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INITIATIVE FINANCIAL INFORMATION STATEMENT

**Fairness Initiative Requiring Legislative Determination
that Sales Tax Exemptions and Exclusions Serve a Public Purpose**

SUMMARY OF INITIATIVE FINANCIAL INFORMATION STATEMENT

This amendment requires the Legislature to review most existing exemptions and exclusions from the sales tax. Any exemptions or exclusions subject to review and not continued are repealed.

Additionally, the Legislature must make a finding that each exemption or exclusion, whether continued or newly created, serves the public purpose of: encouraging economic development and competitiveness; supporting educational, governmental, literary, scientific, religious, or charitable initiatives or institutions; or securing tax fairness. The amendment also sets out exemptions and exclusions not subject to review.

The probable impact of the amendment on state and local government revenues cannot be determined because it depends on future actions of the Legislature. The value of the sales tax exemptions and exclusions subject to review is substantial, but sufficient data to quantify the value is not available. Based on the information contained in the Florida Tax Handbook (2004), the Financial Information Estimating Conference (Conference) determined that the potential value of the sales tax exemptions and exclusions subject to review might exceed \$13 billion. However, the accuracy of this information is uncertain because it was not compiled for the purposes of evaluating this amendment.

Finally, it is not known whether the Legislature will continue any exemption or exclusion after it is reviewed. If an exemption or exclusion is continued, state and local revenues will not be affected. If an exemption or exclusion is not continued, then the state and local governments may receive more revenue. Many of the exemptions and exclusions identified as subject to review serve the public purposes stated in the amendment, and will likely be retained. There is no restriction in the amendment that requires the sales tax rate to remain unchanged. Additional revenues that would result from not continuing some of the current exemptions and exclusions could be offset by reducing the sales tax rate or by changes to other tax laws.

Based on the information provided through public workshops and staff research, the Conference expects that the proposed amendment will have the following financial effects:

State and Local Government Revenue Impact – The fiscal impact to the state and local governments cannot be determined at this time, as the impact will depend on future actions taken by the Legislature and the Governor.

State Cost Impacts – There will be some additional state administrative costs associated with any changes to current tax collection activities if some exemptions and exclusions are not continued.

FINANCIAL IMPACT STATEMENT

Although the value of sales tax exemptions and exclusions subject to review is substantial, the probable impact of the amendment on state and local government revenues cannot be determined because it depends on future actions of the Legislature. If the Legislature continues all existing exemptions and exclusions, state and local government revenues will not be affected. Elimination of exemptions and exclusions could increase revenues, although any increase could be offset by other tax law changes.

INITIATIVE FINANCIAL INFORMATION STATEMENT

Fairness Initiative Requiring Legislative Determination that Sales Tax Exemptions and Exclusions Serve a Public Purpose

A. Text of the Proposed Amendment

Ballot Title:

Fairness Initiative Requiring Legislative Determination that Sales Tax Exemptions and Exclusions Serve A Public Purpose

Ballot Summary:

The Legislature shall periodically review sales tax exemptions or excluded services and transactions except: food; prescription drugs; health services; and residential rent, electricity, and heating fuel; and shall continue or create only exemptions or exclusions serving a defined public purpose. Each law shall contain the single subject of a single exemption or exclusion and be approved by three-fifths vote of each legislative house. Exemptions and exclusions not reenacted or adopted by the Legislature are eliminated.

Amendment of Florida Constitution:

Article III of the Florida Constitution is amended to add the following as Section 20:

Legislative review and enactment of exemptions and exclusions from the sales tax.--

(a) FAIRNESS INITIATIVE. Except for the current exemptions provided for: food; prescription drugs; health services; and residential rent, electricity and heating fuel, which secure tax fairness, the legislature shall, prior to July 1, 2007, and prior to the first day of July for each tenth year thereafter, review all exemptions and services or transactions excluded from the sales tax existing on or created subsequent to the effective date of this amendment. The Legislature shall reenact only those exemptions or adopt and continue only those exclusions that advance or serve the public purpose of: encouraging economic development and competitiveness; supporting educational, governmental, literary, scientific, religious, or charitable initiatives or institutions; or securing tax fairness. All exemptions or exclusions that are not reenacted or adopted and continued by the adoption of a law in conformity with the enactment requirements provided in this section shall be eliminated effective January 1 subsequent to the July 1 deadline established in this section for the review of all exemptions and exclusions. Each law creating or reenacting a sales tax exemption or creating or continuing an exclusion shall require approval by three-fifths vote of the membership of each house of the Legislature, shall contain the single subject-matter of a single exemption or a single exclusion and shall contain a factual determination that each exemption or exclusion advances or serves a public purpose as enumerated in this section.

(b) CONSTRUCTION. For purpose of this section:

(1) The term sales tax shall mean the tax on sales, use and other transactions levied by the state or authorized to be levied by a local government in chapter 212, Florida Statutes, as of January 1, 2003, except that the term sales tax shall not include the convention development tax, the local option food and beverage tax or the rental car surcharge provided in sections 212.0305, 212.0306, or 212.0606, Florida Statutes, or the taxation of: the sales of tangible personal property purchased for resale or imported, produced, or manufactured in this state for export; sales of real property; sales of intangible personal property; payment of employee salaries and benefits; or transactions subject to the communications services tax imposed in chapter 202, Florida Statutes.

(2) The term "exclusion" and the phrase "a service or transaction excluded from the sales tax" shall mean a sale or use of tangible personal property or the rendering of services for consideration that is not subject to the sales tax and not specifically exempted on the effective date of this amendment.

(3) To satisfy the enactment limitation of this section that each law shall contain only the single subject-matter of a single exclusion, each law adopting or continuing an exclusion from the sales tax shall include or reference the sale or use or the rendering of a service by a business, industry or profession with at least the same first four digits in its NAICS code number as described by the North American Classification System code published by the United States Census Bureau, or its successor in function.

B. Background

Section 100.371, Florida Statutes, requires that the Financial Impact Estimating Conference (FIEC) "...complete an analysis and financial impact statement to be placed on the ballot of the estimated increase or decrease in any revenue or costs to state or local governments resulting from the proposed initiative."

As part of determining the fiscal impact of this proposed amendment, the FIEC held public workshops on June 18, July 1, and July 7, 2004. The conference heard testimony and received written information on the fiscal effects of this amendment from representatives of proponents and opponents of the amendment.

C. Current Situation

The Florida Constitution grants the Legislature the power to tax and places certain limits on the exercise this power.

