

Finance and Tax Committee
Florida Taxation and Budget Reform Commission
221 Senate Office Building
Tallahassee, Florida
9:00 A.M. – 9:30 A.M.
May 18, 2007

Committee Members: *Susan Story, Chair; Barney Barnett, Martha Barnett, Julia Johnson, Bruce Kyle, Patricia Levesque, John McKay, Randy Miller, James Scott, Kenneth “Ken” Wilkinson, Brian Yablonski*

Members Present:

Susan Story, Chair
Barney Barnett
Martha Barnett
Julia Johnson
Patricia Levesque
John McKay
Randy Miller
James Scott
Kenneth “Ken” Wilkinson

Excused Absences:

Bruce Kyle
Brian Yablonski

The Finance and Tax Committee was called to order by Chair Story at 9:10 a.m.

Staff called the roll and announced the presence of a quorum.

Chair Story asked the committee to consider the need for a set of “self-imposed” rules of decorum for the committee’s future meetings. In addition, she asked the group to determine whether it made sense to have a set of guiding principals to frame future discussions on issues of importance.

Commissioner Randy Miller indicated that several organizations have established guiding principals and that the committee should direct staff to review some of those already created documents.

Commissioner John McKay expressed that he wants the committee to be able to review tax sources without constraint or political overlays. He recommended that the committee look at a broad view and then make recommendations on how to present those concepts. Further, he indicated that he believed that the discussion on taxing structures should be separate from the discussion on governmental services.

Commissioner Martha Barnett agreed that was a valid point. She said that there needs to be a discussion of the taxing structure and what it should look like going forward at both the state and local levels.

Commissioner James Scott expressed that the committee may want to take some time to look at all of the issues that are out there and then filter down the focus of the committee as the group gets closer to the decision-making process. It may make sense to wait to develop guiding principals until the group better understands the scope of the workload.

The group agreed to wait until more information and education is available to the membership.

Discussion of Scope of Work

Chair Story asked the committee if there was a need to have a detailed education on the state and local taxing structures and how they intertwine. The group agreed that is needed.

Commissioner Martha Barnett told the group about a book which is published as a joint legislative project, The Florida Tax Handbook. She indicated that it would be good to procure copies for each member (*Note: each member of the Commission was provided a copy of the book at the full commission meeting later on May 18.*)

Commissioner Miller noted that at the local level there has been an incredible increase in the number of taxing units.

Commissioner Patricia Levesque suggested that the committee should look at solutions being proposed in other states. Members agreed and mentioned that Texas had done some recent work in this subject area.

Commissioner Julia Johnson inquired about whether the tax structure includes the efficacy of collection rates. She asked if the taxing units are actually collecting all of the taxes that are charged. All agreed that this was a subject that needed further investigation.

Suggestions for How to Proceed

Chair Story asked the group about what issues should be addressed first and how to proceed with future planning. All agreed that the issues of constitutional limitations and revenue needs were of highest importance. Discussions related to review of the 1990-1991 Taxation and Budget Reform work products should follow and address successes and failures so that similar mistakes are not made.

The committee agreed that the early meetings should be used to educate the members on issues of importance, that public hearings should be held prior to formulating recommendations and later to allow the public to comment on those recommendations. The timeline for developing recommendations was discussed.

Commissioner Miller suggested that the committee might want to coordinate workshops with the Governmental Services Committee on areas of interest that overlap both groups.

The Chair asked members to get any suggestions for information, research groups, educational resources, etc., to staff.

Other Business

Commissioner Miller reiterated the importance of looking back to review “failed taxes” to see what caused the concepts to fail. He mentioned examples such as the unitary tax and the services tax.

Commissioner Kenneth “Ken” Wilkinson indicated that he would like a chance to address the committee on Save Our Homes.

Scheduling

The Chair asked members to send a note to staff indicating any dates for the next year that are not suitable for meetings by next week.

There being no further business, the committee adjourned at 9:35 A.M.