

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB GEAC 08-20 General Tax Administration
SPONSOR(S): Government Efficiency & Accountability Council
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Government Efficiency & Accountability Council	13 Y, 2 N	Levin/Dykes	Cooper
1) _____	_____	_____	_____
2) _____	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

The bill includes statutory changes that will reduce the burden on taxpayers, reduce the costs to administer the Department of Revenue (DOR), increase the DOR's efficiency, and assist property owners with various aspects of ad valorem tax assessment and litigation.

Certain portions of the bill have significant impacts on either state or local revenues. There will be a non-recurring cost to DOR to create a training manual for special magistrates. In addition, there are unknown, but significant, fiscal impacts on local governments. See the FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT section of the bill analysis for further details.

The bill is also likely to require a two-thirds vote because portions of the bill may constitute a mandate. See MANDATES section of the analysis for additional information.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Ensure Lower Taxes: The bill makes a number of changes to the tax laws of the State of Florida.

B. EFFECT OF PROPOSED CHANGES:

Sections 1 [s. 72.011, f.s.] **and 26** [s.213.67, f.s.]

Present situation

Currently under Florida tax procedure, taxpayers have 60 days from the date an assessment becomes final to protest the assessment. Florida law requires the Department of Revenue (DOR) to actually receive the protest no later than the 60th day. This requirement of actual receipt is different from the federal tax procedural law which computes the number of days elapsed by the "timely mailing is timely filing" rule, which requires the document to be postmarked by the due date, regardless of when the document is actually received by the Internal Revenue Service.

Proposed change

Sections 72.011 and 213.67, Florida Statutes, are amended so that a petition to contest the assessment of any tax is timely filed if the petition is: postmarked; or delivered to a third-party commercial carrier for delivery; or the action is filed no later than 60 days from the date of assessment.

Sections 2 [s. 125.0104, f.s.], **4**[s. 125.0108, f.s.], **18**[s. 212.03, f.s.], and **19** [s. 212.0305, f.s.]

Present situation

Transient rentals are subject to the local option tourist development tax under s. 125.0104, F.S., which provides that the tax is levied on the "total consideration charged for such lease or rental." Transient rentals are also taxed under ss. 125.0108, F.S., the tourist impact tax in areas of critical state concern; 212.03, F.S., the transient rentals tax, and 212.0305, F.S., the convention development tax. The question of how these taxes should be applied to transient rentals arranged through Internet reservation services, as well as the rental of timeshare units, have been raised in recent years.

Section 125.104(3)(m)2, F.S., also permits a county designated as a high tourism impact county to levy an additional 1¢ tax on transient rentals. Proceeds of this additional tax must be used for professional sports facilities or tourism promotion.

Proposed change

The bill amends ss. 125.0104, 125.0108, 212.03, and 212.0305, F.S., to clarify that the taxes imposed under those sections (the tourist development tax, tourist impact tax, transient rentals tax, and convention development tax) apply to the rental of timeshare units in certain circumstances, and clarifies that payments received by unrelated persons for facilitating the booking of reservations (e.g., online booking services) for transient rentals in excess of what the facility actually receives in payment for the room are not subject to those taxes; and the unrelated party is not required to separately state the actual tax on the room receipt. Related parties who facilitate the booking of reservations are treated in the same manner as the owner of the facility and are taxed upon the entire transient rental amount. The Revenue Estimating Impact Conference adopted estimates on the "Intermediary Issue," the "Timeshare Issue" and the "Non-Related Persons Issue." See FISCAL ANALYSIS & REVENUE IMPACT STATEMENT and MANDATES.

Section 125.0104(3)(m)2., F.S., (which permits a county designated as a high tourism impact county to impose a 1¢ tourist tax for professional sports facilities) is amended to authorize the use of the existing proceeds for publicly owned and operated sports facilities, such as amateur sports fields that attract tourists.

Sections 3 [s. 125.0104, f.s.], **5** [s. 125.0108, f.s.], and **20** [s. 212.031, and s. 212.0305, f.s.]

