



April 17, 2009

April 15 has always been a dreaded day, as everyone must pay (or should pay) income taxes by that date. This year, May 1, the day the 2009 legislative session is scheduled to end, could loom as darkly on the horizon. If bills that are currently active in the process pass, Florida citizens may well be shocked to discover all the new or increased taxes and fees that will impact them daily.

Today, the House passed its budget, which includes a proposal to double vehicle registration fees and to increase many of the fees that the Florida Department of Agriculture and Consumer Services charges for the registration of seeds, pesticides and fertilizers.

Additionally, earlier this week the House Finance and Tax Council proposed an elimination of sales tax exemptions for aircraft, ostrich feed, subscriptions to newspapers and magazines, charter fishing vessels and sky boxes. The money previously allocated to these exemptions would instead be used to pay for "sales tax holidays" for hurricane preparedness and school needs.

The Senate has taken a different approach. Its budget's new revenue generators include taxes on gambling at Seminole reservations, a "surcharge" on cigarettes and an expansion of business taxes.

The business tax expansion has created the greatest amount of opposition. Sen. Thad Altman, R-Melbourne, Chair of the Finance and Tax Committee, has passed out of his committee a bill called the "Florida Fair Business Competition Act." (SB 2546).

SB 2546 is a very complex bill, but some of its key points that would affect Farm Bureau and its members are highlighted below:

1. **Corporations** - The 5.5 percent sales tax on corporations would be expanded to include "partnerships and other entities of any type which are taxable as corporations for federal income tax purposes."
2. **Associations** - Intangible expenses for an association, such as Farm Bureau, which have been allowed as deductions in determining federal tax income, would now be taxed by the state.
3. **Citrus Cooperatives** - Citrus cooperatives' income would be impacted, depending upon the benefits and services a particular cooperative provides to its buyers.
4. **Transportation services** - The term "revenue miles in this state" would be expanded to include all miles traveled between points in Florida, even if the route of travel is not exclusively within the state's borders.
5. **Retroactivity** - These changes would be retroactive to either January 1, 2003, or January 1, 2001, depending on the type of tax involved.

Parental Authority

The Florida Supreme Court recently ruled that parents do not have the authority to sign liability waivers for their children to participate in commercial activities.

In response, Sen. Steve Oelrich, R-Gainesville, and Rep. Mike Horner, R-Kissimmee, have sponsored bills to overturn that ruling. HB 353 and SB 886 authorize parents and guardians to waive and release, in advance, any claim or cause of action that would accrue to any of their minor children to the same extent that any adult may do so on his or her own behalf.

On Wednesday, the Senate Judiciary Committee approved an amendment to SB 886 that narrows the protection, limiting it to the “inherent risks” associated with the activity. It does not offer waivers of liability in cases that involve negligence or intentional conduct that causes injuries.

In the meeting, business interests argued that the amendment would generate frivolous lawsuits alleging negligence for accidents caused by inherent risks. Trial attorneys supported the amendment, which passed on a 5-4 vote.

In the House, Rep. Horner’s HB 363 is ready to be heard on the Floor.

Workers Compensation

The business community took a severe blow this week when legislation concerning workers compensation was hijacked by the trial attorneys in the Senate Judiciary Committee. Sen. Jeremy Ring, D-Margate, successfully offered two amendments that essentially kill the intent of the original bill (SB 2072 by Sen. Garrett Richter, R- Naples).

It is estimated that, if passed as it currently stands, the revised legislation would lead to rate increases of 18 percent or more.

The bill will next be heard in the Senate General Government and Accountability Committee on Monday, April 20. Farm Bureau will continue to work with other members of the business community to have the amendatory language stripped from the bill.

The House bill, HB 903 by Rep. Anitere Flores, has already been passed by the House.

Bill Status Updates

Ag Industry Bill #1: Prohibits duplication of regulations; prohibit counties from imposing tax assessment or fees for storm water management on certain agriculture lands; etc.

SB 1974 by Sen. Mike Bennett – Senate Judiciary

HB 1133 by Rep. Ralph Poppell – House Floor

Ag Industry Bill #2: Local business tax exemption for ag; burning of plastics; best management practices, etc.

SB 2312 by Sen. Charlie Dean – Finance and Tax

HB 1241 by Rep. Baxter Troutman – House Floor

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