

SUMMARY
CS/SB 777 by Senator Deratany, as passed.
Sales Tax on Services

The 1986 Legislature passed Chapter 86-166, L.O.F., repealing the sales tax exemption for all services and for 44 non-service exemptions effective July 1, 1987. Attachment 1 contains a list of the service and non-service exemptions repealed and their fiscal impacts.

The 1987 Legislature has passed CS/SB 777 which integrates the tax on services with the current tax on tangible personal property, providing a number of exemptions from the tax on services and reinstating selected service and non-service exemptions repealed last year. The bill also levies an additional tax on diesel fuel and an additional documentary stamp tax on the transfer of deeds. The effective date of all these provisions is July 1, 1987. Attachment 2 contains the fiscal impacts of this bill.

Sales Tax on Services

The sales tax is levied at the rate of 5% on the sale of certain services in this state. Taxable services are defined as those activities usually provided for consideration by establishments listed in any of 43 included references to groupings in the Standard Industrial Classification (SIC) Manual. Services provided by some of these groups are exempted elsewhere in the bill. A use tax is also levied at the rate of 5% on services used in Florida when the sale of the service was not taxable here.

Sales Out-of-State:

Services purchased for consumption outside of Florida are exempt from tax. Consumption is deemed to be in the state where the benefit of the service is substantially enjoyed. For tax purposes, benefit is enjoyed in Florida if the service relates to an activity of the purchaser which is conducted entirely in this state, if the service directly relates to real property in this state, or if the service directly relates to tangible personal property with sites in this state. If a service relates to an activity of the purchaser in one or more other states and does not fit the above criteria, only that portion related to Florida would be subject to tax. The portion related to Florida is determined by using the apportionment formula in Chapters 214 & 220, F.S., used for apportioning the corporate income tax. Notwithstanding these rules, if a purchaser can demonstrate that a service was substantially enjoyed outside this state it will be exempt.

The purpose of the use tax and the exemption for sales out-of-state is to level the competitive playing field. Only services used in Florida are subject to tax. Florida service providers competing with out-of-state companies for sales outside Florida are not required to collect the tax. Likewise, the tax will be required to be paid on sales for use in Florida made by out-of-state companies.

Administration:

The use tax is required to be self-accrued by the purchaser. Florida service providers selling services to multistate purchasers are absolved from collecting the tax if the purchaser has obtained an exempt purchase permit from the Department of Revenue. Multistate purchasers will self-accrue any taxes due on services based on the extent to which their benefit is enjoyed in Florida. Florida service providers selling to purchasers without any nexus in Florida are absolved from collecting the tax if the purchaser executes an affidavit stating that the purchaser has no Florida nexus or obtains an exempt purchase permit. Refunds are available to those who erroneously pay taxes.

Other Provisions:

1. Special provisions are included for the advertising industry (section 6):
 - a. Sellers of advertising are to collect the sales tax only when 50% or more of the costs of performing the advertising are in Florida. Otherwise the purchaser self-accrues the tax.
 - b. Special sale-for-resale provisions are included, allowing resellers of advertising to deduct amounts paid for advertising before calculating tax due.
 - c. The DOR is prohibited from requiring sellers of advertising to provide a list of persons placing advertising.
 - d. Purchases pursuant to a written contract for a term of more than 2 years entered into prior to April 1, 1987 are exempt.
2. An election is provided to allow a dealer to register with the DOR as a service provider and to remit the sales tax for services at the time consideration for the service is received. (section 1) However, if a sale involves services and tangible personal property, the tax will be due at the time of the sale. (section 2)
3. An exemption is provided for the sale of a service which is to be resold. (section 7) This exemption applies only if:
 - a. The purchaser of the service does not use or consume the service and acts as a broker or intermediary in procuring a service for his client or customer;
 - b. The purchaser of the service buys the service under a written contract which identifies the client for whom the service is being purchased;
 - c. The value of the service is separately stated and taxed at its purchase price on its subsequent sale; and

- d. The service is purchased under a sale-for-resale permit issued by the DOR.
4. Special provisions are included for the taxing of construction services: (section 5).
 - a. Subcontractors do not collect the tax on construction services. Prime contractors are responsible for remitting the sales tax to the state on the services of their subcontractors. The tax is due at the time consideration is paid to the subcontractor and is based on the total consideration paid to the subcontractor. If the subcontractor itemizes the cost and sales tax paid on building materials, the tax will be based on the total consideration less the cost of building materials.
 - b. Prime contractors of new construction are considered to be the final consumer of the construction services consumed in improving realty. The prime contractor is required to remit the tax based on the cost of the service without deduction for costs of materials, labor, services, or transportation charges. Amounts paid to subcontractors upon which sales tax has already been paid are deducted from the cost. Tax is due and payable within 30 days of the issuance of a certificate of occupancy or upon the completion of the contract, whichever is sooner. The retail sale of new construction for which the prime contractor has paid tax is exempt. The definitions of "prime contractor" and "new construction" include manufacturers of factory built buildings. "Construction service" specifies physical fabrication, modification or repairs and includes drafting, land planning, interior design, and architectural and engineering services directly related to such construction.
 - c. An exemption is provided for services purchased by prime contractors under the terms of a written contract for construction services signed prior to May 1, 1987. This exemption applies only for taxes to be remitted by the prime contractor and only when they cannot legally be passed on to the purchaser. The exemption expires on July 1, 1988.
 5. The bill provides that beginning in October, 1987, dealers remitting taxes solely from the provision of services who collect less than \$500 in each of the preceding three months may remit on a quarterly basis. (section 16)
 6. The bill requires that in any administrative or court proceeding in which attorney's fees are awarded, the award shall include any tax on such fees. (section 42)
 7. The bill provides for empaneling three administrative hearing officers by the director of the Division of Administrative Hearings to hear contests of the legality of an assessment of tax imposed on the sale or use of services. An order of the panel will be final agency action. (sections 43-46)

