Research Report May 2007



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Model Predicts Florida Economy Will Gain By Property Tax Cut Without Changing Sales Tax

Florida TaxWatch recently issued a report on the individual financial impact of the proposed property tax/sales tax swap on different tax profiles. The purpose of the current report is to measure the full economic impacts of property tax relief with and without an increase in sales tax under different scenarios. Both Florida legislative chambers passed their property tax reform bills and are currently negotiating the differences. Although they both are proposing tax rollbacks, the main difference is the size of tax relief and how to achieve it. The House proposal aims to replace homesteaded property taxes with an increased sales tax, while the Senate proposal offers a number of targeted changes to the current system. We hope that this study will facilitate negotiations on the proposed tax reform bills and help legislators come up with an efficient property tax relief package.

Tax Cut Plans Tested by Econometric Model

In this study, Florida TaxWatch, collaborating with the Center for Economic Forecasting and Analysis at Florida State University (FSU), evaluated the economic impact of two primary scenarios across the Florida economy; first, by solely adjusting property tax rates from a "rollback" perspective that examined both property tax reductions to residential and commercial sectors of the economy. The second scenario involved adjusting the property tax rate (homestead exemption) and corresponding sales tax rate or "tax swap." The second scenario represented a revenue "neutral" approach. We used the Regional Economic Model, Inc. (REMI)¹ input-output model to examine the economic impacts of property tax reduction including:

- 1) Florida Gross Regional Product (or State Output)
- 2) Personal Income (Including Wages)
- 3) Employment

¹ See the REMI company website: <u>www.remi.com</u>.

Tax Policy will Affect Consumer and Producer Behaviors

It is important to remember that any change in tax policy will have impacts on the state economy by affecting consumer and producer behaviors in several predictable ways.

- A reduction in property tax will result in higher demand for housing at the consumer level and an increase in capital-intensive investment at the producer level.² In the REMI modeling, we assume that the property tax reduction reduces the cost of housing for individuals and cost of production for business.
- The sales tax increase will result in higher personal taxes for taxable consumer goods and higher business taxes for intermediate goods. We expect that a property tax/sales tax swap will affect businesses by causing businesses to shift to less taxable inputs.
- Any tax changes that cause investors to pay higher taxes will reduce production in the economy.
- When there is a reduction in property tax, consumers are likely to shift their demand from consumer goods to housing to maximize their satisfaction.
- It is also important for Florida to take into account any impact of a sales tax increase on the tourism sector. We expect that a 10% sales tax might hurt Florida tourism by portraying Florida as the most expensive tourism destination in the eyes of potential visitors.

The Research Methodology and Data

We used the REMI dynamic input-output model to measure changes in consumer and producer behaviors and their impacts on the state Gross Regional Products, real disposable personal income, employment, population growth, relative cost of production, and a few other economic indicators. The model measures both short-term (one year) and long-term (five year) effects of changes in property and/or sales tax under different scenarios.

As a part of our modeling strategy, we examined both the total tax collections provided by both the Florida Department of Revenue (DOR) and the Legislature's Office of Economic and Demographic Research (EDR). The DOR data (sales tax) was provided by business sector termed in-kind codes, whereas the EDR data categorized the tax collections into six categories (non-durables, tourism and recreation, autos and accessories, other durables, building investment, and business investment). There were no data projections available from the DOR, so we translated the EDR forecasted data (2007-2011) into in-kind codes. It should be noted that tax exemptions account for a large difference between state *gross* sales (including sales tax exempt items such as groceries) and taxable sales for each of the years. For 2006, total *taxable*

² Holloway, Milton: "An Economic Analysis of Property Tax Relief Funded by a Sales Tax Increase," Texas Public Policy Foundation, April 2004.

sales in Florida comprised just 41.4% of state *gross* sales. In other words, 58.6% of total sales were exempt from sales tax.

The REMI Model's Limitations

The Florida REMI econometric model used in this study has three important limitations when trying to capture the full impact of a tax policy change.³ Readers should take the following limitations into consideration while assessing the findings of this study.

First, the model does not capture all changes in interstate and Internet commerce due to proposed tax relief. It is important to note that any change in tax policy will have dynamic effects on the highly competitive state economy. Since we have an "open economy," such change might affect exports and imports from other states, and might cause higher capital and labor mobility across state boundaries. For instance, if we have a relatively high sales tax rate, some consumers will try to avoid it by out of state buying and through Internet trading. If the cost of production goes up due to an increase in sales tax on intermediate goods, this may force investors to move to other states.