Present situation

Since the application of these taxes four taxes¹ has not been previously clarified, there is no law which states the legislative intent of the amendments proposed to ss. 125.0104, 125.0108, 212.03 and 212.0305, F.S.

Proposed change

All three sections state that the amendments made to the four tourist taxes² are intended to be clarifying and remedial in nature; they are not a basis for assessments or refunds for period before July 1, 2008.

Section 6 [s. 193.155(4)(c), f.s.]

Present situation

In order to assist Florida homesteads adversely affected by recent hurricanes, the Legislature amended s. 193.155(4)(b), F.S., so that rebuilding of a damaged or destroyed homestead by misfortune or calamity would not increase the homesteads property's assessed value, so long as the square footage of the homestead as changed did not exceed 110% of square footage before the damage or destruction. The Legislature also changed s. 193.155(c), F.S., for those citizens who had taken residency after January 1 of that year and had not been able to apply for homestead exemption because of damage or destruction.

Proposed change

The amendment provides ad valorem tax relief for Florida residents who were permanently residing on property or if improvements were under construction and subject to completion prior to January 1 of the year in which the damage or destruction occurred. If the owners were not entitled to receive a homestead exemption on the property as of January 1 of that year because the house had not been substantially recompleted--but are able to apply for and receive homestead exemption on such property in the year following the completion of the improvements--the value of their homestead would be that value which would have been assessed prior to the damage or destruction.

This section of the bill will reduce the assessment of property taxes on some homesteads in some counties. The amount of this impact is not known. See FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT and MANDATES.

Section 7 [s. 193.461, f.s.]

Present situation

Section 193.461, F.S., contains seven factors to be taken into consideration by a property appraiser in determining whether property is eligible for agricultural classification. Currently, the fourth factor -- size,

¹ Section 125.0104, F.S., the Tourist Development Tax, Section 125.0108, F.S., the Tourist Impact Tax in Areas of Critical State Concern, Section 112.03, F.S., the Transient Rentals Tax, and Section 212.0305, F.S., the Convention Development Tax

² Ibid.

as it relates to specific agricultural use -- is used by some appraisers to require tracts to be as large as 20 acres before the property appraiser will grant the agricultural assessment.

Proposed change

The fourth factor is amended to ensure greater uniformity between counties. Because of the tremendous diversity of Florida agriculture, which encompasses tropical fish farms, fern and outdoor plant nurseries, hydroponic vegetable farms, truck farms, orange groves, and pasture for both beef and dairy cattle, the statute does not create a state-wide minimum size for a property to be classified as agricultural. The bill removes the discretion of property appraisers to deny agricultural classification solely on the basis of any minimum acreage.

This section will change the classification of some lands in some counties to "agricultural." This will result in the reduction of ad valorem revenue receipts in some counties. The amount of this impact has not been quantified. See FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT and MANDATES.

Section 8 [s. 194.011, f.s.]

Present situation

Section 194.011, F.S., currently requires DOR to prescribe by rule uniform procedures for hearings before value adjustment boards (VABs). At the present time, policies and procedures vary from county to county and from board to board.

Proposed change

The section is amended to require the DOR to develop a uniform policies and procedures manual for use by the boards, special magistrates, and taxpayers in proceedings before VABs. The procedures manual shall be available, at minimum, on DOR's website and on existing websites of the clerks of circuit courts.

Section 9 [s. 194.015, f.s.]

Present situation

Current law provides for the creation of a VAB in each county. The VABs purpose is to hear petitions from property owners regarding assessments of value made by the property appraiser. The board consists of three members of the governing body of the county and two members of the school board. Current law authorizes the office of the county attorney to serve as counsel to the board unless the county attorney represents the property appraiser. If the county attorney represents the property appraiser, then the board must appoint private counsel.

Proposed change

The bill changes the composition of the value adjustment board from elected officials to private citizens representing certain different kinds of property owners and appointed by the counties and school boards. The bill requires that a private attorney represent the VAB and precludes any attorney who represents property appraisers, tax collectors, taxing authorities, or property owners in review of property taxes from serving as counsel to the VAB.