8. Fabrication labor is exempt when used by a person using his own equipment and personnel for his own account to produce qualified motion pictures. (section 12)
9. Attorneys and certified public accountants may prepare claims for refunds of taxes when acting for or on behalf of a client. (section 15)

Reinstated Service Exemptions:

In section 3 of the bill, the following exemptions are reinstated (subsections of 212.0592, F.S.):

1. Employee services to an employer (2).
2. Occasional or isolated sales (3).
3. Sales by a partner to the partnership (4).
4. Sales of services between members of an affiliated group--The bill requires that members must meet the requirements of a group of corporations filing a consolidated corporate tax return for federal tax purposes (5).
5. Agricultural services--The bill exempts all sales of services covered by SIC 07, except animal specialty services in SIC 0752 not related to agricultural products, as defined in s. 618.01(1), and landscape and horticultural services in SIC 078 (6).
6. Transportation and warehousing of food products, phosphate, and fertilizers--The bill exempts all transportation of phosphate rock, nitrogenous and phosphatic, fertilizers, sulfur and potash, and agricultural products which have retained their original identity. Original identity means unprocessed, not packaged in cans, or not frozen. Processed produce retains its original identity unless it is also canned or frozen (7).
7. Food or other agricultural brokers--The bill exempts all food or other agricultural broker services, including both brokers of raw agricultural products and processed foods (7).
8. Forestry--The bill exempts all forestry services covered by SIC 085 and forestry transportation services in SIC 241 (8).
9. Educational services--The bill exempts all educational services covered by SIC 82 except specialized non-degree granting schools. The exemption applies to bible schools and educational services provided by non-profit religious organizations described in SIC 866 (9).
10. Governmental services--The bill exempts all fees and charges for services imposed by those governmental entities covered by SIC 43, 91, 92, 93, 94, 95, 96, and 97, and the FDIC and the FSLIC; excepts charges for utility and sanitary services (10).

11. Financial institutions--The bill exempts the sale of financial services customarily performed by financial institutions except for certain specified services. These include such things as charges for safe deposit boxes, issuing travelers checks and credit information. Checking service charges are not taxed. The exemption does not apply to charges that are waived or imputed (11).
12. Health services--The bill exempts all health services covered by SIC 80 as well as specifically exempting services provided by licensed pharmacists, acupuncturists, respiratory therapists, speech pathologists, physical therapists, opticians, hearing aid specialists, home health agencies, and hospices (12).
13. Insurance services--The bill exempts insurance premiums, including annuities, insurance agents and brokers' services covered by SIC 64, and insurance service companies. Title insurance is taxable to the extent it exceeds 110% of statutorily specified risk premium rates (13).
14. Interest--Interest charges, including pre-paid interest for loans, credit card interest, and discount charges for the purchase of accounts receivable are exempt (14).
15. Coin operated laundry services--The bill exempts coin operated laundry services as covered by SIC 7215 (15).
16. Maintenance fees--The bill exempts maintenance fees paid by an association member to a homeowners association, a residential condominium, property, mobile home, or cooperative owners association (16).
17. Membership organization fees and dues--Fees and dues of non-profit membership organizations covered by SIC 82 would be exempt. This includes business and labor organizations, civic, social, and fraternal associations, political organizations, religious organizations, and other membership organizations. In addition, the bill exempts membership fees and dues of nonprofit arts, historical, and science organizations, and regulatory athletic associations (17).
18. Motion picture production--The bill exempts qualified motion picture production services. The bill defines "qualified production service" and "qualified motion picture" (18).
19. Motor freight transportation--The bill exempts local and long distance trucking and warehousing services as covered by SIC 42. Trucking related to sanitary services and warehousing services already taxable under chapter 212 are not exempt (19).
20. Passenger transportation--Local, suburban, intercity, and rural passenger transportation covered by SIC 4111 and 413 would be exempt. This includes bus, air, and rail passenger transit (20).

