



DAILY BRIEF

From March 16, 2009

Week three of the 2009 legislative session is officially under way and a number of AIF priorities are scheduled to be considered this week. First and foremost, HB 903 Relating to Workers' Compensation Attorney Fees by Representative Anitere Flores (R-Miami) will be taken up by the House General Government Policy Council tomorrow. AIF and the business community have been working hard to pass this legislation as a way to ensure that businesses in Florida will continue to see savings in their workers' compensation premiums.

The House Finance and Tax Council did hold a meeting today for the purposes of holding a workshop on the Streamlined Sales & Use Tax issue, which AIF is a strong proponent of. The Senate did not hold any meetings on Monday.

If you haven't already done so, don't forget to check out the latest edition of AIFTV, Associated Industries of Florida's weekly internet video program. This week we feature a special interview with Representative Flores, sponsor of HB 903, and a special message from Majority House Leader Adam Hasner on his proposed constitutional amendment to save the secret ballot process in Florida.

Click here to view the video. <http://www.aif.com/aiftv.shtm>

Taxation

Today, the House Finance and Tax Council held a workshop on HB 329 Relating to Streamlined Sales and Use Tax Agreement by Representative Michelle Rehwinkel Vasilinda (D-Tallahassee). The workshop lasted for nearly three whole hours. The Department of Revenue (DOR) gave a detailed presentation and responded to many questions from committee members. Overall, most members seemed favorable on the issue, but wanted to know what the net impact on state and local governments would be. Unfortunately, no one could give a definitive answer to that question.

Florida TaxWatch testified that the net impact for FY 2005-2006 was a deficit of \$41.5 million on the state level and a surplus of \$41.1 million for local governments, totaling a net loss of \$400,000.

Frank Meiners, AIF's lead consultant on tax issues, testified in favor of the bill, stating that it was fair, timely, and that a joint resolution should be passed encouraging Congress to pass a bill that requires vendors to collect the tax.

AIF will work with other business associations to support a joint resolution to encourage Congress to pass legislation to require internet retailers to pay state sales taxes in all states that have passed the Streamline Sales and Use Tax Compact bill, regardless of their nexus in those states.

The council also continued their discussion on a repeal of sales tax exemptions. House Finance and Tax Council Chair, Representative Ellyn Bogdanoff (R-Ft. Lauderdale), told all members last week to submit a list of exemptions they wished to see repealed by no later than noon on Friday, March 13th.

Today, even though no Democratic members of the council submitted an exemption to be reviewed, they publicly stated the need to repeal sales tax exemptions as a source for generating new revenue.

Chair Bogdanoff responded to this statement by asking that, "If Democratic members wanted sales taxes repealed, why did they not suggest any for review?" As quickly as her public reprimand began, Chair Bogdanoff ended the council meeting without any further discussion or debate.

AIF SUPPORTS a careful review of Florida's sales tax exemptions, but not an automatic sunset of these important tax policies. Legislators should proceed under the impression that each exemption is worthy and serves a public purpose. Exemptions should be repealed only when no evidence of public purpose is found.