Second, the model does not capture the full impact of sales loss due to any change in market share for in-state business. The net direct change in the cost of production leads to a loss of market share for in-state businesses because of a decrease in competitiveness. The portion of the lost market share caused by the perception that locally produced products are more expensive than imported products must be offset, since the imported products will be taxed to the same extent as those produced locally. The result is an estimate of the effect on Florida market shares due to the direct price change passed onto those Florida businesses that import goods from the rest of the nation. This number, multiplied by the amount of imports from the baseline forecast of the REMI model, provides an estimate of the amount of sales lost to Florida businesses caused by the perceived price differential; this loss of sales must be adjusted for.

Third, any property tax/sales tax swap is likely to change the relative tax burden of individuals and businesses. This study does not include any shift in tax burden for individuals and businesses.

³ See Appendix B for information about REMI.

Positive Economic Impact Predicted from a Property Tax Cut without any Change in Sales Tax

For the property tax reduction, we used \$5.5 billion annually as the baseline, as the Legislature had not proposed anything higher than \$5.5 billion with no corresponding change in sales tax. The property tax or "roll back" scenarios include both the residential and commercial/business sectors. The breakout of taxable values of residential and commercial properties is the following:⁴ Non-Residential/Commercial: 32.4%, Residential Homeowners: 32.2% and Residential Non-Homeowners: 35.4%. The analysis was modeled by corresponding residential and commercial sectors. Consumer pricing on housing represents the property tax accruing to residential homeowners, and capital costs represent the property tax accruing to businesses across 169 sectors of the economy. With a reduction in property taxes, one would expect a corresponding reduction in government spending. We modeled the reduction in government spending by separating the government spending reduction to state and local, and to exogenous final demand.⁵

Property Tax Reduction Scenarios Explored

<u>Scenario</u>

- 1. Cut property tax by \$1 billion without any change in sales tax.
- 2. Cut property tax by \$2 billion without any change in sales tax.
- 3. Cut property tax by \$3 billion without any change in sales tax.
- 4. Cut property tax by \$4 billion without any change in sales tax.
- 5. Cut property tax by \$5.5 billion without any change in sales tax.

⁴ Florida's Property Tax Study Interim Report, Legislative Office of Economic and Demographic Research, February 15, 2007.

⁵ It is more realistic to assume that a reduction in government spending would result in a mix of a 1) reduction in outside contracts and programs and then; 2) government employment. Typically, when a government is having budget problems they are more likely to cut product and services spending rather than laying off personnel.

GRP and Real Disposable Personal Income will Increase with any Property Tax Reduction

The short and long term impacts of the scenarios on the state Gross Regional Products (GRP) (see Figure 1) and real disposable personal income are as follows (see Figure 2):

The short-term (one-year) effect of a property tax reduction:

- A gain of \$230 million (scenario 1) to \$1.41 billion (scenario 5) in GRP.
- A gain of \$840 million (scenario 1) to \$4.77 billion (scenario 5) in real disposable personal income.

The long-term (five year) effect of a property tax reduction:

- A gain of \$1.89 billion (scenario 1) to \$11.12 billion (scenario 5) in GRP.
- A gain of \$4.32 million (scenario 1) to \$24.42 billion (scenario 5) in real disposable personal income.

There are several reasons for the projected positive economic impacts of any reduction in property tax. First, as seen in Table 1 (Appendix A), reductions will decrease relative labor intensity in production because producers will increase capital-intensive inputs. With a reduction in property tax, the cost of capital (structures and inventories) will be lower for producers. Therefore, they will increase their capital-intensive production while decreasing labor-intensive production.

Second, the model also indicates that labor productivity will go up with lower property tax payments. Since output per employee is greater for capital-intensive production and higher labor productivity, holding everything else constant, projected output and GRP growth will be positive.

Third, the model estimates an annual increase in population growth ranging from 6,700 (scenario 1) to 38,390 (scenario 5) with a lower property tax. This will result in higher demand and consumption within Florida's economy.