21. Water transportation--The bill exempts water transportation services described in SIC 441, and 442, towing or tugboat services described in SIC 4454, marine cargo handling services described in SIC 4463, piloting services, ship cleaning, steamship leasing, marine surveyors, and ship repair and maintenance services, transportation services described in SIC 4712 and 4723, lighterage services described in SIC 4453, and services related to processing of automobiles that are imported through Florida ports; it also applies to services provided in connection with cargo in international trade (21).
22. Sanitary services--Residential sanitary services (sewer and garbage collection, SIC 495, refuse transportation SIC 4212 and septic tank cleaning services SIC 7699) are exempt when provided to residential households (22).
23. Security and commodity brokers--Security and commodity brokerage services listed in SIC 62 involving the transfer of securities or commodities are exempt. Excluded are taxable financial institution services and accounting or investment services (23).
24. Social services--Social services covered by SIC 83 would be exempt. This includes adoption services, day care, job training, residential care, and other services and social services rendered under contract with a governmental entity (24).
25. Sports services--The bill exempts athletes' services in athletic or sports events, services of owners of greyhounds and racehorses in pari-mutuel events, and broadcast rights for athletic events (25).
26. Real estate commissions--A person selling real property through a real estate agent is exempt from the sales tax on the agents commission if the person lived on the property and was entitled to the homestead exemption at the time he signed the listing contract (26). Fee sharing between real estate agents and brokers is not considered a retail sale and is not a taxable event (section 7).
27. Legal services--The bill provides for a refund of the sales tax on legal services rendered in criminal prosecutions if the charges are dismissed or the person is found not guilty. Also exempt are legal services provided to people in cases of child support, child custody, adoption, divorce, guardianship, juvenile, landlord/tenant, mobile home rental, civil rights, or medical expense recovery to the extent the charge per person per year is \$500 or less (27).
28. International banks--The bill exempts all services in conducting international banking transactions provided by international banks (28).
29. Travel agents--Travel agents services including but not limited to the arrangement of passenger transportation in SIC 4722 are exempt (29).
30. Research and development services--The bill exempts research and development services as described in s. 212.052(1)(a), F.S. (30).

31. Religious services--Religious services provided by religious organizations, institutions, or leaders are exempt (31).
32. Credit card checking and airline reservation services--Such services performed by or through interstate telecommunications by a direct pay permit holder are exempt (32).
33. Taxicabs--Taxicab services described in SIC 4121 are exempt (33).
34. Payments to a franchisor--The bill provides that royalties paid to franchisors for the use of intangible property and contributions by franchisees to a marketing fund used for advertising benefiting the franchisees or for administering the fund are exempt (34).
35. Savings and loan data processing--The bill exempts data processing services for financial institutions described in SIC 61 when performed by certain federally defined corporations partially owned by the financial institutions.
36. Laundry services--personal laundry services sold to residents of licensed nursing home facilities are exempt (36).
37. Machinery and equipment--The bill exempts services used directly and exclusively to maintain, retrofit, repair, or replace machinery and equipment used to manufacture, compound, process, produce, fabricate, or prepare tangible personal property for sale to the extent the tax on the charges for such services is less than \$100,000 per year. Excluded from the exemption are such services which are included in the purchase price of the machinery or equipment or which were subject to tax before July 1, 1987. The bill also extends the current sales tax provisions for new and expanded businesses and for providing electrical and steam energy from boiler fuel to include services directly related to the machinery and equipment.
38. Oil and gas field services--Services related to oil and gas well drilling, field exploration, and miscellaneous unclassified field services are exempt. Also exempt are petroleum, gasoline, coal, and gas pipeline transportation services (38). SICs 138, 451,491.
39. Rail transportation--All railroad line hauling, switching and terminal, and railway express services are exempt (39). SIC 40
40. Beauty and barber shops--Services provided by beauty shops and barbershops are exempt (40). SICs 723. and 724.
41. Employee leasing--The bill exempts employee leasing services to the extent that charges for the service are payroll and related employee benefits (41).

Reinstated Non-Service Exemptions:

- - Partial exemption for autos sold to out-of-state residents (section 25).

- Partial exemption for flyable aircraft sold to out-of-state residents however, the dealer collection allowance on such sales is repealed. (sections 14, 25)
- Exemption for the sale and repair of boats to out-of-state residents. (section 10)
- Commercial truck leases of longer than 12 months if tax was-paid on purchase of the truck. (section 10)
- Sublease of space for conventions and trade shows. (section 25)
- Lease or rental of lands or halls by a fair association to carnival operators or midways. (section 25)
- Enterprise zone exemptions. (section 25)
- Railroad mileage and per diem charges. (section 7)
- Concessionaire rentals in movie theaters. (section 8)
- Motion picture and video in-house fabrication labor. (section 12)
- Equipment of volunteer fire departments. (section 14)
- Resource recovery equipment granted by or for counties and cities. (section 14)
- State theater program purchases. (section 14)
- Condominium recreation leases. (sections 7, 8)
- Superbowl tickets. (section 9)

Other Non-Service Exemptions:

1. Current law provides certain rules by which a boat can be brought into this state for repairs within 6 months of purchase and avoid paying a use tax. The bill extends these provisions to airplanes. (section 10)
2. The bill extends the exemption for the rental or sublease of food and drink concessions at movie theaters to also include such rentals at airports, pari-mutuel establishments, and publicly owned arenas, sports stadiums, convention halls exhibition or halls. (section 7, 8)

State Infrastructure Trust Fund (Section 24.)

