



## Florida Association of Homes and Services for the Aging

Alma Ballard, Chair

Janegale Boyd, President/CEO

January 16, 2008

Susan Story, Chair  
Finance and Taxation Committee  
2007-08 Florida Taxation and Budget Reform Commission  
Holland Building, Suite 245  
600 S. Calhoun Street  
Tallahassee, Florida 32399-1300

Dear Ms. Story:

Thank you for the opportunity to testify at the January 10 meeting of the Finance and Tax Committee of the 2007-08 Florida Taxation and Budget Reform Commission. It is to your credit that you are allowing for debate and public testimony on proposals related to the repeal of current sales tax exemptions and exclusions. This is a very important topic, not only as it relates to the state's economy, but also as it affects real people.

Since I did not provide you with a written copy of my remarks, I would like to take this opportunity to summarize my comments and suggestions.

- We recognize that Florida, like the rest of the country, is challenged by the sluggish economy and that the repeal of some sales tax exemptions may be warranted. However, we do not support an automatic repeal of all sales tax exemptions because many do serve a public purpose. To avoid any unintended consequences, each sales tax exemption should be reviewed on its own merit and voted up or down.
- An automatic repeal of existing exclusions is even more dangerous because it will create a de facto sales tax on all services except for the few that are specifically exempt. Although "health care services" would be exempt under most of the proposals, many of the services that older people need do not fall into those categories. This is a serious consideration when one considers that Floridians aged 75 and older are the fastest growing segment of our state's population. The very old are service-dependent because of their reliance on others for transportation, in-home services such as personal care and housekeeping, prepared meals, escort services, adult day care, and respite care. Long-term care and personal care services should definitely be among the sales tax exclusions, not only for frail elders but also for disabled people. Most of the services that elder Floridians use would fall under "life's necessities," the broad exempt category suggested to the Commission by Florida TaxWatch.
- "Residential rents" are excluded from sales tax reforms in most proposals. This too can cause a problem for seniors since the term would not include monthly fees charged by assisted living facilities and continuing care and fee-for-service retirement communities. The same is true of entrance fees charged by continuing care retirement communities licensed under Ch. 651, F.S.

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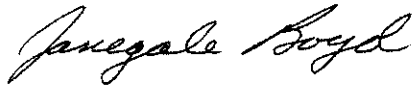
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- The importance of the current sales tax exemption to non-profit organizations with IRS 501 (c) (3) status should not be ignored, particularly in light of the current economic downturn and increased dependence on such organizations by people in dire need of help.

Thank you for your time and consideration. If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Janegale Boyd".

Janegale Boyd  
President/CEO

JGB/bms

CC: Allan Bense, Commission Chairman  
Susan Skelton, Commission Staff Director