Figure 1. Property Tax Relief will Increase Florida Gross Regional Products (GRP) by \$Billions Indicated







A Property Tax Reduction will Result in Job Losses

As seen in Figure 3, the REMI model estimates that there will be a loss of 3,530 (scenario 1) to 17,950 (scenario 5) jobs depending on the size of a property tax reduction. The total job losses for five years will range from 9,740 to 46,990. Considering around 23,000 jobs, which are being created statewide every month, the estimated job losses are modest impacts. The job losses will be due to a reduction in local government spending. Therefore, most of these losses would be in local government sectors and firms contracting with local governments. The model indicates that there would be an increase in high paying jobs in capital intensive industries and a decrease in low paying jobs in labor intensive industries. And labor productivity will rise. Therefore, despite a significant increase in GRP and output, there would be overall job loss in the economy, holding everything constant. However, the magnitude of forecasted annual job losses will diminish over time.



Figure 3. A Property Tax Relief will Result in Job Losses

Negative Economic Impact Predicted from Property Tax/Sales Tax Swap

The current state sales tax rate in Florida is six percent. In our modeling, we applied an initial rise in sales tax over the existing average level. The tax rate per county in Florida is variable; however, the economic analysis for this study was state-specific. The following scenarios were examined using REMI:

Property Tax/Sales Tax Swap Scenarios

- 1. Reduce homestead property tax by \$1.56 billion and increase sales tax by \$1.56 billion (equivalent of 0.5% sales tax increase).
- 2. Reduce homestead property tax by \$3.11 billion and increase sales tax by \$3.11 billion (equivalent of 1% sales tax increase).
- 3. Reduce homestead property tax by \$4.67 billion and increase sales tax by \$4.67 billion (equivalent of 1.5% sales tax increase).
- 4. Reduce homestead property tax by \$6.22 billion and increase sales tax by \$6.22 billion (equivalent of 2% sales tax increase).
- 5. Completely eliminate homestead property tax \$7.78 billion and increase sales tax by \$7.78 billion (equivalent of 2.5% sales tax increase).

According to a recent study conducted by Ernst & Young⁶, the total state and local sales tax on business input in Florida was \$7.7 billion in 2006. The denominator is total state (\$21.7 billion) and local sales (\$1.9 billion) tax in 2006. Thus, the business sector paid 32.6 percent of the total sales tax. In our modeling, we separated sales tax into consumer and business sectors.

⁶ Cline, R., T. Neubig, A.Philips, and Ernst & Young LLP: *Total State and Local Business Taxes*, February 2007.

GRP and Real Disposable Personal Income will Decrease with any Property Tax/Sales Tax Swap

The short and long term impacts of the five scenarios on the state Gross Regional Products (GRP) (see Figure 4) and real disposable personal income are as follows (see Figure 5):

The short-term (one-year) effect of a property tax/sales tax swap:

- A loss of \$480 million (scenario 1) to \$2.14 billion (scenario 5) in GRP.
- A loss of \$80 million (scenario 1) to \$220 million (scenario 5) in real disposable personal income.

The long-term (five-year) effect of a property tax/sales tax swap:

- A loss of \$3.81 billion (scenario 1) to \$16.98 billion (scenario 5) in GRP.
- A loss of \$850 million (scenario 1) to \$3.27 billion (scenario 5) in real disposable personal income.

For some, the expectation might be that a tax swap will be neutral for the economy because there will be no change in aggregate spending. This is assuming that behavioral reactions by consumers and investors to property tax and sales tax are similar. Whenever there is a change in tax policy, consumers and producers respond to it to minimize their tax burden. The key is to know whether a property tax/sales tax swap will increase or decrease aggregate spending in the economy. If it increases aggregate spending, it will have a positive impact on GRP and real disposable income. However, it decreases aggregate spending, and will reduce GRP and real disposable income and cause job losses in the economy. Our model indicates that although a property tax/sales tax swap, the economy will experience expansionary effect due to a property tax cut and contractionary effect due to a sales tax increase.

As outlined above, REMI estimates that a property tax/sales tax swap will result in losses in Gross Regional Product and real disposable personal income. There are several reasons for such negative impacts. First, a property tax/sales tax swap will be contractionary because consumers will hold onto their money instead of spending (to avoid the higher prices brought about by sales tax hikes) and will drive across state lines to Georgia or Alabama to shop or they will buy from merchants over the Internet who do not levy Florida sales taxes on web sales. This will result in lower demand for Florida goods and suppress output in the economy as seen in Table 2 (Appendix A). Second, labor productivity will go down as businesses avoid buying machinery to increase output per worker and relative cost of production will go up because of an increase in labor-intensive inputs and the inflation rate. Third, an increase in sales tax will create additional inflation, up to 1.4%, which in turn lowers real disposable income and consumption. Fourth, the model estimates a decrease in population growth due to a higher sales tax rate, which again results in lower demand and consumption in the economy.

