13%	436,637,719	840,467,868	105,357,249
2011-12	1,340,526,688	1.43%	424,908,835	810,458,953	105,158,900
2010-11	1,321,683,931	9.19%	403,746,237	812,260,082	105,677,612
2009-10	1,210,427,523	41.13%	310,511,241	799,285,166	100,631,116

* Estimate

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 was 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 percent) and county or city (50 percent) 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 percent 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 those 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 State Transportation Trust Fund. In 1991, two changes were made. First, the \$30 portion of the fee was redirected to the General Revenue Fund in lieu of the Law Enforcement Trust Fund. Second, as an offset to a loan repayment, the entire proceeds of the \$100 fee were deposited into the State Transportation Trust Fund for a two-year period between July 1, 1992,

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and June 30, 1994. 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 \$0.50 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 \$0.50 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 \$0.50 motor vehicle theft prevention surcharge to \$1.00. Chapter 95-140, L.O.F. (SB 588), repealed s. 319.231, F.S., the \$295 vehicle impact fee. Chapter 96-413, L.O.F. (HB 1329), made the following changes to Chapter 320: provided for a \$50 semi trailer permanent license plate; 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. (SB 1002), 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. The legislation 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. (HB 3345), required 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. (SB 1498), 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. (SB 1270), 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, Chapter 2000-257, L.O.F. (SB 862), 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 was deposited into the State Transportation Trust Fund. Chapter 2002-235, L.O.F. (SB 522), required 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 five working days, instead of seven 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. (HB 261), eliminated the \$13.50 state portion paid for a long term disabled parking placard. Chapter 2003-179, L.O.F. (SB 954), 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 percent distribution to the Florida Motor Vehicle Theft Prevention Trust Fund and increasing the General Revenue distribution from 40 percent to 58 percent. Chapter 2004-337, L.O.F. (SB 2020), amended the requirements for requests to establish specialty license plates by requiring a sample license plate that conforms to specifications and increasing from 15,000 to 30,000,

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the results of a scientific sample survey of Florida motor vehicle owners that intend to purchase the proposed specialty license plate.

Chapter 2007-242, L.O.F. (HB 275), created the biennial vehicle registration option. Vehicle owners are permitted to pay the vehicle registration taxes in advance for two years and are then issued the appropriate decal for their license plate. The fees for a two-year registration are double that of an annual registration; however, the distribution of the revenue does not actually occur until the year in which it would have normally been collected.

Chapter 2009-71, L.O.F. (SB 1778), changed all fees related to the registration of all motor vehicles. The increased revenues were primarily directed to General Revenue; however, a small portion of the fees is deposited into the Highway Safety Operating Trust Fund.

BASE TAX AND RATE:

Passenger cars: \$19.50 to \$44.00 in three weight classes.

Trucks: \$19.50 to \$44.00 in three weight classes.

Truck Tractors: \$60.25 to \$1,322 per vehicle, according to gross vehicle weight: 5001-72,000 lbs.

Semi-Trailers: drawn by a GVW truck tractor by means of a 5th wheel: \$13.50 annual or \$68 permanent registration.

Trailers for private use: less than 501 lbs, \$6.75; 501 lbs or more, \$3.50 plus \$1.00 per CWT; for hire: less than 2,000 lbs, \$3.50 plus \$1.50 per CWT; 2000 lbs or more, \$13.50 plus \$1.50 per CWT.

Wrecker License Plates: \$41 flat or \$118 to \$1,322 according to gross vehicle weight: 10,000 - 72,000 lbs.

Antique Cars & Trucks: \$10.25 flat.

Recreational Vehicles: \$27 to \$47.25 depending on vehicle type and weight.

Mobile Homes: \$20 to \$80 in eight groups according to length.

Motorcycles: \$13.50 + \$2.50 motorcycle safety education fee.

Mopeds: \$6.75 + \$2.50 motorcycle safety education fee.

Motor Vehicles "for hire": under nine passengers, \$17.00 flat plus \$1.50 per 100 lbs; nine passengers and over, \$17.00 flat plus \$2.00 per 100 lbs.

Dealer and Manufacturer License Plates: \$17.00 flat.

School Buses: \$41 flat.

Temporary Tags: \$2.00.

Transporter Tags: \$101.25 flat.

Permanent Fleet Tags: \$1.50 manufacturing fee, in addition to applicable license tax pursuant to s. 320.08, F.S.

Sample License Plates: \$28.00 flat.

Annual Fleet Management Fee: \$2.00 flat.

In addition to the license taxes stated above, the following taxes are imposed:

- \$4.00 surcharge on each annual motor vehicle registration except for mobile homes (see s. 320.0804, F.S.);
- \$2.80 motor vehicle license replacement fee on each annual motor vehicle registration except for mobile homes (see s. 320.06, F.S.);
- \$0.10 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. (see s. 320.0801, F.S.);
- \$5.50 surcharge on each annual motor vehicle registration except for mobile homes (see s. 320.08046, F.S.);

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- \$1.00 surcharge on each annual motor vehicle registration except mobile homes (see s. 320.0802, F.S.);
- \$1.25 fee on every license registration (see s. 320.03, F.S.);
- \$1.00 air pollution surcharge (see s. 320.03, F.S.);
- \$3.00 decal fee (see s. 320.04, F.S.);
- \$5.00 service fee (see s. 320.04, F.S.);
- \$1.50 materials fee (see s. 320.06, F.S.);
- \$1.00 mobile home surcharge to be collected only on mobile home registrations (see s. 320.08015, F.S.);
- \$1.50 surcharge for transportation disadvantaged;
- \$225 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.

DISPOSITION:

The first proceeds of motor vehicle base tax are distributed into the District Capital Outlay and Debt Service Trust Fund (Article XII, Sec. 9(d), Florida Constitution) with the remaining distributed to the State Transportation Trust Fund and General Revenue; mobile home licenses to local governments except for \$1.50 per tag which goes into the General Revenue Fund; \$1.50 to repay costs of the retro-reflective tag feature (of that amount, \$1 is deposited into the General Revenue Fund and 50 cents into the Highway Safety Operating Trust Fund (HSOTF)); \$1.25 into the HSOTF to cover the costs of the Florida Real Time Vehicle Information System; \$1.00 into the HSOTF and \$2.00 into General Revenue to cover the cost of decals; \$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 HSOTF; \$0.10 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; \$4.00 motor vehicle license surcharge on each annual motor vehicle registration except mobile homes; 25 percent is deposited into the State Transportation Trust Fund, 25 percent is deposited in HSOTF, and the remaining 50 percent is deposited into the General Revenue Fund; \$2.80 motor vehicle license replacement fee on each annual motor vehicle registration except mobile homes for deposit into the HSOTF; \$5.50 surcharge on each annual motor vehicle registration except mobile homes to be deposited as follows: \$4.50 into the General Revenue Fund and \$1.00 into the Grants and Donations Trust Fund in the Department of Juvenile Justice to fund the community juvenile justice partnership grants program; and \$1.00 to the Mobile Home Relocation Trust Fund and only charged on mobile home registrations.

Effective July 1, 2005, 100 percent 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.) Effective September 1, 2009, the “new-wheels-on-the-road” fee was raised to \$225 with 44.5 percent deposited into the State Transportation Trust Fund and 55.5 percent deposited into General Revenue.

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 the 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.

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2014-15
(millions)

VALUE OF RATE CHANGE:

Value of \$1 levy on all licenses sold	
Passenger Cars	\$ 10.8
Light Trucks	\$ 1.7
Heavy Truck/Truck Tractors	\$ 1.0
All Other	<u>\$ 3.5</u>
Total	\$ 17.0

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Imposes the fee for registration of certain trucks, trailers, and motorcycles, including tag transfers and temporary tags, to be deposited into the Transportation Disadvantaged Trust Fund, regardless of weight.	S256/2001 sm H79, H141/2002
Allows for an extended registration period for certain motor vehicles and mobile homes.	S1064/2001 s, H1665, S2402/2002, S1150/2005 sm H435, S442/2007 , S1624/2009

PARI-MUTUEL TAX

FLORIDA STATUTES: Sections 550.0951(1)(a); 550.0951(2)(a); 550.0951(2)(b) and (c); 550.0951(3)(b)1; 550.0951(3)(d); 550.09515(2)(a); 550.0951(3)(a); 550.3551(4); 550.3551(4); 550.3551(3) through 550.3551(3)(c); 550.0951(3)(b)1; 550.0951(3)(c)2; 550.0951(3)(b)2; 550.09511(3)(a); 550.09515(5); 550.1645(2); 550.09514(1); 550.0951(1)(a) and (b); 550.1647; 550.09511(1)(b); 550.1646; 550.09511(2)(a)1; 550.09511(4); 550.09515(6); 550.0351(1), (5), and (6); 849.086(5)(d); and 849.086(13)(a) through (c)

ADMINISTERED BY: Department of Business and Professional Regulation; Division of Pari-Mutuel Wagering

SUMMARY:

Taxes and fees are imposed on pari-mutuel facilities in Florida that conduct greyhound, harness, thoroughbred, and quarter horse races; and jai alai games. Taxes are imposed at each pari-mutuel facility that operates a cardroom at 10 percent of the total cardroom gross receipts. Also imposed is an annual cardroom license fee of \$1,000 for each table operated at the cardroom facility. A series of occupational license fees for employees and associated businesses is also imposed.

REVENUE:

Fiscal Year	Total Collections	Annual Change %	General Revenue	Trust Funds
2014-15*	27,252,955	-2.00%	13,492,787	13,760,168
2013-14*	27,809,372	10.64%	14,117,731	13,691,641
2012-13	25,134,334	-6.59%	12,644,172	12,490,162
2011-12	26,906,160	3.51%	12,532,053	14,374,107
2010-11	25,994,558	-2.32%	12,277,475	13,717,083
2009-10	26,613,228	-8.73%	15,725,878	10,887,350
2008-09	29,159,032	-13.76%	15,085,484	14,073,549

* Estimate

HISTORY:

Pari-mutuel betting was first authorized in 1931 with the handle taxed at 3 percent 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 percent commission from exotic wagers to be used for capital improvements, with a 50 percent surtax on the additional commission. In 1987, the Legislature authorized the Florida Pari-mutuel Commission to make recommendations annually 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 percent from exotic wagers. The additional 2 percent was subject to a 17.5 percent surtax per percentage point. In 1990, intertrack wagering was authorized, with a 3 percent tax rate on handle for horses and a 6 percent tax rate on handle for greyhound racing and jai alai. The additional 2 percent 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.

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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 permit holder does not pay state taxes for two 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. (HB 2813), created s. 550.2704, F.S., and authorized the licensing of one special Jai Alai Tournament of Champions Meet. The meet consists 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 percent to 2.4 percent; reduced tax rate on greyhound intertrack handle from 7.6 percent to 6 percent; reduced the tax rate on jai alai intertrack handle from 7.1 percent to 6.1 percent; reduced the tax rate on live jai alai handle from 5 percent to 4.25 percent; eliminated the breaks on live greyhound handle, permitting such breaks to be retained by the permit holder instead of the state; greyhound permit holders 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 permit holders.

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 card table. 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 percent. 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 Legislature 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 permit holders. The bill allowed simulcasting beyond 10:00 P.M., reduced various tax rates on all wager types, and provided for a feasibility study of the Hialeah

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Race Track to be performed to address state or municipal ownership. The 1999 Legislature allotted an additional \$700,000 to facilitate the relocation of the PMW Racing Laboratory from Tallahassee to Gainesville.

In 2000, the 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 disbursed directly from the General Revenue Fund rather than the Pari-Mutuel Wagering 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 Chapter 2000-354, L.O.F. (SB 770/286), reenacted and amended paragraph (2) (a) of s. 550.09515, F.S., as amended by s. 4, Chapter 98-190, L.O.F. (SB 440). 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. (HB 181), 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 was permitted, with no referendum required if the permitholder relocates its permit within the same county as its existing pari-mutuel facility.

Chapter 2007-163, L.O.F. (SB 134), increased the wagering limits from \$2 to \$5 and authorized new wagering options such as dominoes and games of Texas Hold-em without betting limits as long as the buy-in did not exceed \$100; and poker tournaments as long as the entry fee does not exceed the maximum amount that could be wagered in 10-likekind non-tournament games. Additionally, the per table fee paid by each cardroom operator was increased from \$1,000 for the first table and \$500 for each additional table to \$1,000 for all tables. Finally, the requirement to conduct live performances in conjunction with operating a cardroom was amended, authorizing cardroom operators to operate a cardroom year round

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without having to conduct a live performance. These amendments to s. 849.086, F.S., had a positive impact on tax revenue to the state.

Chapter 2010-29, L.O.F. (SB 622), gave an effective date for the pari-mutuel provision in Chapter 2009-170, which extended cardroom hours from 12 hours per day to 18 hours per day and 24 hours on the weekends and holidays. Additionally, all wagering limits for cardrooms were removed. Quarter horse permit application requirements were amended, subjecting them to the same mileage restrictions that are applicable to other permit applications. Live performances consisting of a full schedule for quarter horse permitholders were reduced from 40 to 20 in 2010-11, increased to 30 in 2011-12 and 2012-13, and then to 40 every fiscal year thereafter. A quarter horse permitholder may have an agreement with either the Florida Quarter Horse Racing Association or the horsemen's association representing the majority of the quarter horse owner and trainers at their facility authorizing them to run an alternative schedule of at least 20 live performances. Additionally, quarter horse permitholders may substitute 50 percent of their races with thoroughbred races, and were no longer required to have approval from other permitholders within their proximity. Finally, a jai alai permitholder that meets certain conditions may apply to have the permit converted to a greyhound permit.

In 1996, the Legislature passed Chapter 1996-364, L.O.F. (HB 337), as a general act covering the entire state. In September 2007, the Florida Supreme Court ruled s. 550.615(6), F.S., to be unconstitutional because of the way it was adopted. The justices found the act should have been a local bill because it only affects South Florida tracks. The high court upheld two lower court decisions that also found the law unconstitutionally restricted the tracks. Section 550.615(6), F.S., limited the ability of South Florida horse racing tracks to simulcast events from other pari-mutuel facilities. As a result of the ruling, effective September 21, 2007, all pari-mutuel facilities in Miami-Dade and Broward counties, were permitted to enter into contractual agreements that allow the host facility to send its live and import simulcast signals to other facilities in the two counties; the tax rate for simulcast handle for the two affected Broward County greyhound facilities increased from 3.9 percent to 5.5 percent.

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)	7.1% of handle 6.1% of handle (III) 3.3% of handle (IV) 2.3% of handle (III)

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	Thoroughbreds	Harness	Quarter Horse	Greyhounds	Jai Alai
				0.5% of handle (I)	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)
Tax on Cardroom	10% of gross receipts	10% of gross receipts	10% of gross receipts	10% of gross receipts	10% of gross receipts
Cardroom License Fee	\$1,000 per table	\$1,000 per table	\$1,000 per table	\$1,000 per table	\$1,000 per table

DISPOSITION:

Pari-Mutuel Taxes and Fees

Eight percent of total collections are deducted as service charges to the General Revenue Fund, with the remainder being deposited into the Pari-Mutuel Wagering Trust Fund.

Cardroom Taxes

One-half of total collections are distributed to the General Revenue Fund. The other half of the collections is deposited into the Pari-Mutuel Wagering Trust Fund. Of the one-half deposited into the Pari-Mutuel Wagering Trust Fund, 8 percent is deducted as service charges to the General Revenue Fund. One-fourth of the collections deposited into the Pari-Mutuel Wagering Trust Fund is distributed the following October to the counties or municipalities where the cardroom was approved.

Cardroom Table Fees

Eight percent is deducted as service charges to the General Revenue Fund, with the remainder being deposited into the Pari-Mutuel Wagering Trust Fund.

Pari-Mutuel, and Cardroom, Occupational Licenses

Eight percent is deducted as service charges to the General Revenue Fund, with the remainder being deposited into the Pari-Mutuel Wagering Trust Fund.

OTHER STATES:

There are many other states that permit some type of pari-mutuel and/or cardroom operations. Those operations are sometimes regulated by the state, commissions, or boards. Historically, pari-mutuel and cardroom statutes relating to taxes and fees are very complex and vary greatly from state to state. Most states have some sort of pari-mutuel wagering, except Alaska, Georgia, Hawaii, Mississippi, Missouri, North Carolina, South Carolina, Tennessee, Utah, Vermont, and Washington, DC.

2014-15
(millions)

VALUE OF RATE CHANGE:

Value of 1 percent levy on pari-mutuel handle

(Assuming no additional track allowance)

Greyhound (live and simulcast)

\$1.0

Jai Alai (live and simulcast)

\$0.1

PARI-MUTUEL TAX

Harness (live and simulcast)	\$0.1
Thoroughbred (live and simulcast)	\$1.7
Quarterhorse (live and simulcast)	\$0.01
Intertrack Wagering (ITW and ITWS)	<u>\$4.9</u>
Total	\$ 7.81

Value of 1 percent levy on cardroom gross receipts	
Cardroom	\$1.3

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Amends the tax rate on Jai Alai permitholders conducting intertrack wagering from 3.3 percent of handle to 2 percent of handle.	H433/2002, S2830/2003
Several proposed bills alter handle amounts and tax rates and would have an effect on pari-mutuel tax revenue.	S1630/2000 sm S1936 and <u>H945</u> , S2022/2000 sm H1463 and S1532, S2324/2000, H725/2000 sm S1600, S2474/2004, <u>H1013/2008</u>

POLLUTANT TAXES AND FEES

FLORIDA STATUTES: Chapter 206 Part IV, F.S. (Coastal Protection Tax, Water Quality Tax, and Inland Protection Tax), s. 376.75, F.S. (Perchloroethylene Tax), s. 403.718, F.S. (Waste Tire Fees) and s. 403.7185, F.S. (Lead-acid Battery Fees).

ADMINISTERED BY: Department of Revenue

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.

REVENUE:

Fiscal Year	Total Collections	Annual Change %	Coastal Protection	Water Quality**	Inland Protection
2014-15*	247,725,345	1.70%	6,232,526	26,107,138	215,385,681
2013-14*	243,584,410	1.60%	6,128,344	25,670,736	211,785,331
2012-13	239,748,435	-0.86%	6,031,834	25,266,472	208,450,129
2011-12	241,835,279	-1.69%	6,126,357	25,469,065	210,239,857
2010-11	245,995,481	1.11%	6,414,502	26,260,713	213,320,266
2009-10	243,287,049	-0.47%	6,379,307	25,772,193	211,135,549
2008-09	244,432,668	-6.82%	6,409,347	25,893,552	212,129,769

* Estimate

HISTORY:

The Coastal Protection Tax, Water Quality Tax, and Inland Protection Tax are deposited into the Pollutant Tax Clearing Trust Fund, from which distributions to other trust funds and to the General Revenue Fund (service charges) are made. The Perchloroethylene Tax is deposited into the Water Quality Assurance Trust Fund. The Lead-acid Battery Fees and the Waste Tire Fees are deposited into the Solid Waste Management Clearing Trust Fund.

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 provided 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 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; provided a two-tiered tax rate; and adopted 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

POLLUTANT TAXES AND FEES

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 Chapter 88-130, L.O.F., waste newspaper 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. Chapter 2006-16, L.O.F. (SB 818), 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 Funds. Chapter 2007-81, L.O.F. (HB 7063), prescribed a transfer of the greater of \$5 million or 2.5 percent of the Inland Protection Trust Fund to the Coastal Protection Trust Fund.

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 (see s. 206.9935(1), F.S., for details).

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 (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 (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;

POLLUTANT TAXES AND FEES

2003-04 - \$19.6 million; 2004-05 - \$22.2 million; 2005-06 - \$23.0 million; 2006-07 - \$21.6 million; 2007-08 - \$19.4 million; 2008-09 - \$16.4 million; 2009-10 - \$16.5 million; 2010-11 - \$17.3 million; 2011-12 - \$17.6 million; and, 2012-13 are \$18.8 million. Estimated revenues for 2013-14 are \$19.1 million and 2014-15 are \$19.4 million for each fiscal year.

Hazardous Waste Taxes and Fees: Local governments within Florida may assess a 3 percent 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; 2005-06 - \$0.85 million; 2006-07 - \$0.68 million; and 2007-08 - \$0.64 million; 2008-09 - \$0.69 million; 2009-10 - \$0.45 million; 2010-11 - \$0.44 million; 2011-12 - \$0.38 million; and, 2012-13 - \$0.34 million. Estimated revenues for 2013-14 and 2014-15 are \$0.34 million for each fiscal year.

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

Solid Waste Management Trust Fund: Waste Tire Fee

OTHER STATES:

A number of states besides Florida impose some form of pollutants, environmental protection, or oil contingency tax. The Federation of Tax Administrators shows some pollutant-related taxes in its summary of Motor Fuel Excise Tax Rates at:

http://www.taxadmin.org/fta/mf/unif_docs/2013_summary_book.pdf.

	<u>2014-15</u> (millions)
VALUE OF RATE CHANGE:	
Value of 1 cent levy per barrel of petroleum product:	
Coastal Protection	\$2.90
Water Quality	\$2.73
Inland Protection	\$2.68
Value of 10 cent levy per lead-acid battery:	\$0.59
Value of 1 cent levy per gallon of motor oil or other lubricant:	\$0.72
Value of 1 cent levy per gallon of solvent:	\$0.17

VALUE OF EXEMPTIONS:

In 1996, the Legislature eliminated solvent mixtures from the definition of taxable pollutants (SB 1148/Chapter 1996-352, L.O.F.). "Solvent mixtures" were defined as "a blend or mixture in liquid form containing one or more organic compounds [listed in then subsection (6)], but the term excludes ethanol when used as a motor gas blending agent." Compounds in the "solvents" list that the "solvent mixtures" definitions referred to included acetamide, acetone, acetonitrile, acetophenone, amyl acetates (all), aniline, benzene, butyl acetates (all), butyl alcohols (all), butyl benzyl phthalate, carbon disulfide, carbon tetrachloride, chlorobenzene, chloroform, cumene, cyclohexane, cyclohexanone, dibutyl phthalate, dichlorobenzenes (all), dichlorodifluoromethane, diethyl phthalate, dimethyl phthalate, dioctyl phthalate (di-2-ethyl hexyl phthalate), n-dioctyl phthalate, 1,4-dioxane, petroleum-derived ethanol, ethyl acetate,

POLLUTANT TAXES AND FEES

ethyl benzene, ethylene dichloride, 2-ethoxy ethanol (ethylene glycol ethyl ether), ethylene glycol, furfural, formaldehyde, n-hexane, isophorone, isopropyl alcohol, methanol, 2-methoxy ethanol (ethylene glycol methyl ether), methyl tert-butyl ether, methylene chloride (dichloromethane), methyl ethyl ketone, methyl isobutyl ketone, mineral spirits, 140-F naphtha, naphthalene, nitrobenzene, 2-nitropropane, pentachlorobenzene, phenol, perchloroethylene (tetrachloroethylene), stoddard solvent, tetrahydrofuran, toluene, 1,1,1-trichloroethane, trichloroethylene, 1,1,2-trichloro-1,2,2-trifluoroethane, and xylenes (all).

Based on the revenue loss from the 1996 exemption, and the current levels of revenue from solvents, repeal of the 1996 solvent mixtures exemption in Fiscal Year 2014-15 would result in a revenue gain of \$1.0 million.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

PROFESSIONAL AND OCCUPATIONAL LICENSING FEES

FLORIDA STATUTES: Chapters 310, 450, 455, 469, 471, 473, 474, 475, 476, 477, 481, 486, 489, 492 and sections 468.381 - 468.457, 468.520 - 468.633, and 468.83 - 468.8423

ADMINISTERED BY: Department of Business and Professional Regulation

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.

REVENUE:

Fiscal Year	Collections	Annual Change %
2014-15*	84,000,000	15.54%
2013-14*	72,700,000	-17.56%
2012-13	88,182,481	23.42%
2011-12	71,449,136	-8.36%
2010-11	77,964,628	27.39%
2009-10	61,203,378	-11.59%
2008-09	69,227,139	23.53%

* Estimate

HISTORY:

The Department of Business and Professional Regulation was formed in 1993 as a result of the merger between the Department of Business Regulation and the Department of Professional Regulation. The Department of Professional Regulation and the Department of Business Regulation were both created by the 1969 Government Reorganization Act. The professions included in the revenue category of professional and occupational licenses are: architects and interior designers, asbestos consultants, athlete agents, auctioneers, barbers, building code administrators and inspectors, community association managers, the construction industry, cosmetologists, electrical contractors, employee leasing companies, engineering, geologists, landscape architects, pilot commissioners, talent agencies, veterinarians, farm labor contractors, boxers and mixed martial arts participants, real estate, real estate appraisal, and certified public accounting.

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 1976-1980, as a result of sunset legislation, major changes were made in the department's structure and the responsibilities of the many regulatory boards that serve it. In 1983, Chapter 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. (HB 2249), required that professional license fees be set at a level sufficient to cover the costs of regulation of the profession. In that same law, professional licensing boards were given the authority to impose a one-time fee in an amount necessary to eliminate a cash deficit, or if there was not a cash deficit, in an amount sufficient to maintain the financial integrity of the profession. No more than one such assessment may be made in any four-year period without specific legislative authorization. If a licensing board fails to increase fees to cover costs, then the department was authorized to increase the fees. Chapter 92-33, L.O.F. (SB 2390), transferred the regulation and licensing of the medical profession from the Department

PROFESSIONAL AND OCCUPATIONAL LICENSING FEES

of Business and Professional Regulation to the Agency for Health Care Administration. Chapter 97-312, L.O.F. (HB 433), provided for the privatization of the regulation of the engineering profession. In 2007, the Legislature passed Chapter 2007-235, L.O.F. (SB 2234), which established professional licenses for Home Inspectors and for Mold Assessors or Mold Remediators, effective July 1, 2010.

Chapter 2009-66, L.O.F. (SB 1744), transferred the regulation and licensing of the surveyors and mappers profession from the Department of Business and Professional Regulation to the Department of Agriculture and Consumer Services. Chapter 2009-195, L.O.F. (HB 425), removed the allowance for a practical portion of a barber's examination and required only a written segment. Additionally, license fee caps were increased for cosmetologists from \$25 to \$50 and construction contractors from \$200 to \$250.

In 2010, the Legislature passed HB 303 (Chapter 2010-84, L.O.F.), requiring the Department of Business and Professional Regulation to regulate and license appraisal management companies effective July 1, 2010. Chapter 2010-176, L.O.F. (HB 663), revised the surcharge on building permit fees for the Building Code Administrators and Inspectors Fund by setting the surcharge rate at 1.5 percent of all permit fees associated with enforcement of the Florida Building Code. The minimum surcharge collected on any building permit issued is \$2. Chapter 2010-161, L.O.F. (HB 5311), transferred the administration of the Florida Drug and Cosmetic Act in Chapter 499, F.S., from the Department of Health to the Department of Business and Professional Regulation, effective October 1, 2011.

In 2011, the Legislature passed SB 1040 (Chapter 2011-30, L.O.F.), creating the Florida Drug, Device, and Cosmetic Trust Fund within the Department of Business and Professional Regulation. The trust fund was established to provide for the deposit of revenues and the recording of expenditures related to the regulation and administration of the Florida Drug, Device, and Cosmetic Act authorized in Chapter 499, F.S.

In 2013, the Legislature passed Chapter 2013-203, L.O.F. (HB 973), exempting certain employees of security alarm companies and subcontractors of telecommunications companies from licensure.

BASE AND RATE:

There are 22 professions regulated by the Department of Business and Professional Regulation. Cumulatively, there are more than 450 fees associated with the regulation of these professions. The fees range from a low of \$5 for a building code fee to a high of \$2,500 for an employee leasing company group license.

DISPOSITION:

Most fees are deposited into the Professional Regulation Trust Fund and are subject to an 8 percent General Revenue Service Charge. When examinations are administered by an outside source, the examination fees, under some contracts, are paid by the applicant directly to the vendor that conducts the testing.

OTHER STATES:

All states engage in some form of regulation and licensing of professions.

PROFESSIONAL AND OCCUPATIONAL LICENSING FEES

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Redefines "cosmetology" to include specified services and exclude artificial nails and use of certain skin treatments. Authorizes licensure for cosmetologists, hair stylists, estheticians, and nail technicians. Specifies that only the Board of Cosmetology may review, evaluate, and approve required course and text.	S1630/2006 sm H771, S920/2007 sm H117, S996/2008 sm H415

There have been numerous bills filed over the years addressing different aspects of licensing fees for professional occupations, referring to regulation of these professions.

**REEMPLOYMENT ASSISTANCE TAX
(Unemployment Compensation Tax)**

FLORIDA STATUTES: Chapter 443

ADMINISTERED BY: Department of Economic Opportunity and the Department of Revenue

SUMMARY:

Florida's Reemployment Assistance 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, increasing to \$8,000 for calendar years 2012 through 2014, and dropping back to the first \$7,000 thereafter unless there are outstanding Federal advances. The tax rate varies from 0.1 percent to 5.4 percent depending upon the benefit experience of the employer.

REVENUE:

Fiscal Year	Collections	Annual Change %
2014-15*	1,561,902,451	-14.06%
2013-14*	1,817,525,174	-19.14%
2012-13	2,247,804,838	4.25%
2011-12	2,156,207,732	28.79%
2010-11	1,674,194,825	44.84%
2009-10	1,155,883,650	31.43%
2008-09	879,481,857	0.56%

* Estimate

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 percent 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 percent 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 (Chapter 80-95, Laws of Florida (L.O.F)). The maximum benefit was increased from \$200 to \$225 in 1990 and to \$250 in 1992. 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 had 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 percent to 2.0 percent for one year. These tax reductions were 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 calendar year 1998 (see above, Chapter 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 taxable payroll to 3.7 percent of taxable payroll. Chapter 2009-99, L.O.F., increased the cap on an individual's wages subject to the tax from \$7,000 to \$8,500 for years 2010 through 2014, increased the trigger for increasing the unemployment compensation tax rate from 3.7 percent of taxable payroll to 4.0 percent of taxable payroll, and temporarily (from 2010 through 2014) increased the adjustment to tax rates in the event that an increase is triggered. Additionally, the trigger for decreasing the unemployment tax rate was increased from 4.7 percent to 5.0 percent of taxable payroll, with no negative adjustment

REEMPLOYMENT ASSISTANCE TAX (Unemployment Compensation Tax)

allowed through 2014, or in any year in which the Unemployment Compensation Trust Fund is repaying any advances from the Federal program. Chapter 2010-1, L.O.F., delayed the increase in wages from \$7,000 to \$8,500 until 2012, provided for the \$8,500 to stay in place in any year where there are outstanding Federal advances, directed that the wage base used to calculate the tax also be used to calculate the tax rates, and provided that no fund size factor tax increase be triggered for 2010 and 2011. Additionally assessments were imposed against employers to pay any interest due on Federal advances, and provisions were made to allow employers to pay their tax on an installment basis during 2010 and 2011, after paying a \$5 annual fee. Chapter 2011-235, L.O.F., made numerous changes regarding eligibility for benefits: revised the disqualification provision as it related to absenteeism, violation of company policy, disruptive behavior and deductible income, disallowed benefits to be paid when a claimant is receiving severance pay and other forms of payment from his/her former employer, and allowed hearsay evidence in benefits determination. Additionally, benefits used to determine an employer's benefit ratio were reduced by 10 percent between the third quarter 2007 and the first quarter 2011. The maximum number of weeks of state benefits to be paid was reduced from 26 to 23 effective for claims initiated after January 1, 2012, with the maximum number of weeks in any one year dependent on the statewide unemployment rate during the third quarter of the prior calendar year. The installment payment option was extended through calendar year 2014.

Chapter 2012-30, L.O.F., reduced the wage base from \$8,500 to \$8,000 for tax years 2012 through 2014, reduced the fund size factor for tax years 2012 through 2017, and allowed for Professional Employer Organizations to make a one-time irrevocable election to calculate, report, and pay state UC taxes under the respective unemployment account of each client. The chapter also rebranded the state's unemployment compensation program and Unemployment Compensation Tax as the reemployment assistance program and the Reemployment Assistance Tax.

BASE AND RATE:

The tax is applied to employees' annual wages up to \$7,000 (\$8,000 for 2012 through 2014, and any year thereafter when there are outstanding Federal advances). The employer pays a rate varying from 0.1 percent to 5.4 percent, depending on the benefit experience of the employer.

DISPOSITION:

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

OTHER STATES:

All states have unemployment benefit plans complying with Federal legislation. In 2013, employee taxable wage bases ranged from \$7,000 in Arizona, California and Puerto Rico to \$39,800 for Washington, with the average taxable wage base being \$16,683. Base contribution tax rates ranged between zero and 12.27 percent. Five states had minimum rates set at zero: Iowa, Missouri, North Carolina, Nebraska, and South Dakota. Massachusetts had the highest maximum rate, set at 12.27 percent. However, the actual minimum tax rates in effect during 2013 were not necessarily the statutory minimum rates. Florida and seven other states fixed their maximum tax rate at 5.4 percent, which is the lowest tax rate states can set under Federal law without affecting their employers' tax credits.

**REEMPLOYMENT ASSISTANCE TAX
(Unemployment Compensation Tax)**

UNITED STATES TREASURY:

Fiscal Year	Revenue*	Benefits**	Fund Balance (June)
2012-13	2,682,008,181	1,176,808,380	672,228,672
2011-12	2,806,289,493	1,476,199,123	31,107,733
2010-11	2,470,823,970	2,003,306,403	69,819,830
2009-10	2,768,150,682	2,757,823,701	459,802,262
2008-09	966,869,528	2,616,946,264	449,475,281
2007-08	1,419,121,058	1,412,356,455	2,099,552,017
2006-07	1,128,129,815	925,882,483	2,534,318,250
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

* Revenue includes net collections, interest, and Federal program advances.

** Benefits include regular, extended, and Federal Supplemental Benefits programs.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

RENTAL CAR SURCHARGE

FLORIDA STATUTES: Section 212.0606

ADMINISTERED BY: Department of Revenue

SUMMARY:

Rental car surcharge is imposed at the rate of \$2.00 per day, for the first 30 days of the lease or rental of for-hire vehicles designed to carry fewer than nine passengers.

REVENUE:

Fiscal Year	Total** Collections	Annual Change %	State Transportation Trust Fund	FL International Trade and Promotion TF	Tourism Promotional Trust Fund
2014-15*	172,300,000	2.93%	125,700,000	6,700,000	24,800,000
2013-14*	167,400,000	5.46%	122,300,000	6,500,000	24,100,000
2012-13	158,726,406	6.06%	115,632,220	6,142,962	22,765,093
2011-12	149,654,720	20.69%	109,050,706	5,793,318	21,469,358
2010-11	123,997,676	7.82%	99,192,334	5,271,135	19,534,207
2009-10	115,001,166	-6.24%	92,002,680	4,887,178	18,111,308
2008-09	122,651,673	-12.53%	98,121,192	5,212,727	19,317,753

* Estimate

** Excluding administrative fees and service charge

HISTORY:

The initial surcharge was set at \$0.50 per day in 1989. It was applied to each of the first 30 days of either the lease or rental of a motor vehicle licensed for hire and designed to carry fewer than nine passengers. The proceeds of the \$0.50 surcharge were distributed 20 percent to the Law Enforcement Trust Fund (managed by the Department of Highway Safety and Motor Vehicles) and 80 percent to the Children and Adolescents Substance Abuse Trust Fund (managed by the Department of Health and Rehabilitative Services).

In its 1990 session, the Legislature raised the surcharge to \$2.00 per day, effective July 1, 1990, and revised the distribution scheme so that, after administrative and the 8 percent General Revenue Service Charges (increased from 7.3 percent to 8 percent by the 2009 Legislature) are deducted, the State Transportation Trust Fund (STTF) received 75 percent of the total proceeds (or \$1.50 of the \$2.00 fee) and the remaining 25 percent was divided between the former recipients in their same relative proportion. The 1991 Legislature revised the distributional breakout still further. The 5 percent of total receipts that had been deposited in the Law Enforcement Trust Fund was redirected to the General Revenue Fund. The share previously distributed to the Children and Adolescents Substance Abuse Trust Fund (20 percent of the total) was, instead, divided between the Tourism Promotional Trust Fund (15.75 percent) and the Florida International Trade and Promotion Trust Fund (4.25 percent). In the 2000 session, the Legislature redirected the General Revenue portion (5 percent of the total) to the STTF. The Department of Transportation now receives 80 percent of the surcharge (excluding administrative cost and the 8 percent General Revenue Service Charges). The tax distributed to the STTF is unique in that beginning in Fiscal Year 2007-08, its proceeds must be spent in the transportation district from which the surcharges were collected.

BASE AND RATE:

Rental car surcharge is imposed at the rate of \$2.00 per day, for the first 30 days of the lease or rental of for-hire vehicles designed to carry fewer than nine passengers.

RENTAL CAR SURCHARGE

DISPOSITION: the State Transportation Trust Fund (80 percent), the Tourism Promotional Trust Fund (15.75 percent), and the Florida International Trade and Promotion Trust fund (4.25 percent).

OTHER STATES:

Rental car surcharge varies considerably from state to state.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

SALES AND USE TAX

FLORIDA STATUTES: Chapter 212

ADMINISTERED BY: Department of Revenue

SUMMARY:

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

REVENUE:

Fiscal Year	Collections@	Annual Change %
2014-15*	22,960,400,000	4.80
2013-14*	21,908,300,000	5.91
2012-13	20,686,400,000	5.69
2011-12	19,573,276,105	4.69
2010-11	18,697,072,646	3.92
2009-10	17,992,091,826	-3.32
2008-09	18,609,519,245	-10.19

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
2014-15*	20,452,300,000	2,434,700,000	0	22,700,000	19,100,000	1,700,000
2013-14*	19,511,360,000	2,323,900,000	0	23,440,000	18,200,000	1,600,000
2012-13	18,417,563,319	2,226,904,066	0	23,272,221	17,103,286	1,531,896
2011-12	17,422,017,710	2,110,305,421	0	23,313,888	16,191,413	1,447,673
2010-11	16,638,328,066	2,018,168,676	0	23,730,558	15,463,982	1,381,364
2009-10	16,014,736,490	1,937,498,114	0	23,730,558	14,802,480	1,324,184
2008-09	16,531,424,863	2,000,692,853	36,957,571	23,730,558	15,345,300	1,368,100

* Estimate

** 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.

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 percent rate), mixed drinks, cigarettes, and industrial machinery (\$1,000 maximum) were added; in 1968, when rates were increased from 3 percent to 4 percent on most items (2 percent 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 percent to 5 percent 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 percent to 6 percent.

SALES AND USE TAX

Chapter 83-310, L.O.F., created the "estimated sales tax liability" which was equal to 66 percent of the current month's sales tax liability or 66 percent of the tax liability for the same month in the prior year. The estimated sales tax liability rate of 66 percent was replaced in 1984 with a declining schedule from 50 percent for 1986 to 10 percent in 1990 and set for repeal by December 31, 1990. Chapter 90-132, L.O.F. (HB 3695), increased the estimated sales tax liability for businesses with annual sales tax liability in excess of \$200,000 from 10 percent to 66 percent, and in 1991 the threshold for estimated sales tax payments was reduced to \$100,000.

The 1986 Legislature passed Chapter 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 (Chapter 87-6, L.O.F.) and CS/HB 1506 (Chapter 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 and 6D (Chapter 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 percent to 6 percent. 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 percent 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 fewer 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. The 1991 Legislature authorized, effective July 1, 1992, \$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 percent to 7 percent. Effective September 1, 1992, a 6 percent 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 percent of remaining sales tax collection after specific distributions. Effective January 1, 1995, the sales tax on amusement machines was reduced from 6 percent to 4 percent 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.

SALES AND USE TAX

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, Chapter 97-50, L.O.F. (SB 780/520/692), 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 percent 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 were machinery and equipment purchased for a printing facility that expands by at least 10 percent and pollution control and solid waste management equipment.

The 1999 Legislature re-enacted a sales tax free week; this time however, it lasted nine 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 percent. 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, F.S. The 2001 Legislature enacted a tax holiday on purchases of clothing and school supplies of \$50 or less.

Chapter 2003-404, L.O.F. (SB 12-A), reduced the sales tax distribution to the Local Government Half-Cent Sales Tax Trust Fund by 0.1 percent effective July 1, 2003. The 0.1 percent 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. (HB 113-A), 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 percent to 8.814 percent; the Emergency Distribution was increased from 0.065 percent to 0.095 percent; the County Revenue Sharing Trust Fund was reduced from 2.25 percent to 2.044 percent; and the Municipal Revenue Sharing Trust Fund was increased from 1.0715 percent to 1.3409 percent. 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 exempted agricultural equipment.

Chapter 2007-53, L.O.F. (HB 721), provided a sales tax exemption for payments to a postsecondary educational institution for the right to conduct bookstore operations. This exemption applied retroactively to payments made on or after January 1, 2006. Also in 2007, the Legislature enacted sales tax holidays for clothing, books, school supplies, energy efficient products, and hurricane preparedness articles. Section 23 of Chapter 2007-106, L.O.F. (SB 2482), provided an exemption for certain charges for delivery, inspection, and placement of furniture and appliances. The 2007 Legislature also provided for an exemption on land owned by the Florida Turnpike Enterprise and exempted electricity used on a farm.

Chapter 2008-153, L.O.F. (HB 5003), provided for tax credits equal to 50 percent of a community contribution to projects that provide homeownership opportunities for low-income or very low income households. Credits were capped at \$200,000 per business annually and the program capped the credits at \$13.0 million for Fiscal Year 2008-09 only. These credits could be used for sales tax, corporate income tax, or insurance premium tax.

Chapter 2009-68, L.O.F. (SB 1750), removed the distribution of sales and use taxes to the Ecosystem Management and Restoration Trust Fund and redirected those monies to general revenue.

SALES AND USE TAX

In 2010, the Legislature enacted a sales tax holiday lasting for three days, covering clothing and books under \$50 and school supplies under \$10. Chapter 2010-147, L.O.F. (SB 1752), provided a cap of \$18,000 on the tax collected on the sale or use of a boat, limited the tax on fractional aircraft to \$300, provided a tax credit for certain film and entertainment companies, and expanded the exemption for sales tax on admissions to championship games to include the MLB Home Run Derby, the NFL Pro Bowl, and any all-star games for either the NBA or NHL.

Chapter 2011-76, L.O.F. (HB 143), provided for a three-day sales tax holiday on clothing and shoes under \$75 and school supplies under \$15.

Chapter 2012-32, L.O.F. (HB 7087), provided for a three-day back-to-school sales tax holiday exempting sales tax for clothing and shoes under \$75 and school supplies under \$15; extended credit through Fiscal Year 2015-16 for film entertainment industry; provided credit against sales tax for some enterprise zones; modified an existing urban high-crimes job credits; provided sales tax exemption for sales or leases on taxicabs with handicap accessible capabilities; exempted sales tax for turbine engine manufacturing; expanded manufacturers' machinery and equipment exemption; exempted sales tax on electricity used in beef and pork packing houses; and exempted sales tax on repair costs for aircrafts with weight between 2,000 and 15,000 pounds. Chapter 2012-145, L.O.F. (HB 5701), eliminated the sales tax collection allowance for paper filers. Chapter 2012-104, L.O.F. (HB 59), expanded the definition of spaceport territory to include additional counties and areas in the state. Chapter 2012-22, L.O.F. (HB 859), revised the limitations on the amount of tax credits available for contributions to the Florida Tax Credit Scholarship Program, some of which may come from holders of a direct pay sales tax certificate.

BASE AND RATE:

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

Mail Order Sales: 6 percent 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 fewer than nine passengers.

DISPOSITION:

General sales and use tax:

Ecosystem and Restoration Management Trust Fund: the 0.2 percent distribution from total sales tax collections was removed by Chapter 2009-68, L.O.F. (SB 1750), and the monies were redirected to the General Revenue Fund.

Local Government Half-Cent Sales Tax Clearing Trust Fund: 8.814 percent 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 percent. The 0.1 percent, less \$5,000 each month, is distributed to the Public Employees Relations Commission Trust Fund.

Fiscally Constrained Counties: Since July 1, 2006, a special distribution of 30 percent of the remaining portion of communications services tax proceeds remitted under Chapter 202, F.S., and transferred to the

SALES AND USE TAX

Local Government Half-Cent Sales Tax Clearing Trust Fund pursuant to s. 202.18(2)(c), F.S., is distributed to fiscally constrained counties in accordance with s. 218.67, F.S.

A fiscally constrained county is defined by s. 218.67(1), F.S., as any county that is entirely within a Rural Area of Critical Economic Concern as designated by the Governor pursuant to s. 288.0656, F.S., or each county for which the value of a mill will raise no more than \$5 million in revenue, based on the taxable value certified pursuant to s. 1011.62(4)(a)1.a., F.S., from the previous July 1.

In all, 30 counties have received fiscally constrained county distributions from the Half-Cent Sales Tax Clearing Trust Fund since these distributions began in Fiscal Year 2006-07 (all 28 counties designated as Rural Areas of Critical Economic Concern pursuant to s. 288.0656, F.S., and two counties^[1] in which the value of a mill does not raise \$5 million or more in revenue). The following table depicts the distributions from the Half-Cent Sales Tax Clearing Trust Fund to fiscally constrained counties for Fiscal Year 2012-13:

Fiscally Constrained County Distributions for Fiscal Year 2012-13

No.	COUNTY	Fiscally Constrained Distribution	No.	COUNTY	Fiscally Constrained Distribution
1	Baker	\$515,225	16	Holmes	\$732,041
2	Bradford	\$604,765	17	Jackson	\$517,119
3	Calhoun	\$639,877	18	Jefferson	\$568,322
4	Columbia	\$555,200	19	Lafayette	\$586,554
5	DeSoto	\$507,580	20	Levy	\$546,515
6	Dixie	\$639,877	21	Liberty	\$639,877
7	Franklin	\$212,439	22	Madison	\$620,625
8	Gadsden	\$593,226	23	Okeechobee	\$577,894
9	Gilchrist	\$566,056	24	Putnam	\$365,860
10	Glades	\$603,050	25	Sumter	\$0
11	Gulf	\$244,941	26	Suwannee	\$554,560
12	Hamilton	\$426,585	27	Taylor	\$299,091
13	Hardee	\$364,901	28	Union	\$853,169
14	Hendry	\$524,247	29	Wakulla	\$575,889
15	Highlands	\$302,875	30	Washington	\$593,784
	TOTAL				\$15,332,143

Emergency Distribution: After the above mentioned distributions, 0.095 percent 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 percent 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 percent is distributed to the Municipal Revenue Sharing Trust Fund. (These distributions used to be funded from tobacco taxes.)