This section will require some VABs to hire legal counsel. The amounts of these expenditures are not known at the present time. See FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT and MANDATES.

Section 10 [s. 193.034, f.s.]

Present situation

This section concerns hearing procedures before the VABs.

Proposed change

The section would require VAB decisions to include proposed finding of fact, conclusions of law, and reasons for upholding or overturning the determination of the property appraiser.

Section 11 [194.035, f.s.]

Present situation

Current law requires counties with populations in excess of 75,000 people to appoint special magistrates.

Proposed change

The bill requires all value adjustment boards to appoint special magistrates. The board must verify the magistrate's qualifications, which will include DOR certification beginning January 1, 2009. The special magistrates shall take testimony accurately and completely preserve all testimony; and they shall make recommendations to the board which include findings of fact and conclusions of law. No special magistrate may serve in any county in two consecutive years. This section creates an unknown expense for VABs. See FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT and MANDATES.

In January 2009, the DOR will begin to provide training and certification for the magistrates. The cost to create the *uniform procedures manual* for special magistrates concerning proceedings for VABs will be a non-recurring expense of \$85,000. Section 12 of the bill requires DOR to change tuition fees in an amount sufficient to conduct all aspects of the training. See the FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT section of this bill analysis for further details.

Section 12 [s. 194.037, f.s.]

Present situation

After hearing all petitions, complaints, appeals and disputes, the clerk is required to publish in a newspaper a document headlined: TAX IMPACT OF VALUE ADJUSTMENT BOARD.

Proposed change

The notice would be required to include new information about the number of parcels for which the board considered petitions and the number of parcels for which petitions were not considered because the petitions were withdrawn or settled before hearing.

Section 13 [s. 194.301, f.s.]

Present Situation

Section 194.301, F.S., is entitled Presumption of Correctness, and includes the following language:

“In no case shall the taxpayer have the burden of proving that the property appraiser's assessment is not supported by any reasonable hypothesis of a legal assessment.”

Proposed change

Section 13 of the bill expresses legislative intent concerning the burden of proof in valuation cases, and it expressly rejects court cases which set forth the outdated “any reasonable hypothesis” standard of proof.

Section 14 [s. 195.002(2), f.s.]

Present Situation

There is no uniform training for special magistrates who conduct valuation assessment hearings in ad valorem matters for VABs.

Proposed change

The DOR will conduct training for special magistrates, and it will be authorized to incur reasonable expenditures for salaries and benefits of department employees whose duties are directly associated with the curriculum, training, examination, and certification of special magistrates. The cost to create the *uniform procedures manual* for special magistrates concerning proceedings for VABs will be a non-recurring expense of \$85,000. Section 12 of the bill requires DOR to change tuition fees in an amount sufficient to conduct all aspects of the training. See FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT.

Section 15 [s. 196.192(2), f.s.]

Present situation

Section 196.192(2) F.S., provides that property owned by a tax-exempt entity used predominantly for exempt purposes is exempt from property taxes proportionate to the use for exempt purposes. Section 196.198, F.S. provides a property tax exemption for property used exclusively for educational purposes. A recent Attorney General's opinion (AGO 2007-20) found that improved real property owned by an educational institution which is partially leased at market rate to non-exempt commercial parties whose use is unrelated to educational purposes is not eligible for the predominant use exemption under s. 196.192, F.S.

Proposed change

Section 196.192, F.S., is amended to clarify that all property owned by an exempt entity, including an educational institution, and used predominantly for exempt purposes shall be exempted from ad valorem taxation to the extent of the ratio that such predominant use bears to the nonexempt use.

Section 16 [s. 201.02, f.s.]

Present situation

When any deed transferring real property is filed in Florida, s. 201.02, F.S., generally requires the payment of the documentary stamp tax. Section 201.022, F.S., provides an exemption from documentary stamp taxes for transfers from certain nonprofit organizations to units of state or local government, and requires the department to provide a form, or a place on an existing form, for the nonprofit organization to indicate its exempt status.

Proposed change

The bill requires that the notice of an exempt transaction to be placed on any document assigning, transferring or otherwise disposing of property.

