

WEEKLY UPDATE



From June 12, 2015 Special Session A

TAXATION

HB 33A- Relating to Taxation

On Thursday, June 11th, **HB 33A**, relating to Taxation, by **House Finance & Tax Committee** and **Rep. Matthew Gaetz (R-Shalimar)**, was heard by the **Senate Appropriations Committee** and passed favorably with 14 yeas and 1 nay. **AIF's General Counsel, Tammy Perdue, stood in support of this bill.**

While in the **Senate Appropriations Committee**, HB 33A was amended to include far fewer tax cuts than the House passed. However, most believe the Senate bill now largely reflects the agreement that House and Senate leaders have reached as they are finalizing the state budget.

Here is what the new version of HB 33A will include:

- Reduces the communications services tax (CST) rate by 1.73 percentage points permanently.
- Provides a tax exemption for aviation fuel used for flight training purposes by certain educational institutions.
- Exempts aquacultural products and feed for aquacultural products from sales tax.
- Expands the farm equipment sales tax exemption to include storage equipment, irrigation equipment, parts and repairs, trailers, and plant stakes.
- Clarifies statutory language relating to the sales tax exemption for college meal plans.
- Exempts food and drink sales by school support organizations from sales tax.
- Provides a sales tax exemption for motor vehicles imported by active members of the United States military and their spouses for vehicles purchased and used for 6 months or more in a foreign country.
- Exempts admissions to gun clubs from the sales tax.
- Extends the Community Contribution Tax Credit program through June 30, 2018 and increases the credit available to \$24.9 million in Fiscal Years 2016-17 and 2017-18. It also permits these housing credits to be available for persons with special needs.
- Increases the annual limit on the Research and Development Corporate Tax Credit from \$9 million to \$23 million for calendar year 2016.
- Increases the amount of tax credits available for brownfield rehabilitation from \$5 million annually to \$21.6 million in Fiscal Year 2015-2016 and returns to \$5 million annually thereafter.
- Provides a 10-day "back-to-school" tax holiday.
- Provides one year sales tax exemption for college textbooks.
- Creates a permanent tax exemption for title insurance premiums retained by a title insurance agent or agency based on industry growth.
- Expands the definition of a subdivision's common elements for calculation of ad valorem taxes and non ad valorem assessments
- Limits the amount of sales tax on boat repairs to \$60,000
- Allows businesses in enterprise zones as of May 1, 2015 to apply for enterprise zone incentives for an additional three years.
- Provides appropriations to the Department of Revenue to implement certain provisions.
- Provides emergency rulemaking authority to the Department of Revenue to implement certain provisions.

HB 33A is scheduled to be heard for final consideration on Monday, June 15th, on the Senate floor.

AIF supports tax cuts for Florida's consumers and businesses.