

Side by Side Comparison of CP0007 and  
Amendment No. 1 (CP7 FT Amd1 11:47 a.m. 1/10/08)  
Finance and Taxation Committee  
Taxation and Budget Reform Commission  
January 10, 2008

CP0007	Amendment No. 1	Comments
<ul style="list-style-type: none"> <li><b>Review</b></li> </ul> <p>Requires the Legislature to conduct a review.</p> <p>The review probably would result in some sort of legislative report.</p>	<ul style="list-style-type: none"> <li><b>Review</b></li> </ul> <p>Creates a joint legislative committee to conduct a review and create a list of the least meritorious exemptions equal to 15 percent of the estimated state revenue impact of exemptions reviewed.</p> <p>The Committee must provide a report of its findings and list of exemptions to all Legislators before the 2010 regular session.</p>	<p>The amendment is designed to reduce the number of exemptions to be voted on by the whole Legislature.</p> <p>The Legislature will vote on approximately \$1.85 billion of exemptions based on 2007 revenue impact estimates.</p> <p>The 15% figure is not necessarily a magic number.</p>
<ul style="list-style-type: none"> <li><b>Review Factors</b></li> </ul> <p>Equity, Compliance, Pro-competitiveness, Neutrality, Stability, Integration, Public Purpose</p>	<ul style="list-style-type: none"> <li><b>Review Factors</b></li> </ul> <p><i>Sufficiently</i> serves public purpose of: economic development and competitiveness; supporting educational, governmental, literary, scientific, religious, or charitable institutions; securing tax fairness, <i>or supporting another important public purpose.</i></p>	<p>Staff received comments that the factors in CP 2, by McKay, were better factors. However, the test is not whether an exemption serves a public purpose, but whether the exemption <i>sufficiently</i> serves a public purpose. The amendment permits an “other” category of justifiable purposes.</p>
<ul style="list-style-type: none"> <li><b>Not Reviewed</b></li> </ul> <p>Structurally important exemptions and specified necessities.</p>	<ul style="list-style-type: none"> <li><b>Not Reviewed</b></li> </ul> <p>Structurally important exemptions.</p>	<p>The categories of necessities identified in CP 7 did not correspond to specific statutory exemptions.</p>
<ul style="list-style-type: none"> <li><b>Voting</b></li> </ul> <p>Legislature must vote on all exemptions during 2010 regular session.</p>	<ul style="list-style-type: none"> <li><b>Voting</b></li> </ul> <p>Legislature must vote on each exemption on the list of the least meritorious exemptions during 2010 regular session.</p>	

<b>CP0007</b>	<b>Amendment No. 1</b>	<b>Comments</b>
<ul style="list-style-type: none"> <li>• <b>Procedure</b> Legislature votes on measures akin to ballot issues, not subject to veto.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Procedure</b> Legislature votes on joint resolutions not subject to veto.</li> </ul>	Both procedures are an exception to the constitutional procedures on how laws are made normally. However, a single exemption bill could be used and gubernatorial veto power could be restored.
<ul style="list-style-type: none"> <li>• <b>Effective Date of Repeal</b> Not specified.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Effective Date of Repeal</b> October 1, 2010.</li> </ul>	An effective date for repealed exemptions is important.
<ul style="list-style-type: none"> <li>• <b>Revenue Neutrality</b> Additional revenues must reduce sales tax rate or reduce RLE.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Revenue Neutrality</b> Additional <i>state</i> revenues must reduce sales tax rate or reduce RLE.</li> </ul>	CP 7 did not clearly address whether the measure applied to state or state and local revenues. The amendment could be modified to address additional local option sales tax revenues.
<ul style="list-style-type: none"> <li>• <b>Exemption Defined</b> An exemption means a single transaction or an exemption set forth in a section, subsection, or paragraph of ch. 212, F.S., whichever describes the fewest number of transactions.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Exemption Defined</b> An "exemption" is a provision in ch. 212, F.S., which relieves from taxation a sale, use, or other transaction that would, but for such provision, be subject to tax. A transaction that is beyond the reach of ch. 212, F.S., by reason of its definition or other exclusion shall not be deemed the subject of an exemption for purposes of this section.</li> </ul>	<p>CP 7 may have prevented the Legislature from addressing multiple exemptions in a statutory subunit.</p> <p>For example s. 212.08(7)(d), F.S., states: (d) Feeds.—Feeds for poultry, ostriches, and livestock, including racehorses and dairy cows, are exempt.</p>
<ul style="list-style-type: none"> <li>• <b>Public Testimony</b> Requires public testimony in at least two committees of each house.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Public Testimony</b> No requirement for public testimony.</li> </ul>	The Legislature will likely accept public testimony without a constitutional mandate.
<ul style="list-style-type: none"> <li>• <b>Expiration Date</b> Expires January 1, 2011.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Expiration Date</b> Expires January 1, 2011.</li> </ul>	