The bill provides for deposit into the Trust Fund of 2% in 1987-88 and 5% thereafter, or a sum sufficient to provide the maximum receipts, of the proceeds of the sales tax on services and tangible personal property. Excesses of \$200 million in 1987-88 and \$500 million each year thereafter revert to General Revenue. Subject to an appropriation each year by the Legislature, this trust fund may be used for the purposes of:

- a. acquiring the right of way for and constructing state highways and bridges;
- b. constructing public education capital facilities;
- c. financing state projects for beach restoration or renourishment, or lake or river restoration;
- d. constructing state correctional facilities; and
- e. constructing other infrastructure projects;

For state capital outlay projects authorized to be funded and which meet the requirements of Article VII, section 11(d) of the Florida Constitution, appropriations from this trust fund may be used for the repayment of revenue bonds.

Diesel Fuel Tax (section 39)

The bill levies an additional excise tax on diesel fuel of 5¢ per gallon. The tax would be administered according to the provisions of Part II of Chapter 206, F.S., and current exemptions in that part would apply to the new tax. Proceeds from the tax would be deposited in the State Infrastructure Trust Fund.

Documentary Stamp Tax (section 34)

The bill levies an additional tax of 5 cents per \$100 of consideration on deeds and other instruments relating to real property. Proceeds from the additional tax will be deposited into the State Infrastructure Trust Fund.

Tax Amnesty (sections 49-98)

The bill provides for a general tax amnesty to be developed and implemented by the Department of Revenue by January 1, 1988, for all taxes except the intangible personal property tax and the sales tax on illegal sales of medicinal drugs and controlled substances. The amnesty period will extend to July 1, 1988, until which time taxpayers will be able to pay taxes and interest due without incurring a penalty. After July 1, 1988, most penalties for noncompliance with state revenue laws will increase from a first-degree misdemeanor to a third degree felony.

ATTACHMENT I

Florida Revenue Estimating Conference
Official Estimates February 27, 1987
FISCAL IMPACT OF CH. 86-166, L.O.F.
(\$ millions)