Section 17 [s. 202.29. f.s.]

Present situation

Pursuant to s. 202.27, F.S., dealers must file a communications services tax return with the DOR. Currently, the dealer reports the credit allowed for bad debts (under s. 202.29, F.S.,) separately from the tax when it files its return. The dealer is required to report the credits by time period as well as by the jurisdiction where the original sale occurred, and which subsequently became a worthless accounts.

Proposed change

This change would allow dealers to "net" the credit allowed under s. 202.29, F.S., against the amount of tax due against for reporting purposes. It would also allow dealers to use a proportional allocation method to allocate its allowable bad debt credits to jurisdictions (including the state), rather than having

to specifically identify the jurisdiction from which the particular worthless account originated. Such allocations would be done separately for the state portion of communications services tax imposed under s. 202.12, F.S., and the local portion of communications services tax imposed under s. 202.19, F.S. Finally, such an allocation method would be based upon current gross taxes due, rather than requiring dealers to identify the specific time period in which sales occurred that eventually became worthless accounts.

Section 21 [s. 212.031(1)(a), f.s.]

Present Situation

Section 212.031, F.S., refers to property subject to tax on parking, docking, or storage spaces under s. 212.03(b), F.S.

Proposed change

DOR seeks to correct the reference to s. 212.03(9), F.S.

Section 22 [s. 212.055(7), f.s.]

Present situation

Section 212.055(7), F. S., authorizes counties with a population of less than 50,000 to levy the indigent care surtax by referendum vote at a rate not to exceed 0.5 percent. The proceeds of the surtax may be used to provide indigent care medical services and may be pledged to finance, plan and construct a public or not-for-profit hospital if the governing body of the county determines that such a hospital existing at the time of issuance of the bonds would more likely than not otherwise cease to operate.

At the present time Jackson County has two hospital districts - one contains the Jackson Hospital and the other contains the Campbellton-Graceville hospital. Both of the facilities indicate the need for improvements.

Proposed changes

The legislation modifies the population cap for those counties with two hospital districts to exclude state prisoners and youth in state facilities. (The inmate population at those facilities puts Jackson County close to the existing cap.) It eliminates the "more likely than not" criteria, since such an assessment is difficult to make. The legislation divides the proceeds of the surtax based on the relative population of the two hospital districts, with the understanding that the funds will be applied for the purposes described above.

Section 23 [s. 212.08, f.s.]

Present situation

Building materials used to rehabilitate real property located in an enterprise zone are exempt from sales tax under s. 212.08(5)(g), F.S. Under the current statute it is unclear whether the developer or the ultimate property owner is the taxpayer who qualifies for the exemption. As the number of condominiums being developed in enterprise zones has increased, the DOR is receiving increasing numbers of applications concerning a single development. The statute also requires the taxpayer to provide building permits as documentation of rehabilitation, but some projects do not require full building permits.

Section 212.05(1)(a)2, F.S., provides that no tax is imposed on the sale of an aircraft by or through a registered dealer to a nonresident purchaser who removes it from the state within 10 days after the purchase. If the aircraft is to be repaired or altered after the purchase, it must be removed from the

state within 20 days after the work is completed. Additionally an aircraft is allowed to be returned to the state for repairs within six months after the date of its departure without incurring a tax liability if the aircraft is removed from the state within 20 days following completion of the repairs and appropriate documentation is provided.

Proposed change

The bill amends s. 212.08(5)(g), F.S., to clarify that the exemption inures to the owner, lessee, or lessor of the building at the time the property is rehabilitated. It permits a single application to be submitted for multiple, contiguous parcels that are being developed from a single parcel. The bill also removes the requirement for a building permit as part of the documentation and substitutes a requirement for a permit issued by a municipal or county building department.

Section 212.08(7)(ggg), F.S, is amended to provide a sales tax exemption for an aircraft owned by a nonresident that enters the state within 6 months of the date of purchase and remains for less than 21 total days. This amendment has been estimated to have a recurring impact of (\$.9 million). See FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT.

Section 24 [s. 212.015, f.s.]

