

1 Resolution of the Taxation and Budget Reform Commission
2 A resolution proposing the creation of Section 19 of
3 Article VII and a new section in Article XII of the State
4 Constitution to mandate the repeal of exemptions and
5 exclusions from sales tax and to use those new sources of
6 revenue to replace revenues from ad valorem taxation to
7 fund education.

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9 Be It Resolved by the Taxation and Budget Reform Commission:
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11 That the following creation of Section 19 of Article VII
12 and a new section in Article XII of the State Constitution is
13 agreed to and shall be submitted to the electors of this state
14 for approval or rejection at the next general election or at an
15 earlier special election specifically authorized by law for that
16 purpose:

17 ARTICLE VII

18 FINANCE AND TAXATION

19 SECTION 19. Mandated repeal of exemptions and exclusions
20 from state sales tax to replace the ad valorem tax millage set
21 by the legislature under the Florida Education Finance
22 Program.--

23 (a) Prior to July 1, 2009, the legislature shall replace
24 and eliminate the ad valorem millage set as the required local
25 effort for all school districts under the Florida Education
26 Finance Program, or its successor in function, by the
27 appropriation of sales tax revenues generated solely by the
28 following legislative actions, or a combination of such actions:

29 (1) repeal of sales tax exemptions determined not to
30 advance or serve a public purpose, except for the current

31 exemptions for: food; prescription drugs; health services; and
32 residential rent, electricity and heating fuel, which exemptions
33 advance tax fairness; or

34 (2) taxation of services whose exclusion from sales
35 taxation is determined not to advance or serve a public purpose.

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37 Such additional sales tax revenues shall be generated at the
38 sales tax rate in effect upon the effective date of this
39 amendment and shall be in an amount not less than the amount
40 appropriated in the General Appropriations Act as the required
41 local effort for all school districts in the state fiscal year
42 2008 budget. Nothing contained herein shall be construed to
43 replace or eliminate the ad valorem tax millage dedicated to
44 capital outlay, school renovation and repair, or for the payment
45 of lease purchase obligations authorized by general law.

46 (b) Each law creating a sales tax exemption shall require
47 approval by a three-fifths vote of the membership of each house
48 of the legislature and shall contain the single subject matter
49 of a single exemption and a legislative finding that the
50 exemption advances or serves the public purpose of: encouraging
51 economic development and competitiveness; supporting
52 educational, governmental, literary, scientific, religious, or
53 charitable initiatives or institutions; or securing tax
54 fairness.

55 (c)(1) The term "sales tax" means the tax on sales, use,
56 and other transactions levied by the state on November 4, 2008,
57 except that the term "sales tax" does not include the convention
58 development tax, the local option food and beverage tax or the
59 rental car surcharge provided in sections 212.0305, 212.0306, or
60 212.0606, Florida Statutes, or the taxation of: the sales of

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61 tangible personal property purchased for resale or imported,
62 produced, or manufactured in this state for export; sales of
63 real property; sales of intangible personal property; payment of
64 employee salaries and benefits; or transactions subject to the
65 communications services tax imposed in chapter 202, Florida
66 Statutes.

67 (2) To accomplish the public purpose review of each
68 service that is mandated in subsection (b) of this section, a
69 single service shall be that rendered by a business, industry or
70 profession with at least the same first four digits in its NAICS
71 code number as described by the North American Industry
72 Classification System code published by the United States Census
73 Bureau, or its successor in function.

ARTICLE XII

SCHEDULE

76 Mandated repeal of exemptions and exclusions from state
77 sales tax to replace the ad valorem tax millage set by the
78 legislature under the Florida Education Finance Program.--
79 Section 19 of Article VII, relating to the repeal of sales tax
80 exemptions and exclusions, shall take effect upon approval by
81 the electors.

82 BE IT FURTHER RESOLVED that the following statement be
83 placed on the ballot:

CONSTITUTIONAL AMENDMENT

ARTICLE VII, SECTION 19

ARTICLE XII

87 REPEALING SALES TAX EXEMPTIONS AND EXCLUSIONS TO REPLACE AD
88 VALOREM TAX FUNDING OF EDUCATION.--Directing legislature to
89 replace school property taxes required under the Florida
90 Education Finance Program by repealing sales tax exemptions or

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91 taxing excluded services where the exemption or exclusion fails
92 to provide a public purpose. Excluded from repeal are current
93 exemptions for food; prescription drugs; health services; and
94 residential rent, electricity and heating fuel. Each law
95 granting sales tax exemptions shall contain a single exemption,
96 declare the public purpose advanced and be approved by
97 extraordinary vote.