^[1] Sumter and Wakulla are the two counties receiving distributions as a result of the value of a mill raising no more than \$5 million in revenue.

SALES AND USE TAX

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 Department of Economic Opportunity, for up to 300 months.

International Game Fish Association World Center: \$83,333 distributed monthly to an applicant certified by the Department of Economic Opportunity, for up to 180 months.

General Revenue Fund: Remainder of taxes remitted.

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 percent to 7 percent. The most common rates are 4 percent, 5 percent, and 6 percent; however, many states allow local option sales taxes. Ten 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.

VALUE OF RATE CHANGE:	<u>2014-15</u>
	(millions)
Value of 1 percent levy on tax base	
Chapters 212 and 202, F.S.	\$3,816.0

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.)	\$1,754.9
County Revenue Sharing (s. 212.20(6)(d)5, F.S.)	\$407.4
Municipal Revenue Sharing (s. 212.20(6)(d)6, F.S.)	\$63.7
County Share (s. 212.20(6)(d)7, F.S.)	\$29.9
Public Employees Relations Commission (s. 212.20(6)(d)3, F.S.)	\$1.7

ALTERNATIVE BASES:

Convert sales tax to an invoice-credit value added tax (tax all final consumption at 6 percent)	\$35,033.0
Broaden resale exemption under current sales tax to exempt any business purchase	(\$8,918.1)

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Exempts dues and fees paid to private physical fitness facilities from tax on sales, use, and other transactions.	S1306/2000 idn H745, S802/2001 sm H547 , S152/2002 , H117/2002 , S154/2006
Reduces the maximum amount of annual exemption for industrial machinery and equipment used to increase productive output from \$50,000 to \$15,000.	S1458/2000 , H587/2000 , H1073/2000
Broadens the application of exemption to include all machinery and equipment, not just that used to increase productive output. Also reduces maximum annual exemption amount from \$50,000 to \$40,000.	S1800/2001 , H1961/2001
Deletes the limitation on exemption from sales tax for machinery and	S2540/2004 sm H873 , S616/2005 ,

SALES AND USE TAX

equipment used to increase productive output each year.	S1200/2005, S1180/2006, S1206/2006
Revises an exemption from taxation for machinery and equipment used in silicon-technology production, research and development, making the exemption applicable to semiconductor-technology production, research, and development.	S2402/2000, S2548/2000, H2425/2000
Provides an exemption for building materials used in manufacturing or expanding clean rooms in semiconductor manufacturing facilities.	S2548/2000, H899/2000 , H2425/2000, S2362/2005
Allows a business certified to receive the sales tax exemption to designate one or more state universities or community colleges as recipients for part, or all, of the amount of the exemption, under specified conditions.	S2934/2004 sm H1827, S1200/2005, S582/2005
Deletes an exception to an exemption from the tax for research and development costs.	S2934/2004 sm H1827, S1200/2005, S582/2005 , S2362/2005, H81/2005, H77/2006
Amends exemption for equipment and machinery used for pollution control in connection with the manufacture of items of tangible personal property for sale, to include specialty chemicals and bio-augmentation products.	S1070/2000, S1340/2000
Provides an exemption for the use of a specified percentage (15 percent) of nonresidual fuel to produce electrical or steam energy.	S1070/2000, S2534/2000
Provides an exemption from sales and use tax for building materials used in rehabilitation of real property located in designated brownfield areas. Also provides an exemption from sales and use tax for business property purchased for use by businesses located in designated brownfield areas.	H1757/2000, S2048/2001
Provides a credit against sales tax for businesses located in an enterprise zone within a rural county or city.	S1934/2000 sm H1951, S1826/2001 sm H1645, S414/2010 id H1533
Revises provisions providing for the Urban Job Tax Credit Program to apply to designated urban job tax credit areas rather than high crime areas.	S2328/2003, S1708/2004 sm H617 , S2212/2005 sm H1313 , S624/2006 sm H305 and H449
Provides a miscellaneous exemption for diapers and incontinence undergarments from sales and use tax.	S858/2000, H255/2000
Provides a miscellaneous exemption for child safety restraint systems for automobiles from sales and use tax.	S858/2000, H385/2000
Creates the Florida Residents' Tax Relief Act, which specifies a period during which the sales of clothing and school supplies is exempt from sales and use tax.	S64/2000 , S156/2001 , S2186/2002 sm H97 , S58-E/2002 sm H19-E, S214/2002 , H137/2003 , S474/2003 idn S980 , S6-A/2003 sm H39-A, S244/2004 idn S1566 , S358/2005 , S476/2005 , H13/2005, H29/2006, H215/2007, S2094/2008 sm H893 , S160/2010 sm H483 , S514/2010 , H597/2010, H469/2010 H815/2009 , S396/2009 sm H595
Provides that the sales of items of tangible personal property having a selling price of \$100 or less shall be exempt from said tax during the specified period.	S1088/2000 idn H89 , H141-B/2001, H333/2002
Provides exemption for tangible personal property sold to a contractor employed directly by, or as agent of U.S. Government, or state or local government, when such property will become part of a public K-12 school owned by governmental entities, contractors, and sellers regarding documentation and recordkeeping.	S1908/2003 sm H409 , S568/2004 sm H1157 , S2290/2005 sm H1225 and S2458 , S434/2006 sm H689 , S582/2007 idn H89
Provides an exemption for tangible personal property sold to a	S1764/2001 sm H1151 , S1052/2002

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contractor employed directly by or as agent of U.S. Government, or state or local government, when such property will become part of a public facility owned by a governmental entity, if specified conditions are met.	sm H639
Includes an exemption for items in agricultural use, certain agricultural machinery, or farm equipment used for low-volume irrigation or micro-irrigation.	S2410/2006 idn H507 , S1368/2007, H245/2007
Exempts purchases of certain building materials used in the construction of certain farming structures.	S1984/2007, H1561/2007
Increases the cap on the sales tax exemption for materials used in the distribution of biodiesel and ethanol fuels.	S2666/2007 , S308/2008, S310/2008
Exempts property used as a travel center or truck stop facility from the sales and use tax on the rental or lease of, or grant of a license to use real property.	S904/2000 idn H209 , H893/2000
Provides an exemption for textbooks and other books required or recommended in connection with a course of study at public or private non-profit postsecondary educational institution.	H1613/2001, S130/2002, S1720/2005 sm H891, S1554/2006
Provides for the issuance of tax credit vouchers to businesses in this state that employ former offenders.	S2448/2003, S520/2006, S368/2013 sm H513
Repeals tax exemption on sales, use, and other transactions regarding ostrich feed.	S1670/2003 , S234/2004 idn H1105, S448/2005, S1784/2007 , S2320/2008
Repeals exemption from tax on rental or license fees for use of real property which applies to charges for rental, lease, sublease, or license for use of skybox, luxury box, or other box seats during high school or college football games.	S1696/2003 , S236/2004 sm H1563, S368/2005 , H1447/2005 , S2480/2007, S2324/2008
Creates a tax refund program for hiring a person who has a disability.	S2182/2004, H1255/2004
Specifies a limited period during which the sale of energy efficient products is exempt from the tax on sales, use, and other transactions.	S762/2006 sm H347, S996/2007 , S1640/2007 idn H313, S976/2009
Provides an exemption from the tax on sales, use, and other transactions for automated external defibrillators purchased by certain businesses.	S1760/2005 sm H1123, S978/2006 , S1168/2007
Creates a tax refund program for hiring at-risk, inner-city youth.	S2528/2005, S342/2006, S458/2007
Provides financial incentives for the purchase of an alternative motor vehicle by offering a sales tax refund for those purchased from a dealer.	S438/2007 , S434/2008
Exempts sale or lease of gasoline-electric hybrid vehicles or vehicles powered by certain other alternative fuels from tax on sales, rental, use, consumption, storage, or distribution imposed by state law.	S2576/2007, S2160/2008, S1610/2009 sm H879
Abrogates repeal of tax exemption on rental or license fees provided for certain property rented.	S2764/2007, S1362/2009 idn H863
Provides tax exemptions on the sale or use of aircraft primarily used in a fractional aircraft ownership program.	S286/2007 sm H445, S380/2008 sm H217, S618/2009 sm H225, S858/2010 sm H913
Provides an exemption from the use tax for an aircraft that temporarily enters the state.	H1379/2008, S300/2009, S220/2010 sm H173
Provides an exemption from the sales and use tax for sales of certain tangible personal property for a certain period for hurricane preparedness.	S648/2005 sm H337 H737, S214/2009 sm H873, S158/2010 idn H1027

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Provides a tax exemption for certain property purchased for use or consumption by businesses in a super enterprise zone.	S2070/2008, S286/2009 sm H269
Provides an exemption for electricity used by fresh fruit and vegetable packinghouses.	S394/2008 sm H135, H1137/2009
Exemptions from Transient Rentals Tax	S1134/2009, S204/2010 sm H165, H505/2013
Florida Maritime Full Employment Act	S2376/2009 sm H469, S2454/2010 idn H711
Entertainment Industry Financial Incentive Program	S350/2009 idn H47, S1430/2010 sm H697
1 percent increase in sales and use tax.	H731/2009, H155/2010
Provides an exemption for cores, patterns, dies, and molds consumed in the production of castings used to manufacture, produce, or modify gas turbine engine parts.	S1766/2010, S1080/2011 idn H675

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

In Statutory Order

Line No.	Enactment Date	Florida Statute		FY 2013-14 (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	2.1	H
3	1949	212.02(2)	Occasional or isolated sales by businesses and individuals (*1)	37.2	M
4	1970	212.02(2)	Rent on low income housing	1.8	H
5	1990	212.02(2)	Leasing of real property between certain corporations	5.2	B
6	1979	212.02(10)(g)	Per diem and mileage charges paid to owners of railroad cars	1.4	B
7	1995	212.02(10)(j)	Privilege, franchise and other fees paid to do business at airports	15.0	B
8	1949	212.02(14)(a)	Items purchased for subsequent resale (*2)	33,031.5	(*)
9	1949	212.02(14)(c)	Materials used for packaging	25.5	B
10	1949	212.02(14)(c)	Components or ingredients of processed or manufactured goods (*3)	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	0.9	B
13	1949	212.02(19)	Intangible personal property (*4)	18,209.0	(*)
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	0.0	B
17	1949	212.03(4), 212.031(1)(a)2.	Rent charges paid by certain long term occupants	3.8	H
18	1979	212.03(7)(a)	Rent charges paid by certain full-time students	2.8	H
19	1979	212.03(7)(a)	Rent charges paid by active military personnel	10.3	H
20	1972	212.03(7)(a)	Rent charges paid by permanent residents	1,593.6	H
21	1972	212.03(7)(c)	Charges for rent in certain mobile home parks	3.1	H
22	1979	212.03(7)(d)	Rent charges for living accommodations in migrant labor camps	1.7	H
23	1969	212.031(1)(a)1.	Charges for renting property assessed as agricultural	4.4	B
24	1985	212.031(1)(a)4.	Condominium recreational leases	8.6	B
25	1987	212.031(1)(a)5.	Streets used by a utility for utility purposes	55.4	B
26	1999	212.031(1)(a)5.	Cell phone towers & co-located equipment	9.9	B
27	1987	212.031(1)(a)6.	Toll road charges	69.9	M
28	1987	212.031(1)(a)6.	Street parking meter charges	3.2	M
29	1987	212.031(1)(a)7.	Airport property used for landing, taxiing, or loading	71.1	B
30	1987	212.031(1)(a)8.	Port property used for moving, loading or fueling of ships	21.8	B
31	1997	212.031(1)(a)8.	Wharfage guarantees	0.3	B
32	1987	212.031(1)(a)9.	Leases/rentals of certain property used for movie productions	4.1	B
33	1983	212.031(1)(a)10.	Movie theater concession rent	7.8	B
34	1999	212.031(1)(a)10.	Rents, subleases, or licenses in recr. or sports arenas, civic centers	0.7	B
35	2006	212.031(1)(a)12.	Rents, based on sales, from Souvenirs' leases in civic centers, 7-1-09	0.0	B
36	2000	212.031(1)(a)13.	Commercial Leases/Space Flight	0.7	B
37	1998	212.031(1)(b)	Pro-rated exemption for for-profit homes for the aged	insig.	B
38	1977	212.031(5)	Convention hall subleases	20.9	B
39	1978	212.031(6)	Leases by agricultural fair associations (*5)	insig.	B
40	1998	212.031(7)	Certain utility charges if separately billed	25.2	H
41	1998	212.031(8)	Certain lease termination payments	4.9	B
42	1999	212.031(9)	Highschool and college teams' stadium skyboxes	0.8	O
43	2000	212.031(10)	Entertainment Facilities; repeal 7-1-09	0.0	B
44	2006	212.04(1)(b)	Local seat surcharges or service charges	1.4	M
45	1998	212.04(1)(d)	Travel agent mark-up on taxed admissions or transient rentals	insig.	B
46	1949	212.04(2)(a)1.	Admissions to certain school and state events	0.9	M
47	1978	212.04(2)(a)2.a.	Dues, fees, and admissions charged by non-profit entities	59.6	O
48	2006	212.04(2)(a)2.b.	Sports authority or Commission events; repeal 7-1-09	0.0	M
49	1980	212.04(2)(a)3.	Admissions paid by students for required sports or recreation	10.8	M
50	1981	212.04(2)(a)4.	Super Bowl football tickets (impact only when held in Florida) (*6)	insig.	H
51	1994	212.04(2)(a)5.	Governmental participation or sponsorship fees	20.8	O
52	1989	212.04(2)(a)6.	Tickets for certain non-profit theater, opera or ballet events	1.9	O
53	1998	212.04(2)(a)8.	Particip. fees to athletic events where spectators are charged admission	insig.	O
54	1963	212.04(2)(c), 212.02(20)	Pari-mutuel admissions tax imposed by s. 550.09	insig.	B
55	1976	212.05(1)(a)2.	Sales of boats or airplanes removed from the state	56.4	B
56	1971	212.05(1)(c)	Long term vehicle leases if tax paid when purchased by lessor	2.1	B
57	1998	212.05(1)(g)	Newspaper and magazine inserts	17.7	B
58	1994	212.05(1)(h)1.	2% rate abatement for coin-operated amusement machines	4.9	B
59	1993	212.05(1)(k)	Law enforcement officers' protection services	2.3	B
60	1999	212.05(1)(k)	US legal coins and coins in excess of \$500	0.3	B
61	1998	212.05(1)(m)	When TPP prizes are awarded, operator can pay tax on 25% of receipts	0.3	B
62	2010	212.05(5)	\$18,000 cap of sales tax on boats	5.3	H
63	1989	212.0506(3)	Certain service warranties relating to real property fixtures	3.8	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	34.8	B
66	1998	212.051(1)	Pollution control equipment used in manufacturing	11.9	B
67	1998	212.051(2)	Solid waste management equipment	3.7	B
68	1982/06	212.052	Items fabricated for use in research and development activities	31.4	B
69	1987	212.0598	Partial exemption for air carriers' maintenance bases (*7)	insig.	B
70	1984	212.06(1)(b)	Partial exemption for production cost of cogenerated energy (*11)	35.1	B
71	1984	212.06(1)(b)	Electricity consumed or dissipated in the transmission of electricity (*11)	39.3	B
72	1969	212.06(1)(b)	Fabrication labor used in the production of qualified motion pictures	8.0	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	1.8	B
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),(j)	Printing for out-of-state customer, when he provides the paper	11.9	B

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

In Statutory Order

Line No.	Enactment Date	Florida Statute		FY 2013-14 (in \$ m)	Ex. Type
78	2000	212.06(3)(b)	Certain Printed Materials	0.3	B
79	1949	212.06(5)(a)	Tangible personal property imported or produced for export	4,347.7	(*)
80	1949	212.06(5)(a)	Aircraft being exported outside the U.S.	28.7	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	3.4	B
83	1949	212.06(7)	Credit for tax paid to other states	38.5	M
84	1969	212.06(8)	Imported items if used in another state for 6 months or more	162.7	M
85	1949	212.06(9)	Sales of religious items	25.3	M
86	1992	212.06(11)	Certain magazine promotional materials, if exported	4.5	B
87	1998	212.06(13)	1% tax rate/month for airplanes purchased for resale but used by dealer	1.5	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	1.6	B
90	2000	212.06(15)(a)	Fill Dirt	insig.	B
91	1987	212.0601	Partial exemption from use tax for motor vehicle dealers	0.8	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	0.3	B
94	1997/99	212.0602	Purchases of cinematography school, including leases	0.9	O
95	1949	212.07(5)	Sales of farm products sold directly by the producer	1.8	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	691.1	(*)
99	1949	212.08(1)(a)	Groceries purchased for human consumption	3,173.0	H
100	1986	212.08(1)(b)	Food purchased with food stamps [not exempt under s. 212.08(1)(a)]	7.3	H
101	1949	212.08(2)(a)	Prescription drugs	1,052.3	H
102	1949	212.08(2)(a)	Non-prescription drugs	289.0	H
103	1949	212.08(2)(a)	Eyeglasses and other corrective lenses	72.9	H
104	1949	212.08(2)(a)	Medical supplies and products such as syringes and prosthetics	152.5	H
105	1951	212.08(2)(a)	Funerals except for tangible personal property used (*8)	14.0	M
106	1990	212.08(2)(a)	Contact lens molds cost in excess of \$100,000	6.6	B
107	1998	212.08(2)(d)	Lithotripters	0.3	B
108	1998	212.08(2)(e)	Human organs	insig.	B
109	1998	212.08(2)(f) & (h)	Veterinary medicines	12.4	B
110	1999	212.08(2)(f) & (h)	Non-retail pharmacies	65.4	B
111	1998	212.08(2)(j)	Special lettering or similar attachments used to aid handicapped persons	2.9	H
112	63/98/05	212.08(3)	Farm equipment	50.8	B
113	2005	212.08(3)	Agricultural diesel engines and irrigators	2.7	B
114	1949	212.08(4)(a)1.	Metered Water, excluding well	222.7	M
115	1949	212.08(4)(a)1.	Bottled (except carbonated) Water	44.7	M
116	1969	212.08(4)(a)2.	Purchases of fuel by public and private utilities	298.0	B
117	1963	212.08(4)(a)2.	Fuel for vehicles and vessels in interstate commerce (partial)	3.2	B
118	1987	212.08(4)(a)3.	Wheeling or transmission of electricity (*11)	7.8	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.)	87.9	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	0.2	B
123	1978	212.08(5)(b)1.	Purchases of machinery and equipment by new businesses	12.3	B
124	78/89/06/12	212.08(5)(b)	M&E purchased by expanding businesses or for spaceports	39.7	B
125	1980	212.08(5)(c)1.	Certain M&E used to produce energy (*9)	17.0	B
126	1997	212.08(5)(c)2.	Proration of M&E using nonresidual fuels	insig.	B
127	2000	212.08(5)(c)1. & 2.	Boiler Fuels	0.4	B
128	1983	212.08(5)(d)	Certain M&E purchased pursuant to federal contract	insig.	B
129	1988	212.08(5)(e)1.	Butane and other gases (except natural) used for agricultural purposes	1.0	B
130	1993	212.08(5)(e)1.	Natural gas used for agricultural purposes	0.7	B
131	2012	212.08(5)(e)2.	Electricity used in packing houses for fruits and vegetables	1.0	B
132	2012	212.08(5)(e)2.	Electricity used in packing houses for meat of cattle and hog	1.2	B
133	2006/07	212.08(5)(e)2.	Diesel fuel/electricity used in farming	1.1	B
134	2000	212.08(5)(f)	Additional Movie Exemptions	19.7	B
135	2000	212.08(5)(f)	Motion Picture Video Equipment	5.6	B
136	1984	212.08(5)(g)	Certain building materials used in an enterprise zone	3.6	B
137	1984	212.08(5)(h)	Certain depreciable business equip. used in an enterprise zone; refund	1.4	B
138	1988	212.08(5)(i)	Certain aircraft modification services	34.1	B
139	1997	212.08(5)(j)	M & E used in semiconductor, defense or space technology	2.5	B
140	2000	212.08(5)(j)	Semi-conductor clean rooms	0.1	B
141	1998	212.08(5)(k)	Paint color cards and samples	0.3	B
142	1998	212.08(5)(l)	Cattle growth enhancers	0.3	B
143	1999	212.08(5)(m)	Gold Seal child care facilities' purchases of educational materials	0.2	B
144	2000	212.08(5)(n)	Materials for construction of single-family homes in EZ	1.2	H
145	2000	212.08(5)(o)	Building materials in redevelopment projects	0.6	H
146	2000	212.08(5)(p)	Broad Band Technology , sunset on 6-30-05	0.0	B
147	01/05/06	212.08(5)(q)	Community Contribution Credit	14.0	B
148	1949	212.08(6)	Direct purchases by government (*10)	472.7	O
149	1987	212.08(6)	Services by radio and TV stations	insig.	B
150	1978	212.08(7)(a)	Sales of artificial commemorative flowers by V.A.	insig.	O
151	1978	212.08(7)(b)	Purchases of boiler fuels for use in industrial manufacturing	55.6	B
152	1974	212.08(7)(c)	Purchases of crab bait by commercial fishermen	0.4	B
153	1949	212.08(7)(d)	Feed for poultry and livestock, including racehorses, and ostriches	34.9	B
154	1949	212.08(7)(e)	Film rentals, when admissions are charged	4.4	B
155	1970	212.08(7)(e)	License fee charges for films & tapes used by broadcasters	2.9	B

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Line No.	Enactment Date	Florida Statute		FY 2013-14 (in \$ m)	Ex. Type
156	1974	212.08(7)(f)	Sales of U.S. and State flags	2.1	M
157	1982	212.08(7)(g)	Supplies & equipment by the Fla. Retired Educators' Assn	insig.	O
158	1971	212.08(7)(h)	Purchases of, and supplies for, guide dogs for the blind	insig.	H
159	1963	212.08(7)(i)	Charges for hospital meals and rooms	541.2	H
160	1995	212.08(7)(i)	In-facility meals purchased by residents of homes for the aged	56.7	H
161	1972	212.08(7)(j)	Purchases of power & heating fuels by residential households (*11)	817.3	H
162	1996	212.08(7)(j)	Purchases of power & heating fuels by licensed day care homes (*11)	0.3	B
163	1980	212.08(7)(j)	Utilities purchased for use in a residential model home (*11)	0.2	B
164	1978	212.08(7)(k)	Charges for certain meals provided by non-profit orgs	29.8	O
165	1983	212.08(7)(l)	Purchases by orgs. providing certain benefits to minors	6.7	O
166	1949	212.08(7)(m)1.	Sales or leases to churches	23.4	O
167	1983	212.08(7)(m)1.	Items purchased or leased by certain non-profit organizations	10.3	O
168	1984	212.08(7)(m)2.	Non-profit orgs. providing free transportation to church members	0.1	O
169	1988	212.08(7)(m)2.	Purchases by religious non-profit TV stations	0.5	O
170	1995	212.08(7)(m)2.	Purchases by orgs. providing religious services to state prisoners (*13)	0.0	O
171	1998	212.08(7)(m)2.	Religious tapes for the blind	0.1	O
172	1998	212.08(7)(m)2.	Organizations w/o permanent location conducting religious services	0.6	O
173	1995	212.08(7)(m)2.	Purchases by certain orgs. supporting charitable service providers (*13)	0.1	O
174	1978/99	212.08(7)(n)1.	Items purchased or leased by qualified veterans organizations	0.7	O
175	1949/00	212.08(7)(p)	Section 501(c)(3) organizations	288.0	O
176	1978	212.08(7)(q)	Purchases of "resource recovery equipment" by local govts	0.2	O
177	1963	212.08(7)(r)	K-12 schoolbooks and lunches	54.3	O
178	1998	212.08(7)(r)	School yearbooks, magazines, newspapers, and bulletins	5.2	O
179	1987	212.08(7)(s)	Alcoholic beverages used by businesses for tasting	1.8	B
180	1986	212.08(7)(t)	Boats temporarily docked in Florida	2.0	B
181	1969	212.08(7)(u)	Purchases of fire-fighting equipment by volunteer fire depts	0.3	O
182	1949/88	212.08(7)(v)	Charges for professional, personal and insurance services	insig.	M
183	1990	212.08(7)(w)	Free advertising publications	13.3	B
184	1996	212.08(7)(w)	Subscription newspapers, newsletters & magazines delivered by mail	42.6	B
185	1987	212.08(7)(x)	Sporting equipment brought to Florida for certain events	0.1	B
186	1988	212.08(7)(y)	Charter fishing boats	11.7	B
187	1988	212.08(7)(z)	Certain candy sold in vending machines by non-profit orgs	insig.	O
188	1988	212.08(7)(aa)	Commercial trucks sold between commonly owned companies	0.5	B
189	1992	212.08(7)(bb)	Community cemeteries	0.1	B
190	1992/99	212.08(7)(cc)	Works of art provided to an educational institution	7.2	B
191	1994	212.08(7)(dd)	Lease or license to use taxicab equipment	18.4	B
192	1994/98	212.08(7)(ee)	Aircraft repair and maintenance labor charges for aircraft > 15,000 lbs	2.9	B
193	1998	212.08(7)(ee)	Aircraft repair and maintenance labor charges for helicopters > 10,000 lbs	0.2	B
194	2012	212.08(7)(ee)	Aircraft repair and maintenance labor charges for aircraft > 2K lbs and < 15K lbs	3.4	B
195	1996	212.08(7)(ff)	Electricity used in Manufacturing (*11)	64.7	B
196	1996	212.08(7)(gg)	Leases to or by fair associations for real or tangible personal property	1.3	B
197	1997/05	212.08(7)(hh)	Solar energy systems	1.3	B
198	1997	212.08(7)(ii)	Nonprofit cooperative hospital laundries	0.1	B
199	1997	212.08(7)(jj)	Complimentary meals served by hotels & motels	7.9	B
200	1997	212.08(7)(kk)	PRIDE	1.6	O
201	1998	212.08(7)(ll)	Items sold by PTO's and PTA's, if tax paid at purchase	1.9	O
202	1998	212.08(7)(ll)	Vending machine items in lunchrooms, if tax paid at purchase	0.2	O
203	1998	212.08(7)(mm)	Mobile home lot improvements	0.7	B
204	1998	212.08(7)(nn)	Portions of purchase price of boats, cars, planes paid by Veterans' Org	0.2	O
205	1998	212.08(7)(oo)	Complimentary food items	0.8	B
206	1998	212.08(7)(pp)	Food or beverages donated to non-profit organizations	0.3	O
207	1998	212.08(7)(qq)	Racing dogs by breeders	0.1	B
208	1998	212.08(7)(rr)	Parts used in aircraft maintenance or repair for aircraft > 15,000 lbs	9.0	B
209	2012	212.08(7)(rr)	Parts used in aircraft maintenance or repair for aircraft >2K lbs and < 15k lbs	10.0	B
210	1998	212.08(7)(ss)	Aircraft leases and sales by common carriers, if in excess of 15,000 lbs	6.3	B
211	1999/00	212.08(7)(tt)	Non-profit water systems	0.8	O
212	1999	212.08(7)(uu)	Library co-operatives	0.1	O
213	1999	212.08(7)(v v)	Certain advertising services	28.4	B
214	1999	212.08(7)(ww)	Gold, silver, platinum bullion in excess of \$500	insig.	B
215	1999/00	212.08(7)(xx)	Shipping and parts and labor for repair of certain machinery	9.0	B
216	1999	212.08(7)(yy)	Film and printing supplies	9.7	B
217	2000	212.08(7)(zz)	People Mover Systems	0.3	B
218	2000	212.08(7)(aaa)	Florida Fire and Emergency Services	insig.	O
219	2000	212.08(7)(bbb)	Railroad Bed Materials	0.7	B
220	2006	212.08(7)(ccc)	Energy Efficient Technology	insig.	B
221	2006	212.08(7)(ddd)	Advertising materials distributed free by mail in an envelope	insig.	B
222	2007	212.08(7)(eee)	Bookstore operations at a postsecondary education institution	1.2	B
223	2010	212.08(7)(fff)	Aircraft temporarily in the state	insig.	B
224	2010	212.08(7)(ggg)	Fractional Aircraft	insig.	B
225	2012	212.08(7)(hhh)	Turbine Engine Manufacturing	1.7	B
226	2012	212.08(7)(iii)	Taxicabs, sale or lease of accessible vehicles	0.3	B
227	1957	212.08(8)	Vessels, parts & related items used in interstate commerce (partial)	25.2	B
228	1957	212.08(9)	RR equip, MV & pts. used in interstate commerce (*12)	42.8	B
229	1977	212.08(10)	Partial exemption on motor vehicles sold to out-of-state residents	34.9	M
230	1978	212.08(11)	"Flyable aircraft" sold by a Fla. mfg. to out-of-state resident (partial)	2.1	B

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231	1998	212.08(11)	Aircraft temporarily located in Fla for repairs	3.1	B
232	1984	212.08(12)	Master tapes, records, films or video tapes (partial)	12.9	B
233	1984	212.08(15)	Certain electrical energy used in an enterprise zone (*11)	0.4	B
234	1989	212.08(16)(a)1.	The sale or use of satellites or other space vehicles	80.7	B
235	1989	212.08(16)(a)2.	The sale or use of tangible personal property placed on satellites	insig.	B
236	1999	212.08(17)	Overhead items purchased by certain gov't contractors	9.8	B
237	2006	212.08(18)	Machinery and Equipment used for R&D at least 50%	43.6	B
238	1984	212.0821(1)	Items bought by Parent-Teacher Orgs. through school districts	1.8	O
239	1984	212.0821(2)	Items bought by certain community groups through local govts	insig.	O
240	1984	212.0821(3)	Items bought by certain library fund raising groups	insig.	O
241	1949	212.09, 212.02(17)	The value of trade-ins or discounts	690.8	M
242	1984	212.096	Credit for job creation in enterprise zones	7.3	B
243	1997/2012	212.097	Urban High-crime area job tax credit	1.3	B
244	1997	212.098	Rural job tax credit	0.4	B
245	1949	212.12(1), 212.04(5)	Collection allowance of 2.5% for the first \$1,190 of tax per return	56.0	B
246	1991/06	212.20(6)(g)4.a.	Up to \$2.0m annual subsidy for certain professional sports teams	20.5	B
247	1993	212.20(6)(g)4.b.	\$2 million annual subsidy for Professional Golf Hall of Fame	2.2	B
248	1996	212.20(6)(g)4.c.	\$1 m annual subsidy for Intern'l Game Fish Association World Center	1.1	B
249	1998	376.75(1)	Tax on perchloroethylene	0.1	B
GRAND TOTAL				12.089	
Note: Some exemptions overlap, so repeal of all items would NOT yield the total shown					

	<i>(in \$ b)</i>
H = Household Items	7.817
O = Organizations	0.984
B = Business Items	1.929
S = Services (Household and Business)	0.000
M = Miscellaneous	1.359
Grand Total (*)	12.089

(*) 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 items would also be potentially taxed.
- 5 Impact included in estimate for #196.
- 6 The 2005 Super Bowl was held in Jacksonville. This exemption is estimated to cost \$2.4m. In 2007, it was held in Miami, in 2009 it was held in Tampa, and in 2010 it was held in Miami.
- 7 No evidence exists that any taxpayers currently avail themselves of this exemption.
- 8 Estimate reflects entire charge for funeral and crematory services. Net revenue from repeal may be reduced by value of caskets, depending on the billing procedures of each business.
- 9 Based on exemption permits issued, this amount could increase significantly if taxpayers receive development authorization.
- 10 Excludes \$378.2m of tax on federal purchases. Taxation would require congressional authorization.
- 11 The statutory tax rate for electricity is 7%.
- 12 Estimate assumes other supporting statutory changes in addition to exemption repeal.
- 13 Item #170 is included in #173 due to a rewrite of the religious and 501(c)(3) exemptions in 2000.

REPEALED/SUNSETTED EXEMPTIONS:

1987	212.08(5)(j)	Marine discharge response corporation M&E.
1990	212.04(2)(a)4.	World Cup Soccer Games tickets (impact only when held in Florida)
1949	212.08(7)(w)	Newspapers (Exemption declared unconstitutional)
	124.06	
	124.025	
	124.069	
1995	212.08(7)(hh)	Electric motor vehicles (exemption terminates 6/30/2000)
	Note: file 336 merged with 239	
1996	212.08(7)(hh) & (ii)	State Park Citizen Support Organizations and Florida Folk Festival
2000	212.08(7)(ccc)	Crime Prevention
2009	212.031(10)	Certain separately stated charges for Convention halls

1997 NAICS Code(s)	Business Type	(1)	(2)	(3)
		6% Annualized Receipts SFY 2014/15 \$m	6% First Year Cash SFY 2014/15 \$m	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)	89.4	66.8	0.0
8123	Dry-cleaning and Laundry Services	61.4	45.9	52.4
8129	Other Personal Services (Pet Care, Photo Finishing, Valet Parking, Parking Lots and Garages)	17.7	13.3	17.7
Subtotal: All Personal Services.....		168.5	125.9	70.2
PROFESSIONAL SERVICES				
531 Real Estate				
5312	Offices of Real Estate Agents and Brokers	171.9	128.4	87.3
5313	Activities Related to Real Estate (Property Managers and Appraisers)	206.4	154.3	104.9
533	Lessors of Non-Financial Intangible Assets (except Copyrighted Work) Buying, Licensing, Leasing of Industrial Designs, Franchises, Brand Names, Patents, Trademarks	19.2	14.3	19.2
541 Professional, Scientific, and Technical Services				
5411	Legal Services (includes Title Search and Abstract Services)	703.7	525.9	628.2
5412	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	326.2	243.8	326.2
5413	Architectural, Engineering, and Related Services	363.0	271.3	156.6
5414	Specialized Design Services (Interior, industrial, Graphic, Fashion, and other Design Services)	53.2	39.7	0.0
5415	Computer Systems Design and Related Services	352.2	263.2	334.6
5416	Management, Scientific, and Technical Consulting Services	397.8	297.3	397.8
5417	Scientific Research and Development Services	32.9	24.6	0.0
5418	Advertising and Related Services	168.8	126.1	146.0
5419	Other Professional, Scientific, and Technical Services (Marketing Research, Photographic, Veterinary, Translation Services)	200.3	149.7	0.0
551 Management of Companies and Enterprises				
551111	Offices of Bank Holding Companies	15.8	11.8	15.8
551112	Offices of Other Holding Companies	139.5	104.2	139.5
551114	Corporate, Subsidiary, and Regional Managing Offices	54.7	40.8	54.7
561 Administrative and Support Services				
5611	Office Administrative Services	96.9	72.4	96.9
5612	Facilities Support Services	35.1	26.2	35.1
5613	Employment Services	637.0	476.0	95.5
5614	Business Support Services (includes Credit and Collection Agencies, Secretarial and Court Reporting Services)	299.8	224.0	0.0
5615	Travel Arrangement and Reservation Services (Travel Agencies and Tour Operators)	84.4	63.1	0.0
5616	Investigation and Security Services	0.0	0.0	0.0
5617	Services to Buildings and Dwellings (includes Cleaning and Pest Control)	231.8	173.2	231.8
5619	Other Support Services (Packaging and Labeling Services, Convention and Trade Show Organizers)	64.9	48.5	32.5
813 Professional Organizations				
8132	Grant making and Giving Services	10.7	8.0	0.0
8133	Social Advocacy Organizations	10.5	7.9	0.0
8134	Civic and Social Organizations	8.7	6.5	0.0
8139	Business, Professional, Labor, Political, and Similar Organizations	95.1	71.1	0.0
Subtotal: All Professional Services.....		4,780.5	3,572.3	2,902.6
BUSINESS SERVICES				
115 Support Activities for Agriculture and Forestry				
1151	Support Activities for Crop Production	70.4	52.6	22.6
1152	Support Activities for Animal Production	83.5	62.4	26.8
1153	Support Activities for Forestry	45.6	34.1	0.0
213 Support Activities for Mining				
213111	Drilling Oil and Gas Wells	1.7	1.3	0.0
213112	Support Activities for Oil and Gas Operations	0.3	0.2	0.0
213113	Support Activities for Coal Mining	0.0	0.0	0.0
323 Printing and Related Support Activities				
323122	Prepress Services	1.3	1.0	1.3
492 Couriers and Messengers				
4921	Couriers	234.3	175.1	167.7
4922	Local Messengers and Local Delivery	17.3	12.9	12.4
Subtotal: All Business Services.....		454.4	339.6	230.7

1997 NAICS Code(s)	Business Type	(1)	(2)	(3)
		6% Annualized Receipts SFY 2014/15 \$m	6% First Year Cash SFY 2014/15 \$m	6% Annualized Receipts On Services Taxed in 1987 \$m
FINANCIAL SERVICES				
522 Credit Intermediation and Related Activities				
5221	Depository Credit Intermediation (Banks, S&Ls, Credit Unions, et.al)	1,495.6	1,117.6	0.0
5222	Nondepository Credit Intermediation (Credit Cards, Sales Financing, Consumer Lending, Real Estate Credit)	566.1	423.0	0.0
5223	Activities Related to Credit Intermediation (Loan Brokers, EFT Networks, Clearinghouse Assoc., Credit Card Svcs)	194.0	145.0	67.9
Securities, Commodity Contracts, and Other Financial Investments				
5231	Securities and Commodity Contracts Intermediation and Brokerage	370.4	276.8	77.8
524 Insurance Carriers and Related Activities				
5241	Insurance Carriers	3,002.5	2,243.7	0.0
5242	Agencies, Brokerages, and Other Insurance Related Activities	419.3	313.4	0.0
525 Funds, Trusts, and other Financial Vehicles				
5259	Other Investment Pools and Funds (REITs)	132.4	99.0	132.4
Subtotal: All Financial Services.....		6,180.4	4,618.4	278.1
MEDIA SERVICES				
511 Publishing Industries				
5112	Software Publishers	168.4	125.9	160.0
512 Motion Picture and Sound Recording Industries				
5121	Motion Picture and Video Industries	62.8	46.9	0.0
515 Broadcasting and Telecommunications				
5151	Radio and Television Broadcasting	177.7	132.8	177.7
5152	Cable Networks and Program Distribution	95.1	71.0	0.0
518 ISPs, Wep Search Portals, and Data Processing Services				
5181	ISPs and Web Search Portals	9.6	7.2	9.2
5182	Data Processing, Hosting, and related Services	85.2	63.7	81.0
Subtotal: All Media Services.....		598.9	447.5	427.9
ENTERTAINMENT & SPORTS SERVICES				
711 Performing Arts, Spectator Sports, and Related Industries				
7111	Performing Arts Companies	4.7	3.5	4.0
7112	Spectator Sports (Sports Teams and Clubs, Racetracks, etc.)	19.8	14.8	0.0
7113	Promoters of Performing Arts, Sports, and Similar Events	49.7	37.1	0.0
7114	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	8.9	6.6	7.5
7115	Independent Artists, Writers, and Performers	14.9	11.1	0.0
713 Amusement, Gambling, and Recreation Industries				
7139	Other Amusement and Recreation Industries (includes Physical Fitness Facilities, Dance Studios, Golf Courses, etc)	19.7	14.7	0.0
Subtotal: All Entertainment and Sports Services.....		117.7	87.9	11.5
CONSTRUCTION SERVICES				
236 Building, Developing, and General Contracting				
2361	Residential Building Construction	150.6	112.5	150.6
2362	Nonresidential Building Construction	197.4	147.5	197.4
237 Heavy Construction				
2371	Utility System Construction	218.9	163.6	0.0
2372	Land Subdivision and Land Development	40.4	30.2	0.0
2373	Highway, Street, and Bridge Construction	129.3	96.7	129.3
2379	Other Heavy Construction	22.2	16.6	22.2
238 Special Trade Contractors				
2381	Building Foundation and Exterior Contractors	91.1	68.1	91.1
2382	Building Equipment Contractors	246.9	184.5	246.9
2383	Building Finishing Contractors	87.2	65.2	87.2
2389	Other Special Trade Contractors	75.8	56.7	75.8
Subtotal: All Construction Services.....		1,260.0	941.6	1,000.6

1997 NAICS Code(s)	Business Type	(1)	(2)	(3)
		6% Annualized Receipts SFY 2014/15 \$m	6% First Year Cash SFY 2014/15 \$m	6% Annualized Receipts On Services Taxed in 1987 \$m

INSTITUTIONAL SERVICES

562 Waste Management and Remediation Services

5621	Waste Collection	111.8	83.5	36.9
5622	Waste Treatment and Disposal	38.4	28.7	12.7
5629	Remediation and Other Waste Management Services	58.4	43.6	19.3

611 Educational Services

6114	Business Schools and Computer and Management Training	35.5	26.5	11.7
6115	Technical and Trade Schools	49.4	36.9	16.3
6116	Other Schools and Instruction	64.7	48.4	21.4
6117	Educational Support Services	14.8	11.1	4.9

624 Social Assistance

6241	Individual and Family Services	22.2	16.6	0.0
6242	Community Food and Housing, and Emergency and Other Relief Services	0.6	0.4	0.0
6243	Vocational Rehabilitation Services	6.7	5.0	0.0
6244	Child Day Care Services	62.3	46.6	0.0

Subtotal: All Institutional Services.....		464.7	347.2	123.1
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TRANSPORTATION SERVICES

481 Air Transportation

481111	Scheduled Passenger Air Transportation	475.0	354.9	385.7
481112	Scheduled Freight Air Transportation	27.7	20.7	22.5
481211	Nonscheduled Chartered Passenger Air Transportation	41.8	31.2	33.9
481212	Nonscheduled Chartered Freight Air Transportation	6.6	5.0	5.4
481219	Other Nonscheduled Air Transportation	2.7	2.1	2.2

482 Rail Transportation

482111	Line-Haul Railroads (Long Distance Cargo and Passenger)	52.0	38.9	0.0
482112	Short Line Railroads (Short Distance Cargo)	13.0	9.7	0.0

483 Water Transportation

4831	Deep Sea, Coastal, and Great Lakes Water Transportation	30.2	22.6	1.6
4832	Inland Water Transportation	0.2	0.2	0.0

484 Truck Transportation

4841	General Freight Trucking	144.2	107.7	0.0
4842	Specialized Freight Trucking	110.4	82.5	0.0

485 Transit and Ground Passenger Transportation

4851	Urban Transit Systems	10.1	7.6	0.5
4852	Interurban and Rural Bus Transportation	2.7	2.0	0.0
4853	Taxi and Limousine Service	17.5	13.1	0.0
4854	School and Employee Bus Transportation	5.2	3.9	0.3
4855	Charter Bus Industry	14.3	10.7	14.3
4859	Other Transit and Ground Passenger Transportation	8.2	6.2	0.4

486 Pipeline Transportation

4862	Pipeline Transportation of Natural Gas	6.2	4.6	0.0
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487 Scenic and Sightseeing Transportation

4871	Scenic and Sightseeing Transportation, Land	2.1	1.6	2.1
4872	Scenic and Sightseeing Transportation, Water	5.0	3.8	0.3
4879	Scenic and Sightseeing Transportation, Other	0.2	0.1	0.0

488 Support Activities for Transportation

4881	Support Activities for Air Transportation (Air Traffic Control and Airport Terminal Services)	162.4	121.3	131.9
4882	Support Activities for Rail Transportation (Loading Services, Terminal Services, Rail Car Rentals)	2.5	1.9	2.5
4883	Support Activities for Water Transportation (Port and Harbor Operations, Cargo Handling, Navigational Services)	38.0	28.4	2.0
4884	Support Activities for Road Transportation (Auto Towing, Terminal and Service Facilities)	16.1	12.1	15.2
4885	Freight Transportation Arrangement	139.6	104.3	0.0
4889	Other Support Activities for Transportation	0.6	0.4	0.0

Subtotal: All Transportation Services.....		1,334.5	997.3	620.8
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1997 NAICS Code(s)	Business Type	(1)	(2)	(3)
		6% Annualized Receipts SFY 2014/15 \$m	6% First Year Cash SFY 2014/15 \$m	6% Annualized Receipts On Services Taxed in 1987 \$m
HEALTH SERVICES				
621 Ambulatory Health Care Services				
6211	Offices of Physicians	1,694.2	1,266.1	0.0
6212	Offices of Dentists	299.1	223.5	0.0
6213	Offices of Other Health Practitioners	228.5	170.8	0.0
6214	Outpatient Care Centers	192.1	143.5	0.0
6215	Medical and Diagnostic Laboratories	149.7	111.9	0.0
6216	Home Health Care Services	185.5	138.6	0.0
6219	Other Ambulatory Health Care Services	37.4	28.0	0.0
622 Hospitals - except Government				
6221	General Medical and Surgical Hospitals	215.4	161.0	0.0
6222	Psychiatric and Substance Abuse Hospitals	0.3	0.3	0.0
6223	Specialty (except Psychiatric and Substance Abuse) Hospitals	20.8	15.6	0.0
622 Hospitals - Government				
6221	General Medical and Surgical Hospitals	626.7	468.3	0.0
6222	Psychiatric and Substance Abuse Hospitals	9.7	7.2	0.0
6223	Specialty (except Psychiatric and Substance Abuse) Hospitals	14.5	10.8	0.0
623 Nursing and Residential Care Facilities				
6231	Nursing Care Facilities	298.7	223.2	0.0
6232	Residential Mental Retardation/Health and Substance Abuse Facilities	57.9	43.2	0.0
6233	Community Care Facilities for the Elderly	138.2	103.2	0.0
6239	Other Residential Care Facilities	19.8	14.8	0.0
Subtotal: All Health Services.....		4,188.6	3,130.0	0.0
TOTAL STATE 6% SALES & USE TAX ON SERVICE TRANSACTIONS		19,548.3	14,607.8	5,665.5
General Revenue Fund Share (Assumes same % as current law)		17,358.9	12,971.7	5,031.0
Local Govt. Half-Cent Distributions From Tax on Services		2,136.6	1,596.6	619.2

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.