The Legislature has exercised its power to enact a sales tax in Chapter 212 which is entitled, "Tax on Sales, Use and Other Transactions". Chapter 212 imposes a tax on the following:

- Transient rental (s. 212.03, F.S.): Establishes a taxable privilege for engaging in the business of leasing or renting of hotel rooms, motel rooms, and apartments for periods of less than six months.
- Lease or rental of or license in real property (s. 212.031, F.S.): Establishes a taxable privilege for engaging in the business of renting, leasing, letting, or granting a license for the use of any real commercial property.
- Admissions (s. 212.04, F.S.): Establishes a taxable privilege for selling or receiving anything of value by way of admissions.
- Sale of tangible personal property (s. 212.05(1)(a), F.S.): Establishes a taxable privilege for engaging in the business of selling items or articles of tangible personal property.
- Use of tangible personal property (s. 212.05(1)(b), F.S.): Establishes a taxable privilege on items or articles of tangible personal property which are not sold but are used, consumed, distributed, or stored for use or consumption in Florida. The tax is based on the "cost price" of the article, which is a calculation of the cost of an item including materials, labor, service costs, transportation and any other expenses.
- Lease or rental of tangible personal property (s. 212.05(1)(c), F.S.): Establishes a taxable privilege for the lease or rental of tangible personal property.
- Prepaid calling arrangements, installation of telecommunication and telegraphic equipment and electricity (s. 212.05(1)(e), F.S.): Establishes a taxable privilege for the sale at retail of prepaid calling arrangements and charges for the installation of telecommunication and telegraphic equipment and charges for electrical power or energy. The rate for electrical power or energy is 7 percent. (Effective October 1, 2001, communications services were no longer taxable under

chapter 212, but became taxable under chapter 202, the “Communications Services Tax” at a rate of 6.8%)

- Coin-operated amusement machines (s. 212.05(1)(i), F.S.): Establishes a taxable privilege for coin-operated amusement machine charges at the rate of 4 percent.
- Certain services (s 212.05(1)(j), F.S.): Establishes a taxable privilege for the sale of detective, burglar protection, and other protective services and for the sale of nonresidential cleaning and nonresidential pest control services.
- Service Warranties (s. 212.0506, F.S.) Establishes a taxable privilege on every person who engages in the business of soliciting, offering, providing, entering into, issuing, or delivering any service warranty. “Service warranty” means any contract or agreement which indemnifies the holder of the contract or agreement for the cost of maintaining, repairing, or replacing tangible personal property.

The term “exclusion,” as used in the proposed amendment, is not presently found in Florida’s sales tax statutes. Sales of services are not specifically exempt from sales tax in the statutes, rather they are excluded because Florida does not generally tax the sales of services nor does it generally tax the privilege of engaging in the sale of services. Florida specifically taxes communications services (Chapter 202) and detective, burglar protection, and other protective services and the sale of nonresidential cleaning and nonresidential pest control services. Others services are not subject to the sales and use tax.

Presently, the Legislature is not required to review sales tax exemptions. Also, the Legislature may enact new sales tax exemptions by majority vote, and may enact more than one exemption in a single bill.

D. Effect of Proposed Amendment

The amendment provides that all exemptions and exclusions from the sales tax are repealed unless reenacted by the Legislature. The amendment defines an “exclusion” from sales tax to mean “a sale or use of tangible personal property or the rendering of services for consideration that is not subject to the sales tax and not specifically exempted on the effective date of this amendment.” Accordingly, the amendment will impose tax on the sale of services if the services are not specifically exempted by the Legislature.

The first review of exemptions and exclusions must be completed by July 1, 2007. Any exemption or exclusion not reenacted or continued by that date becomes taxable on January 1, 2008. Subsequently, the amendment provides that the Legislature must review the exemptions and exclusions every ten years.

The Legislature may only reenact exemptions or exclusions that have one or more of the following public purposes: encouraging economic development and competitiveness; supporting educational, governmental, literary, scientific, religious, or charitable initiatives or institutions; or securing tax fairness.

Exemptions and exclusions can only be reenacted in bills containing a single exemption or a single exclusion, and each bill must contain a factual determination that the exemption or exclusion advances or serves a public purpose.

An exemption or exclusion may only be reenacted by a super majority vote of three-fifths (60%) of the membership of each house of the Legislature (24 Senators and 72 Representatives).

Exemptions and exclusions for the following are not subject to review: food; prescription drugs; health services; and residential rent, electricity and heating fuel. Also excluded are the sales of tangible personal property purchased for resale or imported, produced, or manufactured in this state for export;

sales of real property; sales of intangible personal property; payment of employee salaries and benefits; or transactions subject to the communications services tax.

E. Fiscal Impacts of Proposed Constitutional Amendment

In preparing the financial impact of the proposed amendment on state and local governments, the FIEC relied on the information contained in the 2004 Florida Tax Handbook (Handbook). The Handbook is prepared by legislative staff and staff of the Florida Department of Revenue's Office of Research and Analysis. The Handbook is available on the Internet at: <http://www.myflorida.com/edr/reports.htm>.

Pages 105 -121 of the Handbook contain information regarding the sales and use tax, including a brief history of collections and law changes. Of particular use to the Conference was the list of exclusions, exemptions, deductions and credits from the sales & use tax beginning on page 111. This list includes all the statutory exemptions from sales tax and the services excluded from the sales tax, along with an estimate of the tax revenue the state would receive if each exemption were repealed or each service became taxable.

The estimates contained in the Handbook are rough approximations. Until 2001, the Department of Revenue's Office of Research and Analysis annually prepared estimates for each exemption. Since then, estimates have been prepared only for those exemptions in excess of \$10 million. All others have been increased by a conservative fixed growth rate based on the growth in sales tax collections. Also, the estimates for untaxed services assume that taxes on these items would be implemented in the same manner as in the 1987 Services Tax legislation. For example, the 1987 law contained a fairly narrow resale exemption, an exemption for exports, and a use tax for some services purchased out of state.

Using the information in the Handbook, the FIEC prepared Attachment I. The Attachment classifies the exemptions and exclusions contained in the Handbook as "subject to required review" or "not subject to required review" based on the FIEC's interpretation of the proposed amendment. This exercise shows that of the \$26.5 billion in exemptions and exclusions identified in the Handbook, approximately half will be subject to review by the Legislature and will become taxable if not reenacted by the Legislature. The FIEC recognizes that its classifications are not a legal interpretation of the proposed amendment and that others may reach a different conclusion regarding whether a particular transaction is subject to required review.

FINANCIAL IMPACT ESTIMATING CONFERENCE
 Fairness Initiative Requiring Legislative Determination that Sales Tax Exemptions and Exclusions Serve a Public Purpose
 (in \$millions)

SUMMARY TABLE

**ALL SALES TAX PROVISIONS IDENTIFIED IN THE 2004 FLORIDA TAX HANDBOOK
 CATEGORIZED AS "SUBJECT TO REVIEW" OR "NOT SUBJECT TO REVIEW"
 BASED ON THE FAIRNESS INITIATIVE**

	2005 Estimated Revenues *
SALES TAX EXEMPTIONS SUBJECT TO REQUIRED REVIEW	3,586.1
<u>CURRENT EXCLUSIONS FROM SALES TAX SUBJECT TO REQUIRED REVIEW</u>	<u>10,356.4</u>
<u>TOTAL EXEMPTIONS AND EXCLUSIONS SUBJECT TO REVIEW</u>	<u>13,942.5</u>
SUBTOTAL OF EXEMPTIONS NOT SUBJECT TO REQUIRED REVIEW	5,700.5
<u>SUBTOTAL OF CURRENT EXCLUSIONS FROM SALES TAX NOT SUBJECT TO REQUIRED REVIEW</u>	<u>6,708.0</u>
<u>TOTAL EXEMPTIONS AND EXCLUSIONS <u>NOT</u> SUBJECT TO REVIEW</u>	<u>12,408.5</u>
CREDITS NOT SUBJECT TO THE REQUIRED REVIEW	15.0
STATUTORY DISTRIBUTIONS AND DIFFERENTIAL RATES NOT SUBJECT TO THE REQUIRED REVIEW	94.0
GRAND TOTAL FROM 2004 FL TAX HANDBOOK	26,460.0

* All estimates were obtained from the 2004 Florida Tax Handbook prepared by legislative staff and staff of the Florida Department of Revenue's Office of Research & Analysis. The estimates are rough approximations. In particular, the estimates for exclusions could vary dramatically depending on how the tax is implemented, especially with respect to purchases for resale. The classification of exemptions and exclusions as "subject to review" or "not subject to review" was made by the Financial Impact Estimating Conference solely for the purpose of developing a necessary working hypothesis and others may reach a different conclusion.