SIC Code(s)	Business Type	Cash Receipts 1987-88e		Cash Receipts 1988-89e	
		Additional Taxes	General Revenue	Additional Taxes	General Revenue
07	Agricultural Services	27.7	25.0	42.4	38.3
271	Publishing & Printing - Newspaper Advertising	49.3	44.6	76.6	69.2
272-4	Publishing & Printing - Periodical & Misc. Advt.	2.0	1.8	3.0	2.7
483	Radio & Television Broadcasting (Incl. Advertising)	38.2	34.5	60.9	55.0
60	Banking Services	157.3	142.0	246.1	222.3
61	Non-bank Financing Institutions	141.2	127.5	225.3	203.5
62	Security and Commodity Brokers	37.9	34.2	62.2	56.2
631-9	Insurance Carriers	345.4	311.9	524.9	474.0
64	Insurance Agents and Brokers	52.9	47.8	85.7	77.4
65	Real Estate Agent Services	62.7	56.6	97.2	87.7
723,4	Beauty and Barber Shops	16.8	15.2	26.1	23.5
729	Reducing Salons, Tax Preparation, etc.	8.9	8.0	14.6	13.2
731	Advertising Agency Services	13.3	12.0	21.4	19.3
732	Credit and Collection Agencies	5.3	4.8	8.7	7.8
734	Cleaning and Pest Control	18.7	16.9	28.9	26.1
736	Employment Services, Temporary Help & Personnel Supply	44.3	40.0	73.4	66.3
737	Computer and Data Processing	33.3	30.1	53.7	48.5
7391	Research & Development Labs	1.2	1.1	1.9	1.7
7392	Management Consulting & Public Relations Services	34.2	30.9	54.2	48.9
7393	Detective, Burglar Protection & Other Protection Svcs	14.8	13.3	23.4	21.2
7397	Testing Laboratories & Facilities	1.4	1.3	2.2	2.0
7399	Telephone Ans., Interior Design & Misc. Business Svcs	24.7	22.3	39.2	35.4
754	Auto Towing and Other Non-repair Services	5.5	5.0	8.9	8.0
781,2	Motion Picture Production, Distrib. & Services	5.2	4.7	8.4	7.6
792	Producers, Orchestras & Entertainers	2.0	1.8	3.2	2.9
801	General Physicians	133.9	120.9	203.9	184.1
802	Dentists	32.9	29.7	51.1	46.2
803	Osteopathic Physicians	4.8	4.4	7.6	6.8
8041,2,9	Chiropractors, Optometrists & other Health Practitioners	16.1	14.5	26.0	23.5
805	Nursing and Personal Care Facilities	21.4	19.4	33.5	30.2
806	Hospital Services	37.8	34.2	57.7	52.1
807	Medical and Dental Labs	7.8	7.1	12.3	11.1
808	Outpatient Care Facilities	10.3	9.3	17.5	15.8
809	Other Health and Allied Services	4.0	3.6	6.3	5.7
81	Legal Services	105.8	95.6	171.0	154.4
823,4,9	Educational Institutions - Not for Profit	8.7	7.8	12.9	11.6
823,4,9	Educational Institutions - For Profit	4.0	3.6	6.1	5.5
83	Soc Serv. Job Train, Child & Adult Care - Not for Profit	23.6	21.3	37.5	33.9
83	Soc Serv. Job Train, Child & Adult Care - For Profit	9.1	8.2	14.5	13.1
86pt	Professional Organizations (*)	35.9	32.4	54.6	49.3
891	Engineering, Architectural, and Surveying	35.5	32.1	55.2	49.9
893	Accounting, Auditing & Bookkeeping	29.8	27.0	47.1	42.5
899,2	Other Services	0.9	0.8	1.5	1.3
085	Forestry Services	7.6	6.8	11.2	10.1
108	Metal Mining Services	0.0	0.0	0.0	0.0
138	Oil & Gas Field Services	1.2	1.1	1.8	1.7
148	Non-metallic Non-fuel Minerals Services	0.0	0.0	0.1	0.1
152	Contractors, General, residential	51.3	46.3	77.5	70.0
154	Contractors, General, Non-residential	54.5	49.2	80.1	72.3
161	Contractors, General, Non-building	12.7	11.4	18.4	16.7
171-9	Construction, Special Trade Contractors	73.5	66.4	109.6	99.0
279	Service Industries for the Printing Trade	3.1	2.8	4.8	4.4
401,4	Railroad Transportation (**)	20.9	18.9	32.7	29.5
411	Local & Suburban Bus Transportation	1.6	1.4	2.4	2.2
412	Taxicabs	1.1	1.0	1.7	1.5
413	Intercity Bus Transportation	0.7	0.6	1.0	0.9
414	Charter Bus Transportation	0.5	0.5	0.8	0.7
421	Motor Freight Transportation	61.9	55.9	94.0	84.9
422	Public Warehousing	0.4	0.3	0.6	0.5
441-6	Water Transportation	21.0	19.0	31.7	28.6
451-8	Air Transportation (**)	43.2	39.0	64.4	58.1
461,492	Pipelines	0.0	0.0	0.1	0.1
472	Arrangement of Transportation (incl. Travel Agents)	11.4	10.3	18.1	16.3

474-8	RR Vehicle Rental & Incidental Transp. Services	2.6	2.4	4.1	3.7
49pt	Sewage & Garbage Collection Services	24.4	22.0	38.5	34.7
671-9	Holding and Other Investment Offices	1.4	1.2	2.1	1.9
var.	Service Transactions Between Affiliated Corporations(#)	98.2	88.7	154.6	139.6
var.	Other Service Transactions	21.3	19.2	32.3	29.2
	Total All Services.....	2,181.1	1,969.6	3,391.4	3,062.5
	Total Non-service Exemptions.....	97.7	88.2	144.5	130.5
	Grand Total.....	2,278.8	2,057.9	3,535.9	3,193.0
	Subtotal: All Medical & Health Services	269.1	243.0	415.9	375.6
	Subtotal: Consideration for Loans	278.9	251.9	436.5	394.2
	Subtotal: Advertising Charges	89.5	80.8	140.5	126.9
	Subtotal: All Construction Services	191.9	173.3	285.6	257.9
	Subtotal: All Transportation Services	165.1	149.1	251.2	226.8
	Addl. Data: Exemptn for Svcs to Entities w/o Fla Nexus	-300.3	-271.2	-467.0	-421.7
	Addl. Data: Use Tax on services	136.3	123.1	212.0	191.4
	Addl. Data: Net Inbound/Outbound Impact	-164.0	-148.1	-255.0	-230.3

ESTIMATES ASSUME ADDITIONAL DOR FUNDING AVAILABLE 6/6/87.

Notes: (*) Estimate excludes labor unions, political clubs & religious organizations.
 (**) Taxation of charges for passenger transportation preempted by federal law.
 (#) Represents amounts not included in specific categories.

Caution: Chapter 216, F.S., requires that estimates be based on the assumption of current law and current administrative practices. At this point, however, no administrative determination has been made on the exact meaning of the term any service as it is used in ch. 86-166, L.O.F. The service categories on which these estimates are based represent a broad interpretation of the meaning of that term. To the extent that some categories included herein are eventually determined not to be subject to taxation, the fiscal impact of the act would be lower.