Total Impact of Sales Tax Exemptions and Exclusions
(\$ Billions)

EXEMPTION SUMMARY BY TYPE:

(in \$ b)

H = Household Items	7.817
O = Organizations	0.984
B = Business Items	1.929
S = Services (Household and Business)	0.000
M = Miscellaneous	1.359
EXEMPTION TOTAL	12.089

TOTAL POTENTIAL SALES ON SERVICE TRANSACTIONS

19.548

COMBINED TOTAL IMPACT OF TAXING EXEMPTIONS AND SERVICES

31.637

SERVICE CHARGES

FLORIDA STATUTES: Sections 215.20, 215.211, 215.22, 215.23, and 215.24

ADMINISTERED BY: Department of Financial Services

SUMMARY:

All income of a revenue nature deposited in all trust funds is subject to an 8 percent service charge to be deposited into the General Revenue Fund except for funds and revenues enumerated in ss. 215.22 and 215.211, F.S., and except for certain revenues subject to a 4 percent service charge in the Department of Agriculture and Consumer Services and the Department of Citrus pursuant to s. 215.20 (2), F.S. The Governor is also authorized under s. 215.24, F.S., to exempt certain revenues from the service charge under certain conditions.

REVENUE:

Fiscal Year	Collections	Annual Change %
2014-15*	487,100,000	2.40%
2013-14*	475,700,000	-2.15%
2012-13	486,174,590	8.27%
2011-12	449,029,678	-2.91%
2010-11	462,487,630	6.26%
2009-10	435,245,303	42.86%
2008-09	304,666,785	-15.99%

* Estimate

HISTORY:

General Revenue Service Charges are transfers from trust funds to the General Revenue Fund. In the past, rates ranged from 0.3 percent to 7.3 percent. Current rates are either 4 percent (specific trust funds and revenues in the Department of Agriculture and Consumer Services and the Department of Citrus) or 8 percent (trust funds in all other departments and agencies).

The policy of assessing certain specified trust funds a service charge was established in 1941 and rates were set at 3 percent. 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 percent General Revenue Service Charge. An additional 0.3 percent 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 Chapter 2000-257, L.O.F. (SB 862). 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 State Comprehensive Enhanced Transportation System (SCETS) tax collections and on the \$100 "new-wheels-on-the-road" fee. The service charge on local option fuel tax collections was 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 was eliminated.

SERVICE CHARGES

Chapter 2008-114, L.O.F. (SB 1882), redirected the 7.3 percent General Revenue Service Charge assessed on the second local option fuel tax imposed under s. 336.0251(1)(b), F.S., from the University Concurrency Trust Fund to the General Revenue Fund.

Chapter 2009-78, L.O.F. (SB 1806), abolished the 0.3 percent service charge on certain funds and imposed a service charge of 8 percent on all trust funds except those specified in the Departments of Citrus and Agriculture and Consumer Services, which were made subject to a service charge of 4 percent.

Chapter 2011-174, L.O.F. (SB 1087), changed the assessment calculation for the Special Disabilities Trust Fund from the fiscal-year basis to the calendar-year basis, which shifted the collection of \$34.8 million of trust fund revenues into Fiscal Year 2011-12 from Fiscal Year 2012-13. The shift resulted in an increase to service charge revenues of \$2.8 million in Fiscal Year 2011-12 and a decrease of \$3.0 million in Fiscal Year 2012-13.

Chapter 2013-44, L.O.F. (SB 1512), exempted from the service charge moneys from service charges, fees, costs, and fines deposited into the Clerks of the Court Trust Fund within the Department of Revenue. The exemption was estimated to reduce General Revenue Service Charge revenues by \$32.8 million in Fiscal Year 2013-14.

BASE AND RATE:

All trust funds are assessed an 8 percent service charge except specified trust funds in the Department of Agriculture and Consumer Services and the Department of Citrus, which are assessed 4 percent. The service charge is normally transferred during the quarter following the quarter in which revenue is collected.

DISPOSITION:

Service charges are deposited into the General Revenue Fund by transfer from specified trust fund accounts.

OTHER STATES:

There is no data available for interstate comparison on such service charges. The practice developed from the 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 earmarked funds.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

For a number of years, legislation was proposed to increase the service charge. In 2009, the rate was increased (see above).

SEVERANCE TAXES - OIL AND GAS

FLORIDA STATUTES: Chapter 211, Part I

ADMINISTERED BY: Department of Revenue

SUMMARY:

Oil and gas production in Florida is subject to the severance tax. Ordinary oil production is taxed at 8 percent of the gross value at the point of production. Small well oil is taxed at 5 percent of gross value. Tertiary oil and mature field recovery oil is taxed at a graduated rate depending upon the price per barrel. If the price is \$60 per barrel or lower, the tax is 1 percent of gross value at the point of production. If the price is between \$60 and \$80 per barrel, the first \$60 is taxed at 1 percent of gross value, and the remaining price is taxed at 7 percent of gross value. If the price is \$80 per barrel or higher, the first \$60 is taxed at 1 percent of gross value, the price between \$60 and \$80 per barrel is taxed at 7 percent of gross value, and the remaining price is taxed at 9 percent of gross value. Gas and sulfur are taxed at rates that are recalculated annually, using a base rate and adjustment factor based on the previous calendar year's producer price indices.

REVENUE:

Fiscal Year	Collections	Annual Change %	General Revenue Distribution	Distribution to Counties
2014-15*	10,000,000	-23.66%	6,467,000	1,764,000
2013-14*	13,100,000	17.02%	8,947,000	2,014,000
2012-13	11,194,358	-16.79%	7,992,506	1,971,927
2011-12	13,452,859	33.78%	8,992,516	1,902,008
2010-11	10,055,883	155.96%	6,190,843	1,271,643
2009-10	3,928,740	-50.02%	2,202,789	433,946
2008-09	7,860,483	-40.74%	4,439,958	1,331,533

* Estimate

HISTORY:

The severance tax on oil and gas is composed of four separate taxes with different bases and rates. Small well oil and tertiary oil are taxed at the rate of 5 percent of gross value. All other oil is taxed at the rate of 8 percent of gross value. Gas is taxed by volume using a base rate adjusted each year for the gas fuels producer price index; this process is described in s. 211.025, F.S. Sulfur is taxed by long ton using a base rate adjusted each year for the sulfur producer price index; this process is described in s. 211.026, F.S. Definitions for each tax are provided in s. 211.01, F.S.

Severance taxation of oil and gas was begun in 1945 at a 5 percent rate. The rate on oil was increased to 8 percent in 1977. In 1979, the disposition of funds was changed to reflect the creation of the Division of State Lands, with 50 percent of the tax going to the Conservation and Recreation Land (CARL) Trust Fund; 37.5 percent of the oil tax and 30 percent of the gas tax going to the General Revenue Fund; and 12.5 percent of the oil tax and 20 percent 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. At that time, sulfur produced from hydrogen sulfide gas was made taxable.

In 1987, the disposition of the oil, gas, and sulfur tax was changed. The 50 percent disposition to the CARL Trust Fund was eliminated and placed into the General Revenue Fund, resulting in 87.5 percent of

SEVERANCE TAXES - OIL AND GAS

the 8 percent oil tax and 80 percent of the 5 percent oil, gas, and sulfur tax going to the General Revenue Fund.

The disposition of the oil and gas tax was changed again by the 1994 Legislature. Effective July 1, 1995, 75 percent of the 8 percent oil tax and 67.5 percent of the 5 percent oil, gas and sulfur tax was distributed to the General Revenue Fund, and 12.5 percent of all sources to the Mineral Trust Fund. The remaining 12.5 percent of the 8 percent oil and 20 percent of the 5 percent small well oil and tertiary oil, gas and sulfur is returned to the board of county commissioners of the county where production occurred.

Chapter 96-323, L.O.F. (SB 330), provided for a five-year tax exemption for new oil wells completed after July 1, 1997; this exemption has expired.

In 2009, the tax rate on tertiary oil was changed from 5 percent of gross value to a graduated rate based on the per-barrel price. If the price is \$60 per barrel or lower, the tax is 1 percent of gross value at the point of production. If the price is between \$60 and \$80 per barrel, the first \$60 is taxed at 1 percent of gross value, and the remaining price is taxed at 7 percent of gross value. If the price is \$80 per barrel or higher, the first \$60 is taxed at 1 percent of gross value, the price between \$60 and \$80 per barrel is taxed at 7 percent of gross value, and the remaining price is taxed at 9 percent of gross value (see Chapter 2009-139, L.O.F. (HB 515), codified at s. 211.02, F.S.).

Chapter 2012-32, L.O.F. (HB 7087), defined mature field recovery oil and taxed the oil from a mature field at the same tax rate as tertiary oil. The distribution of the proceeds was also changed. For small well oil, tertiary oil and mature field recovery oil: 63.5 percent is distributed to the General Revenue Fund; 20 percent to the county where it was produced; and 16.5 percent to the Mineral Trust Fund.

BASE AND RATE:

Oil: 8 percent of the gross value at the point of production except that small wells (wells producing less than 100 barrels per day) are taxed at 5 percent of gross value, and oil produced by tertiary methods is taxed at a graduated rate based on per-barrel price (see above).

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 \$0.171 per MCF. The tax rate effective July 1, 2012, was \$0.355 per MCF. (DOR TIP #12B07-02)

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. The tax rate effective July 1, 2012, was \$6.88 per long ton. (DOR TIP #12B07-02)

DISPOSITION:

Distributions of:	To General Revenue	To County where produced	To Minerals Trust Fund
8% Oil	75.0%	12.5%	12.5%
5% Oil (small wells), tertiary, mature fields	63.5%	20.0%	16.5%
Gas	67.5%	20.0%	12.5%
Sulfur	67.5%	20.0%	12.5%

SEVERANCE TAXES - OIL AND GAS

OTHER STATES:

Twenty-four other states specifically tax the production of oil and gas. Some states include petroleum production taxes in mineral severance regulations. A state-by-state list of the various types of severance taxes levied, including oil and gas severance, can be found at:

<http://www.ncsl.org/default.aspx?tabid=12674>.

2014-15
(Millions)

VALUE OF RATE CHANGE:

Value of 1 percent increase in tax rate:

Oil currently taxed at 8 percent of gross value	\$0.5
Oil currently taxed at 5 percent of gross value	\$0.1
Mature Fields and Tertiary oil taxed at graduated rate (increase each rate by 1 percent)	\$1.7

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

SEVERANCE TAXES - SOLID MINERALS

FLORIDA STATUTES: Chapter 211, Part II

ADMINISTERED BY: Department of Revenue

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, unless otherwise established in statute. Other solid minerals are taxed at 8 percent of the value at the point of severance.

REVENUE:

Fiscal Year	Total Collections	Annual Change %	General Revenue Distribution	Distribution to Counties
2014-15*	36,900,000	6.03%	12,100,000	7,591,000
2013-14*	34,800,000	-2.95%	12,400,000	7,755,000
2012-13	35,857,828	4.00%	13,210,134	8,309,073
2011-12	34,478,926	-29.55%	12,302,117	10,367,425
2010-11	48,941,185	-16.42%	12,404,479	10,615,910
2009-10	58,554,366	-20.29%	10,809,406	11,060,795
2008-09	73,455,877	69.92%	13,572,091	14,037,416

* Estimate

HISTORY:

Severance tax on solid minerals is composed of three separate taxes. Severance of phosphate rock is taxed at a rate based on a base rate adjusted each year by an index as established in s. 211.3103, F. S. Severance of heavy minerals is taxed at a rate based on a base rate adjusted each year by an index as established in s. 211.3106, F.S. Severance of other solid minerals, except phosphate rock and heavy minerals, are taxed at the rate of 8 percent of value at the point of severance.

Severance taxation of solid minerals was first 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 percent of the phosphate tax and 32 percent of the other solid minerals tax was distributed to the General Revenue Fund and 14.35 percent of the phosphate tax and 68 percent of the other solid minerals tax to the Mineral Trust Fund.

In 2003, during Special Session E, Chapter 2003-423, L.O.F. (SB 18-E), 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 (CARL) Trust Fund, the remaining revenues were distributed as follows: 18.75 percent to the county where mined; 11.25 percent to the Phosphate Research Trust Fund; 11.25 percent to the Mineral Trust Fund; 43.75 percent to Non-Mandatory Land Reclamation (NMLR) Trust Fund; and 15.0 percent 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 CARL Trust Fund, the remaining revenues were distributed as follows: 40.1 percent to the General Revenue Fund; 16.5 percent to the

SEVERANCE TAXES - SOLID MINERALS

county where mined; 9.3 percent to the Phosphate Research Trust Fund; 10.7 percent to the Mineral Trust Fund; 10.4 percent to NMLR Trust Fund; and 13.0 percent to any county designated a Rural Area of Critical Economic Concern.

Chapter 2008-150, L.O.F. (SB 1294), amended s. 211.3103, F.S., relating to the severance tax on phosphate rock. A surcharge of \$1.38 per ton severed was imposed, and the excise tax rate was set at \$1.945 per ton severed. This excise tax rate is to remain constant until July 1 of the fiscal year following the date when revenues collected from the surcharge equal or exceed \$60 million. At that point, a base rate of \$1.51 per ton severed is established. Each taxpayer is allowed a surcharge offset equal to the difference between the rate that would have been charged based on the base rate adjustment during the period and the rate of \$1.51 times the tonnage severed. Distribution of the tax will also change when the surcharge equals \$60 million. At that time, proceeds of the tax on phosphate rock will be exempt from the General Revenue Service Charge, with the proceeds divided as follows: 25.5 percent to the CARL Trust Fund; 37 percent to the General Revenue Fund; 13.6 percent to counties in proportion to the tons of phosphate rock produced within each county; 10.7 percent to counties designated as Rural Areas of Critical Economic Concern in proportion to the tons of phosphate rock produced within each county; 6.6 percent to the NMLR Trust Fund; and 6.6 percent to the Phosphate Research Trust Fund in the Division of Universities of the Department of Education.

Chapter 2010-166, L.O.F. (HB 5801), amended s. 211.3103, F.S., relating to the severance tax on phosphate rock. The tax rate for Fiscal Year 2010-11 was set at \$1.71 per ton severed, and the tax rate for Fiscal Year 2011-12 was set at \$1.61 per ton severed. The distribution of the tax for Fiscal Year 2010-11 is: 21.9 percent to the CARL Trust Fund; 37.1 percent to General Revenue; 12 percent to counties in proportion to the tons of phosphate rock produced within each county; 9.4 percent to counties designated as Rural Areas of Critical Economic Concern in proportion to the tons of phosphate rock produced within each county; 5.8 percent to the NMLR Trust Fund; 5.8 percent to the Phosphate Research Trust Fund; and 8.0 percent to the Minerals Trust Fund. Beginning in Fiscal Year 2010-11, severance tax proceeds are exempt from the General Revenue Service Charge. The legislation also set distribution percentages for Fiscal Year 2011-12 at: 25.5 percent to the CARL Trust Fund; 35.7 percent to General Revenue; 12.8 percent to counties in proportion to the tons of phosphate rock produced within each county; 10.0 percent to counties designated as Rural Areas of Critical Economic Concern in proportion to the tons of phosphate rock produced within each county; 6.2 percent to the NMLR Trust Fund; 6.2 percent to the Phosphate Research Trust Fund; and 3.6 percent to the Minerals Trust Fund.

Chapter 2012-32, L.O.F. (HB 7087), amended s. 211.3103, F.S., relating to the severance tax on phosphate. For the time period between January 1, 2015, and December 31, 2022, the tax rate shall be \$1.80 per ton severed. The distribution for this period is: 22.8 percent to the CARL Trust Fund; 31.9 percent to General Revenue; 11.5 percent to counties in proportion to the tons of phosphate rock produced within each county, 8.9 percent to counties designated as Rural Areas of Critical Economic Concern in proportion to the tons of phosphate rock produced within each county; 16.1 percent to the NMLR Trust Fund; 5.6 percent to the Phosphate Research Trust Fund, and 3.2 percent to the Minerals Trust Fund.

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. Pursuant to Chapter 2010-166, L.O.F., the tax rate is \$1.71 per ton severed in Fiscal Year 2010-11 and \$1.61 per ton severed in Fiscal Year 2011-12 (see above). A surcharge of \$1.38 per ton was levied until a total of \$60 million was reached (see above). The \$60 million target was achieved in Fiscal Year 2010-11.

SEVERANCE TAXES - SOLID MINERALS

Calendar Year	Tax Rate Per Ton of Phosphate	Total Tons	Surcharge per Ton
2013	\$1.61	21,500,000	NA
2012	\$1.61	22,624,900	NA
2011	\$1.61 (beginning July 1, 2011)	19,607,900	NA
2010	\$1.71 (beginning July 1, 2010)	18,247,000	\$1.38
2009	\$1.945	19,745,800	\$1.38
2008	\$1.945 (beginning July 1, 2008)	23,571,400	\$1.38

*Estimated

Heavy Minerals: Calculated annually by multiplying the base rate (\$1.34 per ton) by the base rate adjustment for that year. The base rate adjustment factor is a five-year moving average of the annual Producer Price Index for heavy metals. The tax rate for calendar year 2012 is set at \$3.45 per ton (DOR TIP #12B07-01).

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

DISPOSITION:

Phosphate Distribution:	Fiscal Year 2012-13	Fiscal Year 2013-14
Conservation and Recreation Lands Trust Fund	25.5%	23.5%
GENERAL REVENUE FUND	35.7%	32.9%
County where Mined	12.8%	11.8%
Phosphate Research Trust Fund	6.2%	5.8%
Minerals Trust Fund	3.6%	3.3%
Non-Mandatory Land Reclamation Trust Fund	6.2%	13.6%
Counties Designated as Rural Areas of Critical Economic Concern	10.0%	9.2%
Phosphate Surcharge Distribution	NA	NA
Other Solid Minerals (Excluding Phosphate) Distribution:		
GENERAL REVENUE FUND	32.0%	32.0%
Minerals Trust Fund	68.0%	68.0%

OTHER STATES:

Thirty-nine other states levy a severance tax on natural resources. Many states levy taxes on specific resources, but some have general resource severance taxes which may 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. A state-by-state list of the various types of severance taxes levied can be found at <http://www.ncsl.org/default.aspx?tabid=12674>.

VALUE OF RATE CHANGE: Increasing the current tax rate on phosphate by 10 cents in Fiscal Year 2014-15 would produce about \$2.1 million in total (about \$0.7 million to General Revenue).

SEVERANCE TAXES - SOLID MINERALS

VALUE OF EXEMPTIONS:

Although s. 211.3108, F.S., provides four specific exemptions, no exemptions have been taken in the past five years. The four exemptions are for taxes due on: (1) solid minerals sold to governmental entities in Florida; (2) solid minerals, except phosphate rock and heavy minerals, on which the sales tax is ultimately paid; (3) solid minerals extracted by the owner of the site for improving the site, subject to a restoration or reclamation program; and (4) solid minerals, except for phosphate rock, which are severed solely for direct application in agricultural uses.

Although s. 212.085(5)(b)5., F.S., provides a credit against severance taxes due for machinery and equipment purchased for use in phosphate or other solid mineral severance, mining, or processing operations, no credit has been taken under this provision for the past five years. Additionally, the exemption is conditioned upon the machinery and equipment purchase being made for a new or expanding business.

TAX CREDIT SCHOLARSHIP PROGRAM:

Chapter 2010-24, L.O.F. (SB 2126), expanded the revenue sources against which the Florida Tax Credit Scholarship credits may be granted to taxes authorized under s. 211.0251, F.S., relating to taxes on the production of oil and gas and severance of solid minerals.

DISTRIBUTION TO TRUST FUNDS:

Trust Fund Distribution (\$M)	Conservation & Recreation Land TF	Nonmandatory Land Reclamation TF	Phosphate Research TF	Minerals TF
2013-14*	\$8.7	\$2.1	\$2.1	41.7
2012-13	\$8.9	\$2.2	\$2.2	\$1.8
2011-12	\$8.6	\$1.9	\$1.9	\$1.7
2010-11	\$7.2	\$21.5**	\$1.7	\$3.1
2009-10	\$10.0	\$28.9**	\$2.1	\$3.0
2008-09	\$10.0	\$24.3**	\$2.7	\$3.7

* Estimate

** For Fiscal Years 2009-10, 2010-11, and 2011-12, a surcharge of \$1.38 per ton was levied on phosphate, to be deposited into the Non-Mandatory Land Reclamation Trust Fund until \$60 million was collected.

DISTRIBUTION TO COUNTIES (provided by Department of Revenue):

Distribution to Counties (\$M)	Counties where phosphate rock produced	Counties within designated Rural Areas of Critical State Concern
2013-14*	\$4.353	\$3.401
2012-13	\$4.489	\$3.507
2011-12	\$4.129	\$3.227
2010-11	\$4.362	\$3.422
2009-10	\$4.688	\$3.694
2008-09	\$5.904	\$4.652

* Estimate

ALTERNATIVE BASES:

A number of other states impose a severance tax on timber or forestry products. States currently imposing this type of severance tax are Alabama (forest products), Arkansas (timber taken from state lands), California (timber yield tax), Illinois (timber fee), Mississippi (timber severance tax), North

SEVERANCE TAXES - SOLID MINERALS

Carolina (primary forest product assessment) and Oregon (forest products harvest tax). The latest year for which Florida data is available is 2009. In that year, production of softwood and hardwood declined from 491,061,000 cubic feet in 2007 to 474,578,000 cubic feet in 2009, or about 3.4 percent. Of 2009 total production, pulpwood comprised 55.9 percent and saw logs comprised 25.2 percent. The remainder was composed of veneer logs and other industrial output.

Total roundwood output in 2009 totaled 492.3 million cubic feet, including 17.7 million cubic feet of residential fuelwood. Forest industry lands contributed about 20 percent of total roundwood output in 2009, with 74 percent from nonindustrial private forest lands and 6 percent from public lands. Actual roundwood output for available years is shown in the table below. See *Florida's Timber Industry—an Assessment of Timber Product Output and Use 2009* at: http://www.srs.fs.usda.gov/pubs/rb/rb_srs180.pdf.

Year	1997	1999	2003	2005	2007	2009
All roundwood output in 1,000 cubic feet	517,355	498,562	508,686	465,147	508,875	492,242

A 1 cent severance tax per cubic foot on all roundwood output would have yielded \$4.92 million in 2009. A 1 cent severance tax per cubic foot on roundwood from forest industry lands would have yielded \$0.98 million in 2009.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

SLOT MACHINE TAX

FLORIDA STATUTES: Chapter 551

ADMINISTERED BY: Department of Business and Professional Regulation, Division of Pari-Mutuel Wagering

SUMMARY:

Taxes are imposed at a rate of 35 percent on slot machine revenues at each pari-mutuel facility that has slot machines. Each facility must also pay an annual license fee of \$2.0 million and a fee of \$250,000 to fund programs for the prevention of compulsive gambling. A series of occupational license fees for employees of the facilities and associated businesses is also imposed.

REVENUE:

Fiscal Year	Total Collections	Annual Change %	Slot Machine Tax Collections	Facility License Fee Collections	Occupational License Fee Collections	Addictive Gambling Program Fee Collections	Distribution to General Revenue
2014-15*	201,666,151	8.16%	183,466,151	16,000,000	200,000	2,000,000	12,300,000
2013-14*	186,448,997	16.15%	170,498,997	14,000,000	200,000	1,750,000	10,200,000
2012-13	160,529,430	2.56%	142,204,054	16,000,000	325,376	2,000,000	10,800,000
2011-12	156,521,484	4.75%	142,666,706	12,000,000	354,779	1,500,000	12,000,000
2010-11	149,420,449	-2.36%	127,670,133	19,500,000	250,316	2,000,000	18,500,000
2009-10	153,034,560	34.23%	136,424,473	15,000,000	360,087	1,250,000	12,000,000
2008-09	114,009,899	-13.85%	104,127,573	9,000,000	132,326	750,000	4,900,000

* Estimate

HISTORY:

Casino gambling (including slot machines) required an amendment to the Florida Constitution. Florida voters rejected casino gambling proposals in 1979 and 1986. 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. In November of 2004, voters approved an amendment to the Florida Constitution which resulted in the creation of Section 23, Article X, which 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. Chapter 2005-362, L.O.F. (HB 1-B), provided for the regulation of slot machines. A tax rate of 50 percent was assessed on slot machine revenues, and facility license fees, occupational license fees, and a fee to fund an addictive gambling prevention program were established. Slot machines began operating in Broward County in late 2006. Chapter 2007-252, L.O.F. (HB 1047), increased the maximum number of machines in a facility from 1,500 to 2,000 and provided for increased operating hours.

In 2008, Miami-Dade voters approved slot machines in the pari-mutuel facilities in their county. Chapter 2010-29, L.O.F. (SB 622), provided for the following changes: (1) reduced the facility license fee from \$3.0 million to \$2.5 million in Fiscal Year 2010-11 and to \$2.0 million beginning in Fiscal Year 2011-12; (2) changed the payment frequency for taxes due from weekly to monthly beginning July 1, 2012; (3) authorized slot machines at Hialeah Park; (4) reduced the tax rate from 50 percent to 35 percent, with a floor on tax collections equal to 2008-09 collections; (5) allowed for progressive games; (6) changed the required prize payout percentage; and (7) reduced the minimum age for players from 21 to 18.

SLOT MACHINE TAX

BASE AND RATE:

Slot Machine Tax: 35 percent of slot machine revenues.

Facility License Fee: \$2.0 million annually.

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: \$250,000 annually for each facility which has slot machines.

DISPOSITION:

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

Facility License Fee: Eight percent of total collections are deducted as service charges to the General Revenue Fund, with the remainder going to the Pari-Mutuel Wagering Trust Fund.

Occupational Licenses: Eight percent of total collections are deducted as service charges to the General Revenue Fund, with the remainder going to the Pari-Mutuel Wagering Trust Fund.

Addictive Gambling Program Fee: Eight percent of total collections are 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.

OTHER STATES:

Currently, many states offer slot machines or video lottery terminals in some venue. Tax rates and venue restrictions vary widely by state.

VALUE OF RATE CHANGE:

1 percent increase in Slot Machines Tax Rate (s.551.106 (2) (a))

2014-15
(millions)

\$5.2

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

TOBACCO SETTLEMENT PAYMENTS

FLORIDA STATUTES: Sections 17.41, 215.56005, and 215.5601

ADMINISTERED BY: Department of Financial Services

SUMMARY:

Tobacco settlement payments are funds received by the state resulting from the settlement of State of Florida vs. American Tobacco Co., et al.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	375,700,000	0.94%
2013-14*	372,200,000	1.00%
2012-13	368,500,000	2.66%
2011-12	358,936,764	-2.17%
2010-11	366,910,214	0.88%
2009-10	363,691,730	-6.47%
2008-09	388,848,731	-2.41%

* Estimate

HISTORY:

On August 25, 1997, the State of Florida as plaintiff entered into a settlement agreement as the result of a lawsuit (State of Florida, et al. v. American Tobacco Company, et al.) which provided for payments to the state in perpetuity in the amount of \$440 million annually beginning in 1999, adjusted for inflation and profits and the level of sales of the settling defendants. In addition, the state received payments from 1998 through 2002 as a result of the Multi-State Settlement Agreement between the tobacco companies and 46 other states which were not a party to the original agreement. In 1999, the Lawton Chiles Endowment Fund (HB 1885/Chapter 99-167, L.O.F.) was established to provide a perpetual funding source for the enhancement of state health programs and biomedical research. The fund was established with initial settlement payments and payments accruing to the state from the Multi-State Settlement Agreement. Chapter 2000-128, L.O.F. (HB 1721), created the Tobacco Settlement Financing Corporation which was granted authority to issue bonds secured by tobacco settlement funds, but the Corporation has never used its bonding authority.

DISPOSITION:

Settlement payments and endowment earnings are deposited in the Tobacco Settlement Clearing Trust Fund in the Department of Financial Services for use as appropriated by the Legislature.

OTHER STATES:

All states now receive payments through various settlements. Some states have transferred their rights to future payments to entities in return for lump-sum payments.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

**UNCLAIMED PROPERTY
(STATE SCHOOL TRUST FUND)**

FLORIDA STATUTES: Chapter 717

ADMINISTERED BY: Department of Financial Services

SUMMARY:

Real and intangible property of Florida citizens held by businesses is deemed abandoned after a statutorily defined period of inactivity or nonuse. Such property is required to be transferred to the state pending claims from rightful owners. Property held by the state is available to the rightful owners indefinitely, upon filing a claim and establishing rightful ownership.

REVENUE:

Fiscal Year	Total Collections	Annual Change %	State School Trust Fund
2014-15*	451,400,000	-1.40%	182,300,000
2013-14*	457,800,000	-1.76%	213,200,000
2012-13	466,000,000	22.41%	206,200,000
2011-12	380,700,000	7.48%	163,600,000
2010-11	354,200,000	0.77%	157,500,000
2009-10	351,500,000	20.46%	154,200,000
2008-09	291,800,000	-7.04%	112,000,000

* Estimate

HISTORY:

Abandoned property is a category of the common law of property which deals with personal property which has left the possession of its rightful owner without having directly entered the possession of another person. In 1981, the National Conference of Commissioners on Uniform State Laws sought to address the problems arising from these types of property through provisions of the Uniform Unclaimed Property Act. In 1987, Florida adopted the Florida Disposition of Unclaimed Property Act (Chapter 87-105, L.O.F.) to provide a statutory procedure for the escheat and disposition of presumably abandoned property to the state. In 2001, Chapter 717, F.S., was rewritten primarily to update the administration of the Act (HB 107/Chapter 2001-36, L.O.F.).

Chapter 2003-281, L.O.F. (HB 513), provided that abandoned proceeds from insurance demutualization were deemed abandoned after two years. Chapter 2007-256, L.O.F. (SB 1638), removed gift cards and similar items from property subject to the provisions of Chapter 717, F.S.

Chapter 2013-172, L.O.F. (SB 492), reduced the dormancy period from five years to two years for intangible property held in trust by a fiduciary. Chapter 2013-34, L.O.F. (SB 464), authorized the Department of Financial Services to allow electronic submission of claims, including an alternative method of identity verification for property under \$1,000 in value.

DISPOSITION:

Property transferred to the state is deposited into the Unclaimed Property Trust Fund for eventual transfer to the State School Trust Fund.

OTHER STATES:

Every state has unclaimed property laws which declare money, property, and other assets to be abandoned after a period of inactivity.

**UNCLAIMED PROPERTY
(STATE SCHOOL TRUST FUND)**

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Increases value of abandoned property that may be kept, sold, or destroyed if not reclaimed on form of notice to owner other than former tenant, etc.	S696/2000 sim H733, H595/2001

VESSEL LICENSES

FLORIDA STATUTES: Chapter 328

ADMINISTERED BY: Department of Highway Safety and Motor Vehicles

SUMMARY:

All motorboats operated on Florida waters must be registered annually with the Department of Highway Safety and Motor Vehicles. License fees are based on the length of the boat and range from a low of \$5.50 to a high of \$189.75. All counties are authorized to impose an annual vessel registration fee which must be equal to 50 percent of the applicable state vessel registration fee.

REVENUE:

Fiscal Year	Total Collections	Annual Change %	Marine Resources Conservation TF/ Invasive Plant Control TF	State Agency Law Enforcement Radio System Trust Fund	General Inspection Trust Fund
2014-15*	16,110,216	4.00%	14,539,337	800,026	770,853
2013-14*	15,491,018	2.76%	13,938,270	789,736	763,012
2012-13	15,074,533	-1.45%	13,911,556	800,318	362,659
2011-12	15,296,225	-2.44%	14,139,251	786,292	370,682
2010-11	15,678,360	1.82%	14,542,811	761,289	374,260
2009-10	15,397,416	4.04%	14,219,419	816,419	361,578

* Estimate

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 statewide 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 percent 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. (HB 725), 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. The legislation also required county tax collectors to remit vessel registration fees to the department within five working days after the close of the business day 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. (HB 589), changed the Florida Statutes references from Chapter 327 to Chapter 328. Chapter 99-248, L.O.F. (SB 1270), added a 50 cent fee on every annual vessel registration for deposit into the Highway Safety Operating Trust Fund to cover

VESSEL LICENSES

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. (SB 1956), capped administrative costs for vessel registration at \$1.4 million for deposit into the Highway Safety Operating Trust Fund. Chapter 2005-157, L.O.F. (HB 955), distributed \$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.

Chapter 2007-242, L.O.F. (HB 275), created the biennial vehicle registration option. Vehicle owners are permitted to pay the vehicle registration taxes in advance for two years and are then issued the appropriate decal for their license plate. The fees for a two-year registration are double that of an annual registration however the distribution of the revenue does not actually occur until the year in which it would have normally been collected.

Chapter 2008-106, L.O.F. (SB 1286), raised all vessel registration fees effective July 1, 2008, by 50 to 60 percent. The vessel dealer registration fee was also raised to \$25.50. In addition, beginning in 2013 and every five years thereafter, the vessel registration fees are to be adjusted by the percentage change in the Consumer Price Index for All Urban Consumers.

Chapter 2013-194, L.O.F. (HB 333), deleted the requirement that vessel registration fees be adjusted by the percentage change in Consumer Price Index for All Urban Consumers. Chapter 2013-160, L.O.F. (HB 7125), changed the deposit ceiling to Highway Safety Operating Trust Fund from \$1.4 million to equal the administrative costs incurred by the department.

BASE AND RATE:

All motorboats: Boats and canoes with motors under 12 feet - \$5.50; others - \$16.25 to \$189.75, depending on length. Dealer - \$25.50 and \$2.50 service fee to issuing agent. All counties may impose an annual vessel registration fee which must be equal to 50 percent 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.

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, and rehabilitation, marine mammal protection and recovery, and marine research.

Invasive Plant Control Trust Fund: Aquatic plant research and control.

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

General Inspection Trust Fund: Shellfish and aquaculture development and quality control programs and research of the natural oyster reefs and beds of the state.

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.

VESSEL LICENSES

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

Description	Bill Number/Year
Authorizes an extended registration period for certain vessels.	S2402/2002, S1150/2005 sm H435 , S442/2007

WORKERS' COMPENSATION ASSESSMENTS

FLORIDA STATUTES: Chapter 440

ADMINISTERED BY: Department of Financial Services, Division of Workers' Compensation

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, F.S. 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.

REVENUE:

Fiscal Year	Workers' Compensation Administration Trust Fund	Annual Change %	Special Disability Trust Fund	Annual Change %
2014-15*	77,326,000	2.24%	39,137,000	-8.74%
2013-14*	75,634,000	1.85%	42,886,000	-0.31%
2012-13	74,257,571	55.39%	43,019,582	9.13%
2011-12	47,786,352	43.34%	39,420,477	6.28%
2010-11	33,338,153	70.79%	37,090,210	-67.01%
2009-10	19,519,858	14.18%	112,437,564	-21.95%
2008-09	17,096,320	-49.18%	144,054,723	-23.89%

* Estimate

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. (HB 2723), postponed the Special Disability rate increase to 7.25 percent from July 1, 1996, to July 1, 1997. Chapter 97-262, L.O.F. (HB 1933), provided that the Special Disability Trust Fund assessment rate could not exceed 4.52 percent. In addition, the Special Disability Trust Fund is supplemented by a \$250 notification fee on each notice of claim filed or re-filed after July 1, 1997, and a \$500 fee on each proof of claim filed after July 1, 1997. Chapter 2000-150, L.O.F. (SB 2532), reduced the cap on the assessment for the Administration Trust Fund from 4 percent to 2.75 percent, effective January 1, 2001.

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

Assessments are applied to calendar year premiums for the Workers' Compensation Administration Trust Fund and on a fiscal year basis for the Special Disability Trust Fund. The assessment rates for the Workers'

WORKERS' COMPENSATION ASSESSMENTS

Compensation Administration Trust Fund, effective January 1 of each year, were as follows: 2002, 2.56 percent; 2003, 1.75 percent; 2004, 1.5 percent; 2005, 0.75 percent; 2006, 0.60 percent, 2007, 0.50 percent; 2008, 0.25 percent; 2009, 0.25 percent; 2010, 0.80 percent; 2011, 0.98 percent; 2012, 1.75 percent; and 2013, 1.68 percent. The assessment rate for the Special Disability Trust Fund declined to 1.46 percent for Fiscal Year 2010-11 through December 31, 2011, declined to 1.44 percent for calendar year 2012, and is set at 1.43 percent for calendar year 2013. The rate effective for Fiscal Years 2001-02 through 2009-10 was 4.52 percent.

BASE AND RATE:

Assessment Rates: The Workers' Compensation Administration Trust Fund rate, beginning January 1, 2014, is set at 1.61 percent and cannot exceed 2.75 percent (s.440.51(1)(b), F.S.). The Special Disability Trust Fund rate is set at 1.23 percent beginning January 1, 2013, and cannot exceed 4.52 percent (s.440.49(9)(c), F.S.).

Assessment Base: Both funds are supported by annual assessments against workers' compensation insurance premiums, actual and estimated. For insurance companies, assessable mutual insurers, and self-insurance funds, assessments are based on actual premiums; for individual self-insurers, assessments are based on the amount of premiums calculated by the Division of Workers' Compensation.

DISPOSITION:

Workers' Compensation Administration Trust Fund and Special Disability 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.

PROPOSED LEGISLATION REPEATED MULTIPLE YEARS:

There has been no proposed legislation repeated multiple years regarding this revenue source.

**MAJOR LOCAL GOVERNMENT
REVENUE SOURCES**

AD VALOREM TAXES

FLORIDA STATUTES: Chapters 192, 193, 194, 195, 196, 197, and 200

ADMINISTERED BY: Units of Local Government and Florida Department of Revenue

SUMMARY: The 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 just value (i.e., the fair market value) of the property adjusted for any exclusions, differentials, or exemptions allowed by the constitution or the statutes. The Florida constitution strictly limits the legislature's authority to provide exemptions or adjustments to fair market value. Also, 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. Discounts are granted for early payment and most taxpayers pay by late November.

REVENUE: (millions)*

Fiscal Year	Total Taxes Levied	% Change	Counties	% Change	School Districts	% Change	Municipalities	% Change	Special Districts**	% Change
2013-14	25,086.1	4.0	9,077.3	5.5	10,755.1	3.2	3,470.5	3.8	1,783.2	1.4
2012-13	24,127.7	-0.6	8,607.2	-0.5	10,417.7	-1.5	3,343.5	2.1	1,759.3	-1.0
2011-12	24,280.9	-4.9	8,648.4	-4.9	10,581.5	-4.2	3,273.7	-2.9	1,777.4	-12.2
2010-11	25,536.7	-8.2	9,092.3	-7.3	11,049.7	-8.4	3,369.8	-8.0	2,025.0	-11.0
2009-10	27,818.8	-5.3	9,811.3	-0.6	12,069.4	-7.7	3,662.9	-6.5	2,275.2	-9.1
2008-09	29,360.5	-5.4	9,868.9	-11.6	13,071.9	-1.2	3,917.6	-3.0	2,502.0	-3.9
2007-08	31,039.5	2.0	11,168.0	-2.6	13,231.7	7.6	4,037.2	-0.5	2,602.6	0.1
2006-07	30,420.5	18.4	11,468.7	16.9	12,294.6	18.6	4,058.4	20.3	2,598.8	21.6
2005-06	25,688.4	14.8	9,810.6	14.3	10,367.2	14.2	3,373.4	18.0	2,137.2	15.0
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

* Includes operating and debt service taxes.

AD VALOREM TAXES

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

HISTORY:

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 required the Legislature to provide for a uniform and equal rate of taxation, and to prescribe such regulations as shall secure a just valuation of all property, both real and personal, accepting 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 to every person who had 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.
- 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;

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. An exemption to the tax was provided for the City of Apalachicola. (Ch. 1502, L.O.F.)

AD VALOREM TAXES

- \$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; and,
- The Constitution of 1968 adopted and superseded most of the ad valorem tax provisions of the Constitution of 1885 as amended. It changed 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 taxes 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 limits within these constitutional bounds are determined 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 level of 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. (Implemented 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 TAXES

- 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 was 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 for devices installed before December 31, 1990.) This constitutional provision was repealed in 2008 and replaced. See discussion of 2008 constitutional changes.

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 only 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. 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 implementation of this amendment. The second change was initiated by a petition, and limited increases in the assessment of homestead property to 3 percent per year or the percent change in 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 based on changes to the Consumer Price Index. 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. This exemption may be offered by any county or municipality for its respective tax levy, and 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 to allow local governments to grant a reduction in the assessed value of homestead property when there has been an increase in the assessed

AD VALOREM TAXES

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 \$5,000 exemption granted to disabled ex-service members to a member's 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 benefit, 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.

In 2007, the Legislature enacted statutory changes that required most county, municipal, and special district governments to reduce their 2007-08 millage rates below their rolled back rates. Exceptions were made for certain fiscally limited governments and for certain types of activities. Local governments were allowed to override the prescribed rate reductions by extraordinary votes of their governing boards or by referenda of the electorate. For fiscal year 2008-09 and beyond, the same legislation limited growth in each county's, city's, or independent special district's property tax levies to growth in state per capita personal income growth plus growth attributable to the value of net new construction added to the tax roll each year. Again, overrides of the limitation are allowed by certain extraordinary votes or referenda.

In January 2008, a constitutional amendment proposed by the Legislature was approved that made four major changes. First, an additional homestead exemption of up to \$25,000 for assessed value between \$50,000 and \$75,000 was granted. This exemption does not apply to school district tax bases. Second, owners of homesteads relocating within the state were given the ability to transfer up to \$500,000 of value protected from taxation due to the Save Our Homes assessment limitation. Third, an exemption was granted for the first \$25,000 of tangible personal property. Finally, a per parcel annual assessed value growth limitation of 10% was created for non-homestead, non-agricultural property. The value protected from taxation as a result of this limitation does not apply to school district tax bases.

In November 2008, the voters approved three constitutional amendments placed on the ballot by the Taxation and Budget Reform Commission. One amendment required classified use assessments for certain defined working waterfront properties. Another amendment required an exemption for property dedicated in perpetuity for conservation purposes and provided for classified used assessments for land used for conservation purposes. The third amendment allowed an assessment limitation for renewable energy source devices and wind resistance improvements installed on real property used for residential purposes.

In 2009, the Legislature implemented the constitutional amendment providing tax exemptions for property dedicated in perpetuity to conservation purposes. Ch. 2009-157. The Legislature also changed the burden of proof necessary to challenge a property tax assessment. Ch. 2009-121.

In November 2010, the voters approved a constitutional amendment that requires an additional homestead exemption for military personnel deployed on active duty outside of the United States in support of

AD VALOREM TAXES

military operations designated by the Legislature. The exempt amount is based upon the number of days in the previous calendar year that the person was deployed outside of the U.S. Also in 2010, the Legislature clarified that simply offering land for sale cannot be the basis for denying an agricultural classification if the land continues to be used primarily for bona fide agricultural purposes. Ch. 2010-277.

In 2011, the Legislature implemented the constitutional amendment providing an additional homestead exemption for deployed military personnel. Ch. 2011-93. The Legislature also made changes to the value adjustment board process, including requiring petitioners challenging an assessment in certain circumstances to make a partial payment of ad valorem taxes before those taxes become delinquent and requiring interest to be paid on taxes owed in excess of the amount paid or on a refund determined to be due, if such a payment has been made. Ch. 2011-181.

In November 2012, the voters approved constitutional amendments that: 1) extended the current homestead property tax discount for certain disabled combat veterans to include veterans who were not Florida residents at the time they entered military service; 2) authorized the Legislature to provide a property tax exemption for the surviving spouses of military veterans and first responders that die in the line of duty; and 3) authorized the legislature to allow cities and counties to grant an additional homestead exemption for homestead property of certain low income seniors who have maintained their residence on such property for 25 years or more. The Legislature also passed a bill that clarified ambiguous language, deleted obsolete statutory provisions, and eliminated unneeded reporting requirements in the property tax statutes. The bill, among other things, amended statutory requirements for scheduling value adjustment board hearings; allows a husband and wife who abandon jointly titled homestead property to designate the percentage of the differential between just (market) value and assessed value that is portable to a new homestead property and that is attributed to each spouse; allows certain disabled veterans and other disabled persons to apply for property tax exemptions before they have received required documentation from certain agencies of the federal government; provided an exemption for certain property used exclusively for educational purposes; and clarified that rental of all or substantially all of a dwelling previously claimed to be a homestead constitutes abandonment of such dwelling as a homestead. Ch. 2012-193.

Chapter 2013-72, L.O.F.:

- Deleted the exemption for property owned by a Florida-based limited partnership whose sole general partner is a nonprofit charitable corporation. This provision applied retroactively to the 2013 tax role. See also ch. 21013-83, L.O.F.
- Made revisions relating to the meaning of aquaculture and property used exclusively for educational purposes.
- Deleted the express requirement that titleholders of homesteads must live on the homestead to qualify for the homestead tax exemption.
- Provided that a change in ownership for purposes of assessing property at just value does not apply to lessees entitled to the homestead.
- Authorized the property appraiser to waive the application requirement after the initial application, and changed penalty provisions for improper filings for reduced assessments for living quarters of parents and grandparents.

In 2013, a number of procedural changes involving property tax assessments were made, including changes that facilitate electronic communication in lieu of paper communication. Chs. 2013-72, 2013-192 and 2013-109, L.O.F. The requirements for a showing of adverse possession were revised. Ch. 2013-246, L.O.F. A provision was created allowing homestead property to be rented for up to 30 days per calendar year without being considered abandoned or affecting the homestead status of the property. Ch. 2013-64., L.O.F. Chapter 2013-77, L.O.F., implements a portion of s. 4(i), Art. VII of the Florida Constitution,

AD VALOREM TAXES

which allows the Legislature to prohibit the assessment of improvements to residential real property associated with installation of a renewable energy source or device.

