



INTERIM LEGISLATIVE BRIEF

From February 26, 2015

With the 2015 legislative session next week, Associated Industries of Florida (AIF) is pleased to present its first update containing bills and proposed legislation most important to Florida employers. The bills outlined in this report were considered and/or voted on in committee hearings.

ENVIRONMENT & AGRICULTURAL

HB 7003 – relating to Water Resources

On Thursday, February 19th, **HB 7003**, relating to Water Resources by **Representative Matt Caldwell (R-Lehigh Acres)** and the **House State Affairs Committee** passed the **House Appropriations Committee** by a 22-3 vote. **AIF Senior Vice President of State and Federal Affairs, Brewster Bevis**, stood in support of the bill during the committee. The bill now heads to the House floor for consideration.



AIF released the following press release Thursday, February 19, 2015 regarding support of **HB 7003**.

Members of AIF's H2O Coalition: House Water Bill a Science-Based, Sustainable Solution for Florida's Water Challenges

Tallahassee, Fla. – The leaders of the Associated Industries of Florida's H2O Coalition today expressed strong support for improvements made to HB 7003, a bill relating to Water Resources, which was approved by the House Appropriations Committee.

"Florida's water users are looking for comprehensive solutions that will grow our water supply, not merely grow the supply of state-owned lands," said Brewster Bevis, Senior Vice President of State and Federal Affairs for the Associated Industries of Florida. "The House proposal relies on science-tested tools to promote sustainability and ensure the conservation of our natural resources."

"We appreciate Chairman Corcoran and his committee's support and will continue to provide input from the business community to the Legislature," continued Bevis. "Failing to address long term water quality and quantity issues could put our state's economy at risk. The last thing Floridians want to see are protracted and costly legal battles over water."

The Session, the Florida H2O Coalition is advocating for a science-based, comprehensive water reform to address concerns about future water shortages. According to estimates from the Florida Department of Environmental Protection, Florida has a need for an additional 1.3 billion gallons of water per day by 2030 to accommodate a population of almost 24 million.

The Florida H2O Coalition is comprised of stakeholders interested in water quantity and quality issues in Florida with the goal of making recommendations on state and federal water laws and rules impacting Florida. For more information about the Florida H2O Coalition, please visit us **online**.

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The Department of Environmental Protection projects a water shortage of 1.3 billion gallons of water per day by 2030. This bill comprehensively addresses this shortage and other water issues in our state. Some key components of the bill include the Springs Protection Program, the Central Florida Water Initiative, the Central and Southern Florida Project, and the Northern Everglades project. One major goal of this bill is to create an interagency agreement to develop and implement a uniform water management system, regarding water supply planning, consumptive water use permitting, and resource protection programs.

AIF SUPPORTS the Florida House of Representatives effort to address Florida's major water challenges by developing legislation that address a series of critical issues.

SB 398 – relating to Agricultural Tax Exemptions

On Monday, February 16th, **SB 398**, relating to Agricultural Tax Exemptions by **Senator Kelli Stargel (R-Lakeland)** unanimously passed the **Senate Committee on Agriculture**. The bill now heads to its second of three stops in the **Senate Appropriations Subcommittee on Finance and Tax**. **AIF stood in support of this bill.**

The bill expands the sales tax exemption for certain equipment used exclusively for agricultural purposes. It includes repairs of power farm equipment and irrigation equipment and also redefines “agricultural production” to include storage of raw products on a farm. The effect of this inclusion is the creation of a new sales tax exemption on the sale, rental, lease, use, storage, or repair of power farm equipment, including replacement parts and accessories, used exclusively on a farm or in a forest to store raw products on a farm.

AIF SUPPORTS the Agriculture Sales Tax Exemption Bill. Florida's farmers are at a competitive disadvantage to farmers in neighboring states who do not pay sales tax on equipment used for the harvesting and production of crops. We support legislation that would provide a sales tax exemption on power farm equipment, replacement and repair parts related to the production of agricultural crops.

TAXATION & BUDGET

SB 110 – relating to Communications Services Tax

On Tuesday, February 17th, **SB 110**, relating to Taxes by **Senator Dorothy Hukill (R-Port Orange)** unanimously passed the **Senate Committee on Communications, Energy, and Public Utilities**.



The bill now heads to its second of three stops in the **Senate Appropriations Subcommittee on Finance and Tax**. **AIF's Senior Vice President, Brewster Bevis**, spoke in support of the legislation.

AIF released the following press release Tuesday regarding SB 110's passage.

