

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Law:

Approved Bidder List; Standard Contracts

Chapter 195, F.S., describes the administrative and regulatory duties of the state regarding just valuation for ad valorem tax purposes.

Under s. 195.095, F.S., the Department of Revenue (Department) is required to maintain an approved state bidder list. This list is a directory of approved vendors that perform property assessment services or provide assessment related technologies that can be utilized by Florida property appraisers, tax collectors, and county commissioners. The Department is also required to promulgate a standard contract that contains the minimum requirements for all contracts entered into with the approved vendors.

The Department has found that these requirements are no longer necessary due to technological advancements in computer assisted mass appraisal systems utilized by local governments.

Persons Claiming Tax Exemptions or Deductions; Annual Report

Chapter 213, F.S., provides general provisions of the state's revenue laws. Among these are provisions that outline the privacy and confidentiality requirements placed upon the Department for the taxes it administers. However, circumstances allow for certain taxpayer information to be shared with specified entities¹.

Under s. 213.054, F.S., the Department is directed to monitor the utilization of corporate income tax deductions by international banking facilities². Also, an annual report containing the names and addresses of taxpayers who have claimed these deductions is provided to the Chief Financial Officer (CFO) by the Department. Taxpayer information sharing for international banking facilities, between the CFO and the Department, is authorized under s. 213.053(5), F.S. Both the Department and the CFO's office have found this annual report to be unnecessary.

¹ These confidentiality and information sharing provisions are found in 213.053, F.S.

² Corporate income tax deductions for international banking facilities are authorized pursuant to chapter 81-179, L.O.F.

Telefile

Chapter 443, F.S., sets forth provisions for the funding and administration of the state's unemployment insurance system. The Agency for Workforce Innovation, working alongside the United States Department of Labor, regulates the state's unemployment compensation plans, policies, and procedures.

Section 443.163(3), F.S., provides that the Department of Revenue, as the tax collection service provider for the Agency for Workforce Innovation, may grant a waiver from electronic reporting if the employer timely files by "telefile". However, telefile no longer exists for purposes of filing unemployment tax returns.

Effect of Proposed Changes:

This bill repeals s. 195.095, F.S., thereby removing the requirements of the Department to maintain an approved state bidder list and promulgate standard contracts for local governments working with vendors that provide property assessment services and technologies.

This bill repeals s. 213.054, F.S., to remove the requirement that the Department provide an annual report to the Chief Financial Officer related to the utilization of corporate income tax deductions by international banking facilities. Also, s. 213.053(5), F. S., is amended to remove the permission to disclose certain taxpayer information between the Department and the CFO related to corporate income tax deductions taken by international banking facilities.

This bill amends 443.163(3), F.S., removing the reference to telefile for purposes of filing unemployment returns.

This bill will take effect upon becoming a law.

B. SECTION DIRECTORY:

Section 1: Repeals s. 195.095, F.S., related to the approved state bidder list and standard contracts for property assessment services, and s. 213.054, F.S, related to the annual report provided by the Department for the utilization of corporate income tax deductions for international banking facilities.

Section 2: Amends s. 213.053, F.S., related to the disclosure of taxpayer information to the Chief Financial Officer by the Department.

Section 3: Amends s. 443.163(3)(c), F.S., removing the reference to telefile.

Section 4: Provides that the bill will take effect upon becoming a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal government.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

On February 17, 2010, the Finance & Tax Council adopted 2 amendments:

- The first amendment removed section 2, removing the definition of “qualified aircraft” in s. 212.02(33), F.S., and section 3, removing references to qualified aircraft in s. 212.08(7)(ee), 212.08(7)(rr), and 212.08(7)(ss), F.S.
- The second amendment removed the repeal of s. 212.0801, F.S., that provides for the qualified aircraft exemption from section 1.