FINANCIAL IMPACT ESTIMATING CONFERENCE

Fairness Initiative Requiring Legislative Determination that Sales Tax Exemptions and Exclusions Serve a Public Purpose
(in \$millions)

SALES TAX EXEMPTIONS SUBJECT TO REQUIRED REVIEW

Count	2004 FL Tax Handbook Line #	Enactment Date	FL Statutes	Description	2005 Estimated Revenues *
1	1	1949	212.02(1),212.04(1)(b)	Federal tax on admissions	0.4
2	2	1990	212.02(1)	Hospital physical fitness facility charges	1.9
3	3	1949	212.02(2)	Occasional or isolated sales by businesses and individuals (see Note 1)	46.0
4	5	1990	212.02(2)	Leasing of real property between certain corporations	4.8
5	6	1979	212.02(10)(g)	Per diem and mileage charges paid to owners of railroad cars	1.3
6	7	1995	212.02(10)(j)	Privilege, franchise and other fees paid to do business at airports	7.4
7	9	1949	212.02(14)(c)	Materials used for packaging	31.4
8	10	1949	212.02(14)(c)	Components or ingredients of processed or manufactured goods	(see Note 3)
9	12	1998	212.02(16)	Federal excise taxes imposed on retailers	0.9
10	14	1998	212.02(20)	Automobiles loaned to driver education and safety programs	insignificant
11	15	1998	212.02(28) & (29)	Fish breeding	0.1
12	22	1969	212.031(1)(a)1.	Charges for renting property assessed as agricultural	15.6
13	23	1985	212.031(1)(a)4.	Condominium recreational leases	6.9
14	24	1987	212.031(1)(a)5.	Streets used by a utility for utility purposes	37.6
15	25	1999	212.031(1)(a)5.	Cell phone towers and co-located equipment	3.0
16	26	2000	212.031(1)(a)5.	Cell phone towers	0.8
17	27	1987	212.031(1)(a)6.	Toll road charges	53.3
18	28	1987	212.031(1)(a)6.	Street parking meter charges	1.2
19	29	1987	212.031(1)(a)7.	Airport property used for landing, taxiing, or loading	53.0
20	30	1987	212.031(1)(a)8.	Port property used for moving, loading or fueling of ships	13.8
21	31	1997	212.031(1)(a)8.	Wharfage guarantees	0.3
22	32	1987	212.031(1)(a)9.	Leases/rentals of certain property used for movie productions	4.9
23	33	1983	212.031(1)(a)10.	Movie theater concession rent	1.8
24	34	1999	212.031(1)(a)10.	Rents, subleases, or licenses in recreation or sports arenas, civic centers	0.6
25	35	2000	212.031(1)(a)13.	Commercial leases for space flight	0.7
26	36	1998	212.031(1)(b)	Pro-rated exemption for for-profit homes for the aged	0.0
27	37	1977	212.031(5)	Convention hall subleases	6.6
28	38	1978	212.031(6)	Leases by agricultural fair associations	(see Note 5)
29	39	1998	212.031(7)	Certain utility charges if separately billed	17.9
30	40	1998	212.031(8)	Certain lease termination payments	18.6
31	41	1999	212.031(9)	High school and college teams' stadium skyboxes	0.8
32	42	2000	212.031(10)	Entertainment facilities	3.7
33	43	1998	212.04(1)(d)	Travel agent mark-up on taxed admissions or transient rentals	n/a
34	44	1949	212.04(2)(a)1.	Admissions to certain school and state events.	7.0
35	45	1978	212.04(2)(a)2.	Dues, fees, and admissions charged by non-profit entities.	35.6
36	46	1980	212.04(2)(a)3.	Admissions paid by students for required sports or recreation	5.2
37	47	1981	212.04(2)(a)4.	Super Bowl football tickets (impact only when held in Florida)	(see Note 6)
38	48	1994	212.04(2)(a)5.	Governmental participation or sponsorship fees	18.1
39	49	1989	212.04(2)(a)6.	Tickets for certain non-profit theater, opera or ballet events	1.8
40	50	1998	212.04(2)(a)8.	Participation fees to athletic events where spectators are charged admission	insignificant
41	51	1963	212.04(2)(c), 212.02(20)	Pari-mutuel admissions tax imposed by s. 550.09	insignificant
42	52	1976	212.05(1)(a)2.	Sales of boats or airplanes removed from the state	79.5
43	53	1971	212.05(1)(c)	Long term vehicle leases if tax paid when purchased by lessor	1.9
44	54	1998	212.05(1)(h)	Newspaper and magazine inserts	41.7
45	55	1994	212.05(1)(j)1.	2% rate abatement for coin-operated amusement machines	4.3
46	56	1993	212.05(1)(k)	Law enforcement officers' protection services	3.7
47	57	1999	212.05(1)(k)	US legal coins and coins in excess of \$500	0.3
48	58	1998	212.05(1)(n)	When TPP prizes are awarded, operator can pay tax on 25% of receipts	0.3
49	59	1989	212.0506(3)	Certain service warranties relating to real property fixtures	3.5
50	60	1989	212.0506(7)	Service warranties on which insurance premium tax is due (homeowner warr.)	2.6
51	61	1998	212.0506(10)	Certain materials and supplies used in fulfillment of service warranty	35.0
52	62	1998	212.051(1)	Pollution control equipment used in manufacturing	21.7
53	63	1998	212.051(2)	Solid waste management equipment	3.4
54	64	1982	212.052	Items fabricated for use in research and development activities	32.1
55	65	1987	212.0598	Partial exemption for air carriers' maintenance bases	(see Note 7)
56	66	1984	212.06(1)(b)	Partial exemption for production cost of cogenerated energy (see Note 15)	25.4
57	67	1984	212.06(1)(b)	Electricity consumed or dissipated in the transmission of electricity (see Note 15)	23.4
58	68	1969	212.06(1)(b)	Fabrication labor used in the production of qualified motion pictures	8.5
59	69	1982	212.06(1)(b)	Portion of price of factory built building attributable to labor costs	insignificant
60	70	1988	212.06(1)(c)	Use tax on asphalt; special calculations	(see Note 8)

* All estimates were obtained from the 2004 Florida Tax Handbook prepared by legislative staff and staff of the Florida Department of Revenue's Office of Research & Analysis. The estimates are rough approximations. In particular, the estimates for exclusions could vary dramatically depending on how the tax is implemented, especially with respect to purchases for resale. The classification of exemptions and exclusions as "subject to review" or "not subject to review" was made by the Financial Impact Estimating Conference solely for the purpose of developing a necessary working hypothesis and others may reach a different conclusion.