Figure 4. Property Tax/Sales Tax Swap will Reduce Florida Gross Regional Products (GRP) by \$Billion Indicated



Figure 5. Property Tax/Sales Tax Swap will Reduce Real Disposable Personal Income by \$Billion



A Property Tax/Sales Tax Swap Might Result in a Hundred Thousand Job Losses in Five Years

As seen in Figure 6, the REMI model estimates that there will be a loss of 4,600 (scenario 1) to 19,230 (scenario 5) jobs, depending on the size of a property tax/sales tax swap. The total job losses for five years will range from 34,410 to 147,170 depending on the additional cents per dollar of any sales tax increase. The job losses will be due to a reduction in local government spending and an overall decrease in GRP as discussed. Unlike property tax cut scenarios, the REMI results for property tax/sales tax swap scenarios indicate that the magnitude of annual job losses will increase over time.

Scenario 5 (\$5.5B) Scenario 1 (\$1B) Scenario 2 (\$2B) Scenario 3 (\$3B) Scenario 4 (\$4B) 0 -4.60 -8.75 -12.42 -20 -16.05 -19.23 -34.41 -40 Job Losses (Thousands) -60 -65.15 -80 First Year Five Years -93.79 -100 -120 -121.75 -140 -147.17 -160

Figure 6. Sales Tax Increase will Cost Jobs

Conclusions

This study clearly indicates that a reduction in property tax with no change in sales tax will boost the economy by increasing GRP and disposable personal income without creating a significant number of job losses. For instance, property tax relief worth \$2 billion, with no change in sales tax, will add \$470 million to GRP and \$1.69 billion to real disposable personal income in the first year. In contrast, a property tax/sales tax swap will result in a loss in GRP and disposal personal income. For instance, one percent increase in sales tax to offset a comparable property tax cut will reduce GRP by \$940 million and real disposable personal income by \$140 million. Additionally, depending on different scenarios, a property tax cut will result in a loss of 9,740 to 46,990 jobs in five years, while a property tax/sales tax swap will cost 34,410 to 147,170 jobs during the same period. The magnitude of annual job losses over time will be much higher for property tax/sales tax swap scenarios compared to property tax cut scenarios because a sales tax increase raises prices which will cause business costs to go up and consumers will be more selective in buying and demand is reduced. When demand goes down, business declines and layoffs result. Finally, a property tax cut will attract more people to Florida and increase demand and output in the economy, while a sales tax hike will decrease population growth and result in a corresponding reduction in demand and output.

Appendix A

	Scenario 1(\$1B)		Scenario 2 (\$2B)		Scenario 3 (\$3B)		Scenario 4 (\$4B)		Scenario 5 (\$5.5B)	
	First Year	Five Years	First Year	Five Years	First Year	Five Years	First Year	Five Years	First Year	Five Years
Total Employment (Thousands)	-3.53	-9.74	-6.94	-18.92	-10.22	-27.55	-13.37	-35.55	-17.95	-46.99
Total GRP (\$Billion Fixed 2007\$)	\$0.23	\$1.89	\$0.47	\$3.84	\$0.72	\$5.85	\$0.99	\$7.93	\$1.41	\$11.12
Price Index (Fixed 2007\$)	-0.18	-0.85	-0.36	-1.70	-0.54	-2.55	-0.72	-3.41	-0.99	-4.69
Real Disposable Personal Income (Billions Fixed 2007\$)	\$0.84	\$4.32	\$1.69	\$8.69	\$2.56	\$13.13	\$3.44	\$17.62	\$4.77	\$24.42
Output (Billions. Fixed 2007\$)	0.70	4.48	1.42	9.04	2.15	13.69	2.90	18.42	4.06	25.61
Labor Productivity (Thousands Fixed 2007\$)	0.04	0.23	0.08	0.47	0.13	0.71	0.17	0.95	0.24	1.31
Relative Cost of Production	-0.0005	-0.0022	-0.0010	-0.0044	-0.0014	-0.0066	-0.0019	-0.0088	-0.0026	-0.0121
Relative Labor Intensity	0.0000	0.0945	-0.0001	0.2084	-0.0001	0.3458	-0.0002	0.5067	-0.0003	0.7709
Imports from Rest of Nation (Billions Fixed 2007\$)	-0.01	1.08	-0.01	2.16	-0.01	3.23	-0.01	4.31	0.01	5.91
Exports to Other States (Billions Fixed 2007\$)	0.16	-2.47	0.32	-4.94	0.48	-7.42	0.64	-9.89	0.88	-13.59
Exogenous Industry Demand (Billions Fixed 2007\$)	-0.52	-0.08	-1.04	-0.17	-1.56	-0.25	-2.08	-0.33	-2.87	-0.46
Population (Thousand)	6.70	50.90	13.54	102.74	20.51	155.47	27.61	209.15	38.39	290.47

