

Finance and Tax Committee
Principles of Taxation for Florida
(incorporating Tax Reform Task Force and AICPA documents)
October 16, 2007

1. Equity and Fairness – The Florida tax system should treat individuals and entities equitably. It should impose similar tax burdens on people and entities in similar circumstances and should minimize regressive impacts.
2. Simplicity, Transparency, and Compliance – The Florida tax system should facilitate taxpayer compliance. It should be simple and easy to understand so as to minimize compliance costs and increase the visibility of the taxes being paid. Complex tax systems contribute to public perception that taxes are unfair and heighten taxpayers' confusion about the process. Complex structures and schedules potentially reduce compliance.
3. Certainty – The Florida tax system should enable taxpayers to determine what is subject to tax and at what rates. It should allow taxpayers to determine their tax liabilities based on the nature of their transactions.
4. Pro-Competitiveness – The Florida tax system should be responsive to interstate and international competition in order to encourage savings and investment in plant, equipment, people, education and technology in Florida. The tax system should encourage economic goals, such as economic growth, economic development, capital formation, and competitiveness.
5. Stability – The Florida tax system should produce revenues in a stable and reliable manner that is sufficient to fund appropriate governmental functions.
6. Revenue Neutrality - The tax system should support the cost/benefit of public purpose and not impede or reduce the productive capacity of the economy.