

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.

8  
9 Be It Resolved by the Taxation and Budget Reform Commission:

10  
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.

36  
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

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.

74 ARTICLE XII

75 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:

84 CONSTITUTIONAL AMENDMENT

85 ARTICLE VII, SECTION 19

86 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

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.