

House Bill No. 1535

An act relating to taxation; creating the State Tax Reform Task Force; providing for the appointment and organization of the task force; specifying duties; providing for reports; providing for the expiration of the act; providing an appropriation; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. The State Tax Reform Task Force; membership; duties.—

(1) The State Tax Reform Task Force is created to examine the state's tax structure and make recommendations to the Governor and the Legislature on how the state's tax structure can be improved to ensure a stable revenue base that is adequate to fund the needs of the state. The Senate Fiscal Resource Committee and the House Finance and Tax Committee shall provide administrative staff for the task force. The task force shall consist of the following members, who must be appointed by July 1, 2000:

(a) Five members to be appointed by the Governor.

(b) Four members to be appointed by the President of the Senate.

(c) Four members to be appointed by the Speaker of the House.

(d) The Chair of the Senate Committee on Fiscal Resource at the time this act becomes law.

(e) The Chair of the House Committee on Finance and Taxation at the time this act becomes law.

(f) The Executive Director of the Department of Revenue or his or her designee.

(2) Each appointed member of the task force shall serve at the pleasure of the appointing official. A vacancy on the task force shall be filled in the same manner as the original appointment.

(3) The task force shall elect a chair from among its members.

(4) The task force shall hold its organizational meeting by August 1, 2000, and thereafter shall meet as necessary at the call of the chair at the time and place designated by the chair. A quorum is necessary for the purpose of conducting official business of the task force. The task force shall use accepted rules of procedure to conduct its meetings and shall keep a complete record of each meeting.

(5) Members of the task force shall serve without compensation but are entitled to reimbursement for per diem and travel expenses incurred in the performance of their duties as provided in section 112.061, Florida Statutes.

(6) The task force shall examine the state's tax structure to evaluate whether it is adequate for supporting the continuing needs of the state. The task force shall consider the following in its evaluation:

(a) Standard principles of sound tax policy:

1. Effectiveness.—Is the revenue raised by the system stable and adequate to fund needed services or is it highly sensitive to economic fluctuations in the short run? Does the tax structure produce revenue that grows as the state's economy grows; thereby enabling the public sector to grow commensurately with the private sector?

2. Efficiency.—Is Florida's tax structure easily and economically administered? Is compliance with tax provisions, by businesses and by consumers, simple and inexpensive? Does the tax system unnecessarily distort decision-making by consumers or business? To what degree can the tax burden be exported to tourists, the federal government, or out-of-state businesses? How does the state's tax structure interact with Federal or local tax structures?

3. Equity.—Is Florida's tax structure proportional or progressive in its incidence among income groups? Are individuals with similar incomes taxed uniformly? Are Florida's taxes based on ability to pay?

(b) How other states treat the same or similar tax issues.

(c) Whether the base of the tax system is as broad as possible, so that tax rates and burdens are as low as possible.

(d) Whether tax exemptions are consistent with state tax policy and the economic impact of each exemption.

(7) In addition, the task force shall provide an analysis of alternative tax sources.

(8) By February 1, 2001, the task force shall submit an interim report and, by February 1, 2002, shall submit a final report to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

(9) This section expires June 30, 2002.

Section 2. The sum of \$100,000 is appropriated from the General Revenue Fund to the Office of Legislative Services for the purpose of paying administrative expenses and funding contracts necessary to carry out the provisions of this act.

Section 3. This act shall take effect upon becoming a law.

Approved by the Governor June 5, 2000.

Filed in Office Secretary of State June 5, 2000.