

CALLING FOR CLARITY

Florida's Confusing and Conflicting Scheme for Taxing Government Leaseholds Needs Legislative Attention

APRIL 2021

Florida
TaxWatch

A large red and black ship is docked at a port. Several yellow cranes are visible in the background, and the ship is being secured with green ropes. The scene is set in a harbor with blue water and a clear sky.



106 North Bronough Street, Tallahassee, FL 32301 floridataxwatch.org o: 850.222.5052 f: 850.222.7476

Senator George S. LeMieux
Chairman of the Board of Trustees

Dominic M. Calabro
President & Chief Executive Officer

Dear Fellow Taxpayer:

Part of Florida TaxWatch's mission over our forty-plus years of independent research is the promotion of sound tax policy, some of the hallmarks of which are fairness, simplicity, and transparency. A tax that falls short of those characteristics involves the leasing of government land to non-governmental entities—known as governmental leaseholds. For at least 60 years, this issue has been a point of contention between taxpayers and taxing authorities and has been heavily litigated.

Florida TaxWatch has followed the debate over the taxation of government leaseholds since 1992. The Legislature, the Constitutional Revision Commission, and the Taxation and Budget Reform Commission have all taken cracks at clearing up the issue, but it is the courts that have shaped the taxation of leaseholds in Florida.

Two recent court cases in Hillsborough County, and the revocation of tax exemptions for companies leasing government land, again highlight the need to address the laws governing this taxation. The importance of this is heightened because Hillsborough's application of the law could soon spread to other areas of the state, reversing long-standing tax policy.

While we are not questioning the decisions made by the courts, it does appear they are in conflict with legislative intent. Florida TaxWatch recommends that the Florida Legislature undertake a comprehensive review of the taxation of governmental leaseholds, decide what is the best interests of Florida, and rewrite the law to achieve that goal. Florida TaxWatch is pleased to present this report in an effort to begin this process.

Taxpayers deserve a law that is clear and understandable, and one that is applied uniformly across the state.

Sincerely,

Dominic M. Calabro
President & CEO

Introduction

There are many different ideas about what characteristics define a good tax or tax policy. Some elements most agree on are fairness, simplicity, transparency, and ease of administration. One tax in Florida that falls short of all four of those goals is the ad valorem (property) taxation of governmental leaseholds. Governmental leaseholds occur when government property is leased to a private entity.

Government-owned property is generally exempt from ad valorem taxation. While that is clear, the taxation of government property when it is leased to a non-governmental entity becomes quite murky.

The question of how (or whether) to tax this property has been “dealt with by the Florida Constitution, the legislature, and the courts in a somewhat confusing manner” for more than sixty years.¹ Two ongoing court cases in Hillsborough County highlight the need for legislative clarification.

Governmental leaseholds can be subject to two taxes in Florida—the property tax on real property (levied by local governments) and the intangibles tax (levied by the state). The property tax is levied on the value of the property (the fee interest) being leased, at the corresponding millage rate in the jurisdiction where the property is located. The intangibles tax is levied annually on the right to use the land (the leasehold interest). The intangible tax rate is 0.5 mills (\$.50 per \$1,000 dollars of value) levied against the rent payments for the remaining term of the lease at the discount rate on the last business day of the previous year, plus one percent.

Florida law provides that “[L]easehold interests in property of the United States, of the state or any of its several political subdivisions, or of municipalities, agencies, authorities, and other public bodies corporate of the state shall be exempt from ad valorem taxation and the intangibles tax pursuant to paragraph (b) only when the lessee serves or performs a governmental, municipal, or public purpose or function.”² Another section provides a definition for “governmental, municipal, or public purpose or function” as one which could properly be performed by a governmental unit or is a valid subject for the allocation of public funds.³ The section goes on to provide some more specific and perhaps less restrictive examples, such as aviation and maritime activities performed at a public airport or deepwater port. Section 196.102(6) reads, in part:

Any activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as a public airport as defined in s. 332.004(14) by municipalities, agencies, special districts, authorities, or other public bodies corporate and public bodies politic of the state, a spaceport as defined in s. 331.303, or which is located in a deepwater port identified in s. 403.021(9)(b) and owned by one of the foregoing governmental units, subject to a leasehold or other possessory interest of a nongovernmental lessee that is deemed to perform an aviation, airport, aerospace, maritime, or port purpose or operation shall be deemed an activity that serves a governmental, municipal, or public purpose.

The history of the taxation of governmental leaseholds in Florida is a complex one, driven largely by court cases. As the Florida Supreme Court stated in its decision in one of the landmark cases concerning the taxation of government land when used by a private entity, “In answering these questions, we find it is unnecessary to recount the erratic path which the taxing of interests created when government-owned real property is leased for nonpublic purposes has taken in Florida.”⁴

¹ David M. Hudson, Governmental Immunity And Taxation In Florida, University of Florida Law Faculty Publication (1998), available at <http://scholarship.law.ufl.edu/facultypub/534>

² Section 196.199(2)(a), Florida Statutes.

³ Section 196.012(6), Florida Statutes.

