



From October 14, 2013

## Taxation

On Thursday, October 10th, **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis**, spoke before the House Appropriations Finance and Tax Subcommittee. The committee met to hear public input on the recent proposal by Governor Scott for \$500 million in tax cuts. Mr. Bevis addressed four areas of tax decreases AIF feels would help create an even more robust business climate here in the state:

- A reduction in the state portion of the Communications Services Tax (CST); currently Florida has the fourth highest tax rate on communications in the nation.
- Sales Tax on Commercial Leases: Florida is the only state the nation that charges a sales tax on commercial leases at a current rate of 6%.
- A reduction in the cost of vehicle tag and title fees; and
- The closing of the loophole in internet sales tax.

AIF has long been a supporter of Florida “brick and mortar” businesses and their employees. The fair collection of state sales taxes will level the playing field for all retailers selling goods in Florida.

Against the back drop of Governor Scott’s call for roughly \$500 in tax cuts for Floridians, on Wednesday, October 9th, the Senate Committee on Transportation unanimously passed the first tax relief bill of the 2014 legislative session, SB 156, *Relating to Motor Vehicle Licenses Tax*, by Senate Appropriations Chairman Joe Negron (R-Palm City).

A long priority of Chairman Negron, the bill will roll back fees and surcharges imposed on motorist when they buy, replace or transfer a license plate or register their vehicle with the state and would seek to reduce increases that the legislature imposed in 2009. The total savings enacted in SB 156 would be roughly \$12 per motorist and would provide an overall savings to Floridians of almost \$250 million. This rollback would represent almost half of the \$500 million increase imposed on drivers in 2009 and would be an immediate rollback of one of the state’s most recent fee increase. The reductions in fees would begin in fiscal year 2014 and would be funded by general revenue and, permanently reducing the rate in state statute.

AIF fully supports Chairman Negron’s SB 156 and has made this reduction a priority for the 2014 legislative session. Lowering the tax burden on motorist and businesses with vehicle fleets would provide an immediate savings to family and company budgets across the state.

---

## Agriculture & Environment

The House Appropriations Subcommittee on Agriculture and Natural Resources met Tuesday, October 9th. The majority of the meeting focused on the citrus industry and citrus greening, also known as huanglongbing (HLB) or yellow dragon disease. Citrus greening is bacterial disease that attacks the tree's vascular system and significantly reduces fruit production, destroys the fruit and can ultimately kill affected trees. Over 132 research contracts are out this year, ranging in duration from 1 to 3 years. Both short and long term solutions were presented. Last year, Florida experienced the largest reduction in its citrus crop and it could happen again this year. There is hope that new research will provide some real answers; there is even potential for the development of a new plant that can grow well in Florida soils and climates, and is resistant to citrus greening.

AIF supports any legislation aimed at supporting Florida's citrus industry through funding and the development of disease resistant citrus plants.

On Tuesday, October 8th, the House held a joint meeting of State Affairs Committee and the Agriculture and Natural Resources Subcommittee to hear testimony a number of water issues. First, Commissioner Putnam, of the Department of Agriculture and Consumer Services (DACS), presented an overview of Florida's water problems. He stressed the need for Best Management Practices (BMPs) and funding of alternative water supply projects. Secretary Vinyard of the Florida Department of Environmental Protection (FDEP) discussed the progress made statewide on water quality issues. Several questions on water flow remain due to the recent issues in Lake Okeechobee, and its impact on the east and west coasts of Florida. Federal funding is key to resolving some of the problems. Drew Bartlett of FDEP gave a presentation on water supply planning that provided data on water supply and water quality issues. Mr. Bartlett outlined considerable progress over last few years on Basin Management Action Plans (BMAPs) and Total Maximum Daily Loads (TMDLs).

In the same committee, Rich Budell of DACS, testified on the importance of agricultural BMPs in spring protection. The Agricultural BMPs are updated on a regular basis, according to Budell. Farmers are using GPS systems to apply fertilizer in the right place to reduce nitrates. In addition, the department is using a retrofit program for both irrigation and nutrient management.

AIF has been a strong supporter of legislative funding for agricultural BMPs over the last few years.