

Florida Tax Developments

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Things are Looking Up...

- Florida Budget position continues to improve
- Interest rates remain unchanged
- Florida Passes New York as 3rd most populous state*

*U.S. Census Bureau Report, CB14-232 (12/23/14): <http://www.census.gov/newsroom/press-releases/2014/cb14-232.html>

Unique to Florida

- Bracket System to Calculate Sales Tax
- Real Estate Rental (Taxable)
 - Intercompany rentals
 - Licenses to use real property
 - Tenant Improvements
 - Real Property Taxes
- Ability to Apportion
- Intercompany Sales
- Consolidated Returns - Specialty Industry Apportionment
- Net Operating Loss (NOL)
- Communication Services Tax

2014 Florida Legislative Session

- Not much final activity
- Did not decouple from IRC § 108(i), Bonus Depreciation, § 179 Expensing – but subtraction remains for some
- Sales Tax Holiday (Energy-Star Appliances, Back-to-School & Hurricane Prep)
- Increased Corporate Income Tax (CIT) Exemption to \$75k failed again
- FDOR package passed
- Sales tax rate on electricity slightly reduced
- Ability to claim credit or refund for bad debt – private label credit cards
- Reduction/elimination of sales tax on commercial rent failed
- Prepaid calling plan clarification

State of the State

- Fiscal Condition & Outlook
 - Key Economic Variables continue to look up
 - Affordable Care Act – possible impacts
 - Fiscal Impact of No Hurricanes

- Top General Revenue Source
 - Sales/Use
 - Corporate Income
 - Fees and Other Non-Taxes
 - Collection Trends

State of the State (continued)

- Sales & Use
 - Commercial Rents
 - Leasehold Improvements
 - Successor Liability
- Revenue Analytics
 - Collection Focus
- Single Sales Factor Option

Recent Rulings (TAAs / Cases)

- Corporate Income
- Documentary Stamp Tax
- Sales/Use
- Other

2015 Potential Legislation

- Income Tax
 - Piggyback
 - More of the Promised Phase Out?
- Property Tax
- Reemployment Assistance Tax
- Communication Services Tax
 - Revisiting Simplification?
 - Rate Reduction?
- Sales & Use
 - SSTP – Try, Try Again?
 - Hotel Intermediary?
 - Repeal Commercial Rental Tax?
- Tax Administration

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