FINANCIAL IMPACT ESTIMATING CONFERENCE

Fairness Initiative Requiring Legislative Determination that Sales Tax Exemptions and Exclusions Serve a Public Purpose
(in \$millions)

SALES TAX EXEMPTIONS SUBJECT TO REQUIRED REVIEW CONT'D

Count	2004 FL Tax Handbook Line #	Enactment Date	FL Statutes	Description	2005 Estimated Revenues *
61	71	1999	212.06(1)(c)	Partial exemption for asphalt sold to governments	1.7
62	72	1998	212.06(1)(d)	Cost price calculation for certain industries	insignificant
63	74	2000	212.06(3)(b)	Certain printed materials	0.3
64	77	1949	212.06(5)(a), 212.081(5)	Any sale exempted by federal law or the U.S. Constitution	n/a
65	79	1949	212.06(7)	Credit for tax paid to other states	57.5
66	80	1969	212.06(8)	Imported items if used in another state for 6 months or more	150.4
67	81	1949	212.06(9)	Sales of religious items	9.6
68	82	1992	212.06(11)	Certain magazine promotional materials, if exported	4.2
69	83	1998	212.06(13)	1% tax rate/month for airplanes purchased for resale but used by dealer	1.3
70	84	1998	212.06(14)	Mobile home lot improvements	insignificant
71	85	1998	212.06(15)	Contractors' use of rock, shell, fill dirt for own use	1.5
72	86	2000	212.06(15)(a)	Fill dirt	insignificant
73	87	1987	212.0601	Partial exemption from use tax for motor vehicle dealers	0.8
74	88	1998	212.0601(3)	Vehicles loaned by car dealer at no charge: calculation based on IRS table	insignificant
75	89	1998	212.0601(4)	Vehicles loaned by car dealer while repairs are made	0.3
76	90	1997/99	212.0602	Purchases of cinematography school, including leases	0.8
77	91	1949	212.07(5)	Sales of farm products sold directly by the producer	1.7
78	92	1998	212.07(5)(b)	Horses sold at claiming races are taxed on first sale; then on mark-up	0.5
79	93	1949	212.07(6)	Agricultural products consumed on the farm	insignificant
80	98	1949	212.08(2)(a)	Non-prescription drugs	172.7
81	99	1949	212.08(2)(a)	Eyeglasses and other corrective lenses	36.9
82	100	1949	212.08(2)(a)	Medical supplies and products such as syringes and prosthetics	92.3
83	101	1951	212.08(2)(a)	Funerals except for tangible personal property used (see Note 9)	16.1
84	102	1990	212.08(2)(a)	Contact lens molds cost in excess of \$100,000	5.6
85	103	1998	212.08(2)(d)	Lithotripters	0.3
86	104	1998	212.08(2)(e)	Human organs	insignificant
87	107	1998	212.08(2)(j)	Special lettering or similar attachments used to aid handicapped persons	2.8
88	109	1949	212.08(4)(a)1.	Metered water, excluding well	216.8
89	110	1949	212.08(4)(a)1.	Bottled (except carbonated) water	39.8
90	111	1969	212.08(4)(a)2.	Purchases of fuel by public and private utilities	252.8
91	112	1963	212.08(4)(a)2.	Fuel for vehicles and vessels in interstate commerce (partial)	3.0
92	113	1987	212.08(4)(a)3.	Wheeling or transmission of electricity (see Note 15)	4.0
93	114	1949	212.08(5)(a)	Purchase of commercial fishing nets	insignificant
94	115	1949/98	212.08(5)(a)	Purchase of agricultural items (pesticides, seeds, fertilizers, etc.)	52.5
95	116	1978	212.08(5)(a)	Fuels used to heat poultry structures	0.1
96	117	1998	212.08(5)(a)	Poultry structure generators	0.2
97	118	1978	212.08(5)(b)1.	Purchases of machinery and equipment by new businesses	24.1
98	119	1978/89	212.08(5)(b)2.a.	M&E purchased by expanding businesses or for spaceports > \$50,000	26.3
99	120	1998	212.08(5)(b)2.b.	M&E purchased by expanding printing facilities	9.4
100	121	1980	212.08(5)(c)1.	Certain M&E used to produce energy (see Note 10)	12.7
101	122	1997	212.08(5)(c)2.	Proration of M&E using nonresidual fuels	0.8
102	123	2000	212.08(5)(c)1. & 2.	Boiler fuels	0.4
103	124	1983	212.08(5)(d)	Certain M&E purchased pursuant to federal contract	(see Note 7)
104	125	1988	212.08(5)(e)	Butane and other gases (except natural) used for agricultural purposes	0.9
105	126	1993	212.08(5)(e)	Natural gas used for agricultural purposes	0.7
106	127	1983	212.08(5)(f)	Certain motion picture or recording equipment; refund	2.6
107	128	2000	212.08(5)(f)	Additional movie exemptions	13.8
108	129	2000	212.08(5)(f)	Motion picture video equipment	4.7
109	130	1984	212.08(5)(g)	Certain building materials used in an enterprise zone	0.3
110	131	1984	212.08(5)(h)	Certain depreciable business equipment used in an enterprise zone; refund	2.1
111	132	1988	212.08(5)(i)	Certain aircraft modification services	25.7
112	133	1997	212.08(5)(j)	M&E used in silicon technology and related research (see Note 11)	2.5
113	134	2000	212.08(5)(j)	Semi-conductor clean rooms	0.1
114	135	2000	212.08(5)(j)	Defense and space M&E	2.1
115	136	1998	212.08(5)(k)	Paint color cards and samples	0.3
116	137	1998	212.08(5)(l)	Cattle growth enhancers	0.4
117	138	1999	212.08(5)(m)	Gold Seal child care facilities' purchases of educational materials	0.2
118	139	2000	212.08(5)(n)	Materials for construction of single-family homes in enterprise zones	0.3
119	140	2000	212.08(5)(o)	Building materials in redevelopment projects	0.4
120	141	2000	212.08(5)(p)	Broad band technology	3.3

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FINANCIAL IMPACT ESTIMATING CONFERENCE

Fairness Initiative Requiring Legislative Determination that Sales Tax Exemptions and Exclusions Serve a Public Purpose
(in \$millions)