FISCAL IMPACT OF CH. 86-166, L.O.F.
Taxation of Selected Non-Service Transactions
(\$m)

Non-Service Sunsetted Exemptions	Cash Receipts 1987-88e		Cash Receipts 1988-89e	
	Additional Taxes	General Revenue	Additional Taxes	General Revenue
Port & Airport Facilities of Charter Counties	0.3	0.3	0.5	0.4
Health Facility Authority Projects	13.9	12.5	21.7	19.6
Industrial Development Authorities Projects	12.1	10.9	18.8	17.0
Research & Development Authorities Projects (*)	0.0	0.0	0.0	0.0
RR Mileage & Per Diem Charges for Freight Cars	0.5	0.5	0.8	0.7
Adm. to Cultural Events of 170(c) Organizations	2.5	2.3	3.9	3.5
Fishing Boat Admissions	0.6	0.6	0.9	0.8
Condo Recreation Facility Leases	3.2	2.9	4.9	4.4
Shopping Center Merchant Association Fees	0.3	0.2	0.4	0.3
Convention & Trade Show Subleases	1.6	1.5	2.5	2.3
Agricultural Fair Assn./Midway Operator Leases	0.1	0.1	0.1	0.1
Concessionaire Rentals in Movie Theaters	0.4	0.3	0.5	0.5
Admissions to School, HRS & Correctional Facility Events	0.6	0.6	0.9	0.9
Admission Charges - Non-profit Organizations under 501(c)(3)	6.9	6.2	11.5	10.4
Required Student Admission Charges	0.1	0.1	0.1	0.1
NFL Championship Games (Super Bowl)	(*)	(*)	(*)	(*)
Boats Sold to Non-Florida Res. or Repaired & Removed from F	11.2	10.1	17.3	15.6
Long-Term Auto Leases when Lessor Purchased & Paid Tax	3.5	3.1	5.3	4.8
Motion Picture/Video In-house Fabrication Labor	0.3	0.2	0.4	0.3
Factory Built Buildings - Labor & Overhead Expenses	0.6	0.5	0.8	0.7
Charges Assc. with Radio & TV Broadcasting (see 212.08(6))	(s)	(s)	(s)	(s)
Feminine Hygiene Products	2.6	2.4	3.9	3.5
Enterprise Zone Building Materials	5.5	5.0	6.4	5.8
Enterprise Zone Business Property	2.6	2.3	2.9	2.6
Radio & T.V. Services (Advertising)	(s)	(s)	(s)	(s)
Media Sales - Newspapers	10.1	9.1	14.9	13.5
Media Sales - Magazine Subscriptions	2.4	2.2	3.6	3.3
Equipment & Supplies of Volunteer Fire Fighter Depts.	0.1	0.1	0.2	0.2
Resource Recovery Eqp. Operated by or for Counties or Cities	0.8	0.7	1.3	1.1
Solar Energy Devices	1.8	1.6	3.0	2.7
State Theater Program Facilities - Admissions & Purchases	--	--	--	--
Automobiles Sold to Non-Florida Residents (Partial)	0.9	0.8	1.4	1.3
Flyable Aircraft Sold for Use Outside Florida (Partial)	3.3	2.9	5.0	4.6
10% Dealer Collection Allowance on Flyable Aircraft	0.4	0.3	0.6	0.6
Enterprise Zone Electrical Energy	0.6	0.5	0.6	0.5
Enterprise Zone Jobs Credit	7.9	7.1	8.9	8.0
International Currency & Barter Exchanges	--	--	--	--
Facil. Financed w/S. Bonds for Water, Polln. & Waste Displ.	0.3	0.3	0.5	0.5
Revenue Bond Financed Facilities	(t)	(t)	(t)	(t)
Industrial Development Projects	(t)	(t)	(t)	(t)
Community Redevelopment & Revenue Bonds	(t)	(t)	(t)	(t)
Community Redevelopment Property	(t)	(t)	(t)	(t)
State or State Agency Bonds	(t)	(t)	(t)	(t)
Higher Education Facilities Authorities	(t)	(t)	(t)	(t)
Total Non-Service Exemptions	97.7	88.2	144.5	130.5

ESTIMATES ASSUME ADDITIONAL DOR FUNDING AVAILABLE 6/6/87.

Notes:

- Insignificant (\$50,000 or less)
- * Super Bowl in 1990: \$0.4m
- s See Service Industry Listing for Estimate.
- t Already taxable
- # Estimate included in preceding line.

