

1 A bill to be entitled

2 An act relating to the Joint Legislative Sales and Use Tax
3 Exemption Review Committee; creating s. 11.95, F.S.;
4 creating the Joint Legislative Sales and Use Tax Exemption
5 Review Committee for the purpose of reviewing exemptions
6 from the general state sales and use tax; providing for
7 appointments to and organization of the committee;
8 specifying duties and procedures with respect to such
9 review; providing for open meetings; providing for
10 reports; requiring continuing periodic review of sales and
11 use tax exemptions; providing a period of exemption from
12 review for newly enacted exemptions; providing
13 applicability to other legislation proposing to modify,
14 repeal, or enact an exemption; providing an effective
15 date.

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17 Be It Enacted by the Legislature of the State of Florida:

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19 Section 1. Section 11.95, Florida Statutes, is created to
20 read:

21 11.95 Joint Legislative Sales and Use Tax Exemption Review
22 Committee.—

23 (1) The Joint Legislative Sales and Use Tax Exemption
24 Review Committee is created to conduct comprehensive, periodic
25 reviews of all exemptions from the general state sales and use
26 tax. The committee shall consist of nine senators appointed by
27 the President of the Senate and nine representatives appointed
28 by the Speaker of the House of Representatives. The terms of the
29 members of the initial committee for each review cycle shall
30 commence upon appointment and shall run to the general election

31 preceding the organization of the next Legislature. The terms of
32 the members of subsequent committees for each review cycle shall
33 be for 2 years and shall run from the organization of one
34 Legislature to the general election preceding the organization
35 of the next Legislature. A vacancy shall be filled in the same
36 manner as the original appointment. During even-numbered years,
37 the chair of the committee shall be appointed by the President
38 of the Senate, and the vice chair of the committee shall be
39 appointed by the Speaker of the House of Representatives. During
40 odd-numbered years, the chair of the committee shall be
41 appointed by the Speaker of the House of Representatives, and
42 the vice chair of the committee shall be appointed by the
43 President of the Senate.

44 (2) The committee for each review cycle shall have its
45 initial meeting no later than December 1 of the year of its
46 first regular session and thereafter as necessary at the call of
47 the chair at the time and place designated by the chair. A
48 quorum shall consist of a majority of the committee members from
49 each house. During the interim between regular sessions, the
50 committee may conduct its meetings through teleconferences or
51 other similar means. All meetings of the committee shall be open
52 and noticed to the public and subject to order and decorum in
53 accordance with s. 4(e), Art. III of the State Constitution.

54 (3) The committee shall be governed by joint rules adopted
55 by the Legislature pursuant to authority to adopt rules under s.
56 4, Art. III of the State Constitution.

57 (4) For purposes of this section, the term:

58 (a) "General state sales and use tax" means the sales and
59 use tax imposed under chapter 212.

60 (b) "Exemption" means a provision in chapter 212 that
61 relieves from taxation a sale, use, or other transaction that
62 would, but for such provision, be subject to tax under chapter
63 212. A transaction that is beyond the reach of chapter 212 by
64 reason of definitional or other exclusions shall not be deemed
65 the subject of an exemption for purposes of this section.
66 Included among the transactions excluded from taxation under
67 chapter 212 and therefore not the subject of an exemption to be
68 reviewed by the committee under this section are the following:

- 69 1. Sales that are not retail sales pursuant to s.
70 212.02(14).
- 71 2. Export sales under s. 212.06(5)(a).
- 72 3. Sales for resale under s. 212.07.
- 73 4. Occasional and isolated sales.
- 74 5. The sale or use of intangible property.
- 75 6. The sale of real property.
- 76 7. The sale or use of services, excepting only those
77 services enumerated as taxable in chapter 212.

78 (c) "Single exemption" means an exemption that describes a
79 single transaction or an exemption set forth in a section,
80 subsection, or paragraph of chapter 212, whichever describes the
81 fewest number of transactions.

82 (5) The committee shall have the power and duty to conduct
83 a comprehensive review of all current exemptions from the
84 general state sales and use tax. The committee shall establish
85 criteria by which each exemption shall be evaluated. In
86 developing the evaluation criteria, the committee shall consider
87 the following principles of taxation:

88 (a) Equity.--The Florida tax system should treat
89 individuals equitably. It should impose similar tax burdens on

90 people in similar circumstances and should minimize
91 regressivity.