BASE AND RATE:

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 1(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.

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

Assessment Date	Just Value	% Change	Taxable Value **	% Change	Net New Construction	% of Revenue From New Const. @
1/1/14*	1,950.5	3.3	1,488.0	4.7	12.2	4.6
1/1/13#	1,888.9	3.8	1,421.0	3.6	11.6	0.8
1/1/12	1,820.1	-1.1	1,371.3	-0.2	11.3	0.8
1/1/11	1,839.6	-4.5	1,374.1	-4.0	11.4	0.8
1/1/10	1,926.9	-12.3	1,431.8	-10.7	17.2	1.2
1/1/09	2,198.0	-14.3	1,602.7	-11.1	31.4	2.0
1/1/08	2,564.2	-3.4	1,803.7	-0.5	50.7	2.9
1/1/07	2,663.8	9.3	1,813.2	10.6	65.7	3.8
1/1/06	2,438.2	28.4	1,639.6	24.7	56.7	3.6
1/1/05	1,899.0	20.4	1,314.9	18.4	42.1	3.3
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

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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

* Estimates

** Figures shown are school taxable values. County and municipal taxable values are lower than school values due to local option exemptions, including those for economic development, low income seniors, and historic preservation. Beginning in 2008, the difference between county and school taxable values widened further with the passage of a new homestead exemption that does not apply for school purposes. A 10% assessment increase limitation on non-homestead property will become effective in 2009 and apply only to non-school levies.

Preliminary

@ Computed as New Construction divided by (Taxable Value - New Construction). This approximates 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 for the local government to advertise a tax increase.

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 change in consumer price index).

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. For example, 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

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. Dependent special district millage rates are included in the limit applicable to the authority to which they are dependent. Independent special district millage rates are limited by the law establishing such districts. Mills above the ten mill limitation may be authorized by local voters, by referendum, to be levied 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. In addition, school districts are subject to certain statutory limits less than ten mills to be eligible to participate in the state K-12 funding program (FEFP). 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)). Beginning in fiscal year 2007-08 and thereafter, county, city and special district tax rates were made subject to certain statutory limitations restricting the rate of growth in revenues. See ss. 200.065(5) and 200.185, F.S.

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*
2013-14	6.39	7.57	5.00	17.65
2012-13	6.28	7.60	4.99	17.60
2011-12	6.29	7.70	4.88	17.67
2010-11	6.35	7.72	4.87	17.84
2009-10	6.12	7.53	4.70	17.36
2008-09	5.47	7.25	4.40	16.28
2007-08	6.16	7.30	4.30	17.12
2006-07	6.99	7.50	4.76	18.55
2005-06	7.46	7.88	4.90	19.54
2004-05	7.73	8.17	4.90	20.14
2003-04	7.76	8.55	4.78	20.54
2002-03	7.83	8.67	4.79	20.55
2001-02	7.93	8.75	4.96	20.80
2000-01	7.98	8.92	4.94	20.96
1999-00	8.01	9.05	5.19	21.16
1998-99	8.03	9.57	5.10	21.78
1997-98	8.08	9.61	5.10	21.72
1996-97	8.05	9.92	4.96	21.98
1995-96	8.09	9.77	5.07	21.87
1994-95	8.21	9.81	5.03	21.97
1993-94	8.22	9.51	5.04	21.76

AD VALOREM TAXES

Fiscal Year	Total Counties	School Boards	Municipalities	Total Millage Levied*
1992-93	8.03	9.38	5.01	21.26
1991-92	7.93	9.27	4.92	21.01
1990-91	8.10	9.06	5.30	21.16

* 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 used 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.

DISPOSITION:

To the Local Government levying the tax.

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

RATE CHANGE

Value of 1 mill levy on 2014-15 tax base (est.)

School Tax Base	\$1,488.0 million
County Tax Base	\$1,374.0 million

2014-15	2014-15
Estimated	Estimated

VALUE OF EXEMPTIONS, DIFFERENTIALS, ETC.

<u>Taxable Value</u>	<u>Revenue Impacts#</u>
(millions of dollars)	

Administration

Assessment of real property at less than fair market value (includes 15.0% for application of 1st and 8th criteria (s. 193.011) and 3.2% for general underassessment)	\$302,384.5	\$5,338.1
Assessment of tangible personal property at less than fair market value (assumes 15% for general under-assessment)	18,758.3	331.1

Exclusions

Transportation vehicles	Indeterminate	Indeterminate
Property held for transshipment	Indeterminate	Indeterminate

Differentials

Homestead assessment limitation (Save Our Homes) (s. 193.155)	107,278.0	1,893.8
Agricultural land (s. 193.461(6)(a))	46,051.0	813.0
Conservation easement, environmentally endangered lands and private park and recreational land (s. 193.501)	100.4	1.7
Historically significant (s. 193.505)	0.0	0.0
Pollution control devices (s. 193.621(1))	2,353.4	41.5
Building renovations for the physically handicapped (s. 193.623)	Indeterminate	Indeterminate

AD VALOREM TAXES

Annual agricultural crops*, non-bearing fruit trees and nursery stock (not assessed) (s. 193.451(3))	Indeterminate	Indeterminate
Nonhomestead residential assessment limitation (s. 193.1554)	14,913.0	150.4
Nonresidential assessment limitation (s. 193.1555)	15,054.0	96.2
Living Quarters for Parents or Grandparents (s. 193.703)	32.8	0.6
Working Waterfront	220.1	3.9
 <u>Exemptions</u>		
\$25,000 Homestead Exemption (s. 196.031(1)(a))	106,993.0	\$1,888.8
\$25,000 Homestead Exemption above \$50,000 in value (s. 196.031(1)(b))	80,744.9	814.3
Deployed Military Personnel (s. 196.173)	84.2	0.5
Permanently and totally disabled veterans (s. 196.081)	4,792.9	84.6
Disabled veterans confined to wheelchairs (s. 196.091)	27.7	0.5
Totally and permanently disabled persons (s. 196.101) (Note 1)	686.2	12.1
\$25,000 Tangible Personal Property (s. 196.183)	7,726.9	136.4
Blind (s. 196.202)	3.9	0.1
\$500 Totally and permanently disabled persons (s. 196.202) (Note 1)	203.8	3.6
Widows' and Widowers exemption (s. 196.202)	207.5	3.7
Property used by hospitals, nursing homes and homes for special services (s. 196.197)	10,105.4	178.4
Property used by nonprofit homes for the aged (s. 196.1975)	1,488.3	25.6
Educational property (s. 196.198)	15,410.8	272.1
Labor organizations (s. 196.1985) (Note 2)	36.9	0.7
Community centers (s. 196.1986)	637.4	11.3
Institutional exempt property (Note 3)	59,370.0	1,048.1
Totally exempt & immune	405,987.6	7,167.1
Government Property (s. 196.199) (Note 4)		
Federal property	26,203.3	462.6
State property	29,129.0	514.2
Local government property	05,622.3	1,864.6
Government leaseholds	3,554.0	62.7
Local Option Economic Development (s. 196.1995) (Note 5) (Note 6)	605.9	5.4
Not-for-profit sewer and water company (s. 196.2001)	115.9	2.0
\$5,000 Disabled, Ex-Servicemen Exemption (s. 196.24)	531.9	9.4
Historic property (s. 196.1997) (Note 5)	Indeterminate	Indeterminate
Additional Homestead for 65 and older – up to \$50,000 (s. 196.075(2)(a)) (Note 7)	6,571.8	56.3
Additional Homestead for 65 and older – assessed value (s. 196.075(2)(b))	316.4	2.4
Conservation lands (s. 196.26)	216.3	3.8

VALUE OF DISCOUNTS AND ALLOWANCES

Discounts for early payments (s. 197.162)	\$925.1
Veterans discount (s. 196.082)	260.6

Revenue impacts are based on an aggregate average millage rate of 18.97 unless otherwise indicated.

AD VALOREM TAXES

- * 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 stated purposes is exclusive. For predominant use, exemption is proportional to use for stated 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. U.S. government, state, county and school district property is immune from taxation. Other local government property is exempt if used exclusively by the government for municipal 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.
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. The revenue impact is calculated by assuming 50% of the taxable value reduction is also in cities, and applying county and city average millages to the respective amounts.
6. Computed using average county millage rate only.
7. Total value loss is for both counties and municipalities.

OTHER STATES:

All states and the District of Columbia impose local government property taxes.

DISCRETIONARY SURTAX ON DOCUMENTS

FLORIDA STATUTES: Sections 125.0167, 201.031, F.S.

ADMINISTERED BY: Department of Revenue

SUMMARY:

Miami-Dade County levies a discretionary surtax on documents for the purpose of establishing and financing a Housing Assistance Loan Trust Fund. The surtax is \$0.45 per \$100 or fractional part thereof, and applies only to documents taxable under s. 201.02, F.S., which are “deeds, instruments, or writings whereby any lands, tenements, or other real property, or any interest therein, shall be granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser or any other person by his or her direction...” The surtax is not imposed on any deed conveying a single-family residence, identified as a detached dwelling, a condominium unit, or a unit held through stock ownership or membership representing a proprietary interest in a corporation owning a fee or a lease-hold initially in excess of 98 years.

REVENUE:

Fiscal Year	Collections	Annual Change %
2014-15*	34,240,000	9.01%
2013-14*	31,410,000	15.49%
2012-13	27,197,536	25.91%
2011-12	21,601,534	9.20%
2010-11	19,782,239	37.18%
2009-10	14,420,929	17.67%
2008-09	12,255,841	-49.27%

* Estimate

HISTORY:

In 1983, the Legislature enacted chapter 83-220, Laws of Florida, creating s. 125.0167, F.S., to authorize the governing body of Miami-Dade County to levy a discretionary surtax on documents for the purpose of establishing and financing a Home Ownership Assistance Loan Trust Fund. Revenues in the fund were to be used to assist low and moderate income families in the purchase of a home or an apartment. Not less than 1/2 of the funds were to be used to assist low-income families, defined as families whose income did not exceed 80 percent of the median income for the area. The remaining funds could be used to assist families whose income was in excess of 80 percent, but not more than 140 percent, of the median income for the area. The surtax could not exceed the rate of \$0.45 per \$100 or fractional part thereof, and could apply only to documents taxable under s. 201.01, F.S., except that no surtax could be imposed on a deed conveying a single-family residence, identified as a detached dwelling, a condominium unit, or a unit held through stock ownership or membership representing a proprietary interest in a corporation owning a fee or a leasehold initially in excess of 98 years.

The governing body was directed to adopt an ordinance to levy the discretionary surtax and create the trust fund. The ordinance was required to establish the policies and procedures of the assistance program. The county was directed to deposit revenues from the surtax into the trust fund to be used only for the purchase of a home or an apartment, or the rehabilitation of an existing home or apartment. The surtax could not be used for rent subsidies or grants.

Section 201.031, F.S., was created to establish the discretionary surtax and require the county levying the surtax to submit a financial report (under s. 218.32, F.S.) showing the revenues and expenses of the trust

DISCRETIONARY SURTAX ON DOCUMENTS

fund. The Department of Revenue was directed to distribute all surtaxes collected to that county's governing authority. The act was scheduled to sunset on October 1, 1993.

In 1984, chapter 84-270, Laws of Florida, amended ch. 83-220, Laws of Florida, changing the name of the Home Ownership Assistance Loan Trust Fund to the Housing Assistance Loan Trust Fund with a specified purpose of assisting in the financing of construction, rehabilitation, or purchase of housing for low and moderate income families. Funds could be used for first or second mortgages, and buying property to form housing cooperatives. Special consideration was to be given to neighborhood economic development programs of Community Development Corporations. Not more than 1/2 of the revenues collected each year could be used to finance new construction. This act also removed the statutory references to the program.

In 1989, the Legislature enacted chapter 89-252, Laws of Florida, providing an October 1, 2011 sunset date for the discretionary surtax program. In 1992, the Legislature enacted chapter 92-317, Laws of Florida, to provide that a portion of the discretionary surtax revenues deposited into the Housing Assistance Loan Trust Fund could be deposited into the Home Investment Trust Fund of the county as defined by and created under the requirements of federal law. These set-aside funds are to be used to finance the construction, rehabilitation, or purchase of housing for low-income and moderate-income families and to fund any local matching contributions required under federal law. In 1993, ss. 125.0167 and 201.031 were restored to the Florida Statutes.

In 2009, The Legislature enacted chapter 2009-131, Laws of Florida, extending the sunset of the program until October 1, 2031. It also amended s. 125.0167, F.S., limiting to 10 percent of revenues collected the amount of surtax revenue that may be used for administrative costs, and specifying a minimum amount of surtax revenues to be used for providing low income and moderate income housing. It authorized creation of a housing assistance voucher program, under which vouchers may be used for down payment assistance for the purchase of single-family residences by low-income or moderate-income persons and requires counties that levy the surtax (currently Miami-Dade County is the only county eligible) to adopt a housing plan every three years, to have adopted an affordable housing element of its comprehensive plan, and to have a report prepared for the county's governing body that explains how the housing assistance program is being implemented.

BASE AND RATE:

Miami-Dade County (the only county defined by s. 125.011(1), F.S.) levies a surtax on deeds and documents relating to realty at the rate of 45 cents for each \$100 or fractional part thereof of consideration, except for documents relating to single family residences.

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, and no less than 35 percent shall be used to provide home ownership assistance for low-income and moderate-income families, and no less than 35 percent shall be used for construction, rehabilitation, and purchase of rental housing units. The remaining amount may be allocated to provide for home ownership assistance or rental housing units.

OTHER STATES:

California, Connecticut, Delaware, Illinois, Maryland, Massachusetts, Michigan, Nevada, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Virginia, Washington, and West Virginia authorize some or all local governments to levy taxes on transfers of real estate or other assets.

DISCRETIONARY SURTAX ON DOCUMENTS

	<u>2014-15</u> (millions)
VALUE OF RATE CHANGE:	
Value of a 10 cent/\$100 levy on:	
1) All deeds	\$29.0
2) Deeds other than for documents related to single family dwellings	\$7.6
VALUE OF EXEMPTIONS:	
Exemption for documents related to single family dwellings	\$96.4
VALUE OF REFUNDS AND ALLOWANCES:	
Agents' commission at .5% of taxes collected	\$0.2

LOCAL COMMUNICATIONS SERVICES TAX

FLORIDA STATUTES: Chapter 202

ADMINISTERED BY: Department of Revenue

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."

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	737,594,684	-1.22%
2013-14*	746,704,479	-4.80%
2012-13	784,353,444	-1.45%
2011-12	795,893,906	-2.49%
2010-11	816,243,571	-5.38%
2009-10	862,691,206	-5.80%
2008-09	915,760,000	3.07%

* Estimate

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.

Chapter 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

LOCAL COMMUNICATIONS SERVICES TAX

policy, taxation, law, or technology to study the implications of emerging technologies on Florida's communication service tax. This task force was dissolved by Chapter 2006-311, L.O.F.

Prior to July 1, 2012, dealers of communications services were held harmless from any liability, including tax, interest, and penalties associated with the incorrect assignment of taxing jurisdictions if they were exercising due diligence in applying specific methods, provided under s. 202.22, F.S., for determining the local taxing jurisdiction in which a service address is located. Chapter 2012-70, L.O.F., provides that even if the dealer of communications services is not using one of the methods from s. 202.22, F.S., they are not liable for any tax, interest, or penalty unless the department is able to determine a net aggregate underpayment for any tax period or periods in question. In order to determine if there has been a net aggregate underpayment the department shall take into account all underpayments and overpayments for the appropriate period or periods. The change to this process that was made by ch. 2012-70, L.O.F., is both remedial and retroactive without creating a right to a refund or credit of any tax paid before the general effective date.

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.

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.

OTHER STATES:

Taxes imposed vary considerably from state to state.

LOCAL DISCRETIONARY SALES SURTAXES

LOCAL DISCRETIONARY SALES SURTAXES

FLORIDA STATUTES: Sections 212.054 and 212.055

ADMINISTERED BY: Department of Revenue

SUMMARY:

Eight different types of local discretionary sales surtaxes (also referred to as local option sales taxes) are currently authorized in law and represent potential revenue sources for county and municipal governments and school districts. The local discretionary sales surtaxes apply to all transactions subject to the state tax imposed on sales, use, services, rentals, admissions, and other authorized transactions authorized pursuant to ch. 212, F.S., and communications services as defined for purposes of ch. 202, F.S.

Surtax Name	Year Enacted	Statutory Authority
Charter County and Regional Transportation System Surtax	1976	s. 212.055(1), F.S.
Local Government Infrastructure Surtax	1987	s. 212.055(2), F.S.
Small County Surtax	1992	s. 212.055(3), F.S.
Indigent Care and Trauma Center Surtax	1991	s. 212.055(4), F.S.
County Public Hospital Surtax	1991	s. 212.055(5), F.S.
School Capital Outlay Surtax	1995	s. 212.055(6), F.S.
Voter-Approved Indigent Care Surtax	2000	s. 212.055(7), F.S.
Emergency Fire Rescue Services and Facilities Surtax	2009	s. 212.055(8), F.S.

The local discretionary sales surtax rate varies from county to county, depending on the particular levies authorized in that jurisdiction. Discretionary sales surtax must be collected when the transaction occurs in, or delivery is into, a county that imposes the surtax, and the sale is subject to state's sales and use tax. The following table summarizes how the surtax is collected.

If a selling dealer located in any Florida county	with a discretionary surtax	sells and delivers	into the county where the selling vendor is located	surtax is collected at the county rate where the delivery is made
If a selling dealer located in any Florida county	with or without a discretionary surtax	sells and delivers	into counties with different discretionary surtax rates	surtax is collected at the county rate where the delivery is made
If a selling dealer located in any Florida county	with or without a discretionary surtax	sells and delivers	into counties without a discretionary surtax	surtax is not collected
If an out-of-state selling dealer		sells and delivers	into a Florida county with a discretionary surtax	surtax is collected at the county rate where delivery is made
If an out-of-state selling dealer		sells and delivers	into a Florida county without a discretionary surtax	surtax is not collected

Discretionary sales surtax applies to the first \$5,000 of any single taxable item, when sold to the same purchaser at the same time. Single items include items normally sold in bulk and items assembled to comprise a working unit. The \$5,000 limitation does not apply to the rental of commercial real property, transient rentals, or services. With regard to the sale of motor vehicles, mobile homes, boats, or aircraft,

LOCAL DISCRETIONARY SALES SURTAXES

the surtax applies only to the first \$5,000 of the total sales price. On the sale of a motor vehicle or mobile home, the tax rate is determined by the county where the purchaser resides as shown on the title or registration. On the sale of a boat or aircraft, the tax rate is determined by the county where the boat or aircraft is delivered.

The local discretionary sales surtax applies to communications services as broadly defined in ch. 202, F.S. Because the new communications services tax base is much larger than the base under prior law, discretionary sales surtax conversion rates were specified in law. For any county or school board that levies the surtax, the tax rate on communications services as authorized by s. 202.19(5), F.S., is expressed in law.

REVENUE:

Fiscal Year	Total Collections**	Annual Change %
2014-15*	1,880,651,123	5.10%
2013-14*	1,789,392,124	6.10%
2012-13	1,686,514,726	2.91%
2011-12	1,638,813,606	-1.22%
2010-11	1,659,098,848	9.92%
2009-10	1,509,332,546	-3.68%
2008-09	1,567,054,512	-7.66%

* Estimate

** Includes collections where the taxing county cannot be identified when reported. These collections are not reflected in individual surtax collection totals.

Annual tax receipts by county for the period of 1987 through 2013 can be found on the Office of Economic and Demographic Research's (EDR) Local Government Data webpage under the heading of Local Option Tax Receipts via the following link.

<http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm>

HISTORY:

Chapter 76-284, L.O.F., created s. 212.055, F.S., to authorize counties, which adopted a charter before June 1, 1976, to levy an additional 1 percent tax on all transactions that are taxed at 4 percent. It limited the surtax to the first \$1,000 of any one transaction. The county was required to have a majority vote of the county's electorate in order to levy the surtax. The Department of Revenue was required to administer and collect the tax and distribute the revenues on a regular and periodic basis.

Chapter 82-154, L.O.F., changed the transactions eligible for the surtax from all transactions taxed at 4 percent to all transactions taxed at 3 or 5 percent under s. 212.055, F.S. Chapter 83-3, L.O.F., disallowed the surtax on motor fuel and special fuel as defined in s. 212.02(21) and (22), F.S., to s. 212.055, F.S. Chapter 85-342, L.O.F., transferred s. 125.0165, F.S., into s. 212.055, F.S. It eliminated references to the 1 percent surtax on all transactions taxed at 3 or 5 percent as well as the references to the \$1,000 limit, and the restrictions for motor fuels or special fuels. The references for the Department to administer and collect the tax and counties notifying the Department of Revenue after the approval of an ordinance were eliminated. The rate was 20 percent of any amount of tax imposed and paid to the state. In addition, Chapter 85-342, L.O.F., created s. 212.054, F.S., to specify the eligible counties and the tax rate, if levied, to that named in s. 212.055, F.S. The surtax was the rate times the amount of taxes imposed and rounded to the nearest penny. Sales amount above \$1,000 and long distance telephone service were excluded from the surtax. Utility, telecommunications, and wired television billings after the effective date included the

LOCAL DISCRETIONARY SALES SURTAXES

full surtax; billings after the last day that the surtax was in effect were not subject to the surtax. Contracts signed prior to the effective date were subject to the surtax if the work was not completed by the effective date. Contractors were to pay the surtax, but could apply for a refund. It was a second degree misdemeanor to fraudulently attempt to obtain a refund. A transaction was considered as occurring in the county imposing the surtax if the dealer was located in the county and the sale included tangible property except in the case of utilities, telecommunications, and wired television, in which case, it was the county where it was used. A charged event occurring in the county was also subject to the surtax. Imported vehicles requiring licensing or titling were subject to the surtax unless used for more than 6 months outside the county. Real property rentals and transient rental properties inside the county were also subject to the surtax. The Department of Revenue was to administer, collect, and enforce the tax and was authorized to deduct up to 3 percent for administrative costs. Discretionary sales surtaxes were only to take effect on January 1. The county was required to notify the Department within 10 days after ordinance adoption, and the notice was required to include the time period the surtax would be in effect.

Chapter 86-152, L.O.F., made two changes. First, if a dealer owing use tax on purchases or leases was located in a county subject to the surtax, then the sale or lease was considered as occurring in the county and was subject to the surtax. Second, the dealer was not required to separately state the surtax on the receipt. Chapter 87-6, L.O.F., included services, except those otherwise exempted, as a transaction subject to the surtax and increased the penalty of fraudulently attempting to obtain a refund from a second degree misdemeanor to a third degree felony. Chapter 87-548, L.O.F., changed the base from taxes collected to taxable sales. This base change occurred in tandem with the rate change in s. 212.055, F.S., from 20 percent to 1 percent. Also, the surtax became applicable to sales up to \$5,000; the prior limit was \$1,000. For vehicle sales, the county of the registration of the purchaser must be of the county with the surtax in order for the transaction to be eligible for the surtax. Chapter 88-119, L.O.F., required that a delivery had to be made to a location in a surtax county in order for the transaction to be eligible for the surtax. It also required that if tangible personal property was brought back into a surtax county, the customer was responsible to pay the surtax. Additionally, it required a dealer outside of a surtax county to collect the surtax on deliveries of tangible personal property from a Florida manufacturer or wholesaler into a surtax county. Chapter 89-356, L.O.F., restated the provision requiring a dealer outside of a surtax county to collect the surtax on deliveries of tangible personal property from a Florida manufacturer or wholesaler into a surtax county. The new version required the following. If a dealer located outside a surtax county delivered tangible personal property to a customer in a surtax county in which the manufacturer or wholesaler was located, the dealer was required to collect and remit the surtax.

Chapter 90-132, L.O.F., revised references of “wired television” to “television system program” and exempted certain mail-order transactions from these surtaxes. Chapter 90-203, L.O.F., changed the name of the Surtax Trust Fund to the Surtax Clearing Trust Fund and stipulated that the Department distribute monies in the trust fund each month. Section 91-81, L.O.F., reenacted s. 212.054(2)(a), F.S., and excluded services from surtax levy. Chapter 91-112, L.O.F., specified that two or more items sold simultaneously as a unit or in bulk would count as a single unit with respect to the \$5,000 limitation. Additionally, it subjected items imported into the county after six months that are provided for in s. 212.06(8)(b), F.S., and coin-operated amusement or vending machines located in the county to the surtax. It also required that any change in the distribution formula must take effect on the first day of any month beginning at least 60 days after written notification of the change had been sent to the Department. Chapter 92-319, L.O.F., revised the sales tax on boats and airplanes and expanded the sales tax base to include previously untaxed items. Chapter 92-320, L.O.F., required counties that locally administer local option taxes to distribute an annual report enumerating the tax proceeds and how the proceeds were expended. Chapter 93-222, L.O.F., provided for the application of surtaxes to services. It stated that the surtax was not levied if the property or service was delivered within a non-surtax county. Unless there was reasonable documentation to the contrary, it was assumed that delivery was made to the location of the place of

LOCAL DISCRETIONARY SALES SURTAXES

business. The \$5,000 limitation was not applicable to services other than rentals. The counties with surtax authorizations were required to report revenues to the Department in a timely manner.

Chapter 96-325, L.O.F., revised provisions specifying when a transaction regarding the sale of tangible personal property by a florist is deemed to occur in a surtax county. Chapter 96-397, L.O.F., removed language concerning the distribution of surtax collections through June 30, 1994. Chapter 97-99, L.O.F., replaced reference of “transactions by this part” with “transactions by this chapter” in s. 212.054(2)(a), F.S. Chapter 98-141, L.O.F., added provisions for partial exemptions from the surtax to vessels, railroad, and motor vehicle common carriers. Chapter 98-342, L.O.F., provided for a number of administrative changes including specifying that any discretionary sales surtax rate increase or decrease could only take effect on January 1st and any termination only on December 31st.

Chapter 2001-140, L.O.F., implemented Chapter 2000-260, L.O.F., establishing the Communications Services Tax Simplification Law, which repealed the levy of a discretionary sales surtax on various communications services and replaced it with a local option component of the new communications services tax. Chapter 2010-102, L.O.F., deleted the requirement that the Department submit a written report that details the costs of administering the discretionary sales surtaxes to the Senate President, House Speaker, and the governing authority of each county levying a surtax.

ADMINISTRATIVE PROCEDURES:

The administrative procedures relevant to local discretionary sales surtaxes are outlined in s. 212.054, F.S. The Department of Revenue is charged with administering, collecting, and enforcing those local discretionary sales surtaxes. The governing body of any county levying a local discretionary sales surtax shall enact an ordinance levying the surtax in accordance with the procedures described in s. 125.66(2), F.S. No initial levy or rate increase or decrease shall take effect on a date other than January 1st, and no levy shall terminate on a day other than December 31st.

The proceeds of each county's discretionary sales surtax collections are transferred to the Discretionary Sales Surtax Clearing Trust Fund. A separate account in the trust fund shall be established for each county imposing the surtax. The Department is authorized to take an administrative cost deduction not to exceed 3 percent of the total surtax revenue generated by all levying counties. The administrative cost deduction shall be used only for those costs solely and directly attributable to the surtax, and the costs shall be prorated among those counties levying the surtax on the basis of the amount collected for a particular county to the total amount collected for all counties.

REPORTING REQUIREMENTS:

The governing body of any county or school board that levies the surtax shall notify the Department within 10 days after the final adoption by ordinance or referendum of an imposition, termination, or rate change. The Department must receive this notice no later than November 16th prior to the January 1st effective date. The notice must specify the rate as well as the time period during which the surtax will be in effect and must include a copy of the ordinance and such other information required by departmental rule. Failure to timely provide such notification to the Department shall result in the delay of the effective date for a period of one year.

Additionally, the governing body of any county or school board proposing to levy the surtax shall notify the Department by October 1st if the referendum or consideration of the ordinance that would result in the imposition, termination, or rate change of a surtax is scheduled to occur on or after October 1st of that year. Failure to timely provide such notification to the Department shall result in the delay of the effective date for a period of one year.

LOCAL DISCRETIONARY SALES SURTAXES

DISPOSITION:

The Department shall distribute funds using a distribution factor determined for each levying county that is multiplied by the amount available for distribution. The county's distribution factor shall equal the product of the county's latest official population, pursuant to s. 186.901, F.S.; the county's surtax rate; and the number of months the county has levied the surtax during the most recent distribution period divided by the sum of all such products of the counties levying the surtax during the most recent distribution period. The Department shall compute distribution factors for eligible counties once each quarter and make appropriate quarterly distributions. A county that fails to timely provide information waives its rights to challenge the Department's determination of the county's share of the revenues.

OTHER STATES:

According to the Tax Foundation, 37 states had a local sales tax as of January 1, 2013. A listing of those states can be found in the Tax Foundation's article entitled *State and Local Sales Tax Rates, 2011-2013* via the following link.

<http://taxfoundation.org/article/state-and-local-sales-tax-rates-2011-2013>

ADDITIONAL INFORMATION:

A table summarizing the counties eligible to levy the various surtaxes and the 2014 county tax rates immediately follows this section. Summaries of the eight individual surtax authorizations can be found in the sections immediately following the surtax rate table.

Annual tax distributions by county for the period of 1987 through 2013 as well as a historical summary of surtax impositions, expirations, extensions, rate changes, and repeals can be found on the EDR's Local Government Data webpage under the heading of Local Option Sales Taxes via the following link.

<http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm>

Estimated local discretionary sales surtax distributions to county and municipal governments for the 2013-14 local fiscal year can be found in the EDR's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link.

<http://edr.state.fl.us/Content/local-government/reports/lgh13.pdf>

2014 Local Discretionary Sales Surtax Rates in Florida's Counties

County	County Government Levies							School District Levy						
	Charter County and Regional Transportation System Surtax s. 212.055(1), F.S. Up to 1%	Certain Levy Combinations Are Subject to Tax Rate Caps - See Notes Below					Emergency Fire Rescue Services and Facilities Surtax s. 212.055(8), F.S. Up to 1%	Maximum Potential Tax Rate	Current Tax Rate	Unutilized Tax Rate	School Capital Outlay Surtax s. 212.055(6), F.S. Up to 0.5%	Maximum Potential Tax Rate	Current Tax Rate	Unutilized Tax Rate
		Local Gov't Infrastructure Surtax s. 212.055(2), F.S. 0.5% or 1%	Small County Surtax s. 212.055(3), F.S. 0.5% or 1%	Indigent Care/Trauma Center Surtaxes s. 212.055(4), F.S. Up to 0.25%, 0.5%	County Public Hospital Surtax s. 212.055(5), F.S. 0.5%	Voter-Approved Indigent Care Surtax s. 212.055(7), F.S. Up to 0.5%, 1%								
Alachua							3.5	0.0	3.5		0.5	0.0	0.5	
Baker			1				2.5	1.0	1.5		0.5	0.0	0.5	
Bay							3.0	0.0	3.0	0.5	0.5	0.5	0.0	
Bradford			1				2.5	1.0	1.5		0.5	0.0	0.5	
Brevard							3.0	0.0	3.0		0.5	0.0	0.5	
Broward							3.0	0.0	3.0		0.5	0.0	0.5	
Calhoun			1				2.5	1.0	1.5	0.5	0.5	0.5	0.0	
Charlotte		1					3.0	1.0	2.0		0.5	0.0	0.5	
Citrus							3.0	0.0	3.0		0.5	0.0	0.5	
Clay		1					3.0	1.0	2.0		0.5	0.0	0.5	
Collier							2.0	0.0	2.0		0.5	0.0	0.5	
Columbia			1				3.0	1.0	2.0		0.5	0.0	0.5	
DeSoto			1				2.5	1.0	1.5		0.5	0.0	0.5	
Dixie			1				2.5	1.0	1.5		0.5	0.0	0.5	
Duval	0.5	0.5					3.0	1.0	2.0		0.5	0.0	0.5	
Escambia		1					3.0	1.0	2.0	0.5	0.5	0.5	0.0	
Flagler			0.5				2.0	0.5	1.5	0.5	0.5	0.5	0.0	
Franklin			1				3.5	1.0	2.5		0.5	0.0	0.5	
Gadsden			1			0.5	2.5	1.5	1.0		0.5	0.0	0.5	
Gilchrist			1				2.5	1.0	1.5		0.5	0.0	0.5	
Glades		1					2.5	1.0	1.5		0.5	0.0	0.5	
Gulf			1				3.5	1.0	2.5		0.5	0.0	0.5	
Hamilton			1				2.5	1.0	1.5		0.5	0.0	0.5	
Hardee			1				2.5	1.0	1.5		0.5	0.0	0.5	
Hendry			1				2.5	1.0	1.5		0.5	0.0	0.5	
Hernando							3.0	0.0	3.0	0.5	0.5	0.5	0.0	
Highlands							2.0	1.0	1.0		0.5	0.0	0.5	
Hillsborough		0.5		0.5			3.0	1.0	2.0		0.5	0.0	0.5	
Holmes			1				2.5	1.0	1.5		0.5	0.0	0.5	
Indian River		1					2.0	1.0	1.0		0.5	0.0	0.5	
Jackson			1				2.0	1.0	1.0	0.5	0.5	0.5	0.0	
Jefferson			1				2.5	1.0	1.5		0.5	0.0	0.5	
Lafayette			1				2.5	1.0	1.5		0.5	0.0	0.5	
Lake		1					2.0	1.0	1.0		0.5	0.0	0.5	
Lee							3.0	0.0	3.0		0.5	0.0	0.5	
Leon		1					3.5	1.0	2.5	0.5	0.5	0.5	0.0	
Levy			1				2.5	1.0	1.5		0.5	0.0	0.5	
Liberty			1				2.5	1.0	1.5	0.5	0.5	0.5	0.0	
Madison			1			0.5	1.5	1.5	0.0		0.5	0.0	0.5	
Manatee							3.0	0.0	3.0	0.5	0.5	0.5	0.0	
Marion							2.0	0.0	2.0		0.5	0.0	0.5	
Martin							2.0	0.0	2.0		0.5	0.0	0.5	
Miami-Dade	0.5				0.5		2.0	1.0	1.0		0.5	0.0	0.5	
Monroe		1					2.0	1.0	1.0	0.5	0.5	0.5	0.0	
Nassau			1				2.0	1.0	1.0		0.5	0.0	0.5	
Okaloosa							3.0	0.0	3.0		0.5	0.0	0.5	
Okeechobee			1				2.5	1.0	1.5		0.5	0.0	0.5	
Orange							3.0	0.0	3.0	0.5	0.5	0.5	0.0	
Osceola		1					3.0	1.0	2.0		0.5	0.0	0.5	
Palm Beach							3.0	0.0	3.0		0.5	0.0	0.5	
Pasco		1					3.0	1.0	2.0		0.5	0.0	0.5	
Pinellas		1					3.0	1.0	2.0		0.5	0.0	0.5	
Polk						0.5	3.0	0.5	2.5	0.5	0.5	0.5	0.0	
Putnam		1					2.0	1.0	1.0		0.5	0.0	0.5	
St. Johns							2.0	0.0	2.0		0.5	0.0	0.5	
St. Lucie							2.0	0.0	2.0	0.5	0.5	0.5	0.0	
Santa Rosa							3.0	0.0	3.0	0.5	0.5	0.5	0.0	
Sarasota		1					3.0	1.0	2.0		0.5	0.0	0.5	
Seminole							3.0	0.0	3.0		0.5	0.0	0.5	
Sumter			1				2.0	1.0	1.0		0.5	0.0	0.5	
Suwannee			1				2.5	1.0	1.5		0.5	0.0	0.5	
Taylor			1				2.5	1.0	1.5		0.5	0.0	0.5	

2014 Local Discretionary Sales Surtax Rates in Florida's Counties

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	Charter County and Regional Transportation System Surtax s. 212.055(1), F.S. Up to 1%	Certain Levy Combinations Are Subject to Tax Rate Caps - See Notes Below			Emergency Fire Rescue Services and Facilities Surtax s. 212.055(8), F.S. Up to 1%	Maximum Potential Tax Rate	Current Tax Rate	Unutilized Tax Rate	School Capital Outlay Surtax s. 212.055(6), F.S. Up to 0.5%	Maximum Potential Tax Rate	Current Tax Rate	Unutilized Tax Rate	
	Local Gov't Infrastructure Surtax s. 212.055(2), F.S. 0.5% or 1%	Small County Surtax s. 212.055(3), F.S. 0.5% or 1%	Indigent Care/Trauma Center Surtaxes s. 212.055(4), F.S. Up to 0.25%, 0.5%	County Public Hospital Surtax s. 212.055(5), F.S. 0.5%	Voter-Approved Indigent Care Surtax s. 212.055(7), F.S. Up to 0.5%, 1%								
Union			1										
Volusia									0.5				
Wakulla	0.5	1											
Walton			1										
Washington			1										
# Eligible to Levy:	31	67	31	65	1	60	65	67	67	67	67	67	
# Levying:	3	17	29	1	1	3	0	48	15	15	15	15	

- Notes:
- 1) Boxed areas indicate those counties eligible to impose particular surtaxes authorized for county governments or school districts eligible to impose the School Capital Outlay Surtax.
 - 2) The Indigent Care and Trauma Center Surtax consists of two separate levies for different groups of eligible counties. Non-consolidated counties with a total population of 800,000 or more may impose, either by an extraordinary vote of the county's governing body or voter approval in a countywide referendum, a surtax not to exceed 0.5% for the purpose of funding health care services for qualified residents. Non-consolidated counties with a total population of less than 800,000 may impose, subject to voter approval in a countywide referendum, a surtax not to exceed 0.25% for the sole purpose of funding trauma services provided by a trauma center licensed pursuant to Chapter 395, Florida Statutes.
 - 3) Pursuant to ss. 212.055(2)(h) and 212.055(3)(f), F.S., a county cannot levy the Local Government Infrastructure, Small County, Indigent Care and Trauma Center, and County Public Hospital surtaxes in excess of a combined rate of 1%.
 - 4) Pursuant to s. 212.055(4)(b)5, F.S., a county cannot levy the Local Government Infrastructure, Small County, and Indigent Care and Trauma Center surtaxes in excess of a combined rate of 1%.
 - 5) Pursuant to s. 212.055(5)(f), F.S., a county cannot levy the Local Government Infrastructure, Small County, and County Public Hospital surtaxes in excess of a combined rate of 1%.
 - 6) Subject to referendum approval, the Voter-Approved Indigent Care Surtax may be levied by counties with less than 800,000 residents at a rate not to exceed 0.5%. However, if a publicly supported medical school is located within the qualifying county, the rate cannot exceed 1%, pursuant to s. 212.055(7)(a), F.S. Currently, Florida has publicly supported medical schools at the following universities: Florida International University in Miami-Dade County; Florida State University in Leon County; University of Central Florida in Orange County; University of Florida in Alachua County; and the University of South Florida in Hillsborough County. The Florida International University, University of Central Florida, and University of South Florida medical schools are each located in counties having a resident population greater than 800,000; therefore, Hillsborough, Miami-Dade, and Orange counties are not eligible to levy the surtax. Only Alachua and Leon counties could levy the surtax at the maximum 1% rate. Additionally, the governing body of any county that has a population of less than 50,000 residents may levy the surtax, at a rate not to exceed 1%, subject to voter approval in countywide referendum pursuant to Chapter 2005-242, Laws of Florida. Consequently, if a publicly supported medical school is located in the county, or the county has a population of less than 50,000 residents, the combined tax rate of this levy and any Local Government Infrastructure Surtax and Small County Surtax levies cannot exceed 1.5% pursuant to s. 212.055(7)(f), F.S. For all other counties eligible to levy this surtax, the combined tax rate cannot exceed 1%.
 - 7) Effective July 1, 2009, Chapter 2009-146, L.O.F., renamed the Charter County Transit System Surtax as the Charter County Transportation System Surtax and extended eligibility for surtax levy to 13 additional charter counties.
 - 8) Effective July 1, 2010, Chapter 2010-225, L.O.F., renames the Charter County Transportation System Surtax as the Charter County and Regional Transportation System Surtax and extends eligibility for surtax levy to each county that is within or under an interlocal agreement with a regional transportation or transit authority created under Chapters 343 or 349, Florida Statutes (i.e., South Florida Regional Transportation Authority, Central Florida Regional Transportation Authority, Northwest Florida Transportation Corridor Authority, Tampa Bay Area Regional Transportation Authority, and Jacksonville Transportation Authority). As a result of this legislation, seven counties within the Northwest Florida Transportation Corridor Authority (i.e., Bay, Escambia, Franklin, Gulf, Okaloosa, Santa Rosa, and Walton) and four counties of the Tampa Bay Area Regional Transportation Authority (i.e., Citrus, Hernando, Manatee, and Pasco) are eligible to levy this surtax.
 - 9) Effective July 1, 2009, Chapter 2009-182, L.O.F., created the Emergency Fire Rescue Services and Facilities Surtax. A county's governing body, other than a county that has imposed two separate discretionary surtaxes without expiration, may levy this surtax at a rate of up to 1%, subject to voter approval in a countywide referendum. Madison and Miami-Dade counties are not eligible to levy this surtax since each county has imposed two separate discretionary surtaxes without expiration. The remaining 65 counties are eligible to levy this surtax. However, if Orange or Osceola impose the surtax, neither county can levy the surtax within the boundaries of the Reedy Creek Improvement District pursuant to s. 212.055(8)(j), F.S.
 - 10) Since both the Charter County and Regional Transportation System Surtax and Emergency Fire Rescue Services and Facilities Surtax are not subject to any tax rate limitations, the maximum potential tax rates for nearly all county governments have increased since July 1, 2009. For Madison and Miami-Dade counties, the maximum potential tax rate did not change. For 24 counties (i.e., Alachua, Bay, Brevard, Charlotte, Citrus, Clay, Columbia, Escambia, Franklin, Gulf, Hernando, Lee, Leon, Manatee, Okaloosa, Orange, Osceola, Palm Beach, Pasco, Polk, Santa Rosa, Seminole, Wakulla, and Walton), the maximum potential tax rate increased by 2%. For all other counties, the maximum potential tax rate increased by 1%. Currently, Alachua, Franklin, Gulf, Leon, and Wakulla counties have the highest maximum potential tax rate for county government levies at 3.5%.
 - 11) The following local discretionary sales surtax levies are scheduled to expire on December 31, 2014: Charlotte County's 1% levy of the Local Government Infrastructure Surtax and Hernando County's 0.5% levy of the School Capital Outlay Surtax.
 - 12) The following local discretionary sales surtax levies are scheduled to expire on December 31, 2015: Jackson, Monroe, and Orange counties' 0.5% levy of the School Capital Outlay Surtax.

Data Source: Florida Department of Revenue's "History of Local Sales Tax and Current Rates by County" (Last Updated: November 5, 2013) found at <https://revenue.law.state.fl.us/Pages/Browse.aspx#3-17-23>

**CHARTER COUNTY AND REGIONAL TRANSPORTATION
SYSTEM SURTAX**

FLORIDA STATUTES: Section 212.055(1)

ADMINISTERED BY: Department of Revenue

SUMMARY:

Each charter county that has adopted a charter, each county the government of which is consolidated with that of one or more municipalities, and each county that is within or under an interlocal agreement with a regional transportation or transit authority created under ch. 343 or 349, F.S., may levy the Charter County and Regional Transportation System Surtax at a rate of up to 1 percent. The levy is subject to approval by a majority vote of the county’s electorate or by a charter amendment approved by a majority vote of the county’s electorate. Generally, the use of the proceeds is for the development, construction, operation, and maintenance of fixed guideway rapid transit systems, bus systems, on-demand transportation services, and roads and bridges. Duval, Miami-Dade, and Walton counties will be levying this surtax during the 2014 calendar year.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	282,950,074	5.10%
2013-14*	269,219,861	6.10%
2012-13	253,741,622	7.08%
2011-12	236,963,208	5.97%
2010-11	223,612,745	5.95%
2009-10	211,053,890	-1.81%
2008-09	214,937,158	-7.77%

* Estimate

HISTORY:

Chapter 76-284, L.O.F., authorized charter counties, which adopted a charter prior to June 1, 1976, to levy a 1 percent surtax subject to voter approval in a countywide referendum. The surtax proceeds were restricted to costs associated with the development and construction of fixed guideway rapid transit systems.

Chapter 85-180, L.O.F., authorized the expenditure of surtax proceeds for countywide bus systems that function as supportive services for a fixed guideway rapid transit system. Chapters 87-99 and 87-100, L.O.F., authorized counties to remit surtax proceeds to an expressway or transportation authority for the development, construction, operation, and maintenance of roads or bridges, or for the operation and maintenance of a bus system. Chapter 87-548, L.O.F., authorized any county, which was consolidated with one or more municipalities, to levy the surtax at the rate of 1 percent.

Chapter 99-385, L.O.F., authorized the surtax proceeds to be applied to as many or as few of the authorized uses in whatever combination the county’s governing body deems appropriate.

Chapter 2002-20, L.O.F., expanded levy eligibility by authorizing any county that adopted a charter prior to January 1, 1984, to levy this surtax. Chapter 2003-254, L.O.F., authorized a number of expanded uses for the surtax proceeds. Chapter 2004-66, L.O.F., authorized all charter counties eligible to levy this surtax to use up to 25 percent of the proceeds for non-transit purposes. Chapter 2009-146, L.O.F., renamed the surtax as the Charter County Transportation System Surtax and extended eligibility for surtax levy to 13 additional charter counties and allowed for the surtax proceeds to be remitted to transit

CHARTER COUNTY AND REGIONAL TRANSPORTATION SYSTEM SURTAX

authorities. Additionally, it required interlocal agreements specifying the distribution of surtax proceeds with one or more municipalities to be revised no less than every five years to reflect recent municipal incorporations.

Chapter 2010-225, L.O.F. renamed the surtax as the Charter County and Regional Transportation System Surtax and extended eligibility for surtax levy to counties within or under an interlocal agreement with a regional transportation or transit authority. The surtax proceeds could be expended for the planning, development, construction, expansion, operation, and maintenance of statutorily-defined, on-demand transportation services.

