

ASSOCIATED INDUSTRIES OF FLORIDA  
**LEGISLATIVE  
DAILY BRIEF**



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**TAXATION**

The House Finance and Tax Committee unanimously approved HB 1325 Relating to Governmental Authority and Communication by Representative Frank Attkisson. This bill limits governmental authorities from providing communications services such as high speed internet access service, cable service or telecommunication service. If a governmental authority is already in the business of supplying any of the previously mentioned communications services, they are not allowed to expand or extend their service area unless the governmental authority has issued bonds secured by the revenues from the services they provide. It does not prohibit governmental authorities from providing a covered service to itself for its own internal operations.

HB 1325 will now be heard by the House Commerce Council it last committee of reference. Its Senate companion SB 1714 by Senator Mike Bennett (R-Bradenton) has yet to be heard by any of its committees of reference.

**For years AIF has supported legislation that would place businesses on a level playing field with local governments when they compete to provide services. AIF was the only business association to be an active part of the Fair Competition Law passed in 2000 for the solid waste industry. We applaud Representative Attkisson for proposing this legislation.**

The House of Representatives unanimously passed HB 27 Relating to Sales Tax on Machinery and Equipment by Representative Matt Meadows (D-Lauderhill). This bill broadens the existing sales tax exemption for industrial machinery and equipment purchased for exclusive use in any expanding facility that is engaged in spaceport activities or for use in expanding manufacturing equipment that increases productive output by 10 percent. It also expands the sales tax exemption for the purchase of machinery and equipment by expanding businesses involved in manufacturing pursuant to federal procurement regulations and involved in mining operations. The bill was amended prior to reaching the floor and now the bill also appropriates \$210,069 dollars to the Department of Revenue for four full time positions so that this proposal can be implemented.

The Legislature, in 1996, decreased that threshold from \$100,000 in taxes per calendar year to the current \$50,000 per calendar year. AIF proposes that this tax threshold be eliminated or modified to help retain Florida's manufacturers and assist in reducing the cost of manufacturing in Florida. AIF supports the Bush/Jennings plan to eliminate completely the \$50,000 tax threshold, effectively exempting the entire purchase of machinery & equipment from sales tax.

**AIF supports repeal of the \$50,000 per calendar year sales tax threshold on machinery and equipment. Taxes imposed on machinery and equipment used to manufacture goods within the state place an unfair tariff on Florida manufactured goods, and repeal of this threshold would increase the ability of Florida manufacturers to compete with their counterparts in other Southeastern states.**

Please send your comments or suggestions to us at [aif@aif.com](mailto: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.