

Florida: Gov. Scott signs tax cut package into law



David M. Kall | Friday, April 22, 2016

On April 13, 2016, Florida's Gov. Rick Scott signed a tax bill into law, **HB 7099**, that contained cuts that the *Tampa Bay Times* characterized as "modest" and "downsized."

But Gov. Scott did not appear to take that position. In an April 15, 2016, **press release**, he attributed much of Florida's success to the tax cuts of "more than \$1 billion over the last two years." He applauded Florida businesses, which have created 36,900 private-sector jobs since January, and the 3.2 percent annual private-sector job growth rate that has consistently exceeded the nation's four straight years. In addition, since last March, Florida businesses created 225,300 new private-sector jobs, and since 2010, the number of new jobs is 1,061,700, and the March 2016 unemployment rate dropped to 4.9 percent, down from 10.7 percent in December 2010.

Some of the provisions contained in HB 7099 include:

- A three-day "back-to-school" sales tax holiday from August 5, 2016, to August 7, 2016, for clothing and footwear costing \$60 or less, and school supplies costing less than \$15;
- Adoption of the Internal Revenue Code as of January 1, 2016, for purposes of corporate income tax, and its decoupling from certain federal bonus depreciation provisions;
- Changes to corporate income tax filing dates and estimated payment due dates to conform to those made to the federal corporate tax;
- Appropriations of \$330,356 in nonrecurring funds for fiscal year 2016-17 from the General Revenue Fund

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to the Department of Revenue to administer the sales tax holiday and the changes to the corporate return and estimated payment due dates;

- Making permanent the sales tax exemption for machinery and equipment used in manufacturing, and providing for exemptions for machinery and equipment used in agricultural post-harvest activities or used by metal recyclers;
- Allowing the local option economic development property tax exemption for replacement data center equipment, and extends the length of the exemption from 10 to 20 years for such equipment;
- Allowing purchasers of airplanes to retain an airplane in Florida while waiting for the airplane to be registered in a foreign country without having to pay sales tax;
- Phasing out, over three years, the indexed sales tax on asphalt used for government projects.

The effective date for all of these measures is July 1, 2016.

The *Times* article noted, perhaps hyperbolically, that Gov. Scott's \$1 billion number is "much-disputed." The paper cited Republican Senator Tom Lee's argument that that while the tax cuts "technically" reached the \$1 billion goal, this was only after including a \$428 million rollback in local property taxes to pay for schools – an idea that Scott strongly opposed when senators first proposed it.

When the legislature passed the budget in March, the *Miami Herald* reported the somewhat historic vote: only one republican, Rep. John Tobia of Melbourne Beach voted against the budget, and for the first time in memory, every Democrat in both houses voted for the budget, written by Republicans.



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