

REVENUE ESTIMATING CONFERENCE

TAX: SUT

ISSUE: NAICS 561720 cleaning services excluding the cleaning of interiors of transportation equipment

BILL NUMBER(S): SB 1976 section 5, CS/HB7157

SPONSOR(S): SENATOR ALTMAN

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2010

DATE OF ANALYSIS: 3/19/2010

SECTION 1: NARRATIVE

a. Current Law: During the 2009 session, the legislature began the transition from Standard Industrial Classification System (SIC) to North American Industry Classification System (NAICS) for industries. For the tax on nonresidential cleaning and nonresidential pest control services, section 3, Chapter 2009-51, L.O.F., replaced outdated SIC Industry Group No. 734 with NAICS National Numbers. Currently, section 212.05(1)(i)1.b., imposes a tax on nonresidential cleaning and nonresidential pest control services listed under the NAICS National Number 561710 and 561720. NAICS 561720 includes “cleaning interior of transportation equipment” (e.g. aircraft, rail cars, and ships), a service which was not listed and taxed prior to the 2009 law change.

b. Proposed Change: Amends section 212.05(1)(i)1.b., F.S. Excludes the cleaning of interiors of transportation equipment from the tax imposed on cleaning services.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

Section 5 intends to match current DOR practice. Sales tax has not been collected on “the cleaning of interiors of transportation equipment”.

SECTION 4: PROPOSED FISCAL IMPACT

| State Impact: All Funds | FY 2010-11 Cash | FY 2010-11 Annualized | FY 2011-12 Cash | FY 2012-13 Cash | FY 2013-14 Cash |
|----------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|
| High | | | | | |
| Middle | (\$0) | (\$0) | (\$0) | (\$0) | (\$0) |
| Low | | | | | |

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 3/19/10) The conference adopted an estimate of zero for all years.

| | FY 2010-11 Cash | FY 2010-11 Annualized | FY 2011-12 Cash | FY 2012-13 Cash | FY 2013-14 Cash |
|--------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|
| General Revenue | 0 | 0 | 0 | 0 | 0 |
| State Trust | 0 | 0 | 0 | 0 | 0 |
| Total State Impact | 0 | 0 | 0 | 0 | 0 |
| Total Local Impact | 0 | 0 | 0 | 0 | 0 |
| Total Impact | 0 | 0 | 0 | 0 | 0 |