SALES TAX EXEMPTIONS SUBJECT TO REQUIRED REVIEW CONT'D

Count	2004 FL Tax Handbook Line #	Enactment Date	FL Statutes	Description	2005 Estimated Revenues *
121	143	1949	212.08(6)	Direct purchases by govt. (except electrical generating equip.) (see Note 12)	381.7
122	144	1987	212.08(6)	Services by radio and television stations	(see Note 13)
123	145	1978	212.08(7)(a)	Sales of artificial commemorative flowers by Veterans' Administration	insignificant
124	146	1978	212.08(7)(b)	Purchases of boiler fuels for use in industrial manufacturing	33.7
125	147	1974	212.08(7)(c)	Purchases of crab bait by commercial fishermen	0.4
126	148	1949	212.08(7)(d)	Feed for poultry and livestock, including racehorses, and ostriches	19.5
127	149	1949	212.08(7)(e)	Film rentals, when admissions are charged	4.4
128	150	1970	212.08(7)(e)	License fee charges for films and tapes used by broadcasters	(see Note 14)
129	151	1974	212.08(7)(f)	Sales of U.S. and State flags	1.9
130	152	1982	212.08(7)(g)	Supplies and equipment by the Florida Retired Educators' Association	insignificant
131	153	1971	212.08(7)(h)	Purchases of, and supplies for, guide dogs for the blind	insignificant
132	157	1996	212.08(7)(i)	Purchases of power & heating fuels by licensed day care homes (see Note 15)	0.3
133	158	1980	212.08(7)(j)	Utilities purchased for use in a residential model home (see Note 15)	0.2
134	160	1983	212.08(7)(l)	Purchases by organizations providing certain benefits to minors	6.3
135	161	1949	212.08(7)(m)1.	Sales or leases to churches	54.1
136	162	1983	212.08(7)(m)1.	Items purchased or leased by certain non-profit organizations	10.0
137	163	1984	212.08(7)(m)2.	Non-profit organizations providing free transportation to church members	0.1
138	164	1988	212.08(7)(m)2.	Purchases by religious non-profit television stations	0.5
139	165	1995	212.08(7)(m)2.	Purchases by organizations providing religious services to state prisoners	insignificant
140	166	1998	212.08(7)(m)2.	Religious tapes for the blind	0.1
141	167	1998	212.08(7)(m)2.	Organizations without permanent location conducting religious services	0.6
142	168	1995	212.08(7)(m)2.	Purchases by certain organizations supporting charitable service providers	0.1
143	169	1978/99	212.08(7)(n)1.	Items purchased or leased by qualified veterans organizations	0.6
144	170	1949/00	212.08(7)(o)	Schools, colleges, and universities	n/a
145	171	1949/00	212.08(7)(p)	Section 501(c)(3) organizations	41.3
146	172	1978	212.08(7)(q)	Purchases of resource recovery equipment by local government	0.2
147	173	1963	212.08(7)(r)	K-12 schoolbooks	17.3
148	174	1998	212.08(7)(r)	School yearbooks, magazines, newspapers, and bulletins	6.0
149	175	1987	212.08(7)(s)	Alcoholic beverages used by businesses for tasting	1.5
150	176	1986	212.08(7)(t)	Boats temporarily docked in Florida	4.3
151	177	1969	212.08(7)(u)	Purchases of fire-fighting equipment by volunteer fire departments	0.3
152	178	1949/88	212.08(7)(v)	Charges for professional, personal and insurance services	n/a
153	328	1990	212.08(7)(w)	Free advertising publications	22.5
154	329	1996	212.08(7)(w)	Subscription newspapers, newsletters and magazines delivered by mail	11.3
155	330	1987	212.08(7)(x)	Sporting equipment brought to Florida for certain events	0.1
156	331	1988	212.08(7)(y)	Charter fishing boats	43.4
157	332	1988	212.08(7)(z)	Certain candy sold in vending machines by non-profit organizations	insignificant
158	333	1988	212.08(7)(aa)	Commercial trucks sold between commonly owned companies	0.4
159	334	1992	212.08(7)(bb)	Community cemeteries	0.1
160	335	1992/99	212.08(7)(cc)	Works of art provided to an educational institution	6.7
161	336	1994	212.08(7)(dd)	Lease or license to use taxicab equipment	7.6
162	337	1994/98	212.08(7)(ee)	Aircraft repair and maintenance labor charges or aircraft > 15,000 lbs	2.7
163	338	1998	212.08(7)(ee)	Aircraft repair and maintenance labor charges for helicopters > 10,000 lbs	0.2
164	339	1996	212.08(7)(ff)	Electricity used in manufacturing (see Note 15)	52.3
165	340	1996	212.08(7)(gg)	Leases to or by fair associations for real or tangible personal property	1.1
166	341	1996	212.08(7)(hh) & (ii)	State park citizen support organizations and Florida Folk Festival	0.1
167	342	1997	212.08(7)(jj)	Solar energy systems	1.2
168	343	1997	212.08(7)(kk)	Nonprofit cooperative hospital laundries	0.1
169	345	1997	212.08(7)(mm)	PRIDE	1.5
170	346	1998	212.08(7)(nn)	Items sold by PTO's and PTA's, if tax paid at purchase	1.8
171	347	1998	212.08(7)(nn)	Vending machine items in lunchrooms, if tax paid at purchase	0.2
172	348	1998	212.08(7)(oo)	Mobile home lot improvements	0.7
173	349	1998	212.08(7)(pp)	Portions of purchase price of boats, cars, planes paid by veterans' organizations	0.2
174	352	1998	212.08(7)(ss)	Racing dogs by breeders	0.1
175	353	1998	212.08(7)(tt)	Parts and labor used in certain aircraft maintenance or repair	2.7
176	354	1998	212.08(7)(uu)	Aircraft leases and sales by common carriers, if in excess of 15,000 lbs	2.8
177	355	1999/00	212.08(7)(v v)	Non-profit water systems	0.8
178	356	1999	212.08(7)(ww)	Library co-operatives	0.1
179	357	1999	212.08(7)(xx)	Certain advertising services	15.4
180	358	1999	212.08(7)(yy)	Gold, silver, platinum bullion in excess of \$500	insignificant

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FINANCIAL IMPACT ESTIMATING CONFERENCE

Fairness Initiative Requiring Legislative Determination that Sales Tax Exemptions and Exclusions Serve a Public Purpose
(in \$millions)

SALES TAX EXEMPTIONS SUBJECT TO REQUIRED REVIEW CONT'D

Count	2004 FL Tax Handbook Line #	Enactment Date	FL Statutes	Description	2005 Estimated Revenues *
181	359	1999/00	212.08(7)(zz)	Shipping and parts and labor for repair of certain machinery	12.7
182	360	1999	212.08(7)(aaa)	Film and printing supplies	6.4
183	361	2000	212.08(7)(bbb)	People mover systems	0.3
184	362	2000	212.08(7)(ccc)	Crime prevention	insignificant
185	363	2000	212.08(7)(ddd)	Florida Fire and Emergency Services	insignificant
186	364	2000	212.08(7)(eee)	Railroad bed materials	0.7
187	365	1957	212.08(8)	Vessels, parts and related items used in interstate commerce (partial)	15.6
188	366	1957	212.08(9)	RR equip, mot. veh. and parts used in interstate commerce (see Note 18)	59.7
189	369	1998	212.08(11)	Aircraft temporarily located in Florida for repairs	6.9
190	370	1984	212.08(12)	Master tapes, records, films or video tapes (partial)	28.2
191	371	1984	212.08(15)	Certain electrical energy used in an enterprise zone (see Note 15)	0.4
192	372	1989	212.08(16)(a)1.	The sale or use of satellites or other space vehicles	131.0
193	373	1989	212.08(16)(a)2.	The sale or use of tangible personal property placed on satellites	insignificant
194	374	1999	212.08(17)	Overhead items purchased by certain government contractors	9.1
195	375	1984	212.0821(1)	Items bought by parent-teacher organizations through school districts	1.7
196	376	1984	212.0821(2)	Items bought by certain community groups thru local governments	insignificant
197	377	1984	212.0821(3)	Items bought by certain library fund raising groups	insignificant
198	378	1949	212.09, 212.02(17)	The value of trade-ins or discounts	600.3
199	386	1998	376.75(1)	Tax on perchloroethylene	0.1
SUBTOTAL OF SALES TAX EXEMPTIONS SUBJECT TO REQUIRED REVIEW					3,586.1