ATTACHMENT II

REVISED 4/24/87

REVENUE & DISTRIBUTION SUMMARY OF SALES TAX BILLS
COMPARISON WITH SALES TAX CONFERENCE COMMITTEE REPORT

REVENUES - FY 1987-88	HOUSE	SENATE	CS/SB 777 CONF	CONF OVER/ UNDER HOUSE	CONF OVER/ UNDER SENATE
Sales Tax	694.5	825.2	702.7	8.2	(122.5)
Diesel Tax	39.5	21.6	36.0	(3.5)	14.4
Documentary Stamp Tax	25.4	0.0	25.7	0.3	25.7
Tax Amnesty	16.3	0.0	16.3	0.0	16.3
TOTAL	775.7	846.8	780.7	5.0	(66.1)
DISTRIBUTIONS					
General Revenue	570.5	445.1	525.3	(45.2)	80.2
State Infrastructure Trust	150.0	321.6	200.0	50.0	(121.6)
Local Government	55.2	80.1	55.4	0.2	(24.7)
TOTAL	775.7	846.8	780.7	5.0	(66.1)

REVENUES - FY 1988-89

Sales Tax	1,117.6	1,325.6	1128.0	10.4	(197.6)
Diesel Tax	59.1	24.1	40.4	(18.7)	16.3
Documentary Stamp Tax	29.5	0.0	29.5	0.0	29.5
Tax Amnesty	0.0	0.0	0.0	0.0	0.0
TOTAL	1,206.2	1,349.7	1,197.9	(8.3)	(151.8)

DISTRIBUTIONS FY 1988-89

General Revenue	961.6	597.1	628.0	(333.6)	30.9
State Infrastructure Trust	150.0	624.1	500.0	350.0	(124.1)
Local Government	94.6	128.5	69.9	(24.7)	(58.6)
TOTAL	1,206.2	1,349.7	1,197.9	(8.3)	(151.8)

SALES TAX ON SERVICES SUMMARY SHEET
CONFERENCE COMMITTEE REPORT

SIC CODE	REVENUE SOURCE	Cash Receipts 1987-88e		Cash Receipts 1988-89e		Annualized Additional Taxes	
		Additional Taxes	GR	Additional Taxes	GR	1987-88e	1988-89e
07	Agricultural Services (Non-Food)	8.9	8.0	13.2	11.9	12.4	13.2
108	Metal & Mining Services	0.0	0.0	0.0	0.0	0.0	0.0
148	Non-metallic Non-fuel Minerals Services	0.1	0.1	0.1	0.1	0.1	0.1
152	Contractors, Residential	43.8	39.6	64.6	58.3	61.2	64.6
154	Contractors, Non-residential	46.6	42.1	66.7	60.3	65.1	66.7
161	Contractors, Non-building	10.9	9.8	15.3	13.8	15.2	15.3
171-9	Constuction, Special Trade	133.6	120.7	194.0	175.2	186.6	194.0
271	Publishing & Printing- Newspaper Advertising	50.6	45.7	76.6	69.2	70.7	76.6
272-4	Publishing & Printing- Periodical Advertising	2.0	1.8	3.0	2.7	2.8	3.0
279	Svc. Industries for Printing Trade	3.2	2.8	4.8	4.3	4.4	4.8
411	Transportation Svc.'s - Local & Suburban Bus	0.1	0.1	0.1	0.1	0.1	0.1
414	Transportation Svc.'s - Charter Bus	0.6	0.5	0.8	0.7	0.8	0.8
444	Transport. Svc.'s - Water - River & Canal	1.1	1.0	1.6	1.4	1.5	1.6
451-8	Transportation Svc.'s - Air	41.9	37.8	60.9	55.0	58.5	60.9
474-8	Transportation Svc.'s - Incidental	2.7	2.5	4.1	3.7	3.8	4.1
483	Radio & TV Broadcasting (Incl. Advertising)	38.0	34.3	60.9	55.0	58.9	64.1
49pt	Sanitary Svc.'s - Sewage & Garbage - Nonresid.	8.3	7.5	12.7	11.5	11.6	12.7
60	Banking Services - Taxable List	5.9	5.4	9.1	8.2	8.3	9.1
61	Non-bank Fin. Inst.s - Taxable List	4.0	3.6	6.2	5.6	5.6	6.2
62	Security & Commodity Brokers - non Commissions	8.2	7.4	13.1	11.8	11.4	13.1
65	Real Estate Agents	32.7	29.5	49.3	44.6	45.6	49.3
671-9	Holding & Investaent Offices	1.4	1.2	2.1	1.9	1.9	2.1
729	Reducing Salons, Tax Preparation, etc.	9.1	8.2	14.6	13.2	12.7	14.6
731	Ad Agency Services	13.7	12.4	21.4	19.3	19.1	21.4
732	Credit & Collection Agencies	5.4	4.9	8.7	7.9	7.6	8.7
734	Cleaning & Pest Control	19.3	17.4	28.9	26.1	26.9	28.9
736	Employment Svc.'s, Temp. Help - Nonleasing	39.8	35.9	64.1	57.9	55.5	64.1
737	Computer & Data Processing	34.2	30.8	53.7	48.5	47.7	53.7
7392	Management Consultants & PR Svc.'s	35.1	31.7	54.2	48.9	49.0	54.2
7393	Detective & Protection Svc.'s	15.2	13.7	23.4	21.1	21.2	23.4
7397	Testing Laboratories & Facilities	0.7	0.6	1.1	1.0	1.0	1.1

