

1 A proposal to create
2 ARTICLE VII, s. 19, Fla. Const.; providing
3 limits on the adoption of exemptions and
4 exclusions from the general state sales tax;
5 reducing the rate of the general sales tax to 5
6 percent.

7
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. Tax fairness initiative; exemptions and
16 exclusions from general state sales tax.--

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

1 services, residential household rent, electricity, and heating
2 fuel shall not be repealed in the implementation of this tax
3 fairness initiative.

4 (b) PUBLIC DISCLOSURE OF EXEMPTIONS AND

5 EXCLUSIONS.--All exemptions and exclusions granted by the
6 legislature after the effective date of this amendment shall
7 be adopted in a general law that shall embrace no subject
8 matter other than the singular exemption or exclusion granted
9 and that shall declare the state public policy advanced or
10 satisfied by the exemption or exclusion. Provided, however,
11 the single-subject restriction in this subsection does not
12 apply to general laws implementing the tax fairness initiative
13 mandated in subsection (a).

14 (c) REVENUE NEUTRALITY GUARANTEE.--The general state
15 sales tax revenues estimated by the legislature in general
16 appropriations bills for state fiscal year 2000-2001 shall not
17 be less than the adjusted general state tax revenues that is
18 the amount of general state sales tax revenues collected
19 during the prior fiscal year, adjusted by an amount for growth
20 equal to the average annual rate of growth in general state
21 sales tax revenues over the most recent twenty quarters, times
22 the general state sales tax revenues collected during the
23 prior fiscal year, plus an amount equal to the amount
24 appropriated in fiscal year 1998-1999 from net lottery
25 proceeds for programs not eligible for funding with lottery
26 proceeds after the effective date of a simultaneously adopted
27 constitutional amendment to Article X restricting the use of
28 net lottery proceeds, unless the legislature determines that
29 the needs of the state may be met with less than an amount of
30 revenue that would ensure revenue neutrality. General state
31 sales tax revenues collected for state fiscal years 2001-2002,

1 2002-2003, or 2003-2004 which are in excess of the amount of
2 the adjusted general state tax revenues shall be appropriated
3 to reduce the ad valorem tax millage for school purposes
4 established in the prior fiscal year for the funding of grades
5 K through 12 under the established public school funding
6 formula.