SALES TAX EXEMPTIONS NOT SUBJECT TO REQUIRED REVIEW

Count	2004 FL Tax Handbook Line #	Enactment Date	FL Statutes	Description	2005 Estimated Revenues *
1	4	1970	212.02(2)	Rent on low income housing	58.2
2	11	1998	212.02(14)(c)	Parts incorporated into repair for resale	insignificant
3	16	1949	212.03(4), 212.031(1)(a)2.	Rent charges paid by certain long term occupants	3.5
4	17	1979	212.03(7)(a)	Rent charges paid by certain full-time students	32.9
5	18	1979	212.03(7)(a)	Rent charges paid by active military personnel	9.8
6	19	1972	212.03(7)(a)	Rent charges paid by permanent residents	948.2
7	20	1972	212.03(7)(c)	Charges for rent in certain mobile home parks	2.8
8	21	1979	212.03(7)(d)	Rent charges for living accommodations in migrant labor camps	11.6
9	73	1992	212.06(2)(d),5(c),212.0596(2)	Printing for out-of-state customer, when he provides the paper	15.9
10	76	1949	212.06(5)(a)	Aircraft being exported outside the U.S.	11.0
11	78	1983	212.06(5)(b)	Non-resident dealers purchasing items for resale overseas	3.2
12	95	1949	212.08(1)(a)	Groceries purchased for human consumption	1,800.0
13	96	1986	212.08(1)(b)	Food purchased with food stamps [not exempt under s. 212.08(1)(a)]	1.0
14	97	1949	212.08(2)(a)	Prescription drugs	663.0
15	105	1998	212.08(2)(f) & (h)	Veterinary medicines	7.2
16	106	1999	212.08(2)(f) & (h)	Non-retail pharmacies	491.3
17	154	1963	212.08(7)(i)	Charges for hospital meals and rooms	485.0
18	155	1995	212.08(7)(i)	In-facility meals purchased by residents of homes for the aged	19.6
19	156	1972	212.08(7)(j)	Purchases of power and heating fuels by residential households (see Note 15)	1,045.2
20	159	1978	212.08(7)(k)	Charges for certain meals provided by non-profit organizations	24.4
21	173	1963	212.08(7)(r)	K-12 lunches	18.8
22	344	1997	212.08(7)(ll)	Complimentary meals served by hotels and motels	3.7
23	350	1998	212.08(7)(qq)	Complimentary food items	0.7
24	351	1998	212.08(7)(rr)	Food or beverages donated to non-profit organizations	0.3
25	367	1977	212.08(10)	Partial exemption on motor vehicles sold to out-of-state residents	36.0
26	368	1978	212.08(11)	Flyable aircraft sold by a Florida manufacturer to out-of-state resident (partial)	7.2
SUBTOTAL OF EXEMPTIONS NOT SUBJECT TO REQUIRED REVIEW					5,700.5

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FINANCIAL IMPACT ESTIMATING CONFERENCE

Fairness Initiative Requiring Legislative Determination that Sales Tax Exemptions and Exclusions Serve a Public Purpose
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CURRENT EXCLUSIONS FROM SALES TAX SUBJECT TO REQUIRED REVIEW

Count	2004 FL Tax Handbook Line #	1997 NAICS Code	Description of the Service or Activity Not Subject to the Sales Tax	2005 Estimated Revenues *
	179		PERSONAL SERVICES	
	179	812	Personal and Laundry Services	
1	180	8121	Personal Care Services (includes Beauty and Barber Shops)	91.4
2	181	8123	Dry-cleaning and Laundry Services	80.9
3	182	8129	Other Personal Services (Pet Care, Photo Finishing, Valet Parking, Parking Lots and Garages)	14.4
	182		PROFESSIONAL SERVICES	
	182	531	Real Estate	
4	183	5312	Offices of Real Estate Agents and Brokers	295.2
5	184	5313	Activities Related to Real Estate (Property Managers and Appraisers)	166.5
6	185	533	Lessors of Non-Financial Intangible Assets (except Copyrighted Work)	40.8
	186	541	Professional, Scientific, and Technical Services	
7	186	5411	Legal Services - For Profit (includes Title Search and Abstract Services)	550.3
8	187	5411	Legal Services - Not For Profit	4.6
9	188	5412	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	297.8
10	189	5413	Architectural, Engineering, and Related Services	345.6
11	190	5414	Specialized Design Services (Interior, industrial, Graphic, Fashion, and other Design Services)	80.6
12	191	5415	Computer Systems Design and Related Services	415.3
13	192	5416	Management, Scientific, and Technical Consulting Services	370.8
14	193	5417	Scientific Research and Development Services - For Profit	8.3
15	194	5417	Scientific Research and Development Services - Not For Profit	3.5
16	195	5418	Advertising and Related Services	165.8
17	196	5419	Other Professional, Scientific, and Technical Services (Marketing Research, Photographic, Veterinary, Translation Services)	76.6
	197	551	Management of Companies and Enterprises	
18	197	551111	Offices of Bank Holding Companies	19.2
19	198	551112	Offices of Other Holding Companies	30.9
20	199	551114	Corporate, Subsidiary, and Regional Managing Offices	11.8
	200	561	Administrative and Support Services	
21	200	5611	Office Administrative Services	147.3
22	201	5612	Facilities Support Services	37.7
23	202	5613	Employment Services	1,211.3
	203	5614	Business Support Services (includes Credit and Collection Agencies, Secretarial and Court Reporting Services)	192.4
24	203	5614	Business Support Services (includes Credit and Collection Agencies, Secretarial and Court Reporting Services)	192.4
25	204	5615	Travel Arrangement and Reservation Services (Travel Agencies and Tour Operators)	55.1
NA	205	5616	Investigation and Security Services - NOT AN EXCLUSION	
26	206	5617	Services to Buildings and Dwellings (includes Cleaning and Pest Control)	87.1
27	207	5619	Other Support Services (Packaging and Labeling Services, Convention and Trade Show Organizers)	79.1
	208	813	Professional Organizations	
28	208	8132	Grant making and Giving Services	10.9
29	209	8133	Social Advocacy Organizations	10.8
30	210	8134	Civic and Social Organizations	9.5
31	211	8139	Business, Professional, Labor, Political, and Similar Organizations	102.6
	212		BUSINESS SERVICES	
	212	115	Support Activities for Agriculture and Forestry	
32	213	1151	Support Activities for Crop Production	71.1
33	214	1152	Support Activities for Animal Production	71.1
34	215	1153	Support Activities for Forestry	37.2
	216	213	Support Activities for Mining	
35	216	213111	Drilling Oil and Gas Wells	0.8
36	217	213112	Support Activities for Oil and Gas Operations	1.3
37	218	213113	Support Activities for Coal Mining	0.4
	219	323	Printing and Related Support Activities	
38	219	323122	Prepress Services	7.8
	220	492	Couriers and Messengers	
39	220	4921	Couriers	167.7
40	221	4922	Local Messengers and Local Delivery	14.1

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FINANCIAL IMPACT ESTIMATING CONFERENCE

Fairness Initiative Requiring Legislative Determination that Sales Tax Exemptions and Exclusions Serve a Public Purpose
(in \$millions)