Present Situation

Section 213.015, F.S. refers to taxpayer notification and includes a reference to s. 212.0305(3)(j), F.S.

Proposed change

DOR seeks to correct the reference to s. 212.0305(3)(m), F.S.

Section 25 [s. 213.053, f.s.]

Present Situation

Current law does not appear to prohibit DOR from sending general information messages to taxpayers by non-secure electronic format. General information messages include items such as Taxpayer Information Publications, due date reminders, or other public document notices. Because current law does not specifically authorize the Department to send this information electronically, DOR currently uses U.S. mail for these messages.

Proposed change

This proposal would clearly authorize DOR to send general information messages to taxpayers by non-secure electronic format. The messages could be sent by telephone, electronic mail, facsimile or other electronic means. This proposal would lower operating costs and enhance administrative efficiency.

Section 27 and 28 [s. 220.21(2), f.s.]

Present situation

Under legislation enacted in 2007, taxpayers who are required to file their corporate income tax electronically incur a 5 percent penalty per month until they file the return electronically. This penalty mirrors the federal corporate income tax penalty and is imposed even if the taxpayer has remitted a paper return.

Proposed change

The requirement to file electronically if the taxpayer has filed a paper return is eliminated from s. 220.21, F.S., and a one-time penalty of 5 percent of the tax due, up to \$250, is imposed for the failure to filing electronically. The change applies to returns due on or after January 1, 2008. This penalty is 5 percent of the tax due, up to \$250.

Section 29 [s. 336.021, f.s.]

Present situation

Section 366.021, F.S. provides for distribution of the ninth-cent and local option fuel tax to counties in three “tiers.”

- “Tier one” distributions are made to each county monthly and are in proportion to counties’ sales in Fiscal Year 1995-96. These distributions are made to each county until total current-year gallons are equal to Fiscal Year 1995-96 gallons.
- “Tier two” is a special distribution made to Gadsden and Walton Counties
- “Tier three” distributions are monthly and consist of the remaining tax receipts to all counties in proportion to their current year storage capacities.

Because the volume of fuel being sold has increased, the DOR has funds available with which to make “tier three” distributions before the data is available to compute and make “tier two” distributions.

Proposed change

The bill amends s. 336.021, F.S. to allow “tier three” distributions to be made before the “tier two” distribution. DOR states that there is no impact on the “tier two” counties.

Section 30 [s. 443.1215, f.s.]

Present situation

Chapter 443, F.S., concerning unemployment compensation, was rewritten in 2002 and a reference dealing with agricultural employees was incorrectly cited.

Proposed change

The DOR seeks to correct the reference from “subsection” to paragraph (1)(a).

Section 31 and 32 [s. 695.22 and 695.26, f.s.]

Present Situation

Section 695.22, F.S., requires the clerk of the circuit courts to provide the property appraiser a daily list of recorded deeds and other conveyances. Section 695.26, F.S., provides standards for any documents that are recorded by the clerk of the circuit court.

Proposed change

These sections are amended to require each deed or other instrument by which real property is conveyed to include the actual purchase price or other valuable consideration paid on the face of the document.

Section 33 [s. 324.054, f.s.]

Present situation

International banking facilities are eligible for a corporate income tax deduction under s. 220.63(5), F.S. Since 1981, DOR has been required by s. 213.054, F.S., to report the names and addresses of banks that take the deduction to the Chief Financial Officer. The report contains information that must be kept confidential by both the DOR and the Chief Financial Officer, and all affected agencies concur that the report is unnecessary.

Proposed change

The bill repeals s. 213.054, F.S.

Section 34 [s.213.054, f.s.]

Provides July 1, 2008, as the effective date of the bill, unless otherwise expressly provided in sections of the bill.

C. SECTION DIRECTORY:

Section 1. Amends s. 72.011, F.S., relating to time for filing assessment protests.

Section 2. Amends s. 125.0104, F.S., the tourist development tax.

Section 3. Provides legislative intent concerning the changes to s. 125.0104, F.S.

Section 4. Amends s. 125.0108, F.S., the tourist impact tax in areas of critical concern.