IMPOSITION AND RATE:

Any county that has adopted a home rule charter, any county government that has consolidated with one or more municipalities, and any county that is within or under an interlocal agreement with a regional transportation or transit authority created under ch. 343 or 349, F.S., may levy this surtax at a rate of up to 1 percent, subject to approval by a majority vote of the county's electorate or a charter amendment approved by a majority vote of the county's electorate.

Based on these criteria, 31 counties (i.e., Alachua, Bay, Brevard, Broward, Charlotte, Citrus, Clay, Columbia, Duval, Escambia, Franklin, Gulf, Hernando, Hillsborough, Lee, Leon, Manatee, Miami-Dade, Okaloosa, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Santa Rosa, Sarasota, Seminole, Volusia, Wakulla, and Walton) are eligible to levy the surtax. During the 2014 calendar year, only 3 of 31 eligible counties (i.e., Duval, Miami-Dade, and Walton) will be levying at 0.5 percent. This surtax, in addition to the Emergency Fire Rescue Services and Facilities Surtax and the School Capital Outlay Surtax, is not subject to a combined rate limitation that impacts the other discretionary sales surtax levies.

DISPOSITION AND USES:

The Department of Revenue shall distribute the surtax proceeds to the county government for deposit into the county trust fund or remittance by the county's governing body to an expressway, transit, or transportation authority created by law. Generally, the surtax proceeds may be expended by the county government or an expressway, transit or transportation authority created by law for the planning, development, construction, operation, and maintenance of roads and bridges in the county; for the planning, development, expansion, operation, and maintenance of bus and fixed guideway systems; for the planning, development, construction, operation, and maintenance of on-demand transportation services; and for the payment of principal and interest on bonds issued for the construction of fixed guideway rapid transit systems, bus systems, roads, or bridges.

ADDITIONAL INFORMATION:

A more detailed description of this surtax in its present form as well as estimated local discretionary sales surtax revenue distributions for the 2013-14 local fiscal year can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link.

<http://edr.state.fl.us/Content/local-government/reports/lgfih13.pdf>

**EMERGENCY FIRE RESCUE SERVICES
AND FACILITIES SURTAX**

FLORIDA STATUTES: Section 212.055(8)

ADMINISTERED BY: Florida Department of Revenue

SUMMARY:

The Emergency Fire Rescue Services and Facilities Surtax shall be levied at the rate of up to 1 percent pursuant to an ordinance enacted by a majority vote of the county's governing body and approved by voters in a countywide referendum. However, any county that has imposed two separate discretionary surtaxes without expiration cannot levy this surtax. The proceeds must be expended for specified emergency fire rescue services and facilities. No county will be levying this surtax during the 2014 calendar year.

REVENUE:

This surtax was enacted in 2009, and no county has yet levied.

HISTORY:

Chapter 2009-182, L.O.F., created the Emergency Fire Rescue Services and Facilities Surtax. It authorized a county's governing body, other than a county that has imposed two separate discretionary surtaxes without expiration, to levy a discretionary sales surtax of up to 1 percent, subject to voter approval in a countywide referendum, for emergency fire rescue services and facilities.

IMPOSITION AND RATE:

The rate is up to 1 percent. Any county, except Madison, Miami-Dade, and certain portions of Orange and Osceola, is eligible to levy the surtax, subject to voter approval in a countywide referendum. The rate is up to 1 percent. Madison and Miami-Dade counties are not eligible to levy this surtax because both counties currently levy two separate discretionary surtaxes without expiration. Madison County levies both the Small County Surtax and Voter-Approved Indigent Care Surtax without expiration dates, and Miami-Dade County levies both the Charter County and Regional Transportation System Surtax and County Public Hospital Surtax without expiration dates.

Additionally, the legislation provides that, notwithstanding s. 212.054, F.S., if a multicounty independent special district created pursuant to ch. 67-764, L.O.F., levies ad valorem taxes on district property to fund emergency fire rescue service within the district and is required by s.2, Art. VII of the State Constitution to maintain a uniform ad valorem tax rate throughout the district, the county may not levy the surtax within the district's boundaries. This provision relates specifically to the Reedy Creek Improvement District, which is located within portions of Orange and Osceola counties. The cities of Bay Lake and Lake Buena Vista as well as the Walt Disney World Resort Complex are located within the district. This provision prevents either county from levying the surtax within the district's boundaries if an ad valorem tax is levied to fund emergency fire rescue services. Currently, Reedy Creek Improvement District levies such an ad valorem tax and maintains a uniform ad valorem tax rate throughout the district. Consequently, Orange and Osceola counties are prohibited from levying the surtax within the district's boundaries.

In addition to the Charter County and Regional Transportation System Surtax and the School Capital Outlay Surtax, this surtax is not subject to a combined rate limitation that impacts the other discretionary sales surtaxes.

DISPOSITION AND USES:

The surtax proceeds, less an administrative fee that may be retained by the Department of Revenue, shall be distributed by the Department to the county. The county shall distribute the surtax proceeds it receives from the Department to the participating jurisdictions that have entered into the required interlocal

EMERGENCY FIRE RESCUE SERVICES AND FACILITIES SURTAX

agreement. The county may charge an administrative fee for receiving and distributing the surtax proceeds based on the actual costs incurred, not to exceed 2 percent of surtax collections.

The surtax shall be expended for emergency fire rescue services and facilities, which includes but is not limited to the following: 1) preventing and extinguishing fires; 2) protecting and saving life and property from fires, natural or intentional acts, or disasters; 3) enforcing municipal, county, or state fire protection codes and laws pertaining to the prevention and control of fires; and 4) providing pre-hospital emergency medical treatment.

ADDITIONAL INFORMATION:

A more detailed description of this surtax in its present form as well as estimated local discretionary sales surtax revenue distributions for the 2013-14 local fiscal year can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link.

<http://edr.state.fl.us/Content/local-government/reports/lgfih13.pdf>

LOCAL GOVERNMENT INFRASTRUCTURE SURTAX

FLORIDA STATUTES: Section 212.055(2)

ADMINISTERED BY: Department of Revenue

SUMMARY:

The Local Government Infrastructure Surtax shall be levied at the rate of 0.5 or 1 percent pursuant to an ordinance enacted by a majority vote of the county's governing body and approved by voters in a countywide referendum. Generally, the proceeds must be expended to finance, plan, and construct infrastructure; to acquire land for public recreation, conservation, or protection of natural resources; or to finance the closure of local government-owned solid waste landfills that have been closed or are required to be closed by order of the Department of Environmental Protection (DEP). Additional expenditure authority exists for select counties. All counties are eligible to levy this surtax, and 17 counties will be levying this surtax during the 2014 calendar year.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	650,171,261	5.10%
2013-14*	618,621,561	6.10%
2012-13	583,055,195	-1.49%
2011-12	591,869,069	-2.05%
2010-11	604,273,430	1.78%
2009-10	593,680,024	-5.75%
2008-09	629,887,765	-4.30%

* Estimate

HISTORY:

Chapter 87-239, L.O.F., created the Local Government Infrastructure Surtax, which authorized county governments, pursuant to voter approval in a countywide referendum, to levy a surtax of up to 1 percent in increments of ¼ cent for a period of up to 15 years. The distribution of proceeds was to be governed by interlocal agreement or default formula methodology, and the proceeds could be expended only for the financing, planning, and construction of infrastructure. Local government could not use the proceeds to supplant user fees or reduce existing ad valorem taxes. Chapter 87-548, L.O.F., authorized the surtax levy at a rate of 0.5 or 1 percent. Additionally, one or more municipalities representing a majority of the county's municipal population were authorized to place a surtax levy referendum on the ballot by adopting uniform resolutions to that effect.

Chapter 90-132, L.O.F., authorized the surtax proceeds to also be used to acquire land for public recreation or conservation, or for the protection of natural resources. Chapter 90-203, L.O.F., required that municipalities adopting uniform resolutions called for a surtax levy referendum represent a majority of the county's population. Chapter 90-282, L.O.F., authorized school districts to share in the surtax proceeds pursuant to an interlocal agreement, subject to the consent of the county's governing body and the governing bodies of municipalities representing a majority of the county's municipal population. Chapter 92-309, L.O.F., limited the combined rate, in varying combinations of this and several other surtaxes to 1 percent. In addition, counties having a total population of 50,000 or less on April 1, 1992, were authorized to use the surtax proceeds for any public purpose if several conditions were met.

Chapter 93-207, L.O.F., authorized local governments to use the surtax proceeds to finance the closure of county or municipal-owned solid waste landfills that were already closed or required to be closed. In

LOCAL GOVERNMENT INFRASTRUCTURE SURTAX

addition, counties having a total population of less than 50,000 were authorized to use the surtax proceeds for long-term maintenance costs associated with landfill closures. Chapter 93-222, L.O.F., limited the length of surtax levy and specified that any levy could only be extended by referendum approval. Also, the definition of infrastructure was expanded to include emergency vehicles and equipment. Chapter 94-459, L.O.F., authorized the Clay County BOCC to use the surtax proceeds to retire or service bond indebtedness incurred prior to July 1, 1987, and subsequently refunded, for the purpose of financing infrastructure. Chapter 94-487, L.O.F., authorized the Alachua County BOCC and the county's municipalities to use surtax proceeds for the operation and maintenance of parks and recreation programs.

Chapter 96-240, L.O.F., authorized any county designated as an area of critical state concern to use the surtax proceeds for any public purpose if several conditions were met. In addition, any county in which 40 percent or more of the just value of real property is exempt or immune from ad valorem taxation (and the municipalities within such a county) was authorized to use the surtax proceeds for operation and maintenance of parks and recreation programs. Chapter 96-410, L.O.F., specified that once a county having a total population of 50,000 or less was qualified to use the surtax proceeds for long-term maintenance costs associated with the closure of solid waste landfills, the county would retain that qualification until its population exceeds 75,000. Chapter 98-342, L.O.F., provided for an additional authorized use of the surtax that is imposed or extended after July 1, 1998, by authorizing that no more than 15 percent of surtax proceeds may be allocated for the purpose of funding economic development projects of a general public purpose targeted to improve local economies. Such funding could include the operational costs and incentives related to such economic development. Chapter 98-258, L.O.F., increased the maximum population limit from 50,000 to 75,000 for a small county to qualify to use the surtax proceeds for long-term maintenance costs associated with landfill closure. Chapter 99-340, L.O.F., authorized charter counties to use the surtax proceeds to retire or service indebtedness for bonds issued prior to July 1, 1987, for infrastructure purposes as well as for bonds subsequently issued to refund such bonds. Additionally, the use of such proceeds for retiring or servicing indebtedness incurred for such refunding bonds issued prior to July 1, 1999, was ratified.

Chapter 2003-254, L.O.F., eliminated the restrictions on the use of surtax proceeds to supplant or replace user fees or to reduce ad valorem taxes. Chapter 2003-402, L.O.F., expanded the allowable uses of the surtax proceeds to include the construction, lease, or maintenance of, provision of utilities or security for, those court facilities as defined in s. 29.008, F.S.

Chapter 2006-66, L.O.F., modified the definition of infrastructure to include any fixed capital expenditure or fixed capital outlay associated with the improvement of private facilities that have a life expectancy of five or more years and that the owner agrees to make available for use on a temporary basis as needed by a local government as a public emergency shelter or staging area for emergency response equipment during an emergency officially declared by the state or local government. Chapter 2006-223, L.O.F., authorized a county, which was designated as an area of critical state concern for at least 20 consecutive years prior to removal of the designation and qualified to use the surtax proceeds for any public purpose at the time of the designation's removal, to continue to use up to 10 percent of the surtax proceeds for any public purpose other than for infrastructure purposes for 20 years. After the 20 year period expires, a county could adopt an ordinance providing for such continued use of surtax proceeds. Chapter 2007-196, L.O.F., deleted a provision prohibiting a school district, county, or municipality from issuing bonds more than once each year pledging the surtax proceeds. Chapter 2009-96, L.O.F., expanded the definition of infrastructure to include any land-acquisition expenditure for a residential housing project in which at least 30 percent of the units are affordable to individual or families whose total annual household income does not exceed 120 percent of the area median income adjusted for household size, if the land is owned by a local government or special district that enters into a written agreement with the local government to provide such housing.

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Chapter 2012-117, L.O.F., authorized the surtax proceeds to be used for the additional purpose of providing loans, grants, or rebates to residential or commercial property owners who make energy efficiency improvements to their residential or commercial property, if a local government ordinance authorizing such use is approved by referendum. Chapter 2013-198, L.O.F., expanded the definition of energy efficiency improvement to include the installation of systems for natural gas fuels as defined in s. 206.9951, F.S. This change allows a local government to provide loans, grants, or rebates to residential or commercial property owners who install a defined natural gas fueling system, if a local ordinance authorizing such use is approved by referendum.

IMPOSITION AND RATE:

Local governments may levy this surtax at a rate of 0.5 or 1 percent. This levy shall be pursuant to an ordinance enacted by a majority of the members of the county's governing body and approved by the voters in a countywide referendum. In lieu of action by the county's governing body, municipalities representing a majority of the county's population may initiate the surtax through the adoption of uniform resolutions calling for a countywide referendum on the issue. If the proposal to levy the surtax is approved by a majority of the electors, the levy shall take effect.

Additionally, the surtax may not be levied beyond the time established in the ordinance if the surtax was levied pursuant to a referendum held before July 1, 1993. If the pre-July 1, 1993 ordinance did not limit the period of the levy, the surtax may not be levied for more than 15 years. There is no state-mandated limit on the length of levy for those surtax ordinances enacted after July 1, 1993. The levy may only be extended by voter approval in a countywide referendum.

During the 2014 calendar year, two counties will be levying at the 0.5 percent rate and fifteen counties will be levying at the 1 percent rate. This surtax is one of several surtaxes subject to a combined rate limitation. A county shall not levy this surtax and the Small County Surtax, Indigent Care and Trauma Center Surtax, and County Public Hospital Surtax in excess of a combined rate of 1 percent.

DISPOSITION AND USES:

The Department of Revenue shall distribute the surtax proceeds to the county and its respective municipalities pursuant to distribution percentages specified in a locally determined interlocal agreement, which may include a school district, or the default formula methodology based on the Local Government Half-cent Sales Tax formulas provided in s. 218.62, F.S.

The surtax proceeds and any accrued interest shall be expended by the school district, within the county and municipalities within the county, or, in the case of a negotiated joint county agreement, within another county, to: 1) finance, plan, and construct infrastructure; 2) acquire land for public recreation, conservation, or protection of natural resources; 3) to provide loans, grants, or rebates to residential or commercial property owners who make energy efficiency improvements to their residential or commercial property, if a local government ordinance authorizing such use is approved by referendum; or 4) finance the closure of county or municipal-owned solid waste landfills that have been closed or are required to be closed by order of the DEP.

A county with a total population of 50,000 or less on April 1, 1992, or any county designated as an area of critical state concern that imposed the surtax before July 1, 1992, may use the proceeds and accrued interest of the surtax for any public purpose if the county satisfies all of the following criteria: 1) the debt service obligations for any year are met; 2) the county's comprehensive plan has been determined to be in compliance with part II of ch. 163, F.S; and 3) the county has adopted an amendment to the surtax ordinance pursuant to the procedure provided in s. 125.66, F.S., authorizing additional uses of the proceeds and accrued interest. Additional expenditure authority exists for select counties.

LOCAL GOVERNMENT INFRASTRUCTURE SURTAX

ADDITIONAL INFORMATION:

A more detailed description of this surtax in its present form as well as estimated local discretionary sales surtax revenue distributions for the 2013-14 local fiscal year can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link.

<http://edr.state.fl.us/Content/local-government/reports/lgfih13.pdf>

SMALL COUNTY SURTAX

FLORIDA STATUTES: Section 212.055(3)

ADMINISTERED BY: Department of Revenue

SUMMARY:

Any county with a total population of 50,000 or less on April 1, 1992, is authorized to levy the Small County Surtax at the rate of 0.5 or 1 percent. County governments may impose the levy by either an extraordinary vote of the governing body if the proceeds are to be expended for operating purposes or by voter approval in a countywide referendum if the proceeds are to be used to service bonded indebtedness. If the surtax is enacted by an extraordinary vote of the county's governing body, the proceeds may be used for the operational expenses of any infrastructure or for any public purpose authorized in the ordinance. If the surtax is enacted by countywide referendum, the proceeds may be used to service bonded indebtedness to finance, plan, and construct infrastructure, and to acquire land for public recreation, conservation, or natural resource preservation. Twenty-nine counties will be levying this surtax during the 2014 calendar year.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	78,733,614	5.10%
2013-14*	74,913,048	6.10%
2012-13	70,606,078	5.91%
2011-12	66,667,348	5.76%
2010-11	63,033,765	3.04%
2009-10	61,171,192	1.49%
2008-09	60,272,518	-6.27%

* Estimate

HISTORY:

Chapter 92-309, L.O.F., created the Small County Surtax. It authorized counties with a total population of 50,000 or less on April 1, 1992, to levy a surtax of 0.5 or 1 percent, pursuant to an extraordinary vote of the county's governing body if the proceeds were to be used for operating purposes or voter approval in a countywide referendum if the proceeds were to be used for bonded indebtedness. The proceeds were to be shared with municipalities located within the county, and if levied pursuant to referendum, sharing with the county school district or shared with another county for joint county project as conditioned by the referendum. In addition, it limited the combined rate, in varying combinations, of this surtax and the Local Government Infrastructure Surtax, Indigent Care Surtax, County Public Hospital Surtax, and the then Small County Indigent Care Surtax.

IMPOSITION AND RATE:

Only those counties, defined as having a total population of 50,000 or less on April 1, 1992, are eligible to levy this surtax at a rate of 0.5 or 1 percent. Based on the population criterion, 31 counties (i.e., Baker, Bradford, Calhoun, Columbia, DeSoto, Dixie, Flagler, Franklin, Gadsden, Gilchrist, Glades, Gulf, Hamilton, Hardee, Hendry, Holmes, Jackson, Jefferson, Lafayette, Levy, Liberty, Madison, Nassau, Okeechobee, Sumter, Suwannee, Taylor, Union, Wakulla, Walton and Washington) are eligible to levy the surtax.

During the 2014 calendar year, 29 of 31 eligible counties will be levying this surtax. Flagler County will be levying at the 0.5 percent rate and 28 counties will be levying at the 1 percent rate. This surtax is one

SMALL COUNTY SURTAX

of several surtaxes subject to a combined rate limitation. A county shall not levy this surtax and the Local Government Infrastructure Surtax, Indigent Care and Trauma Center Surtax, and County Public Hospital Surtax in excess of a combined rate of 1 percent.

DISPOSITION AND USES:

The Department of Revenue shall distribute the surtax proceeds to the county and its respective municipalities pursuant to distribution percentages specified in a locally determined interlocal agreement, which may include a school district, or the default formula methodology based on the Local Government Half-cent Sales Tax formulas provided in s. 218.62, F.S.

If the surtax is levied as a result of voter approval in a countywide referendum, the proceeds and any accrued interest may be used by the school district, county, or municipalities within the county, or municipalities within another county in the case of a negotiated joint county agreement, for the purpose of servicing bonded indebtedness to finance, plan, and construct infrastructure and to acquire land for public recreation, conservation, or protection of natural resources. In this case, infrastructure means any fixed capital expenditure or cost associated with the construction, reconstruction, or improvement of public facilities having a life expectancy of five or more years and any related land acquisition, land improvement, design, and engineering costs. If the surtax is levied pursuant to an ordinance approved by an extraordinary vote of the county's governing body, the proceeds and accrued interest may be used for operational expenses of any infrastructure or for any public purpose authorized in the ordinance. School districts, counties, and municipalities may pledge the surtax proceeds for the purpose of servicing new bonded indebtedness.

ADDITIONAL INFORMATION:

A more detailed description of this surtax in its present form as well as estimated local discretionary sales surtax revenue distributions for the 2013-14 local fiscal year can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link.

<http://edr.state.fl.us/Content/local-government/reports/lgfih13.pdf>

INDIGENT CARE AND TRAUMA CENTER SURTAX

FLORIDA STATUTES: Section 212.055(4)

ADMINISTERED BY: Department of Revenue

SUMMARY:

This surtax consists of two separate levies for different groups of eligible counties. Non-consolidated counties with a total population of 800,000 or more may impose, either by an extraordinary vote of the county's governing body or voter approval in a countywide referendum, a surtax not to exceed 0.5 percent for the purpose of funding health care services for qualified residents. Non-consolidated counties with a total population of less than 800,000 may impose, subject to voter approval in a countywide referendum, a surtax not to exceed 0.25 percent for the sole purpose of funding trauma services provided by a trauma center licensed pursuant to ch. 395, F.S. Hillsborough County will be levying this surtax during the 2014 calendar year.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	97,195,112	5.10%
2013-14*	92,478,698	6.10%
2012-13	87,161,827	4.06%
2011-12	83,762,396	3.97%
2010-11	80,560,397	3.82%
2009-10	77,595,575	-3.00%
2008-09	79,997,756	-10.49%

* Estimate

HISTORY:

Chapter 91-81, L.O.F., created the Indigent Care Surtax. It authorized any non-consolidated county having a total population of 800,000 or more to levy a 0.5 percent surtax, pursuant to an ordinance adopted by an extraordinary vote of the county's governing body or voter approval in a countywide referendum. The surtax proceeds were to be used to fund health care services for indigent and medically poor persons and to supplement funding of the county public general hospital. Chapter 92-309, L.O.F., set an October 1, 1998 repeal date for the surtax. In addition, it limited the combined rate, in varying combinations, of this surtax in addition to the Local Government Infrastructure Surtax, Small County Surtax, County Public Hospital Surtax, and the then Small County Indigent Care Surtax to 1 percent. Chapter 97-83, L.O.F., extended the surtax's repeal date to October 1, 2005.

Chapters 2000-312 and 318, L.O.F., renamed the Indigent Care Surtax as the Indigent Care and Trauma Center Surtax and required that the county's plan setting forth the use of the surtax proceeds should also address the services to be provided by the Level I trauma center. In addition, requirements for the disbursement of funds to health care service providers were modified. Chapter 2003-77, L.O.F., repealed the October 1, 2005 sunset provision and imposed the requirement of a biennial audit of the county's indigent care trust fund. Chapter 2004-259, L.O.F., authorized non-consolidated counties having a total population of less than 800,000 to impose, subject to voter approval in a countywide referendum, a surtax not to exceed 0.25 percent for the sole purpose of funding trauma services provided by a trauma center.

IMPOSITION AND RATE:

As previously mentioned, this surtax consists of two separate levies for different groups of eligible counties. First, non-consolidated counties having a total population of 800,000 or more are eligible to

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levy a surtax at a rate not to exceed 0.5 percent. This surtax can be imposed by either an extraordinary vote of the county's governing body or voter approval in a countywide referendum. Based on the population criterion, only the five non-consolidated counties of Broward, Hillsborough, Orange, Palm Beach, and Pinellas are eligible to levy the 0.5 percent surtax. Duval County is not eligible to levy because it is a consolidated county government. Although Miami-Dade County is a non-consolidated county having a total population greater than 800,000, the county is prohibited from levying the 0.5 percent surtax because it already has authority to levy the County Public Hospital Surtax.

Second, non-consolidated counties having a total population of less than 800,000 are eligible to levy a surtax at a rate not to exceed 0.25 percent. This surtax can only be imposed subject to voter approval in a countywide referendum. Based on the population criterion, 60 counties are eligible to levy the 0.25 percent surtax.

In total, 65 counties are eligible to levy this surtax. During the 2014 calendar year, only Hillsborough County will be levying at the 0.5 percent rate. Both of these surtaxes are subject to a combined rate limitation. A county eligible to levy either the 0.5 or 0.25 percent surtax shall not levy it along with the Local Government Infrastructure Surtax and Small County Surtax in excess of a combined rate of 1 percent.

DISPOSITION AND USES:

The Department of Revenue distributes the surtax proceeds on a regular and periodic basis to the Clerk of Circuit Court as the designated custodian of the proceeds. The clerk shall maintain the monies in an indigent health care or trauma services trust fund, invest any funds held on deposit in the trust fund, disburse the funds to the appropriate provider upon directive from the authorizing county, and prepare on a biennial basis an audit of the trust fund.

The 0.5 percent surtax proceeds shall be used to fund a broad range of health care services for both indigent persons and the medically poor, including, but not limited to, primary care and preventive care as well as hospital care. The 0.25 percent surtax proceeds shall be used for the sole purpose of funding trauma services provided by a trauma center licensed pursuant to ch. 395, F.S.

ADDITIONAL INFORMATION:

A more detailed description of this surtax in its present form as well as local estimated discretionary sales surtax revenue distributions for the 2013-14 local fiscal year can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link.

<http://edr.state.fl.us/Content/local-government/reports/lgfi13.pdf>

COUNTY PUBLIC HOSPITAL SURTAX

FLORIDA STATUTES: Section 212.055(5)

ADMINISTERED BY: Department of Revenue

SUMMARY:

Any county, as defined in s. 125.011(1), F.S., [i.e., Miami-Dade County] is authorized to levy the County Public Hospital Surtax at a rate of 0.5 percent. The levy may be authorized either by an extraordinary vote of the county's governing body or voter approval in a countywide referendum. Proceeds shall be used to supplement the operation, maintenance, and administration of the county public general hospital. Miami-Dade County will be levying this surtax during the 2014 calendar year.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	211,925,697	5.10%
2013-14*	201,641,957	6.10%
2012-13	190,048,970	6.38%
2011-12	178,658,705	10.14%
2010-11	162,215,533	4.60%
2009-10	155,083,652	-0.77%
2008-09	156,292,693	-7.22%

* Estimate

HISTORY:

Chapter 91-81, L.O.F., created the County Public Hospital Surtax. It authorized any county, as defined in s. 125.011(1), F.S., [i.e., Miami-Dade County] to levy the surtax at the rate of 0.5 percent pursuant to an extraordinary vote of the county's governing body or voter approval in a countywide referendum. The surtax proceeds were designated for the operation, maintenance, and administration of the county public general hospital. Chapter 92-309, L.O.F., limited the combined tax rate, in varying combinations, of this surtax and the Local Government Infrastructure Surtax, Small County Surtax, Indigent Care Surtax, and the then Small County Indigent Care Surtax to 1 percent.

Chapter 2000-312, L.O.F., reduced the county's proportional contribution for the county public general hospital's operation, administration, and maintenance. The monies were redirected for the development and implementation of a county plan for indigent health care services. Additionally, the surtax was scheduled for repeal on October 1, 2005. Chapter 2005-96, L.O.F., reenacted the surtax, which had been set to repeal on October 1, 2005.

IMPOSITION AND RATE:

Any county, as defined in s. 125.011(1), F.S., [i.e., Miami-Dade County] is authorized to levy the County Public Hospital Surtax at a rate of 0.5 percent. The levy may be authorized either by an extraordinary vote of the county's governing body or voter approval in a countywide referendum.

Only Miami-Dade County is eligible to levy this surtax, and the county will be levying at the 0.5 percent rate during the 2014 calendar year. This surtax is one of several surtaxes subject to a combined rate limitation. An eligible county shall not levy this surtax along with the Local Government Infrastructure Surtax and Small County Surtax in excess of a combined rate of 1 percent.

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DISPOSITION AND USES:

The surtax proceeds shall be distributed by the Department of Revenue to the county for deposit into a special fund set aside from other county funds. The proceeds are designated to supplement the operation, maintenance, and administration of the county public general hospital.

ADDITIONAL INFORMATION:

A more detailed description of this surtax in its present form as well as estimated local discretionary sales surtax revenue distributions for the 2013-14 local fiscal year can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link.

<http://edr.state.fl.us/Content/local-government/reports/lgfih13.pdf>

VOTER-APPROVED INDIGENT CARE SURTAX

FLORIDA STATUTES: Section 212.055(7)

ADMINISTERED BY: Department of Revenue

SUMMARY:

Counties with a total population of less than 800,000 are eligible to levy the Voter-Approved Indigent Care Surtax subject to voter approval in a countywide referendum. If a publicly supported medical school is located within the county, the tax rate shall not exceed 1 percent. If no such medical school is located within the county, the tax rate is capped at 0.5 percent. However, any county with a total population of less than 50,000 may levy the surtax at a rate not to exceed 1 percent. The proceeds are to be used to fund health care services for the medically poor. Three counties will be levying this surtax during the 2014 calendar year.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	33,629,969	5.10%
2013-14*	31,998,068	6.10%
2012-13	30,158,405	-10.30%
2011-12	33,620,723	-2.48%
2010-11	34,476,115	2.23%
2009-10	33,724,308	-3.88%
2008-09	35,085,641	-10.55%

* Estimate

HISTORY:

Chapter 92-309, L.O.F., created the Small County Indigent Care Surtax within s. 212.055(6), F.S., which authorized counties with a total population of 50,000 or less on April 1, 1992, to levy a 0.5 percent pursuant to an extraordinary vote of the governing body to fund health services for indigent or medically poor county residents. The surtax was scheduled to repeal on October 1, 1998. Chapter 99-4, L.O.F., repealed s. 212.055(6), F.S., since the surtax had expired on October 1, 1998.

Chapter 2000-312, L.O.F., created the Voter-Approved Indigent Care Surtax within s. 212.055(7), F.S., which authorized counties with a total population of less than 800,000 to the surtax subject to voter approval in a countywide referendum. If a publicly supported medical school was located within the county, the surtax rate could not exceed 1 percent. If no such medical school was located within the county, the tax rate was capped at 0.5 percent. The surtax proceeds were to be used to fund health care services for the medically poor. The surtax was scheduled to repeal on October 1, 2005. Chapter 2005-96, L.O.F., reenacted s. 212.055(7), F.S., which was set to repeal on October 1, 2005. Chapter 2005-242, L.O.F., authorized any county with a total population of less than 50,000 to levy this surtax, subject to referendum approval, at a rate not to exceed 1 percent. The surtax proceeds could be pledged to service new or existing bond indebtedness incurred to finance, plan, construct, or reconstruct a public or not-for-profit hospital in the county and any land acquisition, land improvement, design, or engineering costs related to the hospital if the county's governing body determined that a public or not-for-profit hospital existing at the time of the bond issuance would, more likely than not, cease to operate.

IMPOSITION AND RATE:

Counties with a total population of less than 800,000 are eligible to levy this surtax subject to voter approval in a countywide referendum. If a publicly supported medical school is located within the county,

VOTER-APPROVED INDIGENT CARE SURTAX

the tax rate shall not exceed 1 percent. If no such medical school is located within the county, the tax rate is capped at 0.5 percent. However, any county with a total population of less than 50,000 may levy the surtax at a rate not to exceed 1 percent. The rate is capped at 0.5 percent or 1 percent if a publicly supported medical school is located in the county.

Due to the population criterion, only 60 counties are eligible to levy this surtax. During the 2014 calendar year, Gadsden, Madison, and Polk counties will be levying at 0.5 percent. This surtax is one of several surtaxes subject to a combined rate limitation. A county eligible to levy this surtax shall not levy it along with the Local Government Infrastructure Surtax and Small County Surtax in excess of a combined rate of 1 percent with the following exceptions. If a publicly supported medical school is located within the county or the county has a total population of less than 50,000, the combined rate cannot exceed 1.5 percent.

DISPOSITION AND USES:

The Department of Revenue distributes the surtax proceeds on a regular and periodic basis to the Clerk of Circuit Court as the designated custodian of the proceeds. The clerk shall maintain the monies in an indigent health care trust fund, invest any funds held on deposit in the trust fund, and disburse the funds to any provider of health care services or to service the authorized bonded indebtedness, subject to statutory provisions and upon directive from 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.

ADDITIONAL INFORMATION:

A more detailed description of this surtax in its present form as well as estimated local discretionary sales surtax revenue distributions for the 2013-14 local fiscal year can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link.

<http://edr.state.fl.us/Content/local-government/reports/lgfih13.pdf>

SCHOOL CAPITAL OUTLAY SURTAX

FLORIDA STATUTES: Section 212.055(6)

ADMINISTERED BY: Department of Revenue

SUMMARY:

Florida's school districts may authorize the levy of the School Capital Outlay Surtax at a rate of up to 0.5 percent pursuant to a resolution conditioned to take effect only upon voter approval in a countywide referendum. The proceeds must be expended for school-related capital projects, technology implementation, and bond financing of such projects. Fifteen of 67 counties will be levying this surtax during the 2014 calendar year.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	361,844,763	5.10%
2013-14*	344,286,169	6.10%
2012-13	324,492,148	5.12%
2011-12	308,687,347	-12.09%
2010-11	351,145,127	-6.86%
2009-10	377,023,905	-3.47%
2008-09	390,580,981	-12.12%

* Estimate

HISTORY:

Chapter 95-258, L.O.F., created the School Capital Outlay Surtax. It authorized district school boards to levy the surtax, pursuant to resolution conditioned to take effect only upon approval by a majority vote in a countywide referendum, at a rate of up to 0.5 percent. The surtax proceeds were to be expended for school-related capital projects, technology implementation, and bond financing of such projects; however, the proceeds and any accrued interest could not be used for operational expenses. Any school board imposing the surtax was required to implement a freeze on non-capital local school property taxes, at the millage rate imposed in the year prior to surtax implementation, for a period of at least three years from the imposition date.

Chapter 2005-56, L.O.F., provided that a required freeze on certain taxes does not apply to taxes authorized in the General Appropriations Act. Chapter 2010-154, L.O.F., deleted the requirement that a district school board imposing the school capital outlay surtax implement a freeze on non-capital local school property taxes.

IMPOSITION AND RATE:

District school boards may levy, pursuant to a resolution conditioned to take effect only upon voter approval in a countywide referendum, this surtax at a rate of up to 0.5 percent. The resolution shall set forth a plan for use of the surtax proceeds in accordance with authorized uses.

All 67 counties are eligible to levy this surtax. During the 2014 calendar year, 15 counties will be levying at the 0.5 percent rate: Bay, Calhoun, Escambia, Flagler, Hernando, Jackson, Leon, Liberty, Manatee, Monroe, Orange, Polk, St. Lucie, Santa Rosa, and Volusia. In addition to the Charter County and Regional Transportation System Surtax and Emergency Fire Rescue Services and Facilities Surtax, this surtax is not subject to a combined rate limitation that impacts the other discretionary sales surtaxes.

SCHOOL CAPITAL OUTLAY SURTAX

DISPOSITION AND USES:

The surtax revenues collected by the Department of Revenue shall be distributed to the school board imposing the surtax. The surtax proceeds shall 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 five or more years, as well as any related land acquisition, land improvement, design and engineering costs. Additionally, the proceeds shall be used to fund the costs of retrofitting and providing for technology implementation, including hardware and software, for the various sites within the school district. The proceeds may be used for the purpose of servicing bonded indebtedness used to finance authorized projects, and any accrued interest may be held in trust to finance such projects. However, the surtax proceeds and any accrued interest shall not be used for operational expenses.

ADDITIONAL INFORMATION:

A more detailed description of this surtax in its present form as well as estimated local discretionary sales surtax revenue distributions for the 2013-14 local fiscal year can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link.

<http://edr.state.fl.us/Content/local-government/reports/lgfih13.pdf>

LOCAL MOTOR FUEL AND DIESEL FUEL TAXES

2014 Federal, State, and County Tax Rates on Motor Fuel and Diesel Fuel in Florida's Counties

County	Motor Fuel Tax Rates (# of Cents Per Gallon)										Unutilized County-Imposed				Diesel Fuel Tax Rates (# of Cents Per Gallon)							
	State										Motor Fuel Taxes				State							
	Federal	State			County (Local Option)			County (Local Option)			Total	Federal	State			County (Local Option)			Total			
Fuel Excise Tax	Fuel Sales Tax	SCETS Tax	Constit. Fuel Tax	County Fuel Tax	Municipal Fuel Tax	Ninth-cent Fuel Tax	1-6 Cents Fuel Tax	1-5 Cents Fuel Tax	Total Tax	Ninth-cent Fuel Tax	1-6 Cents Fuel Tax	1-5 Cents Fuel Tax	Total Unutilized Tax	Fuel Excise Tax	Fuel Sales Tax	SCETS Tax	Fuel Excise Tax	Ninth-cent Fuel Tax	1-6 Cents Fuel Tax	1-5 Cents Fuel Tax	Total Tax	
Alachua	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Baker	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Bay	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Bradford	18.4	13.1	7.2	2	1	1	0	6	0	48.7	1	0	5	6	24.4	13.1	7.2	4	1	6	n/a	55.7
Brevard	18.4	13.1	7.2	2	1	1	0	6	0	48.7	1	0	5	6	24.4	13.1	7.2	4	1	6	n/a	55.7
Broward	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Calhoun	18.4	13.1	7.2	2	1	1	0	6	0	48.7	1	0	5	6	24.4	13.1	7.2	4	1	6	n/a	55.7
Charlotte	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Citrus	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Clay	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Collier	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Columbia	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
DeSoto	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Dixie	18.4	13.1	7.2	2	1	1	0	6	0	48.7	1	0	5	6	24.4	13.1	7.2	4	1	6	n/a	55.7
Duval	18.4	13.1	7.2	2	1	1	0	6	0	48.7	1	0	5	6	24.4	13.1	7.2	4	1	6	n/a	55.7
Escambia	18.4	13.1	7.2	2	1	1	1	6	4	53.7	0	0	1	1	24.4	13.1	7.2	4	1	6	n/a	55.7
Flagler	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Franklin	18.4	13.1	6.0	2	1	1	0	5	0	46.5	1	1	5	7	24.4	13.1	7.2	4	1	6	n/a	55.7
Gadsden	18.4	13.1	7.2	2	1	1	0	6	0	48.7	1	0	5	6	24.4	13.1	7.2	4	1	6	n/a	55.7
Gilchrist	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Glades	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Gulf	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Hamilton	18.4	13.1	7.2	2	1	1	0	6	0	48.7	1	0	5	6	24.4	13.1	7.2	4	1	6	n/a	55.7
Hardee	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Hendry	18.4	13.1	7.2	2	1	1	1	6	2	51.7	0	0	3	3	24.4	13.1	7.2	4	1	6	n/a	55.7
Hernando	18.4	13.1	7.2	2	1	1	1	6	2	51.7	0	0	3	3	24.4	13.1	7.2	4	1	6	n/a	55.7
Highlands	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Hillsborough	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Holmes	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Indian River	18.4	13.1	7.2	2	1	1	0	6	0	48.7	1	0	5	6	24.4	13.1	7.2	4	1	6	n/a	55.7
Jackson	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Jefferson	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Lafayette	18.4	13.1	7.2	2	1	1	0	6	0	48.7	1	0	5	6	24.4	13.1	7.2	4	1	6	n/a	55.7
Lake	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Lee	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Leon	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Levy	18.4	13.1	7.2	2	1	1	0	6	0	48.7	1	0	5	6	24.4	13.1	7.2	4	1	6	n/a	55.7
Liberty	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Madison	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Manatee	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Marion	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Martin	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Miami-Dade	18.4	13.1	7.2	2	1	1	1	6	3	52.7	0	0	2	2	24.4	13.1	7.2	4	1	6	n/a	55.7
Monroe	18.4	13.1	7.2	2	1	1	1	6	3	52.7	0	0	2	2	24.4	13.1	7.2	4	1	6	n/a	55.7
Nassau	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Okaloosa	18.4	13.1	7.2	2	1	1	1	6	3	52.7	0	0	2	2	24.4	13.1	7.2	4	1	6	n/a	55.7
Okeechobee	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Orange	18.4	13.1	7.2	2	1	1	0	6	0	48.7	1	0	5	6	24.4	13.1	7.2	4	1	6	n/a	55.7
Osceola	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Palm Beach	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Pasco	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Pinellas	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Polk	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Putnam	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
St. Johns	18.4	13.1	7.2	2	1	1	0	6	0	48.7	1	0	5	6	24.4	13.1	7.2	4	1	6	n/a	55.7
St. Lucie	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Santa Rosa	18.4	13.1	7.2	2	1	1	0	6	0	48.7	1	0	5	6	24.4	13.1	7.2	4	1	6	n/a	55.7
Sarasota	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Seminole	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Sumter	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Suwannee	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Taylor	18.4	13.1	7.2	2	1	1	0	6	0	48.7	1	0	5	6	24.4	13.1	7.2	4	1	6	n/a	55.7
Union	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Volusia	18.4	13.1	7.2	2	1	1	1	6	5	54.7	0	0	0	0	24.4	13.1	7.2	4	1	6	n/a	55.7
Wakulla	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Walton	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7
Washington	18.4	13.1	7.2	2	1	1	1	6	0	49.7	0	0	5	5	24.4	13.1	7.2	4	1	6	n/a	55.7

2014 Federal, State, and County Tax Rates on Motor Fuel and Diesel Fuel in Florida's Counties

County	Motor Fuel Tax Rates (# of Cents Per Gallon)										Unutilized County-Imposed				Diesel Fuel Tax Rates (# of Cents Per Gallon)									
	Federal	State					County (Local Option)				Motor Fuel Taxes				Federal	State			County (Local Option)				Total Tax	
	Fuel Excise Tax	Fuel Sales Tax	SCETS Tax	Constit. Fuel Tax	County Fuel Tax	Municipal Fuel Tax	Ninth-cent Fuel Tax	1-6 Cents Fuel Tax	1-5 Cents Fuel Tax	Total Tax	Ninth-cent Fuel Tax	1-6 Cents Fuel Tax	1-5 Cents Fuel Tax	Total Unutilized Tax	Fuel Excise Tax	Fuel Sales Tax	SCETS Tax	Fuel Excise Tax	Ninth-cent Fuel Tax	1-6 Cents Fuel Tax	1-5 Cents Fuel Tax	Total Tax		

Notes:

- 1) Federal taxes on motor and diesel fuels are authorized pursuant to Title 26, United States Code.
- 2) State taxes on motor fuel consist of the Fuel Sales Tax, pursuant to s. 206.41(1)(g), F.S.; the State Comprehensive Enhanced Transportation System (SCETS) Tax, pursuant to s. 206.41(1)(f), F.S.; the Constitutional Fuel Tax, pursuant to s. 206.41(1)(a), F.S.; the County Fuel Tax, pursuant to s. 206.41(1)(b), F.S.; and the Municipal Fuel Tax, pursuant to s. 206.41(1)(c), F.S. The Municipal Fuel Tax is one of the revenue sources that fund the Municipal Revenue Sharing Program.
- 3) County local option taxes on motor fuel consist of the 1 cent Ninth-cent Fuel Tax, pursuant to s. 206.41(1)(d), F.S.; the 1 to 6 cents of Local Option Fuel Tax and the 1 to 5 cents of Local Option Fuel Tax, pursuant to s. 206.41(1)(e), F.S.
- 4) State taxes on diesel fuel consist of the Fuel Sales Tax, pursuant to s. 206.87(1)(e), F.S.; the State Comprehensive Enhanced Transportation System (SCETS) Tax, pursuant to s. 206.87(1)(d), F.S.; and the Fuel Excise Tax, pursuant to s. 206.41(1)(a), F.S.
- 5) County taxes on diesel fuel for local use consist of the 1 cent Ninth-cent Fuel Tax, pursuant to s. 206.87(1)(b), F.S.; and the 1 to 6 cents of Local Option Fuel Tax, pursuant to s. 206.87(1)(c), F.S. The 1 to 5 cents Local Option Fuel Tax is not authorized for levy on diesel fuel.
- 6) County local option tax rate changes for 2014: Escambia County imposes 4 cents of the 1-5 Cents Fuel Tax; Leon County imposes 5 cents of the 1-5 Cents Fuel Tax; Madison County imposes the Ninth-cent Fuel Tax and 5 cents of the 1-5 Cents Fuel Tax; and Okaloosa County imposes 3 cents of the 1-5 Cents Fuel Tax.
- 7) For a complete list of transportation funding sources, please refer to the Florida Department of Transportation's "Florida's Transportation Tax Sources: A Primer" found at <http://www.dot.state.fl.us/programdevelopmentoffice/TransportationRevenue.shtm>.

Data Sources:

- 1) Florida Department of Revenue, Tax Information Publication, "Fuel Tax Rates Adjusted Beginning January 1, 2014" found at <https://revenue.law.state.fl.us/Pages/Browse.aspx#3-19-17>
- 2) Florida Department of Transportation, Office of Finance and Administration.

NINTH-CENT FUEL TAX

FLORIDA STATUTES: Sections 206.41(1)(d), 206.87(1)(b), and 336.021

ADMINISTERED BY: Department of Revenue

SUMMARY:

The Ninth-Cent Fuel Tax is a local option tax of 1 cent on every net gallon of motor and diesel fuel sold within a county. The tax may be authorized by an ordinance adopted by an extraordinary vote of the governing body or voter approval in a countywide referendum. Generally, the tax proceeds may be used to fund transportation expenditures. Since January 1, 1994, the tax has been imposed on diesel fuel in every county as the result of statewide equalization. All counties are eligible to levy this tax on motor fuel, and 52 counties will be levying the tax during the 2014 calendar year.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	82,195,933	1.70%
2013-14*	80,821,960	1.60%
2012-13	79,549,173	0.24%
2011-12	79,355,919	-1.71%
2010-11	80,735,892	0.13%
2009-10	80,633,905	-0.05%
2008-09	80,671,120	-4.80%

* Estimate

Annual tax receipts by county for the period of 1987 through 2013 can be found on the Office of Economic and Demographic Research's (EDR) Local Government Data webpage under the heading of Local Option Tax Receipts via the following link.

<http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm>

HISTORY:

Chapter 72-384, L.O.F., authorized county governments to levy a 1 cent per gallon tax on motor and special fuels subject to referendum approval. Chapter 77-390, L.O.F., allowed the county's governing body to limit the number of years that tax would be in effect and expanded the authorized uses of the tax proceeds.