CURRENT EXCLUSIONS FROM SALES TAX SUBJECT TO REQUIRED REVIEW CONT'D

Count	2004 FL Tax Handbook Line #	1997 NAICS Code	Description of the Service or Activity Not Subject to the Sales Tax	2005 Estimated Revenues *
	222		FINANCIAL SERVICES	
	222	522	Credit Intermediation and Related Activities	
41	224	5223	Activities Related to Credit Intermediation (Loan Brokers, EFT Networks, Clearinghouse Assoc., Credit Card Svcs)	228.9
	225	523	Securities, Commodity Contracts, and Other Financial Investments	
42	225	5231	Securities and Commodity Contracts Intermediation and Brokerage	368.5
	226	524	Insurance Carriers and Related Activities	
43	227	5242	Agencies, Brokerages, and Other Insurance Related Activities	345.6
	229		MEDIA SERVICES	
	229	511	Publishing Industries	
44	229	5112	Software Publishers	147.8
	230	512	Motion Picture and Sound Recording Industries	
45	230	5121	Motion Picture and Video Industries	71.7
	231	513	Broadcasting and Telecommunications	
46	231	5131	Radio and Television Broadcasting	180.6
47	232	5132	Cable Networks and Program Distribution	177.9
	233	514	Information Services and Data Processing Services	
48	233	5141	Information Services (includes News and Feature Syndicates)	14.3
49	234	5142	Data Processing Services	89.4
	235		ENTERTAINMENT & SPORTS SERVICES	
	235	711	Performing Arts, Spectator Sports, and Related Industries	
50	235	7111	Performing Arts Companies - for profit	2.6
51	236	7111	Performing Arts Companies - not for profit	0.6
52	237	7112	Spectator Sports (Sports Teams and Clubs, Racetracks, etc.)	10.9
53	238	7113	Promoters of Performing Arts, Sports, and Similar Events - for profit	39.6
54	239	7113	Promoters of Performing Arts, Sports, and Similar Events - not for profit	9.9
55	240	7114	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	8.1
56	241	7115	Independent Artists, Writers, and Performers	12.8
	242	713	Amusement, Gambling, and Recreation Industries	
	242	7139	Other Amusement and Recreation Industries - for profit (includes Physical Fitness Facilities, Dance Studios, Golf Courses, etc)	18.2
58	243	7139	Other Amusement and Recreation Industries - not for profit	2.7
	244		CONSTRUCTION SERVICES	
	244	233	Building, Developing, and General Contracting	
59	244	2331	Land Subdivision and Land Development	194.2
60	245	2332	Residential Building Construction	421.5
61	246	2333	Nonresidential Building Construction	259.6
	247	234	Heavy Construction	
62	247	2341	Highway, Street, Bridge, and Tunnel Construction	141.1
63	248	2349	Other Heavy Construction (includes Heavy Equipment Rental with Operator)	177.0
	249	235	Special Trade Contractors	
64	249	2351	Plumbing, Heating, and Air-Conditioning Contractors	174.3
65	250	2352	Painting and Wall Covering Contractors	40.2
66	251	2353	Electrical Contractors	147.1
67	252	2354	Masonry, Drywall, Insulation, and Tile Contractors	112.2
68	253	2355	Carpentry and Floor Contractors	56.7
69	254	2356	Roofing, Siding, and Sheet Metal Contractors	53.6
70	255	2357	Concrete Contractors	64.1
71	256	2358	Water Well Drilling Contractors	6.6
72	257	2359	Other Special Trade Contractors	177.6
	258		INSTITUTIONAL SERVICES	
	258	562	Waste Management and Remediation Services	
73	258	5621	Waste Collection	73.7
74	259	5622	Waste Treatment and Disposal	27.3
75	260	5629	Remediation and Other Waste Management Services	27.7
	261	611	Educational Services - For Profit	
76	261	6114	Business Schools and Computer and Management Training	39.5
77	262	6115	Technical and Trade Schools	41.6
78	263	6116	Other Schools and Instruction	31.7
79	264	6117	Educational Support Services	7.1

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CURRENT EXCLUSIONS FROM SALES TAX SUBJECT TO REQUIRED REVIEW CONT'D

Count	2004 FL Tax Handbook Line #	1997 NAICS Code	Description of the Service or Activity Not Subject to the Sales Tax	2005 Estimated Revenues *
	258		INSTITUTIONAL SERVICES - CONT'D	
	265	611	Educational Services - Not For Profit	
80	265	6114	Business Schools and Computer and Management Training	0.9
81	266	6115	Technical and Trade Schools	2.6
82	267	6116	Other Schools and Instruction	6.0
83	268	6117	Educational Support Services	1.3
	269	624	Social Assistance - For Profit	
84	269	6241	Individual and Family Services	12.0
85	270	6242	Community Food and Housing, and Emergency and Other Relief Services	0.2
86	271	6243	Vocational Rehabilitation Services	5.7
87	272	6244	Child Day Care Services	50.4
	273	624	Social Assistance - Not For Profit	
88	273	6241	Individual and Family Services	54.3
89	274	6242	Community Food and Housing, and Emergency and Other Relief Services	10.0
90	275	6243	Vocational Rehabilitation Services	12.5
91	276	6244	Child Day Care Services	13.1
	277		TRANSPORTATION SERVICES	
	277	481	Air Transportation	
92	277	481111	Scheduled Passenger Air Transportation	91.6
93	278	481112	Scheduled Freight Air Transportation	22.1
94	279	481211	Nonscheduled Chartered Passenger Air Transportation	7.7
95	280	481212	Nonscheduled Chartered Freight Air Transportation	2.9
96	281	481219	Other Nonscheduled Air Transportation	0.7
	282	482	Rail Transportation	
97	282	482111	Line-Haul Railroads (Long Distance Cargo and Passenger)	52.0
98	283	482112	Short Line Railroads (Short Distance Cargo)	13.0
	284	483	Water Transportation	
99	284	4831	Deep Sea, Coastal, and Great Lakes Water Transportation	17.8
100	285	4832	Inland Water Transportation	3.7
	286	484	Truck Transportation	
101	286	4841	General Freight Trucking	231.0
102	287	4842	Specialized Freight Trucking	113.6
	288	485	Transit and Ground Passenger Transportation	
103	288	4851	Urban Transit Systems	2.1
104	289	4852	Interurban and Rural Bus Transportation	3.4
105	290	4853	Taxi and Limousine Service	8.8
106	291	4854	School and Employee Bus Transportation	2.6
107	292	4855	Charter Bus Industry	5.9
108	293	4859	Other Transit and Ground Passenger Transportation	9.5
	294	486	Pipeline Transportation	
109	294	4862	Pipeline Transportation of Natural Gas	6.8
	295	487	Scenic and Sightseeing Transportation	
110	295	4871	Scenic and Sightseeing Transportation, Land	1.4
111	296	4872	Scenic and Sightseeing Transportation, Water	14.6
112	297	4879	Scenic and Sightseeing Transportation, Other	0.5
	298	488	Support Activities for Transportation	
113	298	4881	Support Activities for Air Transportation (Air Traffic Control and Airport Terminal Services)	51.0
114	299	4882	Support Activities for Rail Transportation (Loading Services, Terminal Services, Rail Car Support Activities for Water Transportation (Port and Harbor Operations, Cargo Handling, Navigational Services)	12.3
115	300	4883	Support Activities for Road Transportation (Auto Towing, Terminal and Service Facilities)	20.9
116	301	4884	Freight Transportation Arrangement	15.2
117	302	4885	Freight Transportation Arrangement	67.6
118	303	4889	Other Support Activities for Transportation	18.3
SUBTOTAL OF CURRENT EXCLUSIONS FROM SALES TAX SUBJECT TO REQUIRED REVIEW				10,356.4

