

## **CLERKS OF THE COURT REMITTANCES – CONFORMING AMENDMENT**

**STATUTORY REFERENCE:** Section 213.13, Florida Statutes

**CURRENT SITUATION:** In 2010, the Legislature changed the remittance date for funds collected by the Clerks of the Court from the 20<sup>th</sup> to the 10<sup>th</sup> day of the month immediately after the month in which the funds are collected. The provision in Section 213.13, Florida Statutes, regarding electronic remittance and distribution of funds by the Clerks of the Court was not updated in the legislation.

**PROPOSED CHANGE:** This proposal would amend Section 213.13, Florida Statutes, concerning electronic remittance and distribution of funds from the 20<sup>th</sup> to the 10<sup>th</sup>, to conform and be consistent with the 2010 legislation.

## **INCREASE COMPROMISE AUTHORITY**

**STATUTORY REFERENCE:** Section 213.21, Florida Statutes

**CURRENT SITUATION:** The current statute allows the Executive Director to enter into a closing agreement compromising tax if there is a “doubt as to liability” or “doubt as to collectability” of the tax assessed. The statute limits the Department’s compromise authority to reduce the tax by \$250,000 or less.

**PROPOSED CHANGE:** This proposal would amend Section 213.21, Florida Statutes, to allow the Executive Director to compromise tax up to \$500,000.

## **PROPERTY TAX OVERSIGHT**

### **CLASSIFIED USE PROPERTIES – PROCEDURAL REVIEW**

**STATUTORY REFERENCE:** Section 195.096, Florida Statutes

**CURRENT SITUATION:** The Department is required by law to study the level of assessment of all classifications of property that comprise at least five percent of the assessed value in each county. Currently, there are only 22 predominantly rural counties where classified use properties such as agricultural, historical or high-water recharge properties are reviewed because of the five percent threshold.

**PROPOSED CHANGE:** The proposal would replace the requirement for a level of assessment review on classified use properties with a procedural review of property appraiser practices to ensure equity and uniformity.

## **EXTENSION OF EMPLOYER PROTEST PERIOD**

**STATUTORY REFERENCE:** Section 443.141, Florida Statutes

**CURRENT SITUATION:** In 1996, the protest periods for reemployment tax rate notices and bills for benefit reimbursements were increased to 20 days. However the protest period for reemployment tax assessments was not increased and remains at 15 days.

**PROPOSED CHANGE:** This proposal would increase to 20 days the protest period for reemployment tax assessments. This will align the assessment protest period with other reemployment tax actions.

## **STANDARD RATE FOR NON-COMPLIANCE WITH AUDIT RECORD REQUESTS**

**STATUTORY REFERENCE:** Section 443.131, Florida Statutes

**CURRENT SITUATION:** Florida law provides a standard reemployment tax (RT) rate. However, many businesses earn a lower, preferential rate if they are in compliance. When not in compliance, the law permits the rate to increase to the standard rate. However, this "non-compliance" treatment does not clearly apply to situations where the taxpayer is not complying with records requests during audits.

**PROPOSED CHANGE:** This proposal would permit employer's rates to increase to the standard rate when the business fails to comply with audit records requests. Once the requested records are provided, the earned rate will be restored.

## **ADMINISTRATION**

### **"ZAPPERS"**

**STATUTORY REFERENCE:** Section 213.295, Florida Statutes

**CURRENT SITUATION:** Automated sales suppression devices or "zappers" are software programs that falsify the records of electronic cash registers and other point-of-sale systems. This technology allows dealers to fraudulently create a virtual second set of records in order to evade state and federal taxes. In the case of sales tax this results in the theft of taxes collected from citizens.

**PROPOSED CHANGE:** This proposal would make it illegal to sell, purchase, install, transfer or possess sales suppression software or devices.

**DELINQUENT TAXPAYERS:**  
**SECURITY REQUIREMENTS FOR NEW REGISTRATIONS**

**STATUTORY REFERENCE:** Section 212.14, Florida Statutes

**CURRENT SITUATION:** Delinquent sales tax dealers are able to close down their business with tax liabilities, and to reopen under a new name. This allows the business operators who were in actual control of the business and responsible for non-payment to repeatedly fail to remit sales and use tax for successive businesses.

In these instances, Florida Statutes require businesses to provide a cash deposit, bond, or other security as a condition to register the new business. However, the current provision does not clearly apply to all of the individuals that were operating the prior business.

**PROPOSED CHANGE:** The proposed statutory revision would clearly authorize the Department to require security for individuals or entities that are responsible for prior delinquent tax accounts when they seek to register new businesses.

**REEMPLOYMENT TAX**

**FLOATING INTEREST RATE FOR REEMPLOYMENT TAX**

**STATUTORY REFERENCE:** Section 443.141, Florida Statutes

**CURRENT SITUATION:** Reemployment tax contributions or reimbursements that are unpaid on the due date bear an interest rate of one percent per month (an effective rate of 12 percent). Other taxes that are administered by the Department have an interest rate of prime plus four percent, not to exceed an effective rate of one percent per month. The interest rate is adjusted twice per year and is currently seven percent.

**PROPOSED CHANGE:** This proposal would reduce and make interest rate provisions for reemployment tax the same as other taxes administered by the Department.

# GENERAL TAX ADMINISTRATION

## CORPORATE INCOME TAX

### CORPORATE INCOME TAX "PIGGYBACK"

**STATUTORY REFERENCE:** Section 220.03, Florida Statutes

**CURRENT SITUATION:** Florida uses portions of the Internal Revenue Code as the starting point in calculating Florida corporate income tax. Each year, the Legislature decides what portions of the new code should be adopted by Florida.

**PROPOSED CHANGE:** The proposal would adopt the 2014 version of the Internal Revenue Code.

## SALES & USE TAX

### CRIMINAL STATUTE GLITCH LANGUAGE

**STATUTORY REFERENCE:** Sections 212.07, 212.12 and 212.18, Florida Statutes

**CURRENT SITUATION:** Recent amendments to the criminal penalties imposed on registration and collection violations do not specifically state the level of offense. Additionally, including the registration violation and the failure to collect violation with the violation for filing of false or fraudulent returns may be confusing.

**PROPOSED CHANGE:** The proposal would specify that a person who willfully fails to register after receiving notice commits a third degree felony and will establish graduated offense degrees for failure to collect taxes after notice. This proposal would clarify these penalties by moving the "failure to register after notice" provision to s. 212.18, F.S., and moving the "failure to collect" provision to s. 212.07, F.S., which are the respective provisions of the statutes that deal with these issues. No new penalties are being created by this proposal.

# ADMINISTRATIVE

## CONFIDENTIALITY OF DATA SECURITY INFORMATION

**STATUTORY REFERENCE:** Section 282.318, Florida Statutes

**CURRENT SITUATION:** Current law provides that certain data security information such as internal policies and procedures, audits, risk analysis information, etc., is confidential and exempt from the public record requirements of s. 119.07(1), F.S. A recent public records request has revealed that other data security information does not have the same protection.

**PROPOSED CHANGE:** The proposal would make Information security documents and related technical information confidential and exempt from the provisions of s. 119.07(1), F.S.

DEPARTMENT OF REVENUE  
2014 LEGISLATIVE CONCEPTS

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