

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Transportation Committee

BILL: SB 236

INTRODUCER: Senator Baker

SUBJECT: Vanpools

DATE: April 8, 2010

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Eichin	Meyer	TR	Pre-meeting
2.			FT	
3.			WPSC	
4.				
5.				
6.				

I. Summary:

The bill exempts vanpool lease agreements from sales tax and surcharges levied under ch. 212, F.S., provided the applicable tax has been paid on the acquisition of the vehicle.

A vanpool lease is defined to mean a lease or license to use a passenger vehicle seating 7 to 15 persons for the primary purpose of commuting to and from work.

This bill creates paragraph (ggg) of s. 212.08(7), F.S.

II. Present Situation:

Vanpools

A vanpool is a group of people traveling together from a community or common gathering point to the same workplace and back. Vanpools typically carry from seven to fifteen passengers, and operate weekdays, traveling between one or two common pick-up locations (often a park-and-ride lot where a rider may leave his/her car, or a transit station) and the workplace. Vanpool programs are administered in a variety of ways, such as through the active involvement of or promotion by an employer or through the efforts of third parties such as transit agencies, transportation management associations, and metropolitan planning organizations.

For example, the South Florida Vanpool Program (SFVP) was created in 1998 by the Miami-Dade Metropolitan Planning Organization (MPO) which allocated federal congestion management and air quality (CMAQ) funds to implement the program. Broward and Palm Beach MPOs joined the SFVP in 2002 and 2006, respectively. The program operates based on a 30-day lease agreement between the vanpool provider (VPSI, Inc.) as the lessor and the volunteer driver

as the lessee. VPSI provides the van, insurance (no-deductible), all scheduled and non-scheduled maintenance, as well as a backup vehicle, if needed. A monthly fee is charged to each participant based on the size of the van (7, 9 or 15 passengers) and the monthly mileage.

Taxes on Sales, Use, and Other Transactions

Generally, ch. 212, F.S., contains the state's statutory provisions authorizing the levying and collection of Florida's sales and use tax, as well as the exemptions and credits applicable to certain items or uses under specified circumstances. The statutes currently provide more than 200 different exemptions.

Section 212.05(1), F.S., imposes a 6 percent tax on tangible personal property, including vehicles, sold, used, consumed, distributed, stored for use or consumption, rented, or leased in Florida.

Section 212.0606(1), F.S. imposes a rental car surcharge of \$2.00 a day, for the first 30 days of any motor vehicle lease or rental.

Section 212.08, F.S., provides a number of exemptions from the tax and surcharges established in the chapter.

III. Effect of Proposed Changes:

The bill effectively differentiates between a lease used in the acquisition of a vehicle and a vanpool lease relating to the use or operation of a van for commuting purposes.

The bill creates paragraph 212.08(7)(ggg), F.S., to provide an exemption from the tax and surcharges imposed by ch. 212, F.S., for vanpool leases.

The term "vanpool lease" is defined to mean a lease or license to use a passenger vehicle having a seating capacity of 7 to 15 individuals, and related equipment and services, for the primary purpose of commuting to and from work. The parties to a vanpool lease are the commuter and a lessor whose primary business is to provide vanpool vehicles or a public transit agency.

The exemption from the tax and surcharge provided by the bill only applies if the applicable sales tax related to the acquisition of the vehicle has been paid, unless the lessor is otherwise exempt from such tax.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The bill eliminates the sales tax and surcharge on lease agreements used in organized vanpools. Sales tax related to the acquisition of vehicles is not affected.

B. Private Sector Impact:

There are about 250 vanpool vehicles in Florida which are owned by private individuals or companies, and are therefore subject to sales tax on leases. Another estimated 250 vehicles are owned by public transit agencies which do not collect sales tax on leases.

C. Government Sector Impact:

According to the March 20, 2010, Revenue Estimating Impact Conference, the bill will have an estimated negative \$100,000 impact on sales tax receipts and insignificant negative impacts on the Rental Car Surcharge.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.