SALES TAX ON SERVICES SUMMARY SHEET
CONFERENCE COMMITTEE REPORT

SIC CODE	REVENUE SOURCE	Cash Receipts 1987-88e		Cash Receipts 1988-89e		Annualized Additional Taxes	
		Additional Taxes	GR	Additional Taxes	GR	1987-88e	1988-89e
7399	Business Services - Misc.	25.4	22.9	39.2	35.4	35.4	39.2
754	Auto Towing	5.7	5.1	8.9	8.0	7.9	8.9
792	Producers, Orchestras & Entertainers	2.1	1.9	3.2	2.9	2.9	3.2
81	Legal Services - Non Criminal/Family	96.8	87.4	152.4	137.6	135.2	152.4
823,4,9	Educational Svc.'s For Profit	4.1	3.7	6.1	5.5	5.7	6.1
891	Engineers, Architects & Surveying	34.6	31.3	52.4	47.4	48.4	52.4
893	Accounting, Auditing & Bookkeeping	30.7	27.7	47.1	42.5	42.8	47.1
899,2	Other Services	0.9	0.8	1.5	1.4	1.3	1.5
var.	Other Service Transactions	1.0	0.9	1.5	1.3	1.4	1.5
TOTAL TAXABLE SERVICES		818.0	738.7	1,241.5	1,121.1	1,148.0	1,244.7
TOTAL NON-SERVICE EXEMPTIONS		60.7	54.8	91.4	82.5	84.8	91.4
OUT-OF-STATE SALES EXEMPTION		(125.5)	(113.4)	(190.5)	(172.1)	(176.2)	(191.0)
USE TAX ON SERVICES		51.1	46.2	77.6	70.1	71.8	77.8
LIBERALIZED RESALE EXEMPTION		(23.6)	(21.3)	(36.1)	(32.6)	(33.7)	(36.1)
EXEMPTION FOR EXISTING CONSTRUCTION CONTRACTS		(43.2)	(39.0)	(4.8)	(4.3)	(48.0)	
COIN OPERATED LAUNDRY EXEMPTION		(3.2)	(2.9)	(3.5)	(3.1)	(3.5)	(3.8)
FOOD & DRINK CONCESSIONS		(0.3)	(0.2)	(0.4)	(0.4)	(0.3)	(0.4)
MACHINERY & EQUIPMENT EXEMPTION		(14.0)	(12.6)	(21.0)	(19.0)	(20.0)	(21.0)
COMPLIANCE LOSS FROM ENUMERATING SERVICES		(17.3)	(15.6)	(26.3)	(23.7)	(24.3)	(26.3)
=====		702.7	634.6	1,128.0	1,018.5	998.6	1,135.3

SALES TAX ON SERVICES SUMMARY SHEET
CONFERENCE COMMITTEE REPORT

#	REVENUE SOURCE	Cash Receipts 1987-88e		Cash Receipts 1988-89e		Annualized Additional Taxes	
		Additional Taxes	GR	Additional Taxes	GR	1987-88e	1988-89e
1	Port & Airport Facilities (Dade)	0.4	0.3	0.5	0.5	0.5	0.5
2	Health Facility Authority Projects	14.3	12.9	21.7	19.6	19.9	21.7
3	Industrial Development Authority Projects	12.4	11.2	18.8	17.0	17.3	18.8
4	Research & Development Authority Projects	0.0	0.0	0.0	0.0	0.0	0.0
6	Adm. to Cultural Events of 170(c) Organizations	2.6	2.3	3.9	3.5	3.6	3.9
7	Fishing Boat Admissions	0.6	0.6	0.9	0.8	0.9	0.9
9	Shopping Center Merchant Assoc. Fees	0.3	0.3	0.4	0.4	0.4	0.4
13	Adm.s to School, HRS & Correct. Facility Events	0.6	0.6	0.9	0.8	0.9	0.9
14	Admission Charges - Non-profit Org.s - 501(c)(3)	7.1	6.4	11.5	10.4	9.9	11.5
15	Required Student Admission Charges	0.1	0.1	0.1	0.1	0.1	0.1
18	Long-Term Auto Leases when lessor pays tax	3.6	3.2	5.3	4.8	5.0	5.3
20	Factory Built Building - Labor & Overhead Expen	0.6	0.5	0.8	0.7	0.8	0.8
22	Feminine Hygiene Products	2.7	2.5	3.9	3.5	3.8	3.9
26	Media Sales - Newspapers	10.4	9.4	14.9	13.5	14.5	14.9
27	Media Sales - Magazine Subscription	2.5	2.3	3.6	3.3	3.5	3.6
30	Solar Energy Devices	1.9	1.7	3.0	2.7	2.6	3.0
34	10% Dealer Collect. Allowance for Flyable Aircr	0.4	0.3	0.6	0.5	0.5	0.6
38	State Financed Water, Polln. & Waste Displ. Fac	0.4	0.3	0.5	0.5	0.5	0.5
TOTAL NONSERVICE EXEMPTIONS REPEALED		60.7	54.8	91.4	82.5	84.8	91.4