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Count	2004 FL Tax Handbook Line #	1997 NAICS Code	Description of the Service or Activity Not Subject to the Sales Tax	2005 Estimated Revenues *
	222		FINANCIAL SERVICES	
	222	522	Credit Intermediation and Related Activities	
1	222	5221	Depository Credit Intermediation (Banks, S&L's, Credit Unions, et al)	1,137.0
2	223	5222	Nondepository Credit Intermediation (Credit Cards, Sales Financing, Consumer Lending, Real Estate Credit)	567.7
	226	524	Insurance Carriers and Related Activities	
3	226	5241	Insurance Carriers	2,516.4
	228	525	Funds, Trusts, and other Financial Vehicles	
4	228	5259	Other Investment Pools and Funds (UITs, REITs, etc.)	37.6
	304		HEALTH SERVICES	
	304	621	Ambulatory Health Care Services	
5	304	6211	Offices of Physicians	920.4
6	305	6212	Offices of Dentists	233.2
7	306	6213	Offices of Other Health Practitioners	94.7
8	307	6214	Outpatient Care Centers - for profit	73.3
9	308	6214	Outpatient Care Centers - not for profit	47.0
10	309	6215	Medical and Diagnostic Laboratories	72.8
11	310	6216	Home Health Care Services - for profit	97.8
12	311	6216	Home Health Care Services - not for profit	30.3
13	312	6219	Other Ambulatory Health Care Services - for profit	16.2
14	313	6219	Other Ambulatory Health Care Services - not for profit	14.4
	314	622	Hospitals - For Profit	
15	314	6221	General Medical and Surgical Hospitals	105.4
16	315	6222	Psychiatric and Substance Abuse Hospitals	3.7
17	316	6223	Specialty (except Psychiatric and Substance Abuse) Hospitals	5.8
	317	622	Hospitals - Not For Profit	
18	317	6221	General Medical and Surgical Hospitals	312.0
19	318	6222	Psychiatric and Substance Abuse Hospitals	6.5
20	319	6223	Specialty (except Psychiatric and Substance Abuse) Hospitals	6.4
	320	623	Nursing and Residential Care Facilities - For Profit	
21	320	6231	Nursing Care Facilities	237.6
22	321	6232	Residential Mental Retardation/Health and Substance Abuse Facilities	11.8
23	322	6233	Community Care Facilities for the Elderly	49.3
24	323	6239	Other Residential Care Facilities	2.9
	324	623	Nursing and Residential Care Facilities - Not For Profit	
25	324	6231	Nursing Care Facilities	43.4
26	325	6232	Residential Mental Retardation/Health and Substance Abuse Facilities	18.9
27	326	6233	Community Care Facilities for the Elderly	38.5
28	327	6239	Other Residential Care Facilities	7.0
SUBTOTAL OF CURRENT EXCLUSIONS FROM SALES TAX NOT SUBJECT TO REQUIRED REVIEW				6,708.0

* All estimates were obtained from the 2004 Florida Tax Handbook prepared by legislative staff and staff of the Florida Department of Revenue's Office of Research & Analysis. The estimates are rough approximations. In particular, the estimates for exclusions could vary dramatically depending on how the tax is implemented, especially with respect to purchases for resale. The classification of exemptions and exclusions as "subject to review" or "not subject to review" was made by the Financial Impact Estimating Conference solely for the purpose of developing a necessary working hypothesis and others may reach a different conclusion.

FINANCIAL IMPACT ESTIMATING CONFERENCE

Fairness Initiative Requiring Legislative Determination that Sales Tax Exemptions and Exclusions Serve a Public Purpose
(in \$millions)

OTHER SALES TAX PROVISIONS NOT SUBJECT TO REVIEW

Count	2004 FL Tax Handbook Line #	Enactment Date	FL Statutes	Description	2005 Estimated Revenues *
TRANSACTIONS NOT SUBJECT TO REQUIRED REVIEW and NOT INCLUDED IN FL TAX HANDBOOK TOTALS					
1	8	1949	212.02(14)(a)	Items purchased for subsequent resale (see Note 2)	31,345.0
2	13	1949	212.02(19)	Intangible personal property (see Note 4)	16,802.5
3	75	1949	212.06(5)(a)	Tangible personal property imported or produced for export	4,161.4
4	94	1949	212.07(7)	Purchases of agricultural products for further processing for resale	1,039.4
CREDITS NOT SUBJECT TO THE REQUIRED REVIEW					
1	142	2001	212.08(5)(q)	Community Contribution Credit	8.0
2	379	1984	212.096	Credit for job creation in enterprise zones	1.4
3	380	1997	212.097	Urban High-crime area job tax credit	5.6
4	381	1997	212.098	Rural job tax credit	insignificant
SUBTOTAL					15.0
STATUTORY DISTRIBUTIONS AND DIFFERENTIAL RATES NOT SUBJECT TO REQUIRED REVIEW					
1	108	63/98	212.08(3)	Sale of farm equipment - tax rate @ 2.5%	18.5
2	382	1949	212.12(1), 212.04(5)	Collection allowance of 2.5% for the first \$1,200 of tax per return	53.8
3	383	1991	212.20(6)(g)4.a.	Up to \$2.0m annual subsidy for certain professional sports teams	18.5
4	384	1993	212.20(6)(g)4.b.	\$2 million annual subsidy for Professional Golf Hall of Fame	2.1
5	385	1996	212.20(6)(g)4.c.	\$1 m annual subsidy for Intern'l Game Fish Association World Center	1.1
SUBTOTAL					94.0

Notes:

- n/a - Estimate not available.
- 1 Estimate reflects only sales by businesses.
- 2 Estimate excludes items exempt under other provisions as well.
- 3 Impact included in estimate for item #8.
- 4 The estimate represents only sales of stocks and bonds traded in national markets. A variety of additional items would also be potentially taxed.
- 5 Impact included in estimate for #339.
- 6 The 2001 Super Bowl was held in Tampa. This exemption is estimated to cost \$1.3m.
- 7 No evidence exists that any taxpayers currently avail themselves of this exemption.
- 8 In the aggregate, the special calculation yields the same revenue as would the general law.
- 9 Estimate reflects entire charge for funeral and crematory services. Net revenue from repeal may be reduced by value of caskets, depending on the billing procedures of each business.
- 10 Based on exemption permits issued, this amount could increase significantly if taxpayers receive development authorization.
- 11 The exemption is granted only to the extent funds are appropriated for that purpose.
- 12 Excludes \$362.3m of tax on federal purchases. Taxation would require congressional authorization.
- 13 See NAICS codes 51.
- 14 This exemption applies when delivery is by a physical medium. The estimate for NAICS codes 51 include both physical delivery and electronic transmission. The latter form dominates the market.
- 15 The statutory tax rate for electricity is 7%.
- 16 Estimate includes commuter transportation only. Federal law prohibits state taxation of Amtrak services.
- 17 Federal law prohibits state taxation of airline passenger charges. If federal law changes, it could generate \$352m.
- 18 Estimate assumes other supporting statutory changes in addition to exemption repeal.

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