Table 1. Estimated Economic Impact of Property Tax Relief for Five Different Scenarios

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	Scenario <u>1 (0.5%)</u>		Scenario 2 (1%)		Scenario 3 (1.5%)		Scenario 4 (2%)		Scenario 5 (2.5%)	
	First Year	Five Years	First Year	Five Years	First Year	Five Years	First Year	Five Years	First Year	Five Years
Total Employment (Thousands)	-4.60	-34.41	-8.75	-65.15	-12.42	-93.79	-16.05	-121.75	-19.23	-147.17
Total GRP (Billions Fixed 2007\$)	-\$0.48	-\$3.81	-\$0.94	-\$7.32	-\$1.35	-\$10.65	-\$1.76	-\$13.90	-\$2.14	-\$16.98
Price Index (Fixed 2007\$)	0.28	1.32	0.57	2.64	0.85	3.96	1.133	5.2987	1.41	6.61
Real Disposable Personal Income (Billions Fixed 2007\$)	-\$0.08	-\$0.85	-\$0.14	-\$1.58	-\$0.18	-\$2.19	-\$0.22	-\$2.87	-\$0.22	-\$3.27
Output (Billions Fixed 2007\$)	-1.00	-7.62	-1.92	-14.57	-2.78	-21.20	-3.61	-27.60	-4.40	-33.73
Labor Productivity (Thousands Fixed 2007\$)	-0.05	-0.34	-0.09	-0.67	-0.14	-0.98	-0.18	-1.28	-0.22	-1.59
Relative Cost of Production	0.0009	0.0040	0.0018	0.0079	0.0027	0.0119	0.0036	0.0159	0.0045	0.0199
Relative Labor Intensity	0.0000	0.0002	0.0001	0.0004	0.0001	0.0006	0.0001	0.0008	0.0001	0.0011
Imports from Rest of Nation (Billions Fixed 2007\$)	-0.64	-4.60	-1.23	-8.58	-1.74	-12.36	-2.26	-16.02	-2.75	-19.63
Exports to other states (Billions Fixed 2007\$)	-0.26	-1.67	-0.51	-3.32	-0.76	-4.97	-1.00	-6.59	-1.26	-8.23
Population (Thousand)	-0.14	-8.18	-0.08	-14.29	0.21	-18.64	0.47	-23.57	1.11	-24.97

 Table 2. Estimated Economic Impact of Property Tax/Sales Tax Swap Scenarios

Appendix B: Additional Information About REMI

Regional Economic Models, Inc. of Amherst, Massachusetts developed the REMI model in 1980.⁷ It specifies commodity-trade and personal-income flows between regions creating long-term portraits of regional economic growth. The model consists of five basic blocks: (1) output, (2) labor and capital demands, (3) population and labor supply, (4) wages, prices, and profits, and (5) market shares.

Production is categorized into 49 non-farm private industries (primarily at the two-digit S.I.C. level), three government sectors, and the farm sector. Economic relationships are given by an industry-based input-output component combined with an econometric component. The econometric specifications are derived from economic theories that are-generally neoclassical in nature. The model is dynamic, enabling it to be used both as an impact model and for forecasting.

The REMI model, as Bolton (1985) states in a review of econometric models, "is a world apart in complexity, reliance on inter-industry linkages, and modeling philosophy" from other econometric models. It may be seen as an eclectic model that links an input-output model to an econometric model. In this way, if econometric responses are suppressed, the model collapses to an input-output model.

REMI uses three sources of employment and wage and salary data: (1) Bureau of Economic Analysis (BEA) employment, wage and personal income series; (2) ES-202 establishment employment and wage and salary data; and (3) County Business Patterns (CBP) data published by the U.S Census Bureau. The BEA data are annual averages reported at the two-digit level for states and one-digit for counties. The ES-202 data, which are the foundation for BEA data, are collected monthly in conjunction with the unemployment insurance program at the two-digit level for counties and states. CBP data are collected in conjunction with Social Security programming in March of each year. Output measures are based on regional employment data, the BEA Gross State Product series, and national output-to-employment ratios.

