

By the Committee on Finance and Taxation and Commissioner
Nabors

8 It is proposed by the Florida Constitution Revision Commission
9 that:

10
11 Section 1. Section 19 is added to Article VII of the
12 Florida Constitution to read:

13 | ARTICLE VII

14 FINANCE AND TAXATION

15 SECTION 19. Limitations on the adoption of exemptions
16 and exclusions from general state sales tax.--

17 (a) Each exemption to and exclusion from the general
18 state sales tax shall satisfy or advance the state public
19 purposes of encouraging economic development and
20 competitiveness; supporting educational, governmental,
21 religious, or charitable initiatives or institutions; or
22 securing tax fairness by the reduction or elimination of
23 regressive tax burdens. To implement this tax reform, the
24 legislature shall reduce the rate of the general state sale
25 tax to a rate not greater than five percent for state fiscal
26 year 2000-2001 and maintain revenue neutrality by taxing all
27 exempted goods and excluded services if the exemption or
28 exclusion fails to satisfy or advance a state public policy.
29 However, the existing general state sales tax exemptions for
30 food, prescription and nonprescription drugs, medical
31 services, residential household rent, electricity, and heat

1 fuel shall not be repealed in the implementation of this tax
2 reform initiative.

3 (b) All exemptions and exclusions granted by the
4 legislature after the effective date of this amendment shall
5 be adopted in a general law that shall embrace no subject
6 matter other than the singular exemption or exclusion granted
7 and that shall declare the state public policy advanced or
8 satisfied by the exemption or exclusion.

9 (c) SCHEDULE AND INTERPRETATION OF SECTION 19.

10 (1) Revenue neutrality guarantee.--The general state
11 sales tax revenues estimated by the legislature in general
12 appropriation bills for state fiscal year 2000-2001 shall not
13 be less than the general state sales tax revenues collected
14 during the prior fiscal year, as adjusted by an amount for
15 growth equal to the average annual rate of growth in general
16 state sales tax revenues over the most recent twenty quarters
17 times the general state sales tax revenues collected during
18 the prior fiscal year.

19 (2) State revenue limitation.--General state sales tax
20 revenues collected for state fiscal years 2001-2002,
21 2002-2003, or 2003-2004 which are in excess of the amount of
22 general state sales tax revenues collected during the prior
23 fiscal year, as adjusted by an amount for growth equal to the
24 average annual rate of growth in Florida personal income over
25 the most recent twenty quarters times the general state sales
26 tax revenues collected during the prior fiscal year, shall be
27 appropriated to reduce the ad valorem tax millage for school
28 purposes established in the prior fiscal year for the funding
29 of grades K through 12 under the established public school
30 funding formula. In the event that this provision conflicts
31 with section 1(e) of Article VII, this provision shall prevail

1 except that the restrictions on the appropriation of general
2 state sales tax revenues in this subsection shall not apply
3 except upon approval of each house of the legislature by
4 two-thirds of the membership to exceed the state revenue
5 limitation of section 1(e) of Article VII in the manner
6 provided therein.

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