Chapter 80-397, L.O.F., authorized the county and municipalities within the county's boundaries to negotiate a joint agreement for the purpose of allowing the tax proceeds to be used in both the incorporated and unincorporated areas of the county. Chapter 83-3, L.O.F., designated the name of this tax as the voted gas tax. Chapter 83-137, L.O.F., required official notification of the ordinance proposing the tax levy to be sent to the Department within 10 days after approval by the county's governing body and also 10 days after voter approval by referendum. Chapter 85-342, L.O.F., established a dealer collection allowance of three percent of the first \$1,000 of tax due and one percent of any remaining tax due. Chapter 87-99, L.O.F., specified the tax's effective date as 60 days after passage of the referendum.

Chapter 90-351, L.O.F., required all counties to impose this tax on special fuel by January 1, 1994 (i.e., statewide equalization). Chapter 92-184, L.O.F., changed the system of motor fuel tax collections by requiring motor fuel taxpayers to report fuel purchases based on the net amount of fuel pumped from the loading rack rather than on the gross amount of fuel. Chapter 92-309, L.O.F., changed the name of this tax from voted gas tax to ninth-cent gas tax and authorized counties having a total population of 50,000 or

NINTH-CENT FUEL TAX

less on April 1, 1992, to levy the tax by an extraordinary vote of the governing body. If enacted by this method, the tax proceeds could not be used to service bonded indebtedness. Chapter 93-206, L.O.F., authorized any county to impose the tax by an extraordinary vote of the governing body, in addition to the existing method of voter approval in a countywide referendum. In addition, counties with a total population of 50,000 or less were no longer precluded from using these funds for bonding purposes. Chapter 94-146, L.O.F., authorized the Department to deduct administrative costs from the tax proceeds and limited the deduction to 2 percent of total collections. The deduction would be phased-in over several fiscal years. Administrative costs would be prorated among the levying counties according to a formula based on each county's proportional share of active taxpayer accounts (weighted by two-thirds) and collections (weighted by one-third), and the formula would be revised on July 1st of each year.

Chapter 95-417, L.O.F., constituted a major rewrite of the state statutes dealing with state and local fuel tax implementation and administration in order to adopt fuel taxing procedures used by the federal government with the goals of reducing tax evasion and fraud and increasing administrative efficiency. References to gas tax and special fuel were changed to fuel tax and diesel fuel, respectively. The point of tax collection on diesel fuel was moved to the terminal rack. The point of tax collection of all local option and SCETS taxes on motor fuel was moved from collection by retailers to collection by wholesalers or terminal suppliers on deliveries to retail service stations and end users. The effective date for all local option fuel tax levies was changed from September 1st to January 1st of the following year. Chapter 95-428, L.O.F., authorized any county having a total population of 10,000 or less on April 1, 1993, to transfer and use legally restricted fuel tax (including all local option fuel taxes) for unrestricted purposes for all fiscal years prior to and through 1994-95.

Chapter 96-323, L.O.F., changed the procedure for the distribution of local option taxes collected on sales and use of diesel fuel. Chapter 97-54, L.O.F., provided a technical change to allow counties to correct expiration problems with local option fuel tax levies. Additionally, it authorized county and municipal governments to use the Ninth-Cent Fuel Tax proceeds to transportation expenditures as defined in s. 336.025(7), F.S., in order to allow the authorized uses for this tax and the 1-6 Cents Local Option Fuel Tax to be identical.

Chapter 2002-218, L.O.F., revised time limitations on impositions and rate changes for all local option fuel taxes. All impositions and rate changes were to be levied before July 1st of each year to be effective January 1st of the following year. All tax impositions and rescissions were required to end on December 31st of a year, and any rescission required a minimum 60 days notice to the Department. Chapter 2003-254, L.O.F., revised certain dates for purposes of qualifying new retail stations with respect to diesel fuel and required local option fuel taxes on motor fuel reported by wholesalers to be included in the distribution process. Additionally, it expanded the definition of transportation expenditures to include expenditures for sidewalks.

Chapter 2010-138, L.O.F., authorized the Department to make distributions of the Ninth-Cent Fuel Tax collected on diesel fuel that more accurately reflect the current fuel market. Chapter 2012-174, L.O.F., revised time limitations on impositions and rate changes for all local option fuel taxes. All impositions and rate changes were to be levied before October 1st of each year to be effective January 1st of the following year. Additionally, the legislation incorporated the installation, operation, maintenance, and repair of street lighting, traffic signs, traffic engineering, signalization, and pavement markings as permitted uses of the tax proceeds.

IMPOSITION AND RATE:

Any county government may levy a 1 cent per gallon tax on motor and diesel fuels sold in the county by extraordinary vote of the county's governing body or voter approval in a countywide referendum. Since

NINTH-CENT FUEL TAX

January 1, 1994, this tax has been imposed on diesel fuel in every county as the result of statewide equalization. During the 2014 calendar year, 52 counties will be levying the tax on motor fuel.

All impositions of the tax shall be levied before October 1st to be effective January 1st of the following year. However, levies of the tax which were in effect on July 1, 2002, and which expire on August 31st of any year may be reimposed at the current authorized rate to be effective September 1st of the year of expiration. A decision to rescind the tax shall not take effect on any other date than December 31st and shall require a minimum of 60 days notice to the Department of Revenue of such decision.

DISPOSITION AND USES:

The Department of Revenue returns the proceeds to the county where the tax is levied. The county's governing body may provide by joint agreement with one or more of its respective municipalities for the authorized transportation purposes and the distribution of tax proceeds within both the incorporated and unincorporated areas of the county. However, the county is not required to share the tax proceeds with municipalities. Even if the county does not levy the tax on motor fuel, it still receives proceeds from the levy on diesel fuel. County and municipal governments may use the tax proceeds for transportation expenditures as defined in s. 336.025(7), F.S.

OTHER STATES:

According to the American Petroleum Institute (API), a number of states have local option fuel taxes as of January 2014. A listing of those states can be found in the API's report entitled *State Gasoline Tax Reports* via the following link.

<http://www.api.org/oil-and-natural-gas-overview/industry-economics/fuel-taxes.aspx>

ADDITIONAL INFORMATION:

Annual tax distributions by county for the period of 1987 through 2013 can be found on the EDR's Local Government Data webpage under the heading of Local Option Fuel Taxes via the following link.

<http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm>

A more detailed description of this tax in its present form as well as estimated revenue distributions for the 2013-14 local fiscal year can be found in the EDR's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link.

<http://edr.state.fl.us/Content/local-government/reports/lgfih13.pdf>

1 TO 6 CENTS LOCAL OPTION FUEL TAX

FLORIDA STATUTES: Sections 206.41(1)(e), 206.87(1)(c), and 336.025(1)(a)

ADMINISTERED BY: Department of Revenue

SUMMARY:

Local governments are authorized to levy a tax of 1 to 6 cents on every net gallon of motor fuel sold in a county. The tax is imposed on diesel fuel in each county at the maximum rate of 6 cents per gallon. The tax on motor fuel may be authorized by an ordinance adopted by a majority vote of the governing body or voter approval in a countywide referendum. Generally, the proceeds may be used to fund transportation expenditures. Since 1993, the tax has been imposed on diesel fuel in every county at the maximum rate of 6 cents per gallon as the result of statewide equalization. All counties are eligible to levy this tax on motor fuel and will be levying the tax during the 2014 calendar year.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	547,842,049	1.70%
2013-14*	538,684,414	1.60%
2012-13	530,201,195	0.55%
2011-12	527,320,777	-1.65%
2010-11	536,153,956	-7.85%
2009-10	581,805,093	-0.08%
2008-09	582,262,167	-4.78%

* Estimate

Annual tax receipts by county for the period of 1987 through 2013 can be found on the Office of Economic and Demographic Research's Local Government Data webpage under the heading of Local Option Tax Receipts via the following link.

<http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm>

HISTORY:

Chapter 83-3, L.O.F., authorized county governments to levy a local option gas tax of up to 4 cents per gallon on motor and special fuels. Chapter 83-339, L.O.F., increased the General Revenue Service Charge on the Local Option Gas Tax Trust Fund from 4 to 6 percent. Chapter 84-369, L.O.F., required a certified copy of the interlocal agreement establishing the distribution of the tax proceeds be sent to the Department. Chapter 85-180, L.O.F., increased the rate at which the tax could be levied by 2 cents. Chapter 85-342, L.O.F., established a dealer collection allowance of three percent of the first \$1,000 of tax due and one percent of any remaining tax due. Chapter 86-152, L.O.F., changed the requirements for authorizing the levy of optional gas tax and those regarding interlocal agreements and distribution of tax proceeds. Chapter 86-243, L.O.F., allowed for the entire proceeds to be pledged toward bonds.

Chapters 90-110 and 90-132, L.O.F., had the combined effect of increasing the General Revenue Service Charge on the Local Option Gas Tax Trust Fund from 6 to 7.3 percent. Chapter 90-351, L.O.F., equalized the tax rate on special fuel in all counties at 4 cents in 1991, 5 cents in 1992, and 6 cents in 1993. Chapter 92-184, L.O.F., changed the system of motor fuel tax collections by requiring motor fuel taxpayers to report fuel purchases based on the net amount of fuel pumped from the loading rack rather than on the gross amount of fuel. Chapter 92-309, L.O.F., authorized counties having a total population of 50,000 or less on April 1, 1992, to use the tax proceeds to fund infrastructure projects if designated projects were consistent with the local government's approved comprehensive plan and all transportation needs as

1 TO 6 CENTS LOCAL OPTION FUEL TAX

identified in the comprehensive plan had been met. Chapter 93-164, L.O.F., authorized local governments to use the tax proceeds to fund the costs of structures used for the storage and maintenance of road equipment. Chapter 93-222, L.O.F., modified the definition of infrastructure to include official emergency responder vehicles, which expanded the uses to which small counties could use the tax proceeds. Chapter 94-146, L.O.F., authorized the Department to deduct administrative costs from the tax proceeds and limited the deduction to 2 percent of total collections. The deduction would be phased-in over several fiscal years. Administrative costs would be prorated among the levying counties according to a formula based on each county's proportional share of active taxpayer accounts (weighted by two-thirds) and collections (weighted by one-third), and the formula would be revised on July 1st of each year. Chapter 94-237, L.O.F., provided for biennial review and public hearing requirements by local governments of the distribution method for local option gas tax proceeds specified in interlocal agreements. Chapter 95-257, L.O.F., provided that interlocal agreements that included provision for automatic adjustment of the revenue distribution were not subject to biennial review and public hearing requirements. Chapter 95-343, L.O.F., authorized any county having a total population of 50,000 or less on April 1, 1992, and subject to a court-ordered refund of special assessments to use the proceeds of up to 4 cents of gas tax to finance the refund. (Note: Legislation provided Madison County with a source of funds to finance a court-ordered refund of \$2.2 million in special assessments.)

Chapter 95-417, L.O.F., constituted a major rewrite of the state statutes dealing with state and local fuel tax implementation and administration in order to adopt fuel taxing procedures used by the federal government with the goals of reducing tax evasion and fraud and increasing administrative efficiency. References to gas tax and special fuel were changed to fuel tax and diesel fuel, respectively. The point of tax collection on diesel fuel was moved to the terminal rack. The point of tax collection of all local option and SCETS taxes on motor fuel was moved from collection by retailers to collection by wholesalers or terminal suppliers on deliveries to retail service stations and end users. The effective date for all local option fuel tax levies was changed from September 1st to January 1st of the following year. Chapter 95-428, L.O.F., authorized any county having a total population of 10,000 or less on April 1, 1993, to transfer and use legally restricted fuel tax (including all local option fuel taxes) for unrestricted purposes for all fiscal years prior to and through 1994-95. Chapter 96-323, L.O.F., authorized any inland county with a population greater than 500,000 as of July 1, 1996, and an interlocal agreement with one or more municipalities within the county, to utilize the most recent official population estimates for dividing the fuel tax proceeds. (Note: At the time of enactment, Orange County was the only county eligible to use this new authority.) Additionally, it changed the procedure for the distribution of local option taxes collected on sales and use of diesel fuel. Chapter 97-54, L.O.F., provided a technical change to allow counties to correct expiration problems with local option fuel tax levies.

Chapter 2002-20, L.O.F., amended s. 339.12, F.S., to provide that any county with a population greater than 50,000 that levies the full 6 cents of fuel tax for improvements to the state transportation system or local projects directly upgrading the state transportation system within the county's boundaries shall receive preference for receipt of any transportation grant for which the county applies. Chapter 2002-218, L.O.F., revised time limitations on impositions and rate changes for all local option fuel taxes. All impositions and rate changes were to be levied before July 1st of each year to be effective January 1st of the following year. All tax impositions and rescissions were required to end on December 31st of a year, and any rescission required a minimum 60 days notice to the Department. Chapter 2003-86, L.O.F., expanded the definition of transportation expenditures to include expenditures for sidewalks and authorized municipalities in certain less-populated counties to expend the proceeds for additional uses. Chapter 2003-254, L.O.F., revised certain dates for purposes of qualifying new retail stations with respect to diesel fuel and required local option fuel taxes on motor fuel reported by wholesalers to be included in the distribution process. Additionally, it expanded the definition of transportation expenditures to include expenditures for sidewalks. Chapter 2007-196, L.O.F., deleted a provision prohibiting counties and municipalities from issuing bonds more than once each year pledging the tax proceeds.

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Chapter 2012-174, L.O.F., revised time limitations on impositions and rate changes for all local option fuel taxes. All impositions and rate changes were to be levied before October 1st of each year to be effective January 1st of the following year. Additionally, the legislation incorporated the installation, operation, maintenance, and repair of street lighting, traffic signs, traffic engineering, signalization, and pavement markings as permitted uses of the tax proceeds.

IMPOSITION AND RATE:

Any county government may levy 1 to 6 cents per gallon tax on motor fuel sold in the county by majority vote of the county's governing body or voter approval in a countywide referendum. In lieu of action by the county, municipal governments within the county can adopt uniform resolutions to initiate a countywide referendum. Since 1993, this tax has been imposed on diesel fuel at the rate of 6 cents per gallon in every county as the result of statewide equalization. During the 2014 calendar year, all counties will be levying the tax on motor fuel at the maximum rate of 6 cents per gallon, except Franklin that will be levying at 5 cents per gallon.

All impositions and rate changes shall be levied before October 1st to be effective January 1st of the following year for a period not to exceed 30 years. However, levies of the tax which were in effect on July 1, 2002, and which expire on August 31st of any year may be reimposed at the current authorized rate to be effective September 1st of the year of expiration. A decision to rescind the tax shall not take effect on any other date than December 31st and shall require a minimum of 60 days notice to the Department of Revenue of such decision.

DISPOSITION AND USES:

The Department shall distribute the tax proceeds according to the distribution factors determined at the local level by interlocal agreement between the county and municipalities within the county's boundaries. If no interlocal agreement has been established, then the distribution shall be based on the transportation expenditures of each local government for the immediately preceding 5 fiscal years, as a proportion of the total of such expenditures for the county and all municipalities within the county. These proportions shall be recalculated every 10 years based on the transportation expenditures of the immediately preceding 5 years.

County and municipal governments may use the tax proceeds for transportation expenditures as defined in s. 336.025(7), F.S. Small counties, which are defined as having a total population of 50,000 or less on April 1, 1992, and municipalities within such counties are authorized to use the proceeds to fund infrastructure projects, if such projects are consistent with the local government's approved comprehensive plan. Except as provided for in s. 336.025(7), F.S., such funds shall not be used for the operational expenses of any infrastructure.

OTHER STATES:

According to the American Petroleum Institute (API), a number of states have local option fuel taxes as of January 2014. A listing of those states can be found in the API's report entitled *State Gasoline Tax Reports* via the following link.

<http://www.api.org/oil-and-natural-gas-overview/industry-economics/fuel-taxes.aspx>

ADDITIONAL INFORMATION:

Annual tax distributions by county for the period of 1987 through 2013 can be found on the EDR's Local Government Data webpage under the heading of Local Option Fuel Taxes via the following link.

<http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm>

1 TO 6 CENTS LOCAL OPTION FUEL TAX

A more detailed description of this tax in its present form as well as estimated revenue distributions for the 2013-14 local fiscal year can be found in the EDR's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link.

<http://edr.state.fl.us/Content/local-government/reports/lgfi13.pdf>

1 TO 5 CENTS LOCAL OPTION FUEL TAX

FLORIDA STATUTES: Sections 206.41(1)(e) and 336.025(1)(b)

ADMINISTERED BY: Department of Revenue

SUMMARY:

County governments are authorized to levy a tax of 1 to 5 cents upon every net gallon of motor fuel sold within a county. Diesel fuel is not subject to this tax. This tax shall be levied by an ordinance adopted by a majority plus one vote of the county's governing body or voter approval in a countywide referendum. Generally, the tax proceeds may be used for transportation expenditures needed to meet the requirements of the capital improvements element of an adopted local government comprehensive plan. All counties are eligible to levy this tax on motor fuel, and 28 counties will be levying the tax during the 2014 calendar year.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	191,749,226	1.70%
2013-14*	188,543,978	1.60%
2012-13	185,574,781	-0.73%
2011-12	186,945,456	-2.18%
2010-11	191,104,075	-3.28%
2009-10	197,592,745	5.42%
2008-09	187,437,572	2.30%

* Estimate

Annual tax receipts by county for the period of 1987 through 2013 can be found on the Office of Economic and Demographic Research's Local Government Data webpage under the heading of Local Option Tax Receipts via the following link.

<http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm>

HISTORY:

Chapter 93-206, L.O.F., authorized county governments to impose a tax of 1 to 5 cents per gallon of motor fuel sold at the retail level within the county. Chapter 94-146, L.O.F., authorized the Department to deduct administrative costs from the tax proceeds and limited the deduction to 2 percent of total collections. The deduction would be phased-in over several fiscal years. Administrative costs would be prorated among the levying counties according to a formula based on each county's proportional share of active taxpayer accounts (weighted by two-thirds) and collections (weighted by one-third), and the formula would be revised on July 1st of each year. Chapter 94-237, L.O.F., provided for biennial review and public hearing requirements by local governments of the distribution method for local option gas tax proceeds specified in interlocal agreements. Chapter 95-257, L.O.F., provided that interlocal agreements that included provision for automatic adjustment of the revenue distribution were not subject to biennial review and public hearing requirements.

Chapter 95-417, L.O.F., constituted a major rewrite of the state statutes dealing with state and local fuel tax implementation and administration in order to adopt fuel taxing procedures used by the federal government with the goals of reducing tax evasion and fraud and increasing administrative efficiency. References to gas tax and special fuel were changed to fuel tax and diesel fuel, respectively. The point of tax collection on diesel fuel was moved to the terminal rack. The point of tax collection of all local option and SCETS taxes on motor fuel was moved from collection by retailers to collection by wholesalers or

1 TO 5 CENTS LOCAL OPTION FUEL TAX

terminal suppliers on deliveries to retail service stations and end users. The effective date for all local option fuel tax levies was changed from September 1st to January 1st of the following year. Chapter 95-428, L.O.F., authorized any county having a total population of 10,000 or less on April 1, 1993, to transfer and use legally restricted fuel tax (including all local option fuel taxes) for unrestricted purposes for all fiscal years prior to and through 1994-95. Chapter 96-323, L.O.F., changed the procedure for the distribution of local option taxes collected on sales and use of diesel fuel. Chapter 97-54, L.O.F., provided a technical change to allow counties to correct expiration problems with local option fuel tax levies. Additionally, it authorized county and municipal governments to include additional projects, such as the construction of new roads and reconstruction or resurfacing of existing paved roads, in the capital improvements element of an adopted comprehensive plan thereby expanding the authorized uses on the tax proceeds.

Chapter 2000-266, L.O.F., authorized the tax proceeds to be used for the paving of existing graded roads when undertaken in part to relieve or mitigate existing or potential adverse environmental impacts. Chapter 2001-201, L.O.F., provided that the relief or mitigation of existing or potential adverse environmental impacts was no longer a condition for using tax proceeds to pave existing graded roads. Chapter 2002-218, L.O.F., revised time limitations on impositions and rate changes for all local option fuel taxes. All impositions and rate changes were to be levied before July 1st of each year to be effective January 1st of the following year. All tax impositions and rescissions were required to end on December 31st of a year, and any rescission required a minimum 60 days notice to the Department. Chapters 2003-86 and 2003-254, L.O.F., expanded the authorized uses to include expenditures needed to meet immediate local transportation problems and for other transportation-related expenditures critical for building comprehensive roadway networks. Chapter 2007-196, L.O.F., deleted a provision prohibiting counties and municipalities from issuing bonds more than once each year pledging the tax proceeds.

Chapter 2012-174, L.O.F., revised time limitations on impositions and rate changes for all local option fuel taxes. All impositions and rate changes were to be levied before October 1st of each year to be effective January 1st of the following year. Additionally, the legislation incorporated the installation, operation, maintenance, and repair of street lighting, traffic signs, traffic engineering, signalization, and pavement markings as permitted uses of the tax proceeds.

IMPOSITION AND RATE:

Any county government may levy 1 to 5 cents per gallon tax on motor fuel sold in the county by majority plus one vote of the county's governing body or voter approval in a countywide referendum. Diesel fuel is not subject to this tax. During the 2014 calendar year, 22 counties will be levying the tax on motor fuel at the maximum rate of 5 cents per gallon, 1 county will be levying at 4 cents, 3 counties will be levying at 3 cents; and 2 counties will be levying at 2 cents.

All impositions and rate changes shall be levied before October 1st to be effective January 1st of the following year for a period not to exceed 30 years. However, levies of the tax which were in effect on July 1, 2002, and which expire on August 31st of any year may be reimposed at the current authorized rate to be effective September 1st of the year of expiration. A decision to rescind the tax shall not take effect on any other date than December 31st and shall require a minimum of 60 days notice to the Department of Revenue of such decision.

DISPOSITION AND USES:

The tax proceeds shall be distributed by the Department according to the distribution factors determined at the local level by interlocal agreement between the county and municipalities within the county's boundaries. If no interlocal agreement is established, then the distribution shall be based on the transportation expenditures of each local government for the immediately preceding five fiscal years as a proportion of the total of such expenditures for the county and all municipalities within the county.

1 TO 5 CENTS LOCAL OPTION FUEL TAX

The tax proceeds shall be used for transportation expenditures needed to meet the requirements of the capital improvements element of an adopted comprehensive plan or for expenditures needed to meet immediate local transportation problems and for other transportation-related expenditures that are critical for building comprehensive roadway networks by local governments. Expenditures for the construction of new roads, the reconstruction or resurfacing of existing paved roads, or the paving of existing graded roads shall be deemed to increase capacity and such projects shall be included in the capital improvements element of an adopted comprehensive plan. Routine maintenance of roads is not considered an authorized expenditure.

OTHER STATES:

According to the American Petroleum Institute (API), a number of states have local option fuel taxes as of January 2014. A listing of those states can be found in the API's report entitled *State Gasoline Tax Reports* via the following link.

<http://www.api.org/oil-and-natural-gas-overview/industry-economics/fuel-taxes.aspx>

ADDITIONAL INFORMATION:

Annual tax distributions by county for the period of 1987 through 2013 can be found on the EDR's Local Government Data webpage under the heading of Local Option Fuel Taxes via the following link.

<http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm>

A more detailed description of this tax in its present form as well as estimated revenue distributions for the 2013-14 local fiscal year can be found in the EDR's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link.

<http://edr.state.fl.us/Content/local-government/reports/lgfi13.pdf>

LOCAL OPTION FOOD AND BEVERAGE TAXES

LOCAL OPTION FOOD AND BEVERAGE TAX

FLORIDA STATUTES: Section 212.0306(1)(b)

ADMINISTERED BY: Self-administered by Miami-Dade County

SUMMARY:

Any county, as defined in s. 125.011(1), F.S., [i.e., Miami-Dade County] may impose a 1 percent tax 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. Not less than 15 percent of the tax proceeds shall be used for construction and operation of domestic violence centers. The remainder shall be used for programs to assist the homeless or those about to become homeless. Miami-Dade County will levy this tax during the 2014 calendar year.

REVENUE:

Because the tax is self-administered, the following revenue figures were obtained from annual county budget documents.

Fiscal Year	Total Collections	Annual Change %
2013-14*	19,986,000	2.3%
2012-13	19,544,151	4.4%
2011-12	18,717,495	9.1%
2010-11	17,155,885	12.0%
2009-10	15,314,341	5.5%
2008-09	14,511,094	0.6%

* Estimate

HISTORY:

Chapter 93-233, L.O.F., authorized any county, as defined in s. 125.011(1), F.S., to impose a 1 percent tax on food, beverages, and alcoholic beverages sold in county establishments, except hotels and motels, having a state-issued alcoholic beverage license for on-premises consumption. For the first 12 months of levy, the proceeds were to be used for programs to assist the homeless. Thereafter, a portion of the proceeds were to be made available for construction and operation of domestic violence centers with the remainder used for programs to assist the homeless or those about to become homeless. The county was required to self-administer the tax, and the tax was scheduled for repeal on October 1, 2008. Chapters 94-351 and 94-353, L.O.F., clarified that the tax was not to be applied to alcoholic beverages sold by the package for off-premises consumption. It revised an exemption related to establishments with gross annual revenues of \$400,000 or less and eliminated an exemption for sales in fraternal clubs licensed under s. 565.02(4), F.S. Additionally, it removed the October 1, 2008 repeal date.

IMPOSITION AND RATE:

Any county, as defined in s. 125.011(1), F.S., [i.e., Miami-Dade County] may impose a 1 percent tax 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, pursuant to an ordinance adopted by a majority vote of the county's governing body. However, the tax does not apply to any alcoholic beverage sold by the package for off-premise consumption. Miami-Dade County is the only county that satisfies the statutory definition of s. 125.011(1), F.S., and therefore eligible to levy the tax.

LOCAL OPTION FOOD AND BEVERAGE TAX

DISPOSITION AND USES:

The county must locally administer the tax using the powers and duties enumerated for local administration of the tourist development tax. The tax proceeds shall be distributed by the county by the county pursuant to the guidelines provided in the approved plans for addressing homeless needs as well as the construction and operation of domestic violence centers. The county and its respective municipalities shall continue to contribute each year at least 85 percent of aggregate expenditures from the respective county or municipal general fund budget for county-operated or municipally-operated homeless shelter services at or above the average level of such expenditures in the two fiscal years preceding the levy date of this tax.

For the first 12 months of the levy, the proceeds shall be used by the county to assist persons who have become or are about to become homeless. These funds shall be made available for emergency homeless shelters, food, clothing, medical care, counseling, alcohol and drug abuse treatment, mental health treatment, employment and training, education, and housing. Thereafter, not less than 15 percent of the proceeds shall be made available for construction and operation of domestic violence centers. The remainder shall be used for programs to assist the homeless or those about to become homeless. In addition, the proceeds and accrued interest may be used as collateral, pledged, or hypothecated for authorized projects, including bonds issued in connection with such authorized projects.

OTHER STATES:

Counties and/or municipalities in other states have established food and beverage taxes that are consumed on the premises including hotels and motels.

ADDITIONAL INFORMATION:

A more detailed description of this tax in its present form can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link.

<http://edr.state.fl.us/Content/local-government/reports/lgfih13.pdf>

LOCAL OPTION FOOD AND BEVERAGE TAX HOTEL/MOTEL

FLORIDA STATUTES: Section 212.0306(1)(a)

ADMINISTERED BY: Self-administered by Miami-Dade County

SUMMARY:

Any county, as defined in s. 125.011(1), F.S., [i.e., Miami-Dade County] may impose a 2 percent tax on the sale of food, beverages, and alcoholic beverages in hotels and motels, pursuant to an ordinance adopted by a majority of the county's governing body. The proceeds shall be used for promoting the county and its constituent municipalities as a destination site for conventions, trade shows, and pleasure travel. Miami-Dade County will levy this tax during the 2014 calendar year.

REVENUE:

Because the tax is self-administered, the following revenue figures were obtained from annual county budget documents.

Fiscal Year	Total Collections	Annual Change %
2013-14*	6,689,000	0.1%
2012-13	6,679,785	5.5%
2011-12	6,331,746	13.1%
2010-11	5,599,020	14.4%
2009-10	4,894,648	6.1%
2008-09	4,614,889	-18.5%

* Estimate

HISTORY:

Chapter 89-362, L.O.F., authorized any county, as defined in s. 125.011(1), F.S., to impose a 2 percent tax on the sale of food, beverages, or alcoholic beverages in hotels and motels for use in promoting the county and its constituent municipalities as destinations for conventions, trade shows, and pleasure travel. Chapter 93-233, L.O.F., amended and renumbered s. 125.0104(3)(n), F.S., as s. 212.0306, F.S., authorizing the continued levy of this tax and requiring the county to self-administer the tax. The tax was scheduled for repeal on October 1, 2008. Chapters 94-351 and 94-353, L.O.F., clarified that the tax was not to be applied to alcoholic beverages sold by the package for off-premises consumption. It revised an exemption related to establishments with gross annual revenues of \$400,000 or less and eliminated an exemption for sales in fraternal clubs licensed under s. 565.02(4), F.S. Additionally, it removed the October 1, 2008 repeal date.

IMPOSITION AND RATE:

Any county, as defined in s. 125.011(1), F.S., [i.e., Miami-Dade County] may impose a 2 percent tax on the sale of food, beverages, and alcoholic beverages in hotels and motels, pursuant to an ordinance adopted by a majority vote of the county's governing body. Miami-Dade County is the only county that satisfies the statutory definition of s. 125.011(1), F.S., and therefore eligible to levy the tax.

DISPOSITION AND USES:

The county must locally administer the tax using the powers and duties enumerated for local administration of the tourist development tax. The tax proceeds shall be distributed to a countywide convention and visitors' bureau, which by interlocal agreement and contract with the county has been given primary responsibility for tourist and convention promotion. If the county is not a party to such an

LOCAL OPTION FOOD AND BEVERAGE TAX HOTEL/MOTEL

interlocal agreement or contract with a countywide convention and visitors' bureau, the county must spend the proceeds as specified in statute.

The tax proceeds shall be used to promote and advertise tourism in the state, nationally, and internationally; and fund convention bureaus, tourist bureaus, tourist information centers, and new bureaus as county agencies or by contract with the chambers of commerce or similar associations in the county.

OTHER STATES:

Counties and/or municipalities in other states have established food and beverage taxes that are consumed on the premises including hotels and motels.

ADDITIONAL INFORMATION:

A more detailed description of this tax in its present form can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link.

<http://edr.state.fl.us/Content/local-government/reports/lgh13.pdf>

PUBLIC SERVICE TAX

FLORIDA STATUTES: Sections 166.231, 166.232, 166.233, 161.234, and 166.235, F.S.

ADMINISTERED BY: Municipalities and Charter Counties

SUMMARY:

The public service 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.

REVENUE: MUNICIPALITIES

Fiscal Year	Total collections	Annual Change (%)	Electricity	Water	Other**
2014-15*	\$733,271,960	1.67%	\$594,933,807	\$105,464,085	\$32,874,068
2013-14*	\$721,227,461	-1.25%	\$585,161,608	\$103,731,764	\$32,334,089
2012-13*	\$730,356,923	-4.77%	\$592,568,717	\$105,044,825	\$32,743,381
2011-12	\$766,939,959	-4.5%	\$622,250,044	\$110,306,442	\$34,383,473
2010-11	\$802,783,372	-1.3%	\$665,428,990	\$101,426,968	\$35,927,414
2009-10	\$813,240,024	15.70%	\$667,547,209	\$101,797,547	\$43,895,268
2008-09	\$740,068,265	-0.50%	\$606,054,134	\$93,541,371	\$40,472,760

CHARTER COUNTIES

Fiscal Year	Total collections	Annual Change (%)	Electricity	Water	Other**
2014-15*	\$237,945,054	1.67%	\$204,816,211	\$22,963,055	\$10,165,788
2013-14*	\$234,036,642	-1.25%	\$201,451,963	\$22,585,871	\$9,998,808
2012-13*	\$236,999,131	-4.77%	\$204,001,988	\$22,871,768	\$10,125,375
2011-12	\$248,870,242	-3.2%	\$214,220,296	\$24,017,398	\$10,632,548
2010-11	\$256,985,431	-8.3%	\$221,012,830	\$25,368,618	\$10,603,983
2009-10	\$280,384,515	9.0%	\$247,878,455	\$24,086,325	\$8,419,735
2008-09	\$257,226,437	-1.0%	\$224,347,103	\$24,388,934	\$8,490,400

* Estimate

** Includes natural gas, propane gas, fuel oil, and kerosene.

HISTORY:

On June 11, 1945, Chapter 22829 (No. 315) was filed with the Secretary of State's Office providing the municipalities with the authority to tax public services. This tax, originally levied on electricity, metered or bottled gas, water service, and telephone and telegraph service, was 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, the Court determined 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 2011, twenty-two charter counties levied the municipal utility or public service tax. Charter counties may levy the tax only in unincorporated areas 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

PUBLIC SERVICE TAX

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 was 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.

Chapter 2005-287, 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.

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.).

DISPOSITION:

Tax is collected by the seller of the service from the purchaser at the time of payment for such service and remitted to the municipality or county imposing the tax as prescribed by local ordinance.

OTHER STATES:

Compiled information relating to other states authorizing local governments to impose a public service tax is not available.

VALUE OF RATE CHANGE:

Almost all of the municipalities in Florida levy utility taxes of 10%. 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. Many tax different services at different rates. 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 on municipalities and charter counties:

2014-15
(millions)

\$97.1

PUBLIC SERVICE TAX

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.

\$0.0

Fuel Adjustment Charges (s. 166.231(1)(b))

All fuel adjustment charges subsequent to October 1, 1973 are exempt from taxation.

\$163.6

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

**TOURIST AND CONVENTION DEVELOPMENT
TAXES**

2014 Local Option Tourist / Food and Beverage / Tax Rates in Florida's Counties

Local Option Taxes on Transient Rental Transactions

County	Tourist Development Taxes s. 125.0104(3), F.S.					Convention Development Taxes s. 212.0305(4), F.S.			Local Option Food and Beverage Taxes s. 212.0306, F.S.					
	Original Tax (1 or 2%)	Additional Tax (1%)	Professional Sports Franchise Facility Tax (up to 1%)	High Tourism Impact Tax (1%)	Additional Professional Sports Franchise Facility Tax (up to 1%)	Tourist Impact Tax s. 125.0108, F.S. (1%)	Consolidated County Convention Tax (2%)	Charter County Convention Tax (3%)	Special, & District, Subcounty Convention Tax (up to 3%)	Maximum Potential Tax Rate	Current Tax Rate	Unused Tax Rate	Food and Beverages in Hotels and Motels (2%)	Food and Beverages in Other Establishments (1%)
Alachua *	2	1	1		1					5	5	0		
Baker *	2	1								5	3	2		
Bay *	2	1	1		1					5	5	0		
Bradford	2	1	1							5	4	1		
Brevard *	2	1	1		1					5	5	0		
Broward *	2	1	1		1					6	5	1		
Calhoun										4	0	4		
Charlotte *	2	1	1		1					5	5	0		
Citrus	2	1								5	3	2		
Clay *	2	1								5	3	2		
Collier *	2	1	1							5	4	1		
Columbia	2	1	1							5	4	1		
DeSoto	2									4	2	2		
Dixie	2									4	2	2		
Duval *	2		1		1		2			6	6	0		
Escambia *	2	1	1							5	4	1		
Flagler	2	1	1							5	4	1		
Franklin	2									5	2	3		
Gadsden	2									5	2	3		
Gilchrist	2									5	2	3		
Glades	2									5	2	3		
Gulf *	2	1	1							5	4	1		
Hamilton	2	1								5	3	2		
Hardee										4	0	4		
Hendry	2	1								5	3	2		
Hernando *	2	1								5	3	2		
Highlands *	2									5	2	3		
Hillsborough *	2	1	1		1					5	5	0		
Holmes	2									5	2	3		
Indian River *	2	1	1							5	4	1		
Jackson	2	1	1							5	4	1		
Jefferson	2									5	2	3		
Lafayette										4	0	4		
Lake *	2	1	1							5	4	1		
Lee *	2	1	1		1					5	5	0		
Leon *	2	1	1		1					5	5	0		
Levy	2									5	2	3		
Liberty										4	0	4		
Madison	2	1								5	3	2		
Manatee *	2	1	1		1					5	5	0		
Marion *	2									5	2	3		
Martin *	2	1	1							5	4	1		
Miami-Dade *	2		1					3		6	6	0	2	1
Monroe *	2	1		1		1				7	5	2		
Nassau *	2	1	1							5	4	1		
Okaloosa *	2	1	1		1					5	5	0		
Okeechobee	2	1								5	3	2		
Orange *	2	1	1	1	1					6	6	0		
Osceola *	2	1	1	1	1					6	6	0		
Palm Beach *	2	1	1		1					5	5	0		
Pasco	2									5	2	3		
Pinellas *	2	1	1		1					5	5	0		

2014 Local Option Tourist / Food and Beverage / Tax Rates in Florida's Counties

Local Option Taxes on Transient Rental Transactions

County	Tourist Development Taxes s. 125.0104(3), F.S.					Tourist Impact Tax s. 125.0108, F.S. (1%)	Convention Development Taxes s. 212.0305(4), F.S.			Maximum Potential Tax Rate	Current Tax Rate	Unused Tax Rate	Local Option Food and Beverage Taxes s. 212.0306, F.S.	
	Original Tax (1 or 2%)	Additional Tax (1%)	Professional Sports Franchise Facility Tax (up to 1%)	High Tourism Impact Tax (1%)	Additional Professional Sports Franchise Facility Tax (up to 1%)		Consolidated County Convention Tax (2%)	Charter County Convention Tax (3%)	Special, & District, Subcounty Convention Tax (up to 3%)				Food and Beverages in Hotels and Motels (2%)	Food and Beverages in Other Establishments (1%)
Polk *	2	1	1		1					5	5	0		
Putnam *	2	1	1							5	4	1		
St. Johns *	2	1	1							5	4	1		
St. Lucie *	2	1	1		1					5	5	0		
Santa Rosa *	2	1	1							5	4	1		
Sarasota *	2	1	1		1					5	5	0		
Seminole *	2	1	1		1					5	5	0		
Sumter	2									5	2	3		
Suwannee *	2	1								5	3	2		
Taylor *	2	1								5	3	2		
Union										4	0	4		
Volusia *	2		1					3		6	6	0		
Wakulla	2	1	1							5	4	1		
Walton *	2	1	1		0.5					6	4.5	1.5		
Washington	2	1								5	3	2		
# Eligible to Levy:	67	57	67	5	65	1	1	1	1		67		1	1
# Levying:	62	46	37	3	20	1	1	1	1		62		1	1

- Notes:
- 1) County names followed by an asterick indicate those counties that self-administer these taxes, and boxed areas indicate those counties eligible to impose a particular tax.
 - 2) Pursuant to s. 125.0104(3)(d), F.S., no county can levy the Additional Tax unless the county has imposed the Original Tax [i.e., s. 125.0104(3)(c), F.S.] for a minimum of three years prior to the effective date of the levy and imposition of the Additional Tax.
 - 3) Pursuant to s. 125.0104(3)(b), F.S., no county authorized to levy a convention development tax pursuant to s. 212.0305, F.S., (i.e., Duval, Miami-Dade, and Volusia) is allowed to levy more than 2% of tourist development taxes. However, pursuant to s. 125.0104(3)(l), F.S., this prohibition does not apply to the levy of the Professional Sports Franchise Facility Tax. In addition, this prohibition does not apply in a county authorized to levy the Consolidated County Convention Development Tax if such county also levies the Additional Professional Sports Franchise Facility Tax, pursuant to s. 125.0104(3)(n), F.S. This exemption is applicable only to Duval County.
 - 4) Pursuant to s. 125.0104(3)(n), F.S., only a county that has levied the Professional Sports Franchise Facility Tax [i.e., s. 125.0104(3)(l), F.S.] is eligible to levy the Additional Professional Sports Franchise Facility Tax. Consequently, the levy of the Professional Sports Franchise Facility Tax must occur prior to the levy of the Additional Professional Sports Franchise Facility Tax.
 - 5) The county-wide tourist development tax rate for Miami-Dade County is 3% except within the municipal jurisdictions of Bal Harbour, Miami Beach, and Surfside, which are eligible to impose the Municipal Resort Tax.
 - 6) The tourist development tax levies in Bay, Nassau, Okaloosa, and Walton counties are less than countywide.
 - 7) In Santa Rosa County, the countywide tourist development tax rate is 2%. The rate in the special taxing district of Navarre Beach is 3%; however, the funds generated from this levy go to Escambia County pursuant to an agreement adopted when this area was transferred to Santa Rosa County by Escambia County.
 - 8) According to the Department of Revenue's Office of Tax Research, five counties (i.e., Broward, Monroe, Orange, Osceola, and Walton) are considered high tourism impact counties pursuant to s. 125.0104(3)(m)2., F.S. Broward and Orange counties qualify to levy because sales subject to the tax exceeded \$600 million during the previous calendar year. Monroe and Walton counties qualify to levy because the sales subject to the tax were at least 18 percent of the county's total taxable sales under Chapter 212, F.S., where the sales subject to the tax were a minimum of \$200 million. Osceola County qualifies to levy due to a grandfather clause.

Data Source: Florida Department of Revenue, "History of Local Sales Tax and Current Rates by County" (Last Updated: November 5, 2013) found at <https://revenue.law.state.fl.us/Pages/Browse.aspx#3-17-23>

**1 OR 2 PERCENT
TOURIST DEVELOPMENT TAX**

FLORIDA STATUTES: Section 125.0104(3)(c)

ADMINISTERED BY: Department of Revenue or self-administered by levying counties

SUMMARY:

Section 125.0104, F.S., authorizes the levy of five separate local option taxes on rental charges subject to the transient rentals tax under s. 212.03, F.S., to be used in various ways to promote tourism within the county. Generally, the revenues from these levies may be used for capital construction of tourist-related facilities, tourist promotion, and beach and shoreline maintenance; however, the authorized uses vary according to the particular levy. No tourist development tax may be levied in any municipality imposing the Municipal Resort Tax authorized under Chapter 67-930, L.O.F., (i.e., Miami Beach, Bal Harbour and Surfside). There is a prohibition against any county levying a convention development tax from levying tourist development taxes at a rate of more than 2 percent; however, this prohibition does not apply to the Professional Sports Franchise Facility Tax or Duval County's levy of the Additional Professional Sports Franchise Facility Tax.

The 1 or 2 Percent Tourist Development Tax was the original of the five tourist development taxes authorized under s. 125.0104, F.S. If adopted, the rate must be either 1 or 2 percent. Under certain conditions, the tax may be levied in a sub-county area. The county ordinance levying the tax must be approved by a vote of the electors. Authorized uses are contained in s. 125.0104(5), F.S. Generally, such uses include the capital construction of tourist-related facilities, tourist promotion, and beach and shoreline maintenance, including the funding and refunding of revenue bonds.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	273,171,972	4.40%
2013-14*	261,658,977	4.50%
2012-13	250,391,366	6.38%
2011-12	235,379,159	10.43%
2010-11	213,140,393	10.19%
2009-10	193,425,193	-0.99%
2008-09	195,365,236	-13.27%

* Estimate

Annual tourist development tax receipts by county for the period of 1987 through 2013 can be found on the Office of Economic and Demographic Research's Local Government Data webpage under the heading of Local Option Tax Receipts via the following link.

<http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm>

HISTORY:

Chapter 77-209, L.O.F., authorized any county subject to voter approval to levy a tourist development tax at the rate of 1 or 2 percent (i.e., the 1 or 2 Percent Tax). The proceeds were to be used to promote tourism, finance tourist-related facilities, or fund tourist promotion bureaus. Chapter 87-175, L.O.F., gave levying counties the option of collecting and administering the tax at the local level and restricted self-administering counties from retaining more than 3 percent of total collections for administrative costs. Chapter 87-280, L.O.F., authorized counties with a total population of less than 500,000 to use the tax proceeds for museums, zoological parks, fishing piers, or nature centers.

1 OR 2 PERCENT TOURIST DEVELOPMENT TAX

Chapters 92-175 and 92-204, L.O.F., authorized any county to use the tax proceeds to fund museums, which was a use previously limited to those counties having a total population of less than 500,000. Additionally, it authorized a county to create a tourism promotion agency to undertake advertising and marketing research studies and provide booking and reservations services and created a joint legislative interim study committee to review current tourist-related tax issues and laws. Chapter 94-353, L.O.F., clarified legislative intent regarding those transient rental transactions subject to tax. Chapter 95-133, L.O.F., revised an exemption from public records requirements for county tourism promotion agencies. Chapter 95-360, L.O.F., authorized counties to use the tax proceeds for promotion of zoological parks.

Chapter 2000-312, L.O.F., authorized counties that self-administer the tax to use certified public accountants to perform those functions associated with self-administration. Chapter 2001-252, L.O.F., authorized certain counties to continue using a tourist development tax after retirement of applicable bonds under certain circumstances. Chapter 2003-34, L.O.F., increased the population threshold from 500,000 to 750,000 for eligible counties to expend the tax proceeds for optional uses. Chapter 2003-37, L.O.F., limited the use of tax proceeds, which were specifically designated for beach improvement, maintenance, renourishment, restoration, and erosion control. Chapter 2003-78, L.O.F., made administrative changes pertaining to county tourism promotion agencies. Chapter 2005-96, L.O.F., reenacted provisions related to referenda and local administration that had been scheduled for repeal. Chapter 2009-133, L.O.F., provided for the application of tourist development taxes to short-term stays at timeshare resorts.

Chapter 2012-180, L.O.F., authorized additional uses by allowing county governments to spend tax proceeds for purposes related to publicly owned and operated aquariums, including acquisition, construction, maintenance, or promotion. Chapter 2013-168, L.O.F., authorized additional uses by allowing county governments to spend tax proceeds for purposes related to aquariums owned and operated by not-for-profit organizations and clarified the automatic expiration of the tax upon the retirement of all bonds issued to finance certain facilities.

IMPOSITION AND RATE:

If levied, the rate must be either 1 or 2 percent. The tax is levied on all rental charges subject to the transient rental tax pursuant to s. 212.03, F.S. All counties are eligible to levy this tax, and 62 counties levy at the maximum rate of 2 percent as of January 1, 2014.