REMI begins by applying the national output-to-employee ratio to employment by industry. This application is adjusted by regional differences in labor intensity and total factor productivity. Regional differences are given by industry production function and unit factor costs. Total factor productivity calculations depend on industry value added in production reported in real U.S. dollars by BEA, and on adjustments by REMI to the BEA numbers.

Most impact studies historically have taken into account only the direct, short-term impacts of tourism on state and local economies. Although such "snapshots" provide useful insights at given points in time, they artificially freeze the economy and tourism's relationship to it. The proposed study will use both REMI Policy Insight and IMPLAN econometric models to capture the direct, indirect, and induced economic impacts resulting from reduced visitor expenditures due to the gift ban law.

REMI is a widely used dynamic integrated input-output econometric model. The model's structure incorporates inter-industry transactions and final demand feedbacks. REMI is used extensively to measure proposed legislative and other program and policy economic impacts across the private and public sectors. The Florida Legislative Office of Economic &

⁷ For more information about REMI, please visit: http://www.remi.com/

Demographic Research, the state Agency for Workforce Innovation and other state and local government agencies use REMI extensively to measure economic impacts of proposed legislative and policy proposals. In addition, REMI is the chosen tool to measure these impacts by a number of universities and private research groups that evaluate economic impacts across the state and nation. REMI has been widely used to model the economic impacts of property and sales tax analyses⁸.

The REMI model used for this analysis was specifically developed for the state of Florida (using the latest 2004 data), and includes 169 sectors. In addition to accounting for economic variables (production, spending, employment) REMI also accounts for labor force, population (migration, births, deaths) and fiscal impacts. REMI's principal advantage is that it is a dynamic input output econometric model, and can be used to forecast both direct and indirect economic effects over multiple-year time frames.

⁸ See tax-specific publications on the REMI website: <u>http://www.remi.com</u>

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About Florida TaxWatch

Florida TaxWatch is a statewide, non-profit, non-partisan taxpayer research institute and government watchdog that over its 28 year history has become widely recognized as the watchdog of citizens' hard-earned tax dollars. Its mission is to provide the citizens of Florida and public officials with high quality, independent research and education on government revenues, expenditures, taxation, public policies, and programs, and to increase the productivity and accountability of Florida Government.

Florida TaxWatch's research recommends productivity enhancements and explains the statewide impact of economic and tax and spend policies and practices on citizens and businesses. Florida TaxWatch has worked diligently and effectively to help state government shape responsible fiscal and public policy that adds value and benefit to taxpayers.

This diligence has yielded impressive results: in its first two decades alone, policymakers and government employees implemented three-fourths of Florida TaxWatch's cost-saving recommendations, saving the taxpayers of Florida more than \$6.2 billion -- approximately \$1,067 in added value for every Florida family, according to an independent assessment by Florida State University.

Florida TaxWatch has a historical understanding of state government, public policy issues, and the battles fought in the past necessary to structure effective solutions for today and the future. It is the only statewide organization devoted entirely to Florida taxing and spending issues. Its research and recommendations are reported on regularly by the statewide news media.

Supported by voluntary, tax-deductible memberships and grants, Florida TaxWatch is open to any organization or individual interested in helping to make Florida competitive, healthy and economically prosperous by supporting a credible research effort that promotes constructive taxpayer improvements. Members, through their loyal support, help Florida TaxWatch bring about a more effective, responsive government that is accountable to the citizens it serves.

Florida TaxWatch is supported by all types of taxpayers -- homeowners, small businesses, large corporations, philanthropic foundations, professionals, associations, labor organizations, retirees -- simply stated, the taxpayers of Florida. The officers, Board of Trustees and members of Florida TaxWatch are respected leaders and citizens from across Florida, committed to improving the health and prosperity of Florida.

With your help, Florida TaxWatch will continue its diligence to make certain your tax investments are fair and beneficial to you, the taxpaying customer, who supports Florida's government. Florida TaxWatch is ever present to ensure that taxes are equitable, not excessive, that their public benefits and costs are weighed, and government agencies are more responsive and productive in the use of your hard-earned tax dollars.

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♦ Integrity ♦ Productivity ♦ Accountability ♦ Independence ♦ Quality Research

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