

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.

16  
17 Be It Enacted by the Legislature of the State of Florida:

18  
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 and not become a tool for "social  
104 engineering." It should minimize government involvement in  
105 investment decisions, making any such involvement explicit, and  
106 should minimize pyramiding.

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

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

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

118 (6) In conducting its review of each exemption from the  
119 general state sales and use tax, the committee shall make

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121 retained, modified, or repealed.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

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

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

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

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

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

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

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

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