



POLICY BRIEF | TAXATION (PCB)

People – not the government – should have the most control over their hard-earned money. This proposed committee bill (WMC 20-01) offers **\$162.7 million in tax cuts** to Floridians. Here's how:

Tax holidays that exempt certain seasonal items from sales tax:

- The **Back-to-School** three-day sales tax holiday runs August 7 to 9, 2020, and includes clothing, footwear, and backpacks priced \$60 or less; school supplies priced \$15 or less; and the first \$1,000 of the price of computers, tablets, and laptops.
- The **Disaster Preparedness** seven-day sales tax holiday runs May 29 to June 4, 2020, and includes items such as flashlights, radios, batteries, food storage coolers, and portable generators.

Tax cuts on commercial property rentals and other business-friendly updates. The bill:

- reduces the state sales tax rate on commercial property rentals from 5.5 to 5.4 percent.
- offers a one-time increase of \$8.2 million to address the current backlog of approved tax credits in the Brownfields program, which helps incentivize environmental cleanup to reduce public health hazards.
- adjusts the tax liabilities of corporations to avoid penalizing them for taking credits under the Florida Tax Credit Scholarship Program if they participate.

A reduction of Florida's communications services tax. The 0.5 percentage-point reduction will help cut costs for anyone paying for a cellphone plan in the state.

Aviation fuel tax rate cuts. The bill cuts the fuel tax rate by about one-third for commercial air carriers – savings that can be passed on to consumers.

Elimination of the Sports Development Program. The Legislature created the Sports Development Program in 2014. To date, no facilities or applicants have been approved to receive funding and no distributions have been made under the Program.

Updates to Florida's property taxes. The bill:

- limits the value of a nonprofit hospital's charity tax exemption to no more than the documented value of charitable services it provides to the community.
- expands the list of military operations that qualify for the deployed service-member tax exemption.
- allows condominium associations to jointly represent condominium owners in certain judicial appeals.

Local option sales tax provisions. The bill:

- requires that future School Capital Outlay Sales Surtaxes be proportionately shared with charter schools.
- sunsets the Charter County and Regional Transportation System Sales Surtax levied in Miami-Dade County.
- restructures the authorized uses of tourist and convention development, and local option food and beverage taxes levied in Miami-Dade County after contracts expire. It redirects some tax proceeds to cities instead of the county to give them more control over how revenues generated in their jurisdictions are used for tourism-related purposes.
- expands the allowable uses for tourist development tax proceeds in all counties to include public parks and trails and water quality improvement projects, making Florida the first state to tie water quality to tourism.

Please refer to the bill text and staff analysis for additional information.