Section 5. Provides legislative intent concerning the changes to s. 125.0108, F.S.

Section 6. Amends s. 193.155, F.S., regarding homestead assessments.

Section 7. Amends s. 193.461, F.S., relating to agricultural lands.

Section 8. Amends s. 194.011, F.S., regarding objections to assessments.

Section 9. Amends s. 194.015, F.S., regarding value adjustment boards.

Section 10. Amends s. 194.034, F.S., regarding hearing procedures for value adjustment boards.

Section 11. Amends s. 194.035, F.S., regarding special magistrates.

Section 12. Amends s. 194.037, F.S., regarding disclosure of tax impacts.

Section 13. Provides legislative intent concerning a particular burden of proof in ad valorem proceedings.

Section 14. Amends s. 195.002, F.S., regarding supervision by the Department of Revenue.

Section 15. Amends s. 196.192, F.S., regarding partial property tax exemptions for not for profit educational facilities.

Section 16. Amends s. 201.02, F.S., regarding tax on deeds.

Section 17. Amends s. 202.29, F.S., regarding bad debts.

Section 18. Amends s. 212.03, F.S., the transient rentals tax.

Section 19. Amends s. 212.0305, F.S., the convention development tax.

Section 20. Provides legislative intent concerning the changes to ss. 212.03 and 212.0305, F.S.

Section 21. Amends s. 212.031, F.S., to correct a reference.

Section 22. Amends s. 212.055, F.S., regarding discretionary sales taxes.

Section 23. Amends s. 212.08, F.S., regarding exemptions to the sales tax.

Section 24. Amends s. 213.015, F.S., to correct a reference.

Section 25. Amends s. 213.053, F.S., regarding confidentiality and information sharing.

Section 26. Amends s. 213.67, F.S., regarding garnishment.

Section 27. Amends s. 220.21, F.S., regarding regulations on returns and records.

Section 28. Provides legislative intent concerning the changes to s. 220.21, F.S.

Section 29. Amends s. 336.021, F.S., regarding the county transportation system.

Section 30. Amends s. 443.1215, F.S., regarding employers.

Section 31. Amends s. 695.22, F.S., concerning deeds and conveyances.

Section 32. Amends s. 695.26, F.S., to require additional information on deeds and conveyances.

Section 33. Repeals s. 324.054, F.S.

Section 34. Provides effective dates.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Revenue Estimating Impact Conference has adopted estimates concerning sections **2, 18** and **19** of the bill on the "Intermediary issue" of ss. **125.0104, 212.03** and **212.0305**, F.S.:

Intermediary Issue

	FY 2008-09 Annualized	FY 2008-09 Cash	FY 2009-10 Cash
Sales Tax	negative indeterminate	negative indeterminate	negative indeterminate

The Revenue Estimating Impact Conference has adopted estimates concerning sections **2, 18** and **19** of the bill on the "Payments to Non-Related Persons issue" of ss. **125.0104, 212.03** and **212.0305**, F.S.:

Payments to Non-Related Persons Issue

	FY 2008-09 Annualized	FY 2008-09 Cash	FY 2009-10 Cash
Sales Tax	negative indeterminate	negative indeterminate	negative indeterminate

The Revenue Estimating Impact Conference has adopted an estimate concerning section **23** of the bill which amends, s. 212.08(7)(ggg), F.S., on aircraft temporarily in the state:

Aircraft Temporarily In the State Issue

	FY 2008-09 Annualized	FY 2008-09 Cash	FY 2009-10 Cash
General Revenue	(.8)	(.8)	(.8)
State Trust	(Insignificant)	(Insignificant)	(Insignificant)
Total State Impact	(.8)	(.8)	(.8)

2. Expenditures: Sections 11 and 14 of the bill concerns ss. 194.035 and 195.002(2), F.S., which creates an unknown, but significant, fiscal impact on DOR. The bill requires DOR to develop a *uniform policies and procedures manual* for use in proceedings before value adjustment boards. The cost to create the *uniform procedures manual* for special magistrates concerning proceedings for VABs will be a non-recurring expense of \$85,000. Section 12 of the bill requires DOR to change tuition fees in an amount sufficient to conduct all aspects of the training.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Revenue Estimating Impact Conference has adopted estimates concerning sections **2, 18** and **19** of the bill on the “Intermediary issue” of ss. **125.0104, 212.03** and **212.0305**, F.S.:

Intermediary Issue

	FY 2008-09 Annualized	FY 2008-09 Cash	FY 2009-10 Cash
Tourist Development Tax	(22.0)	negative indeterminate	negative indeterminate

The Revenue Estimating Impact Conference has adopted estimates concerning sections **2, 18** and **19** of the bill on the “Timeshare issue” of ss. **125.0104, 212.03** and **212.0305**, F.S.:

Timeshare

	FY 2008-09 Annualized	FY 2008-09 Cash	FY 2009-10 Cash
Tourist Development Tax	1.1	1.0	1.1

The Revenue Estimating Impact Conference has adopted estimates concerning sections **2, 18** and **19** of the bill on the “Payments to non-related persons issue” of ss. **125.0104, 212.03** and **212.0305**, F.S.:

Payments to Non-Related Persons

	FY 2008-09 Annualized	FY 2008-09 Cash	FY 2009-10 Cash
Tourist Development Tax	negative indeterminate	negative indeterminate	negative indeterminate

Section 6 of the bill concerns s. 193.155, F.S., and it will reduce the assessment of some homesteads in some counties. This will result in the reduction of ad valorem revenue receipts in some counties. The amount of this impact is unknown.

Section 7 of the bill concerns s. 193.461, F.S., which will change the classification of some lands in some counties to "agricultural." This will result in the reduction of ad valorem revenue receipts in some counties. The amount of this impact is unknown.

The Revenue Estimating Impact Conference has adopted a revenue estimate impact concerning section 23 of the bill, which provides an additional sales tax exemption pursuant to s. 12.05(1)(a)2. and 212.08(7)(ggg), F.S.:

Aircraft Temporarily In the State

	FY 2008-09 Annualized	FY 2008-09 Cash	FY 2009-10 Cash
Revenue Sharing	(*) ³	(*)	(*)
Local Gov't Half Cent	(.1)	(.1)	(.1)
Local Option	(.1)	(.1)	(.1)
Total Local Impact	(.2)	(.2)	(.2)

2. Expenditures:

Section 9 of the bill concerns s. 194.015, F.S., which will now require VABs to hire private attorneys. This will result in expenditures by VABs in an amount which is not yet determined.

Sections 11 and 14 of the bill concerns ss. 194.035 and 195.022(2), F.S., and will require all VABs to hire special magistrates. This will result in expenditures by VABs in an amount which is not yet determined.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

D. FISCAL COMMENTS:

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Sections 2, 4, 18 and 19 will reduce the authority of cities and counties to raise revenues and has a significant fiscal impact.

Sections 6 and 7 reduce the ability of cities and counties to raise revenues in the aggregate and may constitute a mandate.

Section 9 requires the expenditure of funds by cities and counties and may also constitute a mandate.

³ * connotes an insignificant amount
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Section 25 authorizes DOR to use non-secure electronic formats to communicate certain general information to taxpayers. This authorization was intended to reduce, the first class mail expenses of DOR; and the next council of reference could consider requiring a report from DOR on its progress in reducing first class mail.

2. Other:

B. RULE-MAKING AUTHORITY:

C. DRAFTING ISSUES OR OTHER COMMENTS:

1. Language concerning the legislative intent of Section 17—that the section shall be effective as if originally enacted in ch. 2000-260 and be remedial in nature—was inadvertently omitted in drafting. The council of next reference may want to consider adding this legislative intent.
2. DOR requested a statutory change concerning the Department's authority to reduce the amount of a taxpayer's refund or credit by the amount of unemployment taxes owed by the taxpayer. The DOR currently offsets refunds or credits against unemployment taxes owed; and the next council of reference may want to confirm DOR's set-off authority.

D. STATEMENT OF THE SPONSOR

Not applicable.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

Not applicable.