92 (b) Compliance.--The Florida tax system should facilitate
93 taxpayer compliance. It should be simple and easy to understand
94 so as to minimize compliance costs and increase the visibility
95 and awareness of the taxes being paid. Enforcement and
96 collection of tax revenues should be done in a fair, consistent,
97 professional, predictable, and cost-effective manner.

98 (c) Pro-competitiveness.--The Florida tax system should be
99 responsive to interstate and international competition in order
100 to encourage savings and investment in plants, equipment,
101 people, and technology in Florida.

102 (d) Neutrality.--The Florida tax system should affect
103 competitors uniformly. It should minimize government involvement
104 in investment decisions, making any such involvement explicit,
105 and should minimize pyramiding.

106 (e) Stability.--The Florida tax system should produce
107 revenues in a stable and reliable manner that is sufficient to
108 fund appropriate governmental functions and expenditures.

109 (f) Integration.--The Florida tax system should balance the
110 need for integration of federal, state, and local taxation.

111 (g) Public purpose.--Any sales and use tax exemption under
112 the Florida tax system should be based upon a determination that
113 the exemption promotes an important state interest, including,
114 but not limited to, economic development, job creation and
115 retention, economic diversification, and community
116 revitalization.

117 (6) In conducting its review of each exemption from the
118 general state sales and use tax, the committee shall make
119 findings of fact and recommend whether the exemption should be

120 retained, modified, or repealed. Each recommendation must be
121 made by majority vote of the committee members. If a majority
122 vote of the committee members cannot be achieved, the committee
123 must recommend that the exemption be retained. The findings of
124 fact and recommendations of the committee shall be made by
125 reports to the President of the Senate and the Speaker of the
126 House of Representatives.

127 (7) The committee may use its discretion in determining the
128 order in which it reviews the exemptions; however, the committee
129 should review approximately one-third of the exemptions each
130 year of a 3-year review period. No exemption shall be reviewed
131 more than once during any 3-year review period. For the initial
132 3-year review, the committee shall submit, to the President of
133 the Senate and the Speaker of the House of Representatives, its
134 reports not later than 30 days prior to each regular session in
135 the years 2009, 2010, and 2011. The committee shall begin a new
136 3-year review cycle of all exemptions from the general state
137 sales and use tax every 10 years following the termination of
138 the previous review cycle. For each subsequent 3-year review,
139 the committee shall submit its reports not later than 30 days
140 prior to the regular session of each year of that review period,
141 beginning with the 10th year after the year of the final report
142 for the previous review.

143 (8) At the regular session following submission of each
144 annual report to the presiding officers of the Legislature, the
145 ranking member of each house of the Legislature on the committee
146 shall sponsor and file for introduction in his or her respective
147 house of the Legislature bills presenting for modification or
148 repeal those exemptions from the general state sales and use tax
149 that were recommended by the committee for modification or

150 repeal in the report submitted immediately prior to the session
151 in which introduced. However, if either such member voted
152 against the recommendation of the committee, another member of
153 the committee from that house of the Legislature who voted for
154 the recommendation of the committee shall sponsor the bill in
155 that house of the Legislature. Each bill filed under this
156 subsection shall be exempt from any filing limits applicable in
157 either house of the Legislature and shall be limited to a single
158 exemption and for that purpose only. Upon introduction, each
159 bill filed under this subsection shall be placed on the calendar
160 of the respective house of the Legislature without reference to
161 any committee and must be submitted to a vote of the members of
162 the house of the Legislature in which introduced no later than
163 the eighth week of the session in which introduced, unless the
164 substance of the bill has already been voted on by the members
165 of the other house of the Legislature in another bill during
166 that session and defeated. In addition, each bill filed under
167 this subsection that receives a majority vote in the house of
168 the Legislature in which introduced must be submitted to a vote
169 of the members of the other house of the Legislature during that
170 session, unless the substance of the bill has already been voted
171 on by the members of the other house of the Legislature in
172 another bill during that session and defeated.

173 (9) In no event shall the repeal of an exemption take
174 effect sooner than 180 days following its passage by the
175 Legislature.

176 (10) Any new exemption from taxation under chapter 212 is
177 exempt from review under this section for 6 years after it takes
178 effect.

179 (11) Nothing contained in this section shall preclude, or
180 be construed to limit, a legislator from filing for any
181 legislative session a bill proposing to modify, repeal, or enact
182 any exemption from the general state sales and use tax or the
183 imposition of such taxation on the sales of any service.

184 Section 2. This act shall take effect upon becoming a law.
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