

CP0000

1 Resolution of the Taxation and Budget Reform Commission  
2 A resolution proposing the creation of a new section in  
3 Article VII of the State Constitution to require the  
4 Legislature to review certain exemptions from the tax on  
5 sales, use, and other transactions and to vote on whether  
6 to retain exemptions.

7  
8 Be It Resolved by the Taxation and Budget Reform Commission:  
9

10 That the following creation of a new section in Article VII  
11 of the State Constitution is agreed to and shall be submitted to  
12 the electors of this state for approval or rejection at the next  
13 general election or at an earlier special election specifically  
14 authorized by law for that purpose:

15 ARTICLE VII

16 FINANCE AND TAXATION

17 Legislative review of exemptions from the tax on sales,  
18 use, and other transactions.--

19 (a) The legislature shall, prior to January 1, 2009,  
20 establish a procedure to review, except as provided in  
21 subsection (b), each exemption from the tax on sales, use, and  
22 other transactions codified in Chapter 212, Florida Statutes.  
23 The legislature shall consider as part of the review whether an  
24 exemption complies with the following principles of taxation:

25 (1) Equity.--The Florida tax system should treat  
26 individuals equitably. It should impose similar tax burdens on  
27 people in similar circumstances and should minimize  
28 regressivity.

CP0000

29        (2) Compliance.--The Florida tax system should facilitate  
30 taxpayer compliance. It should be simple and easy to understand  
31 so as to minimize compliance costs and increase the visibility  
32 and awareness of the taxes being paid. Enforcement and  
33 collection of tax revenues should be done in a fair, consistent,  
34 professional, predictable, and cost-effective manner.

35        (3) Pro-competitiveness.--The Florida tax system should be  
36 responsive to interstate and international competition in order  
37 to encourage savings and investment in plant, equipment, people,  
38 and technology in Florida.

39        (4) Neutrality.--The Florida tax system should affect  
40 competitors uniformly and not become a tool for "social  
41 engineering." It should minimize government involvement in  
42 investment decisions, making any such involvement explicit, and  
43 should minimize pyramiding.

44        (5) Stability.--The Florida tax system should produce  
45 revenues in a stable and reliable manner that is sufficient to  
46 fund appropriate governmental functions and expenditures.

47        (6) Integration.--The Florida tax system should balance  
48 the need for integration of federal, state, and local taxation.

49        (7) Public purpose.--Sales and use tax exemptions for  
50 businesses should promote an important state interest in either  
51 economic development, job creation and retention, economic  
52 diversification, or community revitalization.

53        (b) The review and vote mandated by this section shall not  
54 include a review of exemptions for sales of groceries, health  
55 services, prescription drugs, residential rent, electricity and  
56 heating fuel, items purchased for subsequent resale, intangible  
57 personal property, tangible personal property imported or

CP0000

58 produced for export, and purchases of agricultural products for  
59 further processing for resale.

60 (c) During the 2010 regular session of the legislature,  
61 the legislature shall make a roll-call vote on whether to repeal  
62 each exemption from the tax on sales, use, and other  
63 transactions authorized under chapter 212, Florida Statutes, one  
64 exemption at a time.

65 (1) Each exemption presented to a vote of the legislature  
66 shall be structured as follows:

67  
68 "Shall the exemption from the tax on sales, use, and other  
69 transactions for (the subject of exemption) authorized under  
70 (the specific section, subsection, paragraph, etc.), Florida  
71 Statutes, be repealed?" The exemption shall also be accompanied  
72 by an estimate of the revenue impact of repealing the exemption.

73 (2) For purposes of this section, an exemption means a  
74 single transaction or an exemption set forth in a section,  
75 subsection, or paragraph of chapter 212, Florida Statutes,  
76 whichever describes the fewest number of transactions.

77 (3) An exemption that is rejected by both houses shall  
78 stand repealed.

79 (d) Any additional revenues gained as the result of this  
80 section must be used to lower the tax rate on sales, use, and  
81 other transactions or to reduce the required local effort  
82 component of property taxes.

83 (e) Public testimony on the issues subject to a vote under  
84 this section shall be taken by at least two committees of each  
85 house of the legislature.

86 (f) This section shall stand repealed on January 1, 2011.

87 BE IT FURTHER RESOLVED that the following statement be  
88 placed on the ballot:

89 CONSTITUTIONAL AMENDMENT

90 ARTICLE VII

91 LEGISLATIVE REVIEW OF EXEMPTIONS FROM THE TAX ON SALES,  
92 USE, AND OTHER TRANSACTIONS.--This amendment to the State  
93 Constitution requires the Legislature to review exemptions from  
94 the tax on sales, use, and other transactions. The Legislature  
95 must vote on whether to repeal each exemption singly. Certain  
96 exemptions, including exemptions for groceries, prescription  
97 drugs, and items that would substantially alter the character of  
98 the tax are not subject to review or vote. New revenues must  
99 lower the tax rate or reduce property taxes. The amendment  
100 repeals January 1, 2011.