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SENATE TAX CUT PACKAGE REDUCES CELL PHONE AND TV TAX, ESTABLISHES 10-DAY BACK TO SCHOOL SALES TAX HOLIDAY

Tallahassee, FL-Today, the Florida Senate Committee on Appropriations chaired by Senator Tom Lee (R-Brandon) passed House Bill 33-A, Taxation. Part of the “Work Plan 2015” joint agenda announced by Senate President Andy Gardiner (R-Orlando) and House Speaker Steve Crisafulli (R-Merritt Island), the Senate’s broad-based tax cut package provides \$400 million in tax relief through sales tax exemptions and reductions to include lowering the communication services tax (CST) on Floridians’ phones and television services permanently, establishing a 10-day Back-To-School Sales Tax Holiday, and removing the sales tax on college textbooks for one year.

“Florida’s CST is one of the highest in the nation. Reducing this tax rate will directly result in monthly savings for every Floridian with a cell phone or cable or satellite television,” said President Gardiner.

“Throughout the regular session, Senator Hukill and her committee worked hard to vet hundreds of millions of dollars in meaningful tax relief proposals. Building on the good work of our Senators while incorporating the ideas of our House colleagues, this tax cut package sponsored by Senator Hukill and Senator Benacquisto offers meaningful, broad-based tax relief for families and businesses across our state.”

“Families incur a significant expense while preparing to send children back to school or off to college. The Senate’s tax cut package will lessen this burden on Floridians throughout our state as they purchase college textbooks and meal plans for the school year as well as clothing and other items purchased during a 10-day Back-To-School Sales Tax Holiday this summer,” said Chair Lee.

“Last year, we passed the Florida GI Bill to make Florida the ‘Welcome Home State’ for active duty military servicemen and women and their families. This legislation makes sure we do not welcome home America’s heroes with a hefty tax bill for a vehicle purchased while serving our country overseas,” said President Pro Tempore Garrett Richter (R-Naples).

As amended by the Senate Committee on Appropriations, HB 33-A provides \$400 million in tax relief including reductions in the CST, a 10-day Back-to-School Sales Tax Holiday, removal of the sales tax on motor vehicles purchased by military personnel while deployed overseas, on college textbooks for a year, prepaid college meal plans, and school concessions. In addition, House Bill 33-A extends the Community Contribution Tax Credit Program to issue tax credits for projects that provide housing opportunities for persons with special needs.

The Senate amendment to HB 33-A, sponsored by Senators Dorothy Hukill (R-Port Orange) and Lizbeth Benacquisto (R-Ft. Myers) including the following:

- Permanently reduces the Communications Services Tax rates by 1.73 percentage points and maintains local government revenues at current levels.
- Allows school support organizations to sell food, drink and related supplies tax free.
- Provides a one-year sales tax exemption for textbooks, print, and digital materials for required or recommended courses offered by a public postsecondary educational institution or a nonpublic postsecondary educational institution that is eligible to participate in the tuition assistance programs.
- Provides for a ten-day Back-to-School Sales Tax Holiday beginning August 7, 2015. Included items that cost \$100 or less are clothing, footwear, wallets, and bags. Also exempt are “school supplies” that cost \$15 or less and the first \$750 of the sales price for personal computers and related accessories purchased for noncommercial home or personal use.
- Clarifies the sales tax exemption for prepaid college meal plans, so that sales by third party meal plan service providers (not just colleges or universities) are exempt.
- Exempts fuel used for flight training by a school of aeronautics or college of aviation based in Florida from the aviation fuel tax.
- Expands the definition of a subdivision’s “common elements” to include property located within the same county and used for at least 10 years exclusively for the benefit of lot owners within the subdivision. The effect of this is to apportion the value of the property to the subdivision’s parcels for property tax purposes.
- Extends the expiration date of the Community Contribution Tax Credit Program from June 30, 2016 to June 30, 2017, and provides \$19 million in credits for projects that provide housing opportunities for persons with special needs or homeownership opportunities for low-income and very-low-income households and \$3.5 million for all other projects.
- Increases the corporate tax Research and Development Credit limit from \$9 million to \$23 million in FY 2015-2016. Changes first come, first served distribution of credits to a pro rata allocation. Limits the availability of credits to certain Qualified Target Industries.
- Provides sales and use tax exemptions for the following items:
 - Aquaculture and aquaculture feed, irrigation equipment, parts and repairs of power farm equipment and irrigation equipment, equipment to store raw products on the farm, \$20,000 of the sales price for a farm trailer, and plant support stakes.
 - Motor vehicles purchased and used for 6 months or longer in a foreign country by an active duty service member or spouse.

For more information on House Bill 33-A, including a full list of tax reduction and exemptions contained in the Senate amendment, please visit www.FLSenate.gov.

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