DISPOSITION AND USES:

In counties for which the tax is administered by the Department of Revenue, collections are returned monthly to the county levying the tax, less costs of administration, for use by the county in accordance with the provisions of s. 125.0104, F.S. In counties self-administering the tax pursuant to s. 125.0104(10), F.S., collections are retained by the county, less cost of administration not to exceed 3 percent, for use in accordance with the provisions of s. 125.0104, F.S.

OTHER STATES:

The National Conference of State Legislatures has published a listing of state lodging tax rates, which is available via the following link: <http://www.ncsl.org/research/fiscal-policy/state-lodging-taxes.aspx>. These statewide taxes on lodging are often levied in addition to state sales taxes and/or local lodging taxes.

ADDITIONAL INFORMATION:

A table summarizing the history of tax impositions, expirations, extensions, and repeals can be found on the Office of Economic and Demographic Research's Local Government Data webpage under the heading of Local Option Tourist Taxes via the following link: <http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm>

**1 OR 2 PERCENT
TOURIST DEVELOPMENT TAX**

A more detailed description of this tax in its present form as well as a table summarizing taxable sales reported by transient rental facilities, which is used to estimate county revenues for the 2013-14 fiscal year, can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link.
<http://edr.state.fl.us/Content/local-government/reports/lgfi13.pdf>

**ADDITIONAL 1 PERCENT
TOURIST DEVELOPMENT TAX**

FLORIDA STATUTES: Section 125.0104(3)(d)

ADMINISTERED BY: Department of Revenue or self-administered by levying counties

SUMMARY:

Section 125.0104, F.S., authorizes the levy of five separate local option taxes on rental charges subject to the transient rentals tax under s. 212.03, F.S., to be used in various ways to promote tourism within the county. Generally, the revenues from these levies may be used for capital construction of tourist-related facilities, tourist promotion, and beach and shoreline maintenance; however, the authorized uses vary according to the particular levy. No tourist development tax may be levied in any municipality imposing the Municipal Resort Tax authorized under Chapter 67-930, L.O.F., (i.e., Miami Beach, Bal Harbour and Surfside). There is a prohibition against any county levying a convention development tax from levying tourist development taxes at a rate of more than 2 percent; however, this prohibition does not apply to the Professional Sports Franchise Facility Tax or Duval County's levy of the Additional Professional Sports Franchise Facility Tax.

The Additional 1 Percent Tourist Development Tax is one of the five tourist development taxes authorized under s. 125.0104, F.S. It may be levied by extraordinary vote of the county governing board or by referendum; however, it may only be levied after the 1 or 2 percent tourist development tax has been levied for a minimum of 3 years. If levied, the tax must be levied at the rate of 1 percent. Uses of the revenue are same as for the 1 or 2 percent tax, except that revenues cannot be used for certain debt service or refinancing unless approved by an extraordinary vote of the governing board.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	116,972,125	4.40%
2013-14*	112,042,265	4.50%
2012-13	107,217,479	6.42%
2011-12	100,747,957	11.31%
2010-11	90,510,652	10.02%
2009-10	82,269,237	-0.64%
2008-09	82,802,671	-12.68%

* Estimate

Annual tourist development tax receipts by county for the period of 1987 through 2013 can be found on the Office of Economic and Demographic Research's Local Government Data webpage under the heading of Local Option Tax Receipts via the following link.

<http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm>

HISTORY:

Chapter 86-4, L.O.F., authorized an additional 1 percent tax levy for those counties that had imposed the 1 or 2 Percent Tax for the previous three years and prohibited the tax proceeds from being used for the refinancing of debt service on existing facilities unless approved by an extraordinary vote of the county's governing body. In addition, it prohibited counties that levy a convention development tax from levying more than 2 percent of tourist development tax. Chapter 87-175, L.O.F., gave levying counties the option of collecting and administering the tax at the local level and restricted self-administering counties from retaining more than 3 percent of total collections for administrative costs. Chapter 87-280, L.O.F., authorized counties with a total population of less than 500,000 to use the tax proceeds for museums,

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zoological parks, fishing piers, or nature centers. Chapter 88-243, L.O.F., authorized any county, which had imposed the tax for a period of one year to impose an additional 2 percent tax (later repealed) for economic development projects.

Chapters 92-175 and 92-204, L.O.F., authorized any county to use the tax proceeds to fund museums, which was a use previously limited to those counties having a total population of less than 500,000. Additionally, it authorized a county to create a tourism promotion agency to undertake advertising and marketing research studies and provide booking and reservations services and created a joint legislative interim study committee to review current tourist-related tax issues and laws. Chapter 94-353, L.O.F., clarified legislative intent regarding those transient rental transactions subject to tax. Chapter 95-133, L.O.F., revised an exemption from public records requirements for county tourism promotion agencies. Chapter 95-360, L.O.F., authorized counties levying the tax to use the proceeds for promotion of zoological parks. Chapter 96-397, L.O.F., repealed the 2 percent tax for economic development projects authorized by Chapter 88-243, L.O.F.

Chapter 2000-312, L.O.F., clarified that the tax could not be repealed by referendum until outstanding bonds supported by such taxes were satisfied. It authorized counties that self-administer the tax to use certified public accountants to perform those functions associated with self-administration. Chapter 2001-252, L.O.F., authorized certain counties to continue using a tourist development tax after retirement of applicable bonds under certain circumstances. Chapter 2003-34, L.O.F., increased the population threshold from 500,000 to 750,000 for eligible counties to expend tax proceeds for optional uses. Chapter 2003-37, L.O.F., limited the use of tax proceeds, which were specifically designated for beach improvement, maintenance, renourishment, restoration, and erosion control. Chapter 2003-78, L.O.F., made administrative changes pertaining to county tourism promotion agencies. Chapter 2005-96, L.O.F., reenacted provisions related to referenda and local administration that had been scheduled for repeal. Chapter 2009-133, L.O.F., provided for the application of tourist development taxes to short-term stays at timeshare resorts.

Chapter 2012-180, L.O.F., authorized additional uses by allowing county governments to spend tax proceeds for purposes related to publicly owned and operated aquariums, including acquisition, construction, maintenance, or promotion. Chapter 2013-168, L.O.F., authorized additional uses by allowing county governments to spend tax proceeds for purposes related to aquariums owned and operated by not-for-profit organizations and clarified the automatic expiration of the tax upon the retirement of all bonds issued to finance certain facilities.

IMPOSITION AND RATE:

If levied, the rate must be 1 percent. The tax is levied on all rental charges subject to the transient rental tax pursuant to s. 212.03, F.S. Fifty-seven counties are eligible to levy this tax, and 46 counties levy as of January 1, 2014.

DISPOSITION AND USES:

In counties for which the tax is administered by the Department of Revenue, collections are returned monthly to the county levying the tax, less costs of administration, for use by the county in accordance with the provisions of s. 125.0104, F.S. In counties self-administering the tax pursuant to s. 125.0104(10), F.S., collections are retained by the county, less cost of administration not to exceed 3 percent, for use in accordance with the provisions of s. 125.0104, F.S.

OTHER STATES:

The National Conference of State Legislatures has published a listing of state lodging tax rates, which is available via the following link: <http://www.ncsl.org/research/fiscal-policy/state-lodging-taxes.aspx>.

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These statewide taxes on lodging are often levied in addition to state sales taxes and/or local lodging taxes.

ADDITIONAL INFORMATION:

A more detailed description of this tax in its present form as well as a table summarizing taxable sales reported by transient rental facilities, which is used to estimate county revenues for the 2013-14 fiscal year, can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link.
<http://edr.state.fl.us/Content/local-government/reports/lgfi13.pdf>

**PROFESSIONAL SPORTS FRANCHISE FACILITY
TOURIST DEVELOPMENT TAX**

FLORIDA STATUTES: Section 125.0104(3)(l)

ADMINISTERED BY: Department of Revenue or self-administered by levying counties

SUMMARY:

Section 125.0104, F.S., authorizes the levy of five separate local option taxes on rental charges subject to the transient rentals tax under s. 212.03, F.S., to be used in various ways to promote tourism within the county. Generally, the revenues from these levies may be used for capital construction of tourist-related facilities, tourist promotion, and beach and shoreline maintenance; however, the authorized uses vary according to the particular levy. No tourist development tax may be levied in any municipality imposing the Municipal Resort Tax authorized under Chapter 67-930, L.O.F., (i.e., Miami Beach, Bal Harbour and Surfside). There is a prohibition against any county levying a convention development tax from levying tourist development taxes at a rate of more than 2 percent; however, this prohibition does not apply to the Professional Sports Franchise Facility Tax or Duval County's levy of the Additional Professional Sports Franchise Facility Tax.

The Professional Sports Franchise Facility Tax may be levied at a rate up to 1 percent by a majority vote of the governing board of the county. Uses of the revenues from this tax are contained in s. 125.0104(3)(l), F.S. Generally, proceeds can be used to pay debt service on bonds for the construction or renovation of professional sports franchise facilities, spring training facilities of professional sports franchises and convention centers, and to promote and advertise tourism.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	126,017,121	4.40%
2013-14*	120,706,054	4.50%
2012-13	115,508,186	6.27%
2011-12	108,691,573	10.74%
2010-11	98,150,762	10.12%
2009-10	89,134,098	0.85%
2008-09	88,384,481	-9.58%

* Estimate

Annual tourist development tax receipts by county for the period of 1987 through 2013 can be found on the Office of Economic and Demographic Research's Local Government Data webpage under the heading of Local Option Tax Receipts via the following link.

<http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm>

HISTORY:

Chapter 88-226, L.O.F., authorized certain counties to impose an additional 1 percent tax (i.e., Professional Sports Franchise Facility Tax) to pay debt service on bonds issued to finance the construction, reconstruction, or renovation of a professional sports franchise facility. Chapter 89-217, L.O.F., clarified that any county could impose the tax.

Chapter 90-349, L.O.F., authorized those counties levying more than 2 percent of convention development tax to levy the Professional Sports Franchise Facility Tax to pay debt service on a professional sports franchise facility. Chapter 94-353, L.O.F., clarified legislative intent regarding those transient rental transactions subject to tax. Chapter 95-133, L.O.F., revised an exemption from public

PROFESSIONAL SPORTS FRANCHISE FACILITY TOURIST DEVELOPMENT TAX

records requirements for county tourism promotion agencies. Chapter 95-304, L.O.F., expanded the authorized uses to include paying debt service on bonds issued to finance the construction, reconstruction, or renovation of a convention center. Chapter 95-416, L.O.F., expanded the authorized uses to include planning and design costs incurred for the facility prior to the issuance of bonds and for facilities that are publicly owned and operated, or publicly owned and operated by the professional sports franchise facility owner or another qualified lessee. Chapter 96-397, L.O.F., authorized a county levying the tax to use the proceeds for convention center planning and design costs. Chapter 98-106, L.O.F., authorized any county levying the tax to use the proceeds for operation and maintenance of a convention center for a period of up to ten years, conditioned on the county's levy of the tax to pay debt service on a convention center. Chapter 99-287, L.O.F., authorized the use of the tax proceeds to pay the debt service on bonds issued to finance a retained spring training franchise facility.

Chapter 2000-312, L.O.F., clarified that the tax could not be repealed by referendum until outstanding bonds supported by such taxes were satisfied. It authorized counties that self-administer the tax to use certified public accountants to perform those functions associated with self-administration. Chapter 2000-351, L.O.F., authorized any county that levies the tax after July 1, 2000, for the purpose of paying debt service on bonds related to convention centers to use the tax proceeds to pay the operation and maintenance costs of a convention center for the life of the bonds. Chapter 2001-252, L.O.F., authorized certain counties to continue using a tourist development tax after retirement of applicable bonds under certain circumstances. Chapter 2002-265, L.O.F., authorized the tax proceeds to be used to promote and advertise tourism. Chapter 2003-78, L.O.F., made administrative changes pertaining to county tourism promotion agencies. Chapter 2005-96, L.O.F., reenacted provisions related to referenda and local administration that had been scheduled for repeal. Chapter 2009-133, L.O.F., provided for the application of tourist development taxes to short-term stays at timeshare resorts.

Chapter 2012-180, L.O.F., authorized additional uses by allowing county governments to spend tax proceeds for purposes related to publicly owned and operated aquariums, including acquisition, construction, maintenance, or promotion. Chapter 2013-168, L.O.F., clarified the automatic expiration of the tax upon the retirement of all bonds issued to finance certain facilities.

IMPOSITION AND RATE:

The tax may be levied at a rate up to 1 percent. It is levied on all rental charges subject to the transient rental tax pursuant to s. 212.03, F.S. All counties are eligible to levy this tax, and 37 counties levy as of January 1, 2014.

DISPOSITION AND USES:

In counties for which the tax is administered by the Department of Revenue, collections are returned monthly to the county levying the tax, less costs of administration, for use by the county in accordance with the provisions of s. 125.0104, F.S. In counties self-administering the tax pursuant to s. 125.0104(10), F.S., collections are retained by the county, less cost of administration not to exceed 3 percent, for use in accordance with the provisions of s. 125.0104, F.S.

OTHER STATES:

The National Conference of State Legislatures has published a listing of state lodging tax rates, which is available via the following link: <http://www.ncsl.org/research/fiscal-policy/state-lodging-taxes.aspx>. These statewide taxes on lodging are often levied in addition to state sales taxes and/or local lodging taxes.

**PROFESSIONAL SPORTS FRANCHISE FACILITY
TOURIST DEVELOPMENT TAX**

ADDITIONAL INFORMATION:

A more detailed description of this tax in its present form as well as a table summarizing taxable sales reported by transient rental facilities, which is used to estimate county revenues for the 2013-14 fiscal year, can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link.
<http://edr.state.fl.us/Content/local-government/reports/lgfi13.pdf>

**HIGH TOURISM IMPACT
TOURIST DEVELOPMENT TAX**

FLORIDA STATUTES: Section 125.0104(3)(m)

ADMINISTERED BY: Department of Revenue or self-administered by levying counties

SUMMARY:

Section 125.0104, F.S., authorizes the levy of five separate local option taxes on rental charges subject to the transient rentals tax under s. 212.03, F.S., to be used in various ways to promote tourism within the county. Generally, the revenues from these levies may be used for capital construction of tourist-related facilities, tourist promotion, and beach and shoreline maintenance; however, the authorized uses vary according to the particular levy. No tourist development tax may be levied in any municipality imposing the Municipal Resort Tax authorized under Chapter 67-930, L.O.F., (i.e., Miami Beach, Bal Harbour and Surfside). There is a prohibition against any county levying a convention development tax from levying tourist development taxes at a rate of more than 2 percent; however, this prohibition does not apply to the Professional Sports Franchise Facility Tax or Duval County’s levy of the Additional Professional Sports Franchise Facility Tax.

The High Tourism Impact Tax is one of the five tourist development taxes authorized under s. 125.0104, F.S. It may be levied by any county in which sales subject to the tourist development tax exceeded \$600 million in the previous calendar year or were at least 18 percent of the county’s total taxable sales under chapter 212, F.S., where sales subject to the tourist development tax were a minimum of \$200 million. No county levying a convention development tax, however, can be considered a high tourism impact county. Once levied, the tax may be continued until repealed. If levied, the tax rate must be 1 percent. Revenues may be used for the same purposes as the 1 or 2 percent tourist development tax.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	47,350,016	4.40%
2013-14*	45,354,422	4.50%
2012-13	43,401,360	3.33%
2011-12	42,001,812	9.40%
2010-11	38,393,036	14.47%
2009-10	33,538,422	0.38%
2008-09	33,411,647	-2.70%

* Estimate

Annual tourist development tax receipts by county for the period of 1987 through 2013 can be found on the Office of Economic and Demographic Research’s Local Government Data webpage under the heading of Local Option Tax Receipts via the following link.

<http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm>

HISTORY:

Chapter 89-356, L.O.F., authorized a 1 percent levy for counties certified as high tourism impact counties (i.e., High Tourism Impact Tax) and imposed new auditing and accounting requirements on counties that locally administer tourist development taxes. Chapter 90-107, L.O.F., added an optional condition for qualification as a high tourism impact county, which had the effect of making Osceola County eligible to levy the High Tourist Impact Tax. Chapter 94-353, L.O.F., clarified legislative intent regarding those transient rental transactions subject to tax. Chapter 95-133, L.O.F., revised an exemption from public records requirements for county tourism promotion agencies.

HIGH TOURISM IMPACT TOURIST DEVELOPMENT TAX

Chapter 2000-312, L.O.F., authorized counties that self-administer the tax to use certified public accountants to perform those functions associated with self-administration. Chapter 2001-252, L.O.F., authorized certain counties to continue using a tourist development tax after retirement of applicable bonds under certain circumstances. Chapter 2003-34, L.O.F., increased the population threshold from 500,000 to 750,000 for eligible counties to expend the tax proceeds for optional uses. Chapter 2003-37, L.O.F., limited the use of tax proceeds, which were specifically designated for beach improvement, maintenance, renourishment, restoration, and erosion control. Chapter 2003-78, L.O.F., made administrative changes pertaining to county tourism promotion agencies. Chapter 2005-96, L.O.F., reenacted provisions related to referenda and local administration that had been scheduled for repeal. Chapter 2009-133, L.O.F., provided for the application of tourist development taxes to short-term stays at timeshare resorts.

Chapter 2012-180, L.O.F., authorized additional uses by allowing county governments to spend tax proceeds for purposes related to publicly owned and operated aquariums, including acquisition, construction, maintenance, or promotion. Chapter 2013-168, L.O.F., authorized additional uses by allowing county governments to spend tax proceeds for purposes related to aquariums owned and operated by not-for-profit organizations and clarified the automatic expiration of the tax upon the retirement of all bonds issued to finance certain facilities.

IMPOSITION AND RATE:

If levied, the rate must be 1 percent. The tax is levied on all rental charges subject to the transient rental tax pursuant to s. 212.03, F.S. Five counties are eligible to levy this tax, and three counties (i.e., Monroe, Orange, and Osceola) levy as of January 1, 2014.

DISPOSITION AND USES:

In counties for which the tax is administered by the Department of Revenue, collections are returned monthly to the county levying the tax, less costs of administration, for use by the county in accordance with the provisions of s. 125.0104, F.S. In counties self-administering the tax pursuant to s. 125.0104(10), F.S., collections are retained by the county, less cost of administration not to exceed 3 percent, for use in accordance with the provisions of s. 125.0104, F.S.

OTHER STATES:

The National Conference of State Legislatures has published a listing of state lodging tax rates, which is available via the following link: <http://www.ncsl.org/research/fiscal-policy/state-lodging-taxes.aspx>. These statewide taxes on lodging are often levied in addition to state sales taxes and/or local lodging taxes.

ADDITIONAL INFORMATION:

A more detailed description of this tax in its present form as well as a table summarizing taxable sales reported by transient rental facilities, which is used to estimate county revenues for the 2013-14 fiscal year, can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link: <http://edr.state.fl.us/Content/local-government/reports/lgfih13.pdf>

**ADDITIONAL PROFESSIONAL SPORTS
FRANCHISE FACILITY
TOURIST DEVELOPMENT TAX**

FLORIDA STATUTES: Section 125.0104(3)(n)

ADMINISTERED BY: Department of Revenue or self-administered by levying counties

SUMMARY:

Section 125.0104, F.S., authorizes the levy of five separate local option taxes on rental charges subject to the transient rentals tax under s. 212.03, F.S., to be used in various ways to promote tourism within the county. Generally, the revenues from these levies may be used for capital construction of tourist-related facilities, tourist promotion, and beach and shoreline maintenance; however, the authorized uses vary according to the particular levy. No tourist development tax may be levied in any municipality imposing the Municipal Resort Tax authorized under Chapter 67-930, L.O.F., (i.e., Miami Beach, Bal Harbour and Surfside). There is a prohibition against any county levying a convention development tax from levying tourist development taxes at a rate of more than 2 percent; however, this prohibition does not apply to the Professional Sports Franchise Facility Tax or Duval County's levy of the Additional Professional Sports Franchise Facility Tax.

The Additional Professional Sports Franchise Facility Tax may be levied at a rate up to 1 percent by a majority plus one vote of the governing board of the county. Uses of the revenues from this tax are contained in s. 125.0104(3)(n), F.S. Generally, the proceeds can be used to pay debt service on bonds for the construction or renovation of professional sports franchise facilities, spring training facilities of professional sports franchises, and to promote and advertise tourism.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	97,404,253	4.40%
2013-14*	93,299,092	4.50%
2012-13	89,281,428	5.49%
2011-12	84,636,080	10.73%
2010-11	76,436,815	11.85%
2009-10	68,336,069	2.50%
2008-09	66,666,669	-6.75%

* Estimate

Annual tourist development tax receipts by county for the period of 1987 through 2013 can be found on the Office of Economic and Demographic Research's Local Government Data webpage under the heading of Local Option Tax Receipts via the following link.

<http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm>

HISTORY:

Chapters 94-275 and 94-338, L.O.F., authorized any county, which had imposed the Professional Sports Franchise Facility Tax, to impose an additional 1 percent tax (i.e., Additional Professional Sports Franchise Facility Tax) to pay debt service on bonds issued to finance the construction, reconstruction, or renovation of a new professional sports franchise facility as defined in s. 288.1162, F.S. Chapter 94-353, L.O.F., clarified legislative intent regarding those transient rental transactions subject to tax. Chapter 95-133, L.O.F., revised an exemption from public records requirements for county tourism promotion agencies. Chapter 95-416, L.O.F., expanded the authorized uses to include planning and design costs incurred for the facility prior to the issuance of bonds and for facilities that are publicly owned and

**ADDITIONAL PROFESSIONAL SPORTS
FRANCHISE FACILITY
TOURIST DEVELOPMENT TAX**

operated, or publicly owned and operated by the professional sports franchise facility owner or another qualified lessee. Chapter 99-287, L.O.F., authorized the use of the tax proceeds to pay the debt service on bonds issued to finance a retained spring training franchise facility.

Chapter 2000-312, L.O.F., authorized counties that self-administer the tax to use certified public accountants to perform those functions associated with self-administration. Chapter 2001-252, L.O.F., authorized certain counties to continue using a tourist development tax after retirement of applicable bonds under certain circumstances. Chapter 2002-265, L.O.F., authorized the tax proceeds to be used to promote and advertise tourism. Chapter 2003-78, L.O.F., made administrative changes pertaining to county tourism promotion agencies. Chapter 2005-96, L.O.F., reenacted provisions related to referenda and local administration that had been scheduled for repeal. Chapter 2009-133, L.O.F., provided for the application of tourist development taxes to short-term stays at timeshare resorts.

Chapter 2012-180, L.O.F., authorized additional uses by allowing county governments to spend tax proceeds for purposes related to publicly owned and operated aquariums, including acquisition, construction, maintenance, or promotion. Chapter 2013-168, L.O.F., clarified the automatic expiration of the tax upon the retirement of all bonds issued to finance certain facilities.

IMPOSITION AND RATE:

The tax may be levied at a rate up to 1 percent. It is levied on all rental charges subject to the transient rental tax pursuant to s. 212.03, F.S. Sixty-five counties are eligible to levy this tax; however, the county must already levy the Professional Sports Franchise Facility Tax in order to impose this tax as well. Twenty counties levy as of January 1, 2014.

DISPOSITION AND USES:

In counties for which the tax is administered by the Department of Revenue, collections are returned monthly to the county levying the tax, less costs of administration, for use by the county in accordance with the provisions of s. 125.0104, F.S. In counties self-administering the tax pursuant to s. 125.0104(10), F.S., collections are retained by the county, less cost of administration not to exceed 3 percent, for use in accordance with the provisions of s. 125.0104, F.S.

OTHER STATES:

The National Conference of State Legislatures has published a listing of state lodging tax rates, which is available via the following link: <http://www.ncsl.org/research/fiscal-policy/state-lodging-taxes.aspx>. These statewide taxes on lodging are often levied in addition to state sales taxes and/or local lodging taxes.

ADDITIONAL INFORMATION:

A more detailed description of this tax in its present form as well as a table summarizing taxable sales reported by transient rental facilities, which is used to estimate county revenues for the 2013-14 fiscal year, can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link: <http://edr.state.fl.us/Content/local-government/reports/lgfi13.pdf>

TOURIST IMPACT TAX

FLORIDA STATUTES: Section 125.0108

ADMINISTERED BY: Department of Revenue or self-administered by levying counties

SUMMARY:

Any county creating a land authority pursuant to s. 380.0663(1), F.S., is authorized to levy a 1 percent tax on transient rental facilities within the county area designated as an area of critical state concern pursuant to ch. 380, F.S. If the area(s) of critical state concern are greater than 50 percent of the county's total land area, the tax may be levied countywide. The tax proceeds are used to purchase property in the area of critical state concern and to offset the loss of ad valorem taxes due to those land acquisitions. Only Monroe County is currently eligible to levy the tax, and the county levies as of January 1, 2014.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	7,361,146	4.40%
2013-14*	7,050,906	4.50%
2012-13	6,747,279	6.77%
2011-12	6,319,233	17.34%
2010-11	5,385,588	10.57%
2009-10	4,870,711	3.27%
2008-09	4,716,639	-12.68%

* Estimate

Annual tax receipts by county for the period of 1987 through 2013 can be found on the Office of Economic and Demographic Research's Local Government Data webpage under the heading of Local Option Tax Receipts via the following link.

<http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm>

HISTORY:

Chapter 86-170, L.O.F., authorized counties containing an area of critical state concern to levy a 1 percent tax on the lease of transient rentals, the sale of food and beverages at public food service establishments, or the purchase of admissions if the county had created a land development authority. The tax levy is subject to referendum approval. One half of the tax proceeds shall be used to purchase property in areas of critical state concern, and the other half shall be distributed to the county's governing body for the purpose of offsetting the loss of property taxes from land purchases. Chapter 87-280, L.O.F. deleted the tax's applicability to the sale of food and beverages at public food service establishments and the purchase of admissions.

Chapter 2001-252, L.O.F., provided that the tax could be levied throughout the entire county if the area or areas of critical state concern are greater than 50 percent of the land area of the county. Chapter 2006-223, L.O.F., provided that a county that has levied the tax for at least 20 consecutive years prior to removal of the critical state concern designation may continue to levy the tax for 20 years following removal of the designation. After expiration of the 20-year period, a county may continue to levy the tax if the county adopts an ordinance reauthorizing the tax levy and approves the tax by referendum approval. Chapter 2009-133, L.O.F., provided for the application of the tax to consideration paid for occupancy of certain timeshare resort products. Monroe County, the only county to levy the tax, has levied the tax countywide since 1988.

TOURIST IMPACT TAX

BASE AND RATE:

This 1 percent tax must be approved by voter referendum, and the tax base is the same as for the Tourist Development Tax. The tax may be repealed by passage of a resolution by four-fifths vote of the county's governing body.

DISPOSITION:

Unless self-administered, the department returns proceeds, less costs of administration, to the county that imposed the tax. Monroe County, the only county levying the tax, self-administers it. 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. Areas that have been statutorily designated as areas of critical state concern include the Big Cypress area, primarily in Collier County; the Green Swamp area, in central Florida; the Florida Keys area, in south Florida; and the Apalachicola Bay area in Franklin County.

OTHER STATES:

The National Conference of State Legislatures has published a listing of state lodging tax rates, which is available via the following link: <http://www.ncsl.org/research/fiscal-policy/state-lodging-taxes.aspx>. These statewide taxes on lodging are often levied in addition to state sales taxes and/or local lodging taxes.

ADDITIONAL INFORMATION:

A more detailed description of this tax in its present form as well as a table summarizing taxable sales reported by transient rental facilities, which is used to estimate county revenues for the 2013-14 fiscal year, can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link. <http://edr.state.fl.us/Content/local-government/reports/lgfih13.pdf>

**MUNICIPAL RESORT TAX
ON TRANSIENT RENTALS AND FOOD/BEVERAGES**

LAWS OF FLORIDA: Chapters 67-930, 82-142, 83-363, 93-286, and 94-344

ADMINISTERED BY: Self-administered by those municipalities levying the tax.

SUMMARY:

The Municipal Resort Tax may be levied at a rate up to 4 percent on transient rental transactions and up to 2 percent on the sale of food and beverages consumed in restaurants and bars in certain municipalities whose respective county population fell within specified limits based on the 1960 Census and whose municipal charter specifically provided for the levy of this tax prior to January 1, 1968. The tax levy must be adopted by an ordinance approved by the governing body. The tax proceeds can be used for tourism promotion activities, capital construction and maintenance of convention and cultural facilities, and relief of ad valorem taxes used for those purposes. Three municipalities in Miami-Dade County (i.e., Bal Harbour, Miami Beach, and Surfside) are eligible to impose the tax. Bal Harbour and Surfside currently impose the tax at the rate of 4 percent on transient rental transactions and 2 percent on the sale of food and beverages, while Miami Beach imposes the tax at the rate of 3 percent on transient rental transactions and 2 percent on the sale of food and beverages.

REVENUE:

Because the tax is self-administered, the following historical revenue figures were obtained from the municipalities' Comprehensive Annual Financial Reports.

Fiscal Year	Bal Harbour	Miami Beach	Surfside	Total Collections	Annual Change %
2011-12	2,118,487	53,920,167	344,063	56,382,717	12.0%
2010-11	1,131,882	48,773,891	435,175	50,340,948	15.3%
2009-10	876,700	42,394,976	390,873	43,662,549	13.0%
2008-09	848,975	37,412,291	366,867	38,628,133	-1.8%
2007-08	805,262	38,100,260	424,279	39,329,801	1.4%
2006-07	1,712,220	36,595,885	477,563	38,785,668	4.5%
2005-06	2,307,901	34,265,010	546,264	37,119,175	5.5%
2004-05	2,570,155	32,112,039	505,346	35,187,540	17.0%
2003-04	2,123,125	27,406,669	534,731	30,064,525	14.4%
2002-03	1,750,436	24,002,336	531,691	26,284,463	13.3%
2001-02	1,644,417	21,021,618	526,374	23,192,409	-

HISTORY:

Chapter 67-930, L.O.F., authorized municipalities in counties having a total population between 330,000 and 340,000 (i.e., Broward County) or more than 900,000 (i.e., Miami-Dade County), according to the 1960 Census, to levy a tax not to exceed 2 percent on transient rentals and food, beverages, and alcoholic beverages other than beer or malt beverages sold at an establishment licensed by the state hotel and restaurant commission or by the state beverage department. Municipalities were eligible to impose the tax by ordinance if the municipal charter specifically provided or was amended prior to January 1, 1968, to provide for the tax levy.

In 1970, the state challenged the law as unconstitutional and contended that the "...classification of the act as to the cities and towns which can qualify to collect a resort tax in the counties of the prescribed population brackets is so restrictive that the act on its face is a local act..." STATE v. CITY OF MIAMI BEACH [234 So.2d 103, 1970 Fla.SCt 1197]. The Florida Supreme Court upheld the law as valid.

MUNICIPAL RESORT TAX ON TRANSIENT RENTALS AND FOOD/BEVERAGES

Chapter 82-142, L.O.F., authorized a tax increase on transient rentals to a rate not to exceed 3 percent and provided that the increase must be approved by referendum prior to January 1, 1983. Chapter 83-363, L.O.F., authorized a tax increase on transient rentals to a rate not to exceed 4 percent and provided that the increase must be approved by referendum. Chapter 93-363, L.O.F., removed an exemption of the tax to sales of beer and malt beverages. Chapter 94-344, L.O.F., expanded the tax levy to the sale of food or beverages sold at retail and alcoholic beverages sold at retail for consumption on the premises at any place of business required by law to be licensed by the state hotel and restaurant commission or the state beverage department.

IMPOSITION AND RATE:

Municipalities in counties having a population of not less than 330,000 and not more than 340,000 (i.e., Broward County) and in counties having a population of more than 900,000 (i.e., Miami-Dade County), according to the 1960 decennial census, whose charter specifically provided or whose charter was so amended prior to January 1, 1968, for the levy of this exact tax, are eligible to impose it by ordinance adopted by the governing body. The tax shall be levied upon the rent of every occupancy of a room or rooms in any hotel, motel, apartment house, rooming house, tourist or trailer camp, as the same are defined in part I of ch. 212, F.S., and upon the retail sale price of all items of food or beverages sold at retail, and of alcoholic beverages sold at retail for consumption on the premises at any place of business required by law to be licensed by the state hotel and restaurant commission or by the state beverage department. Only three municipalities in Miami-Dade County (i.e., Bal Harbour, Miami Beach, and Surfside) are currently eligible to impose the tax. All three municipalities impose the tax at 2 percent on the sale of food and beverages. Bal Harbour and Surfside impose the tax at 4 percent on transient rental transactions while Miami Beach imposes a 3 percent tax.

DISPOSITION AND USES:

Each municipality levying the tax is responsible for the collection and administration of funds. The tax proceeds shall only be used for the creation and maintenance of convention and publicity bureaus; development and maintenance of art and cultural centers; enhancement of tourism; publicity and advertising; construction, operation, and maintenance of auditoriums, community centers, and convention structures; or relief from ad valorem taxes being used for any of these other purposes.

OTHER STATES:

The National Conference of State Legislatures has published a listing of state lodging tax rates, which is available via the following link: <http://www.ncsl.org/research/fiscal-policy/state-lodging-taxes.aspx>. These statewide taxes on lodging are often levied in addition to state sales taxes and/or local lodging taxes.

ADDITIONAL INFORMATION:

A more detailed description of this tax in its present form can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link.

<http://edr.state.fl.us/Content/local-government/reports/lgfih13.pdf>

**CONSOLIDATED COUNTY
CONVENTION DEVELOPMENT TAX**

FLORIDA STATUTES: Section 212.0305(4) (a)

ADMINISTERED BY: Self-administered by the consolidated City of Jacksonville/Duval County government pursuant to the authority granted by s. 212.0305(5), F.S.

SUMMARY:

Each county operating under a government consolidated with one or more municipalities in the county may impose a 2 percent tax on the total consideration charged for transient rental transactions. The tax shall be levied pursuant to an ordinance enacted by the county's governing body. Only the City of Jacksonville/Duval County consolidated government is currently eligible to levy the tax, and the consolidated government levies as of January 1, 2014.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	5,858,152	4.40%
2013-14*	5,611,256	4.50%
2012-13	5,369,623	2.16%
2011-12	5,256,079	9.94%
2010-11	4,780,658	4.45%
2009-10	4,576,992	-6.71%
2008-09	4,906,310	-11.15%

* Estimate

Annual tax receipts by county for the period of 1987 through 2013 can be found on the Office of Economic and Demographic Research's Local Government Data webpage under the heading of Local Option Tax Receipts via the following link.

<http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm>

HISTORY:

Chapter 83-356, L.O.F., authorized any county operating under a government consolidated with one or more municipalities in the county to impose a 2 percent tax on the total consideration charged for transient rental transactions. Chapter 87-99, L.O.F., authorized counties to locally collect and administer convention development taxes.

Chapter 90-349, L.O.F., authorized municipalities within the county to use tax proceeds to acquire and develop municipal parks, lifeguard stations, or athletic fields. Chapter 93-286, L.O.F., authorized any county or municipality wherein the tax was levied to adopt and implement a convention center booking policy applying to those centers owned or operated by the local government. Chapter 96-397, L.O.F., authorized municipalities having a population of 10,000 or more in a county authorized to levy the tax to use the tax proceeds to promote and advertise tourism.

Chapter 2000-312, L.O.F., authorized counties that self-administer convention development taxes to use certified public accountants to perform the functions associated with self-administration. Chapter 2005-96, L.O.F., reenacted provisions related to self-administration of the tax, which had been set to repeal. Chapter 2009-133, L.O.F., provided for the application of convention development taxes to short-term stays at timeshare resorts.

CONSOLIDATED COUNTY CONVENTION DEVELOPMENT TAX

IMPOSITION AND RATE:

Only a county operating under a government consolidated with one or more municipalities in the county is eligible to levy the 2 percent tax on the total consideration charged for transient rental transactions. The tax shall be levied pursuant to an ordinance enacted by the consolidated government's governing body. The consolidated City of Jacksonville/Duval County is the only government currently eligible to levy the tax, and the consolidated government began levying the tax in 1984.

DISPOSITION AND USES:

The consolidated government began self-administration of the tax in 1990 and retains all tax proceeds. The proceeds shall be used for any of the following purposes: 1) to extend, enlarge, and improve existing publicly owned convention centers; 2) to construct a multipurpose convention/coliseum/exhibition center; or 3) to acquire, construct, extend, enlarge, remodel, repair, improve, or maintain one or more convention centers, stadiums, exhibition halls, arenas, coliseums, or auditoriums. Additionally, municipalities with a population of 10,000 or more may use the proceeds to promote and advertise tourism.

OTHER STATES:

The National Conference of State Legislatures has published a listing of state lodging tax rates, which is available via the following link: <http://www.ncsl.org/research/fiscal-policy/state-lodging-taxes.aspx>. These statewide taxes on lodging are often levied in addition to state sales taxes and/or local lodging taxes.

ADDITIONAL INFORMATION:

A more detailed description of this tax in its present form as well as a table summarizing taxable sales reported by transient rental facilities, which is used to estimate county revenues for the 2013-14 fiscal year, can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link. <http://edr.state.fl.us/Content/local-government/reports/lgfih13.pdf>

**CHARTER COUNTY
CONVENTION DEVELOPMENT TAX**

FLORIDA STATUTES: Section 212.0305(4)(b)

ADMINISTERED BY: Self-administered by Miami-Dade County pursuant to the authority granted by s. 212.0305(5), F.S.

SUMMARY:

Each county, as defined by s. 125.011(1), F.S., (i.e., Miami-Dade County) may impose a 3 percent tax on the total consideration charged for transient rental transactions. The tax shall be levied pursuant to an ordinance enacted by the county's governing body. The governing body of a municipality levying the Municipal Resort Tax may adopt a resolution prohibiting the imposition of the tax within its jurisdiction. If the levy is prohibited, no tax revenue shall be expended within that municipality. Only Miami-Dade County is currently eligible to levy the tax, and the county levies as of January 1, 2014.

REVENUE:

Fiscal Year	Total Collections	Annual Change %
2014-15*	69,728,184	4.40%
2013-14*	66,789,448	4.50%
2012-13	63,913,347	10.70%
2011-12	57,738,044	19.81%
2010-11	48,193,157	16.35%
2009-10	41,420,137	0.39%
2008-09	41,258,186	-11.79%

* Estimate

Annual tax receipts by county for the period of 1987 through 2013 can be found on the Office of Economic and Demographic Research's Local Government Data webpage under the heading of Local Option Tax Receipts via the following link.

<http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm>

HISTORY:

Chapter 83-354, L.O.F., authorized any county, as defined in s. 125.011(1), F.S., to impose a 3 percent tax on the total consideration charged for transient rental transactions. Chapter 87-99, L.O.F., authorized counties to locally collect and administer convention development taxes.

Chapter 93-286, L.O.F., authorized any county or municipality wherein the tax was levied to adopt and implement a convention center booking policy applying to those centers owned or operated by the local government. Chapter 94-351, L.O.F., authorized a county levying the tax to use the proceeds and accrued interest to operate an authority upon completion of authorized projects. Additionally, the authorized uses were expanded to include golf courses or related buildings and parking facilities.

Chapter 2000-312, L.O.F., authorized counties that self-administer convention development taxes to use certified public accountants to perform the functions associated with self-administration. Chapter 2005-96, L.O.F., reenacted provisions related to self-administration of the tax, which had been set to repeal. Chapter 2009-133, L.O.F., provided for the application of convention development taxes to short-term stays at timeshare resorts.

CHARTER COUNTY CONVENTION DEVELOPMENT TAX

IMPOSITION AND RATE:

Each county, as defined in s. 125.011(1), F.S., is eligible to levy the 3 percent tax on the total consideration charged for transient rental transactions. The tax shall be levied pursuant to an ordinance enacted by the county's governing body. Miami-Dade County is the only government currently eligible to levy the tax, and the county began levying the tax in 1984. No municipalities within the county have opted out of the levy.

DISPOSITION AND USES:

The county government began self-administration of the tax in 1988 and retains all tax proceeds. The proceeds shall be used in the following manner. Two-thirds of tax proceeds shall be used to extend, enlarge, and improve the largest existing publicly owned convention center in the county. After completion of this project, the tax proceeds may be used to acquire, construct, extend, enlarge, remodel, repair, improve, plan for, operate, manage, or maintain one or more convention centers, stadiums, exhibition halls, arenas, coliseums, auditoriums, or golf courses, and may be used to acquire and construct an intercity light rail transportation system. One-third of tax proceeds shall be used to construct a new multipurpose convention/coliseum/exhibition center/stadium or the maximum components thereof as funds permit in the most populous municipality in the county. After completion of these projects, the tax proceeds may be used, as determined by the county to operate an authority created pursuant to s. 212.0305(4)(b)4., F.S., or to acquire, construct, extend, enlarge, remodel, repair, improve, operate, or maintain one or more convention centers, stadiums, exhibition halls, arenas, coliseums, auditoriums, golf courses, or related buildings and parking facilities in the most populous municipality in the county.

OTHER STATES:

The National Conference of State Legislatures has published a listing of state lodging tax rates, which is available via the following link: <http://www.ncsl.org/research/fiscal-policy/state-lodging-taxes.aspx>. These statewide taxes on lodging are often levied in addition to state sales taxes and/or local lodging taxes.

ADDITIONAL INFORMATION:

A more detailed description of this tax in its present form as well as a table summarizing taxable sales reported by transient rental facilities, which is used to estimate county revenues for the 2013-14 fiscal year, can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link. <http://edr.state.fl.us/Content/local-government/reports/lgfih13.pdf>

**SPECIAL DISTRICT, SPECIAL, AND SUBCOUNTY
CONVENTION DEVELOPMENT TAX**

FLORIDA STATUTES: Sections 212.0305(4)(c)–(e) and 212.03055

ADMINISTERED BY: Self-administered by Volusia County pursuant to the authority granted by s. 212.0305(5), F.S.

SUMMARY:

Each county chartered under Article VII of the Florida Constitution and which levied a tourist advertising ad valorem tax within a special taxing district on January 1, 1984 (i.e., Volusia County) may impose a tax of up to 3 percent of the total consideration charged for transient rental transactions. Three separate taxes are authorized for levy in three separate taxing districts with the combined effect of authorizing the levy countywide. The taxes can be levied by ordinance enacted by the county’s governing body. Any rate increase in excess of 2 percent must be approved by a majority plus one vote of the county’s governing body.

The three taxes authorized by s. 212.0305(4)(c)-(e), F.S., are the:

- Special District Convention Development Tax, which is levied within the boundaries of the special district formerly levying a tourist advertising ad valorem tax within a special taxing district (i.e., Halifax Area Advertising Authority).
- Special Convention Development Tax, which is levied outside the boundaries of the special district and to the southeast of State Road 415 (i.e., Southeast Volusia Advertising Authority).
- Subcounty Convention Development Tax, which is levied outside the boundaries of the special district and to the northwest of State Road 415 (i.e., West Volusia Advertising Authority).

Only Volusia County is currently eligible to levy the tax, and the county levies as of January 1, 2014.

REVENUE (of three taxes combined):

Fiscal Year	Total Collections	Annual Change %
2014-15*	8,273,072	4.40%
2013-14*	7,924,399	4.50%
2012-13	7,583,156	4.31%
2011-12	7,269,672	5.73%
2010-11	6,875,746	2.84%
2009-10	6,686,051	-2.49%
2008-09	6,857,062	-13.68%

* Estimate

Annual tax receipts by county for the period of 1987 through 2013 can be found on the Office of Economic and Demographic Research’s Local Government Data webpage under the heading of Local Option Tax Receipts via the following link.

<http://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm>

HISTORY:

Chapters 84-67, 84-324, and 84-373, L.O.F., authorized any county levying a tourist advertising ad valorem tax within a special taxing district, pursuant to s. 212.057, F.S., to levy a 1 percent Special District Convention Development Tax within the district’s boundaries located in northeast Volusia County. With this tax’s authorization, a county was prohibited from levying the tourist advertising ad valorem tax previously authorized. Chapter 87-99, L.O.F., authorized counties to locally collect and administer convention development taxes. Chapter 87-258, L.O.F., authorized Volusia County to levy a 1

SPECIAL DISTRICT, SPECIAL, AND SUBCOUNTY CONVENTION DEVELOPMENT TAX

percent in two separate, non-overlapping, geographically designated areas (i.e., Special Convention Development Tax and Subcounty Convention Development Tax) outside of the Special District Convention Development Tax district. This legislation had the effect of authorizing a 1 percent tax countywide to be levied in three separate taxing districts.

Chapter 91-155, L.O.F., increased the authorized tax rates of convention development taxes levied in Volusia County from 1 to 2 percent. Chapter 93-286, L.O.F., authorized any county or municipality wherein the tax was levied to adopt and implement a convention center booking policy applying to those centers owned or operated by the local government. Chapter 95-290, L.O.F., authorized a tax rate increase from 2 percent to up to 3 percent. Any rate increase in excess of 2 percent must be approved by a supermajority (majority plus one) vote of the county's governing body.

Chapter 2000-312, L.O.F., authorized counties that self-administer convention development taxes to use certified public accountants to perform the functions associated with self-administration. Chapter 2005-96, L.O.F., reenacted provisions related to self-administration of the tax, which had been set to repeal. Chapter 2009-133, L.O.F., provided for the application of convention development taxes to short-term stays at timeshare resorts.

IMPOSITION AND RATE:

Only a county, chartered under Article VIII of the Florida Constitution and levying a tourist advertising ad valorem tax within a special taxing district on January 1, 1984, (i.e., Volusia County) is eligible to levy a tax of up to 3 percent tax on the total consideration charged for transient rental transactions. The tax shall be levied pursuant to an ordinance enacted by the county's governing body; however, any rate increase in excess of 2 percent must be approved by a supermajority (i.e., majority plus one) vote of the county's governing body. Volusia County is the only government currently eligible to levy the tax, and the county began levying the tax at 1 percent in 1984.

DISPOSITION AND USES:

The county government began self-administration of the tax in 1990 and retains all tax proceeds. The proceeds shall be used to promote and advertise tourism and to fund convention bureaus, tourist bureaus, tourist information centers, and news bureaus.

