



Issue Spotlight: Putting Floridians First with Tax Relief

Week 8, April 24-28, 2017

The Florida House's tax relief proposals would return \$2.2 billion to Floridians. This means more money in the pockets of students, veterans, parents, business owners, homeowners, and many other Floridians.

Below are brief descriptions of the House's tax relief proposals. Please refer to bill texts and analyses for more specific and complete information.

Taxation – HB 7109, Chair Boyd

- **Students:**
 - College or University Textbook Sales Tax Exemption
 - Exempts books from sales tax when students present student ID number and course syllabus.
 - Back-to-School Holiday
 - Provides a ten-day sales tax holiday from August 4, 2017, through August 13, 2017.
 - Clothing, footwear, and backpacks costing \$100 or less will be exempt.
 - School supplies costing \$15 or less per item will be exempt.
 - The first \$1,000 of price for personal electronics such as computers, tablets, and laptops will be exempt.
- **Veterans:**
 - Veterans' Sales Tax Holiday
 - Provides an annual one-day sales tax holiday on November 11.
 - Clothing and footwear costing \$60 or less will be exempt.
- **Parents:**
 - Diapers and Incontinence Products Sales Tax Exemption
 - Diapers, incontinence pads and liners will be exempt.
- **Business Owners:**
 - Sales Tax on Rental of Commercial Real Estate (Business Rent Tax)
 - Reduces the business rent tax from 6 percent to 4.5 percent for two years.
 - Permanently reduces the business rent tax from 6 percent to 5.5 percent beginning in 2020.
 - This will put **\$153 million every year and an additional \$550 million over the next couple of years** back into the pockets of Florida businesses.
- **Farmers:**
 - Agriculture-Related Sales Tax Exemptions will include fencing, netting, and animal health products, to name a few, saving farmers over \$13 million.



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- **Disaster Preparation:**
 - Disaster Preparedness Sales Tax Holiday
 - Provides a nine-day sales tax holiday from May 27, 2017, through June 4, 2017.
 - Items exempt from sales tax range from flash lights, radios, and first-aid kits to food storage coolers and portable generators.

Increased Homestead Property Tax Exemption – HJR 7105, Chair La Rosa

- The Florida Constitution requires all property to be assessed at just value (i.e., market value) on January 1 of each year for purposes of ad valorem taxation, subject to assessment limitations and exemptions in certain circumstances.
- One such exemption, known as the homestead exemption, is on the first \$25,000 of assessed value of a homestead property. A second homestead exemption is currently on the assessed value between \$50,000 and \$75,000, with the exception of school district taxes.
- Under HJR 7105, the homestead exemption from non-school property taxes increases the exemption on the assessed value between \$75,000 and up to \$100,000.
- The Florida House is committed to protecting homeowners by adding \$25,000 to the homestead exemption.

Required Local Effort (RLE) – Section 2 of the General Appropriations Act, HB 5001, Chair Trujillo

- RLE is the amount of funds each school district must provide annually toward its cost of the Florida Educational Finance Program (FEFP) for grades K-12. The Legislature determines the total amount of revenue that must be generated from the RLE, and each local school district generates, collects and retains its RLE by levying millage rates on ad valorem property in the district.
- As Florida's economy has rebounded, property values have increased, along with property tax collections. So even though property tax (millage) rates have stayed the same, the increased property values have resulted in additional tax burdens on homeowners.
- The Florida House is putting a stop to the backdoor increases to RLE by keeping the aggregated amount of RLE at the same level as 2016, at \$7.6 billion.
- Keeping the RLE at the same level as 2016 will prevent a half billion dollar tax hike for Florida homeowners.
- The Florida House believes increasing home values should not create an unnecessary burden on homeowners.