AIF Applauds Passage of Legislation to Reduce Communications Services Tax

Tallahassee, Fla. – The **Associated Industries of Florida (AIF)** today released the following statement attributable to its Senior Vice President of State & Federal Affairs, Brewster Bevis, regarding the advancement of Senate Bill 110, which would reduce the tax rate applied to the sale of communications services, as well as the retail sale of direct-to-home satellite services, sponsored by Senator Dorothy Hukill (R-Port Orange).

“AIF applauds the passage of this good legislation that will reduce the communications services tax and have a positive financial impact on all consumers in Florida who pay for a cell phone, cable or satellite service.

“Broad-based tax cuts, like these, keep money in Floridians’ pockets, and this proposal, championed by Governor Scott, will achieve cost savings for a substantial number of Florida families.

“We look forward to seeing this good policy that cuts taxes succeed this session.”

SB 110, which passed the Senate Committee on Communications, Energy, and Public Utilities, is now slated to be heard in the Senate Committee on Finance and Tax.

For more information on AIF, please visit AIF.com and follow [@VoiceofFLBiz](https://twitter.com/VoiceofFLBiz).

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The bill is one of Governor Scott's priorities for the upcoming session. It reduces the tax rate on the sale of communications services, such as cell phones and satellite television. Currently, Floridians pay a state cell phone and TV tax (CST) rate of 9.17 percent on nonresidential landlines, cell phone, and cable services, and a back-breaking 13.17 percent on satellite services. The bill reduces the state portion of the communications services tax (CST) rate by 3.6 percent from 6.65 percent to 3.05 percent, and the tax rate on direct-to-home satellite services, from 10.8 percent to 7.2 percent. These cuts would save Floridians a combined \$470 million annually.

AIF SUPPORTS the Governor's proposal to reduce the state portion of the communications service tax by 3.6% which applies to business and wireless phone service and cable and satellite television services. The tax rate on communications services is higher than on general sales and makes the communications services expense a significant deterrent for businesses to locate here. The reduction of the state portion is good for Florida businesses and makes Florida more attractive to companies looking to relocate.

ECONOMIC DEVELOPMENT

SB 138 – relating to Tax-Exempt Income

On Monday, February 2nd, **SB 138**, relating to Tax-exempt Income, by **Senator Dorothy Hukill (R-Port Orange)** unanimously passed the **Senate Appropriations Subcommittee on Finance and Tax**. The bill now heads to its last stop before the floor in the full **Senate Committee on Appropriations**. **AIF stood in support of this bill.**

The bill increases the level of income that is exempt from the Florida corporate income tax. Florida imposes a 5.5 percent tax on the net income of corporations doing business in Florida. Currently the first \$50,000 of a corporation's income that is subject to Florida tax is exempted from the corporate income tax. This bill increases the exemption from \$50,000 to \$75,000.

AIF supports reducing the tax burden on Florida's businesses and any measure that will make the state more attractive for conducting business.

HB 63 – relating to Public-Private Partnerships

On Wednesday, February 4th, **HB 63**, relating to Public-Private Partnerships by **Representative Greg Steube (R-Sarasota)**, unanimously passed the **House Government Operations Subcommittee**. The bill now heads to its second of four stops in the **House Economic Development & Tourism Subcommittee**. **AIF stood in support of the measure taken for this bill.**

The bill takes the recommendations from the Partnership for Public Facilities and Infrastructure Act Guidelines Task Force created by legislation in 2013, and incorporates many of the recommendations contained in the task force report into law. The bill aims to provide for more opportunities for the private sector to enter into contracts for construction services with state universities and local governments.

The bill expands the list of entities authorized to conduct Public-Private Partnerships (P3s) to include state universities, clarifies the P3 process, provides increased flexibility to the responsible public entity by permitting that entity to deviate from the provided procurement timeframes, and authorizes the Department of Management Services to accept and maintain copies of agreements received from responsible public entities to share with municipalities/counties that may need assistance in the P3 process.

AIF strongly supports utilization of the private sector in helping to solve public construction needs. Government's role is critical in securing and advancing our state's infrastructure.

HEALTH CARE

SB 478 – relating to Telehealth

On Tuesday, February 17th, **SB 478**, relating to Telehealth by **Senator Aaron Bean (R-Jacksonville)** and **Senator Arthenia Joyner (D-Tampa)** unanimously passed the **Senate Committee on Health Policy**. The bill now heads to its second of three stops in the **Senate Appropriations Subcommittee on Health and Human Services**.

AIF supports legislation that permits an unfettered role for telemedicine services that will allow our citizens access to better quality care at lower costs.