OTHER STATES:

The National Conference of State Legislatures has published a listing of state lodging tax rates, which is available via the following link: <http://www.ncsl.org/research/fiscal-policy/state-lodging-taxes.aspx>. These statewide taxes on lodging are often levied in addition to state sales taxes and/or local lodging taxes.

ADDITIONAL INFORMATION:

A more detailed description of this tax in its present form as well as a table summarizing taxable sales reported by transient rental facilities, which is used to estimate county revenues for the 2013-14 fiscal year, can be found in the Office of Economic and Demographic Research's report *2013 Local Government Financial Information Handbook* (published December 2013) via the following link: <http://edr.state.fl.us/Content/local-government/reports/lgfih13.pdf>

ALTERNATIVE SOURCES

ADVANCE DISPOSAL FEES

SUMMARY:

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.

Florida's ADF between 10/1/1993 and 12/31/1994 was 1 cent per package container sold in the state. Effective 1/1/1995, the ADF was 2 cent per container for every container sold in the state. Repeal was effective 10/1/1995.

Fiscal Year	Fee Revenues	Per Capita
93-94	\$24,776,340	\$1.77
94-95	\$21,537,104	\$1.51
95-96	\$8,392,867	\$0.58

OTHER STATES:

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.

Glass Advance Disposal Fee Revenue for Hawaii in 2011 was \$761,535.

REPORT TO THE TWENTY-SIXTH LEGISLATURE, STATE OF HAWAII, 2012

<http://co.doh.hawaii.gov/sites/LegRpt/2012/Reports/1/FINAL%202012%20OSWM%20Leg%20Rpt.pdf>

CONTAINER DEPOSIT FEES

SUMMARY:

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.

OTHER STATES:

Ten states (California, Connecticut, 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. The state of Connecticut enacted legislation in 2009 to require unclaimed deposits to be remitted to the state for deposit in the general fund and to expand the law to include water and nutritionally enhanced water. The state of Delaware enacted legislation in 2010 to phase out the container deposit and replace it with a non-refundable fee levied on beverage containers that previously held a Delaware deposit value. The fee is deposited into a temporary fund designed to expand recycling programs.

Container Deposit Legislation Revenue Data

<u>State</u>	<u>Year</u>	<u>Revenue</u>	<u>Beneficiary</u>
CA	2011	\$1,132,189,537	Department of Conservation's Beverage Container Recycling Program
CN	2007	\$29,000,000(estimated) between \$1 and \$2 million	State of CN
DE	2008	million	Beverage Distributors (from unclaimed deposits)
HA	2010	\$45,009,878	State of HA
IO	2008	\$15,725,581	Beverage Distributors (from unclaimed deposits)
MN	2006	\$1,232,774	State of MN
MA	2010	\$35,274,000	State of MA
MI	2009	\$30,362,000	State of MI
NY	2011	\$115,218,489* \$15,000,000	20% Beverage Distributors (from unclaimed deposits) 80% State of NY
OR	2008	(estimated)	Beverage Distributors (from unclaimed deposits)

* Revenue reported by the New York State Department of Taxation and Finance

PERSONAL INCOME TAX

FLORIDA CONSTITUTION: Article VII, Section 5(a) of the Florida Constitution reads:
NATURAL PERSONS. No tax upon estates or inheritances or upon the income of natural persons who are residents or citizens of the state shall be levied by the state, or under its authority, in excess of the aggregate of amounts which may be allowed to be credited upon or deducted from any similar tax levied by the United States or any state.

SUMMARY:

Florida currently does not levy a personal income tax.

ESTIMATED REVENUE:

Not applicable.

	<u>FY 2014-15</u>
Data based on Federal Personal Income Tax of Florida Residents:	
<u>1% of Estimated:</u>	
Federal Taxable Income (FT)	\$4,191.5
Federal Taxable Income \$20K Exempt*	\$2,657.2
Federal Taxable Income \$40K Exempt*	\$2,127.3
Federal Taxable Income \$60K Exempt*	\$1,201.0
<u>1% of Estimated:</u>	
Federal Tax Liability	\$722.8
Federal Tax Liability Double Per Exempt#	\$459.4
Federal Tax Liability Double Std Ded#	\$484.7

* 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 percent and 6 percent, 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 percent on federal taxable income; Illinois, 3 percent on federal adjusted gross income; Indiana, 3.4 percent on federal adjusted gross income; Massachusetts, 5.3 percent on federal adjusted gross income; Pennsylvania, 3.07 percent on taxable income; Michigan, 4.35 percent on federal adjusted

PERSONAL INCOME TAX

gross income; and Rhode Island, 25 percent of federal tax rates (the taxpayer has the option of computing their income tax liability based on a flat 6.5 percent of gross income).

Incremental tax rate schedules vary considerably among states. Minimum rates range from 0.36 percent (for the first \$1,379 in Iowa) to 6 percent (for the first \$12,750 in North Carolina). Maximum marginal rates range from 4.54 percent (for income above \$150,000 in Arizona) to 9.5 percent (for income above \$357,700 in Vermont).

Currently, 16 states provide some type of indexing. Arkansas (after 1998), California, Idaho, Iowa, Maine, Massachusetts, Michigan, Minnesota, Montana, Nebraska, North Dakota, Ohio, 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, and 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 percent 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 percent 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.

STATE PROPERTY TAX

FLORIDA CONSTITUTION: Prohibited by Article VII, Section I

SUMMARY:

A tax imposed on the market value of real and personal property.

ESTIMATED TAX:

Fiscal Year	Taxable Value** (Billions)	1 Mill Levy (Millions)	Annual Change %
2014-15*	1,488.0	1,488	4.71%
2013-14#	1,421.0	1,421	3.62%
2012-13	1,371.3	1,371	-0.20%
2011-12	1,374.1	1,374	-3.86%
2010-11	1,429.3	1,429	-11.94%
2009-10	1,623.1	1,623	-10.39%
2008-09	1,811.2	1,811	-0.11%
2007-08	1,813.2	1,813	10.54%
2006-07	1,640.3	1,640	24.75%
2005-06	1,314.9	1,315	18.35%
2004-05	1,110.7	1,111	12.79%
2003-04	985.3	985	11.30%
2002-03	885.1	885	9.94%
2001-02	804.9	805	10.27%
2000-01	729.7	730	7.99%
1999-00	675.6	676	7.13%
1998-99	630.8	631	6.41%
1997-98	592.9	593	6.08%
1996-97	559.2	559	4.29%

* Estimate

Preliminary

** Assumes same tax base (real estate, personal property, and centrally assessed) and exemption structure as currently allowed for school districts.

HISTORY:

See discussion of Ad Valorem Taxes in the Major Local Government Revenue Sources section of this handbook.

OTHER STATES:

In the 19th century, property taxes generally were imposed at the state level. During the 20th century the property tax became the major source of local government revenue and the use of the tax as a state revenue source declined substantially. However, in 2007, 37 states imposed state property taxes on selected types of property, averaging \$42 per capita, with 11 states generating more than \$100 per capita.

VALUE - ADDED TAX

SUMMARY:

Florida currently does not levy a value-added tax (VAT).

ESTIMATED REVENUE:

Estimated revenue for 2014-15 from a 1 percent VAT in Florida:

Michigan-type SBT (additive method)	-	\$ 4.2 billion
Invoice-credit VAT	-	\$ 5.8 billion
New Hampshire-type BET	-	\$ 378.5 million

HISTORY:

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 as corporate profits.

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.

In the United States, the state of Michigan used a form of VAT known as the "Single Business Tax" (SBT) as its form of general business taxation. It is the only state in the U.S. to have used a VAT. When it was adopted in 1975, it replaced seven business taxes, including a corporate income tax. On August 9, 2006, the Michigan legislature approved voter-initiated legislation to repeal the Single Business Tax. The repeal became effective January 1, 2008.

VALUE - ADDED TAX

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 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 percent.

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 depend 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.

OTHER STATES:

New Hampshire

MAJOR PENDING LITIGATION

SIGNIFICANT LITIGATION AFFECTING REVENUES

CURRENTLY PENDING LITIGATION

A. Ad Valorem Tax

Florida Power Corp. d/b/a Progress Energy FL and Seminole Electric Coop. v. Greene

Court, Case Number: Citrus County Circuit Court, 2012-CA-1816

Issue: Valuation of power plant and pollution control device equipment

The taxpayer challenges the methodology used to value pollution-control equipment added in 2009, arguing that the property should be considered salvage and taxed under s. 193.621, F.S. The case is currently proceeding in circuit court.

Southeast Housing LLC and BBC Military Housing - Navy Southeast LLC v. Borglum

Court, Case Number: Monroe County Circuit Court, 2012-CA-931 K

Issue: Jurisdiction to tax improvements on federal property

The taxpayer challenges the taxation of improvements that are located on federal property at the Key West Naval Air Station. The Navy has leased a portion of the land to the taxpayer, and conveyed housing facilities to the taxpayer by quit claim. The lessee agreed to build other housing. Monroe County issued assessments on the improvements for all tax years since the property was deeded by the Navy in 2007.

Bill Donegan v. Lisa Vickers

Court, Case Number: Leon County Circuit Court, 2011-CA-002368

Issue: Rule Challenge related to a portion of the Department's 2011 VAB Training

This is a property appraiser challenge to a portion of the Department's 2011 Value Adjustment Board Training that deals with the *Higgs v. Good* case. The challenge seeks to allow the exclusion of evidence under *Higgs* when the petitioner does not provide the evidence before a VAB hearing. DOR's position is that *Higgs* does not apply to VAB hearings.

The Property Appraisers' Association of Florida, et al. v. Florida Department of Revenue

Court, Case Number: Leon County Circuit Court, 372011-CA-002399

Issue: Challenge to Department VAB Training concerning 8th criterion adjustments

This is a property appraiser challenge to the Department's 2011 Value Adjustment Board Training made available June, 2011. The challenge seeks the issuance of a court injunction to preclude special magistrates from making eighth criterion adjustments as described in the training.

Milan Investments Group, Inc., and on behalf of all others similarly situated v. City of Miami et al.

Court, Case Number: 3rd DCA, 3D09-2955

Issue: Miami Downtown Development Authority Millage

SIGNIFICANT LITIGATION AFFECTING REVENUES

The taxpayer challenged the 0.5 mill ad valorem tax assessment of the Miami Downtown Development Authority (DDA), alleging that the statutory authority for such assessments is invalid. The taxpayer requested a permanent injunction from assessment and a refund of prior payments.

The defendants claimed that the refund requests were barred as untimely pursuant to Section 194.171, F.S. The class aspect was challenged as other taxpayers were not identified and shown to have paid their “good faith” tax payments and brought their challenges in a timely manner.

On appeal, the 3rd DCA reversed the trial court’s determination that the four-year statute of limitations bars the taxpayer’s constitutional challenge to the 2008 ordinance fixing the 0.5 mill tax, but confirmed the applicability of the non-claim statute, Section 194.171, F.S. The reversal permitting the challenge to the 0.5 mill tax levy permits the taxpayer’s refund claim to proceed. The court expressed no opinion regarding the taxpayer’s class certification allegations. The case is currently proceeding in circuit court.

Toca v. Department of Revenue

Court, Case Number: DOAH, 10-9935RX

Issue: Use of Social Security Numbers on Property Tax exemption requests

Taxpayer filed an application for homestead exemption in Hillsborough County for 2010, and refused for religious reasons to provide his social security number as required by Section 196.011, F.S., and Rule 12D-7.001, F.A.C. After the exemption was denied he filed a rule challenge to the Department rule. The taxpayer cited Section 761.01, F.S., et seq., the “Religious Freedom Restoration Act of 1998.”

****Sowell v. Department of Revenue***

Court, Case Number: 1st DCA, 1D13-5483

Issue: Property Appraiser assertion of “consistent and continuous” 8th Criterion Adjustment errors by VAB

In April, 2013, the Bay County Property Appraiser appealed 19 VAB decisions, pursuant to s. 194.036(1)(c), F.S., contending that the decisions’ 8th criterion adjustments constituted “consistent and continuous” violations of law. The Department’s review concluded that there was no probable cause that the law had been violated. The property appraiser petitioned for review by the 1st DCA, but that case was dismissed. *See Sowell v. Fla. Dep’t of Revenue*, 122 So. 3d 996 (Fla. 1st DCA 2013).

The property appraiser has filed a petition for mandamus in the 1st DCA, arguing that the Department’s probable cause findings pursuant to s. 194.036(1)(c), F.S., constitute a “final order” or “final agency action” required to be filed with the Department’s agency clerk and subject to appellate review pursuant to Florida’s Administrative Procedure Act.

****Kennedy v. Faux (and 66 other property appraisers)***

Court, Case Number: Polk County Circuit Court, 2013-CA-002567

Issue: Application of Portability provisions to jointly-owned property

Note: Cases denoted by an “*” are new cases that have not been reported in a prior version of the handbook.

SIGNIFICANT LITIGATION AFFECTING REVENUES

Taxpayer filed a declaratory action as a class action against all 67 Florida property appraisers and the Department of Revenue. The taxpayer contends an error in the calculation of the portability transfer has cost 10 to 25 thousand Florida taxpayers between \$10 million and \$40 million.

The lawsuit seeks to certify a class of taxpayers who owned their Florida homestead with another person, and received a “Save Our Homes” portability transfer from their prior home to the new home.

The circuit court issued an order on December 19, 2013, dismissing the property appraisers other than the Polk County property appraiser and dismissing the class action with permission for the taxpayer to refile the case as a single taxpayer.

B. Alcohol, Beverage and Tobacco Taxes

****New Image Global, Inc. v. Dept. of Bus. & Professional Regulation, Div. of Alcoholic Beverages & Tobacco***

Court, Case Number: 4th Judicial Circuit, 13-CA-005906

Issue: Taxability of Cigar Wraps

A manufacturer of homogenized cigar wrappers, a product commonly referred to as “blunt wraps,” is challenging the taxability of his product. The Division maintains that homogenized cigar wraps are not exempt as cigars, and instead qualify as a Tobacco Product under s. 210.25(11), F.S.

****Planet Trading, Inc. v. Dept. of Bus. & Professional Regulation, Div. of Alcoholic Beverages & Tobacco***

Court, Case Number: 9th Judicial Circuit, 13-CA-013731

Issue: Calculation of “Wholesale Sales Price” for Tobacco Tax

This case follows *Micjo v. DBPR*, 78 So.3d 124, in which the 2nd DCA held that the Division was not authorized to incorporate subsequent charges, such as federal excise taxes and delivery costs, into the wholesale sales price when the charges were not part of the initial sale between the manufacturer and distributor. The costs at issue in *Planet Trading* are a part of the price for which the manufacturer sold a tobacco product to a distributor.

C. Communications Services Tax

Marcus and Patricia Ogborn on behalf of themselves and others similarly situated v. Jim Zingale, Acting in his official capacity as the Executive Director, Florida Department of Revenue and DirecTV, Inc. and Echostar Satellite, LLC, n/k/a Dish Network, LLC. v. Department of Revenue

Court, Case Numbers: 2nd Judicial Circuit, 05-CA-1354 and 05-CA-1037

Amount of Claim: \$47 million, recurring

Issue: Use of different CST rates for Cable and Direct-to-Home Satellite Service

Note: Cases denoted by an “*” are new cases that have not been reported in a prior version of the handbook.

SIGNIFICANT LITIGATION AFFECTING REVENUES

These related cases challenge the statutory distinction made in the application of the Communications Services Tax to cable and direct-to-home satellite services. The main issue in these cases is whether the different communications services tax rates in s. 202.12(1), F.S., for cable services (6.8%) and satellite services (10.8%), in isolation, without taking into account the entire tax scheme, violate the Commerce Clause or Equal Protection Clause of the United States Constitution. The cases now have been consolidated and will proceed as one action.

The Florida Cable Telecommunications Association (FCTA) has been permitted to intervene in the consolidated case. The Department and FCTA filed respective motions to dismiss Providers' Amended Complaint. On April 6, 2010, the Court issued an order converting the motions to dismiss to motions for summary judgment and allowed parties to take discovery to develop the record. Discovery is ongoing. A non-jury trial was scheduled for the week of February 18-22, 2013, but an order of continuance was issued in October 2012.

****Terranovanet, Inc.***

Court, Case Number: DOAH, 13-4258

Amount of Claim: \$169,704.33 assessment

Issue: Whether services are communications services or Internet access service

The Department assessed the taxpayer communications services tax and gross receipts tax on charges for telephone-related communications services. The taxpayer claims that these services are being provided as part of its Internet access service. The final hearing is scheduled for March 4, 2013.

D. Corporate Income Tax

HCA Inc. v. Department of Revenue of the State of Florida

Court, Case Number: 2nd Judicial Circuit, 12-CA-3891

Amount of Claim: \$9,256,053.71 assessment, and refunds of \$5,478,332.90

Issues: Inclusion of income from intangible assets within the property and sales factors and claiming a nonbusiness income subtraction

The taxpayer filed a consolidated Florida corporate income tax return with the members of the affiliated group. The issue related to apportionment in this case is whether various amounts of interest, dividend, and capital gain income derived from intangible assets should be included in both the property and the sales factor of Florida's apportionment formula, pursuant to Sections 220.15 and 220.152, F.S.

The issue related to nonbusiness income is whether the taxpayer is entitled to a nonbusiness income subtraction pursuant to Section 220.16, F.S., for interest and dividends included on the taxpayer's consolidated Florida corporate income tax return received by a subsidiary in the ordinary course of the subsidiaries insurance business.

Note: Cases denoted by an "*" are new cases that have not been reported in a prior version of the handbook.

SIGNIFICANT LITIGATION AFFECTING REVENUES

E. Insurance Premium Tax

Ticor Title Insurance Company v. Department of Revenue

Court, Case Number: 2nd Judicial Circuit, 09-CA-1707

Amount of Claim: \$798,388

Issue: Inclusion of agent “commissions” in gross premium calculation

The taxpayer writes title insurance subject to the Florida insurance premium tax pursuant to Section 624.509(1), F.S. The taxpayer contracts with title agents, who retain up to 70% of the premium. The taxpayer alleges the Department incorrectly determined the taxpayer’s tax liability by including 100% of the premium written rather than the net premiums received by the taxpayer.

Fidelity National Title Insurance Company v. Department of Revenue

Court, Case Numbers: 2nd Judicial Circuit, 09-CA-1708 and 10-CA-3540

Amount of Claim: \$1,700,972 (09-CA-1708), and \$627,030 (10-CA-3540)

Issue: Inclusion of agent “commissions” in gross premium calculation

The taxpayer writes title insurance subject to the Florida insurance premium tax pursuant to s. 624.509(1), F.S. The taxpayer contracts with title agents, who retain up to 70% of the premium. The taxpayer alleges the Department incorrectly determined the taxpayer’s tax liability by including 100% of the premium written rather than the net premiums received by the taxpayer.

Chicago Title Ins. Co. v. Department of Revenue

Court, Case Numbers: 2nd Judicial Circuit, 10-CA-3539 and 11-CA-1669

Amount of Claim: \$935,441 (10-CA-3539) and \$1,681,000 (11-CA-1669)

Issue: Inclusion of agent “commissions” in gross premium calculation

The taxpayer writes title insurance subject to the Florida insurance premium tax pursuant to Section 624.509(1), F.S. The taxpayer contracts with title agents, who retain up to 70% of the premium. The taxpayer alleges the Department incorrectly determined the taxpayer’s tax liability by including 100% of the premium written rather than the net premiums received by the taxpayer.

F. Sales and Use Tax

****AE Outfitters Retail Co. v. Department of Revenue***

Court, Case Number: 2nd Judicial Circuit, 2013-CA-000129

Amount of Claim: \$257,965.39

Issue: Exemption of printing expenses

The issue is whether printed inserts and other materials issued with credit card invoices qualify for the exemption in s. 212.08(7)(w), F.S., for “. . . free, circulated publications that are published on a regular basis, the content of which is primarily advertising, and that are distributed through the mail, home delivery, or newsstands. . . .” The Department filed its Answer to the Complaint on February 26, 2013.

Note: Cases denoted by an “*” are new cases that have not been reported in a prior version of the handbook.

SIGNIFICANT LITIGATION AFFECTING REVENUES

Sprint Communications Company, L.P. v. Department of Revenue

Court, Case Number: 2nd Judicial Circuit, 08-CA-2234

Amount of Claim: \$2,190,645.60

Issue: Taxability of telecommunications services purchased for internal use

Sprint is challenging the Department's refund denial of sales tax. Sprint claims that telecommunication services that it sold to telecommunication service dealers for their internal use in connection with their business of providing telecommunication services were excluded from sales tax, pursuant to s. 212.05(1)(g), F.S. (2000), relating to a tax on substitute telecommunication systems.

Verizon Business Purchasing, LLC v. Florida Department of Revenue

Court, Case Number: 2nd Judicial Circuit, 11-CA-1498

Amount of Claim: \$3,133,691.07

Issue: Timeliness of Assessment for Statute of Limitations Purposes

The taxpayer challenges a sales and use tax assessment on leases of real property and purchases of tangible personal property. The taxpayer claims that the assessment is invalid because the Notice of Proposed Assessment did not become an "assessment" for purposes of the statute of limitations in s. 95.091(3), F.S., until it became a "final assessment" after the expiration of the Consent to Extend the Time to Issue an Assessment or to File a Claim for Refund.

The trial court granted the Department's motion for summary judgment as to the timeliness and validity of the assessment. Petitioner filed an appeal of that order on November 2, 2012. Discovery is ongoing for the other issues in the case.

G. Tourist Development Tax

Orbitz LLC; and Internetwork Publishing Corp., d/b/a Lodging.com v. Broward County, Florida and Department of Revenue (Case Nos. 09-126, 09-3300, and 11-001418), Second Judicial Circuit. The following 2nd Judicial Circuit cases have been consolidated with this case:

Expedia, Inc. v. Broward County, Florida and Department of Revenue, Case Nos. 09-131, 09-3299, and 11-001392; ***Priceline.com, Inc. and Travelweb LLC v. Broward County, Florida and Department of Revenue***, Case Nos. 09-127, 09-3301, and 11-001417; ***Hotwire, Inc. v. Broward County, Florida and Department of Revenue***, Case Nos. 09-128, 09-3297, and 11-001394); ***Travelocity.com, LP v. Broward County, Florida and Department of Revenue***, Case Nos. 09-125, 09-3302, and 11-001410; and ***Hotels.com, LP v. Broward County, Florida and Department of Revenue***, Case Nos. 09-129, 09-3298, and 11-001393.

Issue: Sales Price of hotel rooms sold through Internet Intermediaries

Online Travel Companies (OTCs) advertise and sell hotel accommodations to customers over the Internet. Generally, it is claimed that OTCs contract with hotels for a right to obtain an inventory of rooms at a negotiated discount or wholesale rate (net rate). OTCs charge their customers a room rate (retail price) that is greater than the negotiated wholesale rate. OTCs collect from customers the net rate; a markup on the net rate, including service fees (which OTCs claim are

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SIGNIFICANT LITIGATION AFFECTING REVENUES

for services they provide to customers) and tax, which is an amount of tax estimated to be due, based on the “net rate.”

When a customer checks out of a hotel, the hotel invoices the OTC for the net rate and tax amount. OTCs pay the hotels this amount and retain the markup and service fees, as compensation for their services of facilitating the room reservation. The complaints provide that the hotels remit the tax to the Department of Revenue.

OTCs are contesting the Tourist Development Tax that was assessed by Broward County on the difference between the tax calculated on the retail price charged and the tax remitted, based on the net rate. OTCs contend, in part, that they are not in the business of renting, leasing or letting accommodations.

The issues in these cases are: Does the Broward County tax assessment: 1) Violate Broward County Code and Florida Law; 2) Violate the Internet Tax Freedom Act and the Supremacy Clause; 3) Violate the Commerce Clause; 4) Violate Due Process and is vague; 5) Breach confidentiality provisions under s. 213.053, F.S.; or 6) Violate the U.S. Constitution, by the manner Broward conducted the audit assessment through its contingency counsel.

In May 2012, Travelocity.com LP, Travlocity.com, Inc. and Site50.com LLC and Broward County settled their dispute.

On June 25-26, 2012, the court held that the OTCs are not in the business of renting out rooms and; although there is some agency relationship between OTCs and the hotels, it is the hotels that remit the tax to the taxing authority.

The court is currently considering motions for costs and rehearing.

Hotwire, Inc. v. Miami-Dade County, Florida and Department of Revenue, Case No. 09-4977, Second Judicial Circuit. The following 2nd Judicial Circuit cases have been consolidated with this case:

Expedia, Inc. v. Miami-Dade County, Florida and Department of Revenue, Case No. 09-4978; ***Hotels.com, LP v. Miami-Dade County, Florida and Department of Revenue***, Case No. 09-4979; ***Priceline.com, Inc. v. Miami-Dade County, Florida and Department of Revenue***, Case No. 09-4984; and ***Orbitz, LLC; Internetwork Publishing Corp. d/b/a Lodging.com; and Trip Network, Inc., d/b/a Cheaptickets.com v. Miami-Dade County, Florida and Department of Revenue***, Case No. 09-5006.

The facts are similar to those in the Broward County cases, except that OTCS were also assessed Convention Development Tax.

Miami-Dade County decided to opt-in to Monroe County Internet Travel Company class action pending in Federal court and proposed a stay in this case, which was granted. The agreement executed in the federal action required, in part, dismissal of the Tourist Development Tax

Note: Cases denoted by an “*” are new cases that have not been reported in a prior version of the handbook.

SIGNIFICANT LITIGATION AFFECTING REVENUES

assessments and claims pending in the Miami-Dade County, Florida case. On February 10, 2011, the court granted the joint motion to lift stay.

The OTC challenge to the Convention Development Tax assessments remains unaffected by the joint stipulation for partial dismissal of claims.

On September 25, 2012, the court, in part, granted a joint motion to stay this case, pending a final appellate determination in *Leon County, et al. v. Expedia, Inc., et al.*, 1st DCA, Case No. 1DCA 12-2421 (in which the Department is not a party).

Priceline.com, Inc., Travelweb LLC and Lowestfare.com LLC (f/k/a Lowestfare.com Inc.) v. Osceola County and Florida Department of Revenue, Case No. 11-000192, Second Judicial Circuit. The following 2nd Judicial Circuit cases have been consolidated with this case:

Hotels.com L.P. v. Osceola County and Florida Department of Revenue, Case No. 11-000196; *Hotwire, Inc. v. Osceola County and Florida Department of Revenue*, Case No. 11-000202; *Orbitz, Inc., Orbitz, LLC, Trip Network, Inc., d/b/a Cheaptickets.com and Internetwork Publishing Corp., d/b/a Lodging.com v. Osceola County and Florida Department of Revenue*, Case No. 11-000205; *Expedia, Inc. v. Osceola County and Florida Department of Revenue*, Case No. 11-000206; and *Travelocity.com LP, Travelocity.com, Inc. and Site59.com, LLC v. Osceola County and Florida Department of Revenue*, Case No. 11-000208; *Expedia, Inc. v. Osceola County and Florida Department of Revenue*, Case No. No. 12-2040; *Hotels.com, L.P. v. Osceola County and Florida Department of Revenue*, Case No. 12-2043; *Hotwire, Inc. v. Osceola County and Florida Department of Revenue*, Case No. 12-2041; *Orbitz, Inc., Orbitz, LLC, Trip Network, Inc., d/b/a Cheaptickets.com and Internetwork Publishing Corp., d/b/a Lodging.com v. Osceola County and Florida Department of Revenue*, Case No. 12-2038; *Priceline.com, Inc., Travelweb LLC and Lowestfare.com LLC (f/k/a Lowestfare.com Inc.) v. Osceola County and Florida Department of Revenue*, Case No. 12-2044; and *Travelocity.com L.P., Travelocity.com, Inc. and Site59.com, LLC v. Osceola County and Department of Revenue*, Case No. 12-2035.

The facts and claims are similar to the above referenced OTC cases. These OTCs are contesting Tourist Development Tax assessments made by Osceola County. These cases have been consolidated with the cases against Broward County, referenced above, for purposes of discovery only. Discovery is ongoing.

Leon County, Florida v. Expedia, Inc.; Hotels.com, LP; Hotels.com GP, LLC; Delaware Hotwire, Inc.; Travelnow.com, Inc.; Orbitz Worldwide, Inc.; Orbitz, LLC; Orbitz for Business, Inc.; Trip Network, Inc; Priceline.com, Inc.; Travelweb LLC; Sabre Holdings, Corp.; Travelocity.com, Inc.; Travelocity.com, LP; and Department of Revenue, Case No. 09-4882, Second Judicial Circuit.

The facts are similar to those stated in the Miami-Dade and Broward County cases, except that the issues relate to sales and surtax. The complaint further states that the OTCs retain the remainder of what they have charged their customers, including the difference between the tax calculated using the wholesale rate and the tax calculated using the retail rate actually paid by the customer.

Note: Cases denoted by an “*” are new cases that have not been reported in a prior version of the handbook.

SIGNIFICANT LITIGATION AFFECTING REVENUES

OTCs filed an action for declaratory and supplemental relief and for a mandatory injunction. Leon County requests the Court to direct the OTCs to calculate and collect tax based on the retail price paid by the customer and to declare that the OTCs owe the State the difference between the tax due using the wholesale price and the tax due using the retail price. On September 19, 2010, the Judge denied Defendants' motions to dismiss Leon County's Complaint.

On September 19, 2012, the court issued a final summary judgment in favor of the OTCs. On October 4, 2012, Leon County filed a Notice of Appeal. On October 11, 2012, the parties filed a joint stipulation, dismissing Orbitz Worldwide, Inc.; Hotels.com GTP, LLC; Sabre Holdings Corp; Travelocity.com, Inc.; and TravelNow.com, Inc. from the action. On August 16, 2013, the 1st DCA per curiam affirmed the lower court ruling, citing to Alachua County v. Expedia, Inc., 110 So.2d 941 (Fla. 1st DCA 2013). After a motion for rehearing was denied, Leon County filed to invoke discretionary jurisdiction of the Florida Supreme Court. On November 4, 2013, Leon County filed its Jurisdictional Brief in the Florida Supreme Court. On December 2, 2013, OTCs and the Department filed their respective Jurisdictional Briefs.

Note: Cases denoted by an “*” are new cases that have not been reported in a prior version of the handbook.

SIGNIFICANT LITIGATION AFFECTING REVENUES

RECENTLY CONCLUDED LITIGATION

A. Alcohol, Beverage and Tobacco Taxes

Micjo, Inc. d/b/a Micjo, Inc. v. Dept. of Bus. & Professional Regulation, Div. of Alcoholic Beverages & Tobacco

Court, Case Number: 2nd DCA, 2D11-254

Amount of Claim: \$35,437.30 (After Revisions)

Issue: Calculation of “Wholesale Sales Price” for Tobacco Tax

This case was a direct appeal from a final order rendered by the Division, which required Micjo to pay \$47,649.45 in excise taxes by January 24, 2011. The tax liability at issue arose from ss. 210.30(1) and 210.276(1), F.S., which require tobacco distributors to pay a tax and surcharge based on the “wholesale sales price” of tobacco products. Micjo’s primary argument on appeal was that federal excise taxes and delivery charges should be subtracted from the invoice price in order to calculate the “wholesale sales price.” The court ruled on behalf of Micjo.

Micjo, Inc. d/b/a Micjo, Inc. v. Dept. of Bus. & Professional Regulation, Div. of Alcoholic Beverages & Tobacco

Court, Case Number: 2nd DCA, 2D11-3962

Amount of Claim: \$180,739.51

Issue: Calculation of “Wholesale Sales Price” for Tobacco Tax

This case is a direct appeal from a final order rendered by the Division. The tax liability at issue arises from ss. 210.30(1) and 210.276(1), F.S., which require tobacco distributors to pay a tax and surcharge based on the “wholesale sales price” of tobacco products. Micjo’s primary argument on appeal was that federal excise taxes and delivery charges should be subtracted from the invoice price in order to calculate the “wholesale sales price.” The court ruled on behalf of Micjo.

B. Corporate Fees

****Etheredge Limited Partnership v. Detzner***

Court, Case Number: United States District Court for the Northern District of Florida, No. 4:13-cv-00395-RH-CAS

Issue: Constitutionality of Corporate Fees for Late Annual Reports and Reinstatement

This lawsuit challenged the constitutionality of s. 607.193(2)(b), F.S., (imposing a late charge for late business filing) and s. 607.0122(13), F.S., (imposing a fee for reinstatement of business entity after administrative dissolution). The lawsuit alleged these fees are excessive fines in violation of the Florida Constitution. If a class were certified, the estimated exposure based upon the definition of the certified class would be approximately \$150 million, plus prejudgment interest. The Secretary moved to dismiss the action on September 5, 2013. After a hearing, the plaintiffs voluntarily dismissed the action.

Note: Cases denoted by an “*” are new cases that have not been reported in a prior version of the handbook.

SIGNIFICANT LITIGATION AFFECTING REVENUES

C. Sales and Use Tax

Ford Motor Company v. Florida Department of Revenue

Court, Case Numbers: 2nd Judicial Circuit, 11-CA-2407 and 11-CA-2411

Amount of Claim: \$4,095,078

Issue: Taxability of parts used by car dealer to perform post-warranty adjustments

The taxpayer challenges a sales and use tax assessment for repair parts used in performing repair work outside the stated warranty period, commonly known as “goodwill” repairs. The repair work is done by retail dealerships, free of charge to the vehicle owner, and the dealerships are reimbursed for parts, materials, and labor. The taxpayer contends that the assessment is an unlawful pyramiding of tax because the cost of the repairs is included in the sales price of the vehicles and that the retail purchaser of the vehicle is responsible for any tax on the repairs. Lastly, the taxpayer contends that the dealerships are responsible for any tax because the dealerships owned the parts and materials used to complete the repairs. Settled in light of the GM case (discussed below).

General Motors LLC v. Florida Department of Revenue

Court, Case Number: 1st DCA, 1D12-784

Amount of Claim: \$45,706,031

Issue: Taxability of parts used by automotive dealer to perform post-warranty adjustments

The taxpayer challenged a sales and use tax assessment for repair parts used in performing repair work outside the stated warranty period, commonly known as “goodwill” repairs. The repair work is done by retail dealerships, free of charge to the vehicle owner, and the dealerships are reimbursed for parts, materials, and labor.

The taxpayer argued that the cost of this warranty program is included in the original price of the vehicle when purchased, even though it is not legally required to make these repairs (the repairs are made solely at the taxpayer’s discretion). The taxpayer further argued the repair 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 trial court entered summary judgment for the taxpayer. The 1st DCA held that the right to participate in the program and receive repairs was part of the consideration a customer received in exchange for the purchase price of the vehicle, thereby affirming the judgment of the trial court.

Note: Cases denoted by an “*” are new cases that have not been reported in a prior version of the handbook.

INTERNET DATA SOURCES

Internet Resources

Federal Government Data Sources

Website	Organization Name	Brief Description
http://www.federalreserve.gov	Board of Governors of the Federal Reserve	Economic research and data; banking information and regulation
http://www.fcc.gov	Federal Communications Commission	Telecommunications data and reports
http://www.fdic.gov	Federal Deposit Insurance Corporation	Economic statistics
http://www.ffiec.gov	Federal Financial Institutions Examination Council	Economic statistics
http://www.frbatlanta.org	Federal Reserve Bank of Atlanta	Economic research and data
http://research.stlouisfed.org/fred2	Federal Reserve Bank of St. Louis	FRED - Federal Reserve Economic Data
http://www.ncua.gov	National Credit Union Administration	Credit union data
http://www.fedstats.gov	Office of Management and Budget	Portal for US government statistics from more than 100 agencies
http://www.agcensus.usda.gov	US Department of Agriculture, National Agricultural Science Service	Census of agriculture
http://www.srs.fs.usda.gov/pubs/	US Department of Agriculture, Forest Service	Southern Research Station publication and product listing
http://www.census.gov	US Department of Commerce, Bureau of Census	Demographic and economic statistics
http://www.bea.gov	US Department of Commerce, Bureau of Economic Analysis	Economic statistics
http://www.hud.gov	US Department of Housing and Urban Development	Housing data
http://www.huduser.org	US Department of Housing and Urban Development's Office of Policy Development and Research	Housing data
http://www.bls.gov	US Department of Labor, Bureau of Labor Statistics	Employment statistics
http://www.irs.gov/taxstats/index.html	US Department of the Treasury, Internal Revenue Service	Tax statistics
http://www.faa.gov	US Department of Transportation, Federal Aviation Administration	Aviation statistics
http://www.usa.gov	US General Services Administration	Portal for US government agencies and statistics
http://thomas.loc.gov	US Library of Congress	Legislative information from the Library of Congress
http://www.sec.gov/edgar.shtml	US Securities and Exchange Commission	Documents filed with the SEC by public companies can be accessed by EDGAR - Electronic Data Gathering Analysis and Retrieval system

Other National Data Sources

Website	Organization Name	Brief Description
http://www.taxsites.com	AccountantsWorld, LLC	Tax, accounting and payroll sites directory
http://www.alec.org	American Legislative Exchange Council	Books, reports, and white papers on the issues and policies being debated in the states
http://api.org/	American Petroleum Institute	Oil and natural gas research and statistics
http://www.cbpp.org	Center on Budget and Policy Priorities	Research and analysis on proposed budget and tax policies
http://www.ctj.org	Citizens for Tax Justice	Research on the impact of federal, state, and local tax policies
http://www.taxadmin.org	Federation of Tax Administrators	Links to state tax agencies, IRS, and federal data sources
http://www.forrester.com	Forrester Research, Inc.	Research on the business implications of technology change
http://www.governing.com	Governing Magazine, Congressional Quarterly, Inc., a subsidiary of Times Publishing Co.	State and local government news
http://www.iaca.org/about-iaca/jurisdictional-information/	International Association of Commercial Administrators	List of state contacts with links to details on business filing fees
http://www.economy.com/freelunch/default.asp	Moody's Analytics, Inc.	Economic, demographic, and financial data
http://www.mtc.gov	Multistate Tax Commission	Tax research
http://www.realtor.org/research-and-statistics	National Association of Realtors	National housing and economic indicators
http://www.nber.org	National Bureau of Economic Research	Economic data and research
http://www.nccs.urban.org	National Center for Charitable Statistics	Data on US nonprofits
http://www.ncsl.org	National Conference of State Legislatures	Research on state issues
http://www.nga.org	National Governors Association	Governor directory and state-related issue papers
http://www.tvtechnology.com/index	NewBay Media	Links to television industry news
http://www.taxfoundation.org/data	Tax Foundation	Data on tax rates, collections and overall tax burdens
http://www.tiaonline.org	Telecommunications Industry Association	Compilation of publications in the information and communications technology industry
http://heartland.org/issue-archive/infotech-and-telecom-news	The Heartland Institute, Infotech and Telecom News Archive	A monthly archive of infotech and telecom newspaper articles

Internet Resources

Florida Government Data Sources

Website	Organization Name	Brief Description
http://www.eflorida.com	Enterprise Florida, Inc.	Information on Florida's industry clusters and Florida's regions
http://www.law.fsu.edu/crc	Florida Constitution Revision Commission	1997-1998 proceedings
http://www.fl-ag.com	Florida Department of Agriculture and Consumer Services	Agriculture data
http://www.floridajobs.org/community-planning-and-development/assistance-for-governments-and-organizations/special-district-information-program	Florida Department of Economic Opportunity, Division of Community Development	List of special districts
http://www.floridajobs.org/labor-market-information	Florida Department of Economic Opportunity, Labor Market Statistics Center	Florida labor market statistics data
http://www.fldoe.org/	Florida Department of Education	Education data
http://dor.myflorida.com	Florida Department of Revenue	Tax data
http://revenue.law.state.fl.us	Florida Department of Revenue, Revenue Law Library	Links to tax laws
http://www.sunbiz.org/search.html	Florida Department of State, Division of Corporations	Sunbiz - Corporation search
http://laws.flrules.org	Florida Department of State	Laws of Florida
https://www.flrules.org/Default.asp	Florida Department of State, Florida Administrative Register & Florida Administrative Code	Florida government electronic rulemaking system
http://www.flelibrary.org	Florida Department of State, State Library & Information Services, Florida Electronic Library	Florida electronic library
http://www.dot.state.fl.us/planning/statistics/	Florida Department of Transportation, Transportation Statistics Office	TranStat is the Florida Department of Transportation's central clearinghouse and principal source for highway and traffic data
http://www.flgov.com/	Florida Governor's website	Initiatives, press releases, and executive orders
http://www.leg.state.fl.us	Florida Legislature	Online Sunshine includes Florida statutes and constitution and the laws of Florida
http://edr.state.fl.us/Content/local-government/index.cfm	Florida Legislature, Office of Economic and Demographic Research	Local government surveys and tax reports
http://edr.state.fl.us	Florida Legislature, Office of Economic and Demographic Research	Economic and demographic data and revenue estimates
http://www.oppaga.state.fl.us	Florida Legislature, Office of Program Policy Analysis and Government Accountability	OPPAGA reports
http://www.flofr.com/StaticPages/DivisionOfFinancialInstitutions.htm	Florida Office of Financial Regulation, Division of Financial Institutions	Links to financial regulators, trade organizations, and other financial websites
http://www.psc.state.fl.us	Florida Public Service Commission	Utility data and reports
http://www.sbafla.com/fsb/	Florida State Board of Administration	State investment data
http://www.flcourts.org	Florida State Courts	Florida court decisions
http://www.law.fsu.edu/library/databases/ftbrc/index.html	Florida Taxation and Budget Reform Commission	Proposals, recommendations and reports
http://411.myflorida.com	State of Florida	State government 411 online telephone directory

Other Florida Data Sources

Website	Organization Name	Brief Description
http://www.collinscenter.org	Collins Center for Public Policy	Public policy research
http://media.floridarealtors.org/statistics/statisticsfull.htm	Florida Association of Realtors	Florida existing home sales data
http://www.cableinflorida.com	Florida Cable Telecommunications Association	Florida and federal government telecommunication links
http://www.flasports.com	Florida Sports Federation	Lists of events
http://www.floridataxwatch.org	Florida TaxWatch	Public policy research
http://www.itflorida.com	ITFlorida	Directory of Florida public libraries, universities and community colleges
http://www.jamesmadison.org	The James Madison Institute	Public policy research

Universities Data Sources

Website	Organization Name	Brief Description
http://www.economics.fiu.edu	Florida International University, Department of Economics	Economic research
http://metropolitan.fiu.edu/	Florida International University, Metropolitan Center	Demographics, economics, and politics of South Florida
http://www.popcenter.fsu.edu/	Florida State University, Center for Demography and Population Health	Trends in population and health
http://www.coss.fsu.edu/economics/	Florida State University, Department of Economics	Economic research
http://www.pepperinstitute.fsu.edu/	Florida State University, Pepper Institute on Aging & Public Policy	Multidisciplinary work in aging issues
http://www.masonlec.org	George Mason University, School of Law and Economics Center	Information on economy project; legal and economic analysis; public policy impact
http://www.bebr.ufl.edu	University of Florida, Bureau of Economic and Business Research	Demographic data and consumer confidence index
http://www.warrington.ufl.edu/departments/eco/	University of Florida, Department of Economics	Economic research
http://www.shimberg.ufl.edu/	University of Florida, Shimberg Center for Housing Studies	Housing data
http://www.unf.edu/coas/ethics-center/	University of North Florida, Florida Blue Center for Ethics	Applied ethics research

Internet Resources

State Department of Revenue Data Sources

State	DOR Homepage
Alabama	http://www.revenue.alabama.gov
Alaska	http://www.revenue.state.ak.us
Arizona	http://www.azdor.gov
Arkansas	http://www.dfa.arkansas.gov/
California	http://www.taxes.ca.gov
Colorado	http://www.colorado.gov/revenue
Connecticut	http://www.ct.gov/drs/site/default.asp
Delaware	http://revenue.delaware.gov
District of Columbia	http://otr.cfo.dc.gov/
Florida	http://dor.myflorida.com/dor
Georgia	http://www.dor.ga.gov
Hawaii	http://www.state.hi.us/tax
Idaho	http://tax.idaho.gov
Illinois	http://www.iltax.com
Indiana	http://www.in.gov/dor/index.htm
Iowa	http://www.iowa.gov/tax/index.html
Kansas	http://www.ksrevenue.org
Kentucky	http://revenue.ky.gov
Louisiana	http://www.revenue.louisiana.gov
Maine	http://www.state.me.us/revenue
Maryland	http://www.comp.state.md.us
Massachusetts	http://www.mass.gov/dor/
Michigan	http://www.michigan.gov/treasury
Minnesota	http://www.revenue.state.mn.us/
Mississippi	http://www.dor.ms.gov
Missouri	http://dor.mo.gov
Montana	http://revenue.mt.gov/default.mcp
Nebraska	http://www.revenue.nebraska.gov
Nevada	http://tax.state.nv.us
New Hampshire	http://www.revenue.nh.gov
New Jersey	http://www.state.nj.us/treasury/taxation/index.shtml
New Mexico	http://www.tax.newmexico.gov/
New York	http://www.tax.ny.gov
North Carolina	http://www.dor.state.nc.us
North Dakota	http://www.nd.gov/tax
Ohio	http://tax.ohio.gov
Oklahoma	http://www.oktax.state.ok.us
Oregon	http://www.oregon.gov/DOR
Pennsylvania	http://www.revenue.state.pa.us/portal/server.pt/community/revenue_home/10648
Rhode Island	http://www.tax.state.ri.us
South Carolina	http://www.sctax.org/default.htm
South Dakota	http://dor.sd.gov/
Tennessee	http://www.state.tn.us/revenue
Texas	http://www.window.state.tx.us/index.html
Utah	http://www.tax.utah.gov
Vermont	http://www.state.vt.us/tax/index.shtml
Virginia	http://www.tax.virginia.gov
Washington	http://dor.wa.gov/Content/Home/Default.aspx
West Virginia	http://www.revenue.wv.gov/
Wisconsin	http://www.dor.state.wi.us
Wyoming	http://revenue.wyo.gov/



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