

Lawmakers slash Gov. Rick Scott's tax cuts and berate his top Medicaid expert

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Gov. Rick Scott

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TALLAHASSEE — Gov. Rick Scott picked a good time to be far from the Capitol Tuesday as House members slashed his tax cuts and angry senators accused his top Medicaid expert of playing politics with health care.

On the second day of a three-week special legislative session, Scott was at Disney's Yacht Club Resort near Orlando, mingling with Republican presidential hopefuls at an economic summit planned months ago by his Let's Get to Work political committee.

Back in Tallahassee, his fellow Republicans who control the Legislature were far less cordial.

A House committee approved a fraction of the \$700 million in tax cuts Scott sought, and senators berated the governor's point man on Medicaid, Justin Senior, for more than an hour.

Months of simmering frustration by Republican senators erupted. They accused Senior, deputy secretary of the Agency for Health Care Administration, of manufacturing phony arguments to side with the House in an effort to mobilize opposition to a Senate plan to expand health coverage to 800,000 Floridians.

"It seems to me you just brought nothing but confusion," Senate Appropriations Chairman Tom Lee, R-Brandon, told Senior, accusing him of being "derelict in his duty" and of misrepresenting the economic impact of the Senate plan in House testimony Monday.

The young bureaucrat maintained his poise and said "I apologize" five times for showing up late to a five-hour hearing and for not being more responsive to senators' requests for information.

"We do our best not to engage in politics," Senior said.

He repeatedly said that the Senate plan would not guarantee increased health care coverage. He testified that the structure of health insurance premiums would likely mean that only a "small sliver" of the 800,000 targeted poor residents would be covered, because others could not afford to meet work requirements or pay premiums ranging from \$3 to \$25 a month.

Senior's statements contradicted the testimony of the state's top economist, Amy Baker, who used U.S. census and state insurance data to conclude that the Senate plan would cover up to 650,000 of the uninsured and save the state \$1.1 billion over 10 years.

Baker said changes to an existing state health care program, Medically Needy, would save \$1.9 billion and enable the state to use the savings to draw down more federal money to serve that patient population.

The Senate Appropriations Committee unanimously approved the health care expansion plan (SB 2A), setting up a Senate floor vote Wednesday.

"Members are losing confidence in AHCA," Senate President Andy Gardiner, R-Orlando, told the *Times/Herald*. He said that when a state agency critiques a major Senate bill but gives it to the House first, "that's a problem."

The philosophical divide over whether to use federal Medicaid money to expand health insurance is at the crux of the political stalemate in Tallahassee. Talks on a state budget have ground to a halt as lawmakers work to resolve the health care expansion question and to find state tax dollars to shore up a program that compensates hospitals for the cost of charity care.

At Disney World, Scott laughed off a question about whether the Legislature is dysfunctional.

"If they pass my tax cuts and give me my education money, I love them," Scott told *Politico*. He's not likely to get either.

Scott's twin promises of \$1 billion in tax cuts over two years and a "historic" increase in school spending were the heart of his campaign for re-election last year.

The House Finance & Tax Committee on Tuesday approved tax cuts with a two-year value of \$436 million, far short of the nearly \$700 million Scott proposed or the \$690 million the House advocated in the regular session. The tax cuts are shrinking as lawmakers hunt for more state tax money for hospitals.

"We have revised that number," said Rep. Matt Gaetz, R-Fort Walton Beach, the panel's chairman. "We had to fish with the lures that we thought would get bites."

The House package would cut taxes next year by \$299 million, with \$137 million more counted in cuts that would take effect the following year.

Scott's proposed cellphone tax cut, which he promoted during the regular session with the gimmickry of a "tax cut calculator," took a severe hit. He wanted to cut the tax on cellphones and satellite TV by \$43 a month, and the House bill cuts it to \$10 a year in the first year — less than a dollar a month — and \$20 a year the second year.

Scott also wanted to repeal the sales tax on college textbooks, but the House bill calls for a three-day textbook holiday on Aug. 21, Jan. 8 and May 13. Scott wanted to permanently repeal the sales tax on manufacturing equipment, but the House does not include that. The House dropped a one-day sales tax holiday for camping equipment on July 4, saying that in a June special session, the Department of Revenue wouldn't have enough time to implement it and Florida businesses wouldn't have enough time to promote it.

The House bill includes a three-day back to school sales tax holiday (Aug. 7-9), a slight reduction in the sales tax on business rents and a reduction in the tax on pear cider, which had been classified as wine and taxed at a higher rate.

Despite the sharp reduction in his proposal, Scott didn't complain.

"The positive is that the House has passed a tax cut package," Scott said. "I'm very appreciative."

Democrats tried unsuccessfully to impose a new tax on profits of national and international corporations with operations in Florida that pay no corporate taxes to the state. Rep. Jose Javier Rodriguez, D-Miami, said closing tax "loopholes" is a matter of tax fairness and would generate \$500 million a year in state tax revenue to fund health care expansion, increase reimbursement rates to hospitals and lessen reliance on local property taxes to pay for health care.

Republicans said the tax would be bad for business and would cost jobs, and they killed the amendment on an 11-6 party-line vote. The tax cut bill passed 12-5 as Rep. Jared Moskowitz, D-Coral Springs, sided with Republicans.

The Senate, which continues to advocate a health care expansion plan funded with federal Medicaid money, has shown less enthusiasm for cutting taxes than the House or Scott. The Senate Finance & Tax Committee is tentatively scheduled to vote on a tax cut bill next week.

The governor may miss more political fireworks in Tallahassee, as he's headed to the Paris Air Show to hunt for new jobs the week of June 15, the session's final week.

"I hope we can get him out of here in time," a smiling Sen. Lee said Tuesday.

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