

TARGETED TAX REFORM

Furthering Smarter and More Competitive Tax Policies

Why It Matters to Florida

A competitive and equitable tax system creates jobs and strengthens the economy. With 26 million people expected to call Florida home by 2030, Florida will need to create 1.7 million jobs. One key to creating jobs for this growing population will be a competitive and equitable tax system. Yet, Florida is the only state in the nation that taxes businesses on rent – setting up discouraging and discriminatory tax policies.

Florida's Competitiveness Agenda

In order for Florida's businesses to grow and remain competitive the Florida Chamber will continue to support:

▶ Eliminating Florida's Business Rent Tax

Florida is currently the only state in the nation that charges a Business Rent Tax. That means in Florida, businesses pay a six percent tax on the space they lease, including added costs to that lease, such as property taxes, maintenance and the cost of insurance — meaning some businesses are subject to double taxation. This tax costs Florida businesses \$1.7 billion every single year.

▶ Reducing Corporate Income Tax

The Florida Chamber will continue to support reducing Florida's corporate income tax. The Florida Chamber has long championed the increase of the corporate income tax exemption. In 2011, 79 percent of qualifying Florida businesses were fully exempt from paying corporate income tax under the current \$50,000 exemption. This helps businesses focus on creating jobs and hiring Floridians.

▶ Fixing the Internet Sales Tax

The Florida Chamber will continue working with the Florida Legislature on the Internet sales tax, to ensure businesses can continue to expand and remain competitive.

▶ Research & Development Tax Credit

The Florida Legislature has increased the Research & Development Tax Credit cap twice in the last four years, recognizing that this program has been historically oversubscribed. In 2018, the cap was \$16.5 million and \$68 million in credits were requested, with over \$200 billion in reported research and development expenditures. Each applicant only received approximately 25 percent of the amount of credit determined in their application for the work performed. We look forward to working with the Legislature to increase the cap to \$35 million to allow companies to receive a greater percentage of the Research and Development credits allowable under law.

The Fight for Free Enterprise Continues

The time for targeted tax reform is now. Meaningful and pro-growth tax reform will position Florida for stronger economic growth. Lowering taxes, simplifying America's tax code and cutting the Florida-only business rent tax will help relieve burdens on Florida's business, job creators, and families. Instead of short-term solutions, the Florida Chamber believes in creating long-term sustainable outcomes so Florida can continue to attract and grow the top businesses in the nation.



CONTACT:

CAROLYN JOHNSON

Director of Business Economic Development and Innovation
(850) 521-1235
cjohnson@flchamber.com

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www.FloridaChamber.com/TaxReforms

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