

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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TAXATION

SB 1072 relating to Streamlined Sales and Use Tax by Senator Skip Campbell (D-Tamarac) was read for the second time today on the Senate floor and moved on to third reading without much debate. This bill adopts definitions and procedures to streamline Florida's sales tax system as it relates to e-commerce. Thirty-nine states and the District of Columbia have already adopted such legislation. This legislation will put Florida businesses on a level-playing field with out-of-state companies who are selling products to Florida's resident via the internet, mail order, etc. by requiring these entities to collect and remit Florida sales tax to the Department of Revenue. Currently, Florida businesses are losing customers to these businesses because consumers are not being assessed sales tax on e-commerce purchases. Although Florida law requires consumers to pay such taxes, few are aware that they are required to pay, or that there is a penalty for not paying sales tax at the time of purchase.

Concerns were raised by Senator Mike Haridopolos (R-Melbourne) regarding a possible tax increase due to this legislation. Senator Campbell, who brought the bill up on the floor, tried to calm these concerns by advising that in his opinion taxes for Floridians would be reduced with this bill. Senator Bill Posey (R-Rockledge) joined in and asked if this bill was actually moving the burden of collecting the tax from the purchaser to the vendor. Senator Campbell replied that this was indeed the case.

AIF supports implementation of the statutory mechanisms needed to allow Florida to enter into the Streamlined Sales and Use Tax Agreement with other states. If a uniform national collection system is developed, the State of Florida could equalize the treatment of all retail vendors regarding the assessment and collection of state sales tax.

Please send your comments or suggestions to us at aif@aif.com or call the Governmental Affairs department at (850)224-7173.

- For more information on all of the important legislative information concerning the business community, go to our "members only" Florida Business Network web site at <http://fbnnet.com>
- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.