⁴ Capital City Country Club v. Tucker, 613 So.2d 448 (Fla. 1993)

To inform this report, the following is a short summation of that path:

- Prior to 1961 governmental leaseholds were not taxed. A 1957 Florida Supreme Court ruling said that although leasehold interests were not taxable, “we are not conscious of any reason why the legislature could not set up machinery for that purpose”⁵ In 1961, the Legislature walked through the door the Court opened and made leasehold interests in governmentally owned property subject to ad valorem (property) taxation.
- In 1980, the Legislature made governmental leaseholds—when rent was due—subject to the intangibles tax, not the real property tax. If rent was not due,⁶ the leasehold would be taxed as real property. The law was upheld by the First District Court of Appeal. In rejecting a “smorgasbord of constitutional challenges” over the new law, the Court noted that “the question before us is not whether this law is wise, fair, or well drafted.”⁷
- The public purpose exemption has also been a point of contention. In 1994, the Florida Supreme Court upheld the denial of an exemption for a raceway leasing land from an airport. The Court noted: “Serving the public and a public purpose, although easily confused, are not necessarily analogous” and “Proprietary functions promote the comfort, convenience, safety and happiness of citizens, whereas government functions concern the administration of some phase of government.”⁸
- After the Hillsborough County Property Appraiser revoked exemptions for most leases at the port and airport, the 1997 Legislature passed a law specifically exempting leases where an aviation or port operation is performed.⁹ This law—and others pertaining to the governmental purpose exemption—has been litigated extensively.

The Cases at Hand

There are two ongoing cases in Hillsborough County that arose due to property appraiser revoking exemptions that had previously been approved for companies that are leasing property owned by the Hillsborough County Aviation Authority and the Tampa Port Authority.

Gulf Marine Repair Corporation

Gulf Marine, a Florida for-profit corporation, has leased 23 acres of public land at Port Tampa Bay since 2006 for use as a shipyard for repair and maintenance of sea-going vessels. Gulf Marine was responsible for paying any property taxes that might be levied on the land.

In 2014, Gulf Marine applied for an exemption from property taxes. Gulf Marine’s position is that not only does it provide a maritime service at a deepwater port—as required by statute—it also services Coast Guard and U.S.-flagged vessels¹⁰ and therefore should be exempt. The exemption, however, was denied by the property appraiser. Gulf Marine challenged that denial before the county’s Value Adjustment Board (VAB) and the VAB granted the exemption. The property appraiser then sued. Gulf Marine has been in court since 2015 to retain the exemption granted by the VAB.

Part of Gulf Marine’s justification was a 2011 case in which Federal Express (FedEx) sued the Hillsborough County Property Appraiser over the revocation of its tax exemption on property it had leased at Tampa International Airport since 2003. The center of that suit was that s. 196.023(6) F.S. provides, in part, that any activity of a lessee which is permitted under its lease of government property at a public airport or deepwater port that is deemed to perform an aviation, airport, aerospace, maritime, or port purpose or operation shall be deemed an activity that serves a governmental, municipal, or public purpose.

⁵ Park-N-Shop, Inc. v. Sparkman, 99 So. 2d 571 (Fla. 1957)

⁶ Or if the property is originally leased for 100 years or more, or if the property is financed by bonds pursuant to chapter 159, Florida Statutes.

⁷ Miller v. Higgs, 468 So. 2d 371 (Fla. Dist. Ct. App. 1985)

⁸ Sebring Airport vs. McIntyre, 642 So. 2d at 1073-74 (Fla. 1994)

⁹ Chapter 97-255, Laws of Florida 1997.

¹⁰ “The fleet of U.S.-flagged, privately-owned, and commercially operated vessels, along with government-owned vessels, provides critical sealift surge and sustainment capacity to move equipment and materials for the Armed Forces.” <https://www.transportation.gov/testimony/state-us-flag-maritime-industry>

FedEx prevailed in its case. “Since it is undisputed that FedEx operates an aviation-based parcel delivery service at a public airport FedEx is entitled to an exemption on the property,” Hillsborough Circuit Judge William P. Levens wrote in his decision. The Hillsborough County Property Appraiser (HCPA) chose not to appeal the trial court’s decision.

In addition to the question as to whether Gulf Marine qualifies for an exemption, the company also raised an equal protections issue since other similar lessees had property tax exemptions. Gulf Marine also asserted that it is the VAB—not the appraiser—that makes the final determination on this exemption and once granted, it should remain in effect throughout the lease. Section 196.199(5), F.S., states:

Leasehold interests in governmental property shall not be exempt pursuant to this subsection unless an application for exemption has been filed on or before March 1 with the property appraiser. The property appraiser shall review the application and make findings of fact which shall be presented to the value adjustment board at its convening, whereupon the board shall take appropriate action regarding the application. If the exemption in whole or in part is granted, or established by judicial proceeding, it shall remain valid for the duration of the lease unless the lessee changes its use, in which case the lessee shall again submit an application for exemption.

The property appraiser, however, says the law is clear and the exemption was denied because Gulf Marine is a for-profit company and thus performed a proprietary function, not a governmental one. The Circuit Court ruled in the property appraiser’s favor. It concluded Gulf Marine was not entitled to an exemption, the property appraiser acted properly in denying the exemption, s. 196.199(5) does not apply to real property taxation, and that Gulf Marine is not entitled to equal protection rights under the Florida Constitution and would not prevail under federal equal protection law. The ruling is on appeal to the 2nd District Court of Appeals.

Hillsborough County Aviation Authority

Despite the property appraiser’s office stating the proprietary versus governmental test has been a twenty-year policy, it was not until the Gulf Marine case was underway that the appraiser moved to revoke property tax exemptions for approximately 33 companies at the Tampa International Airport and other airports owned by the Hillsborough County Aviation Authority.¹¹

After Gulf Marine cited other airline maintenance companies that were exempt as justification for its exemption, the property appraiser’s office said it decided to look more closely at exemptions at the airports.¹² The appraiser concluded that several of those companies no longer qualified for the exemption and some only deserved partial exemptions. Interestingly, the property appraiser determined some functions at the airport, like commercial airlines,¹³ airport hangars, and a fuel tank depot met the statutory government purpose definition while functions such as repairing and maintaining airplanes—essential to the safe and efficient operation of commercial jets—did not. With some for-profit businesses still receiving the exemption, it could be argued that this constitutes unequal application of the government versus proprietary test.

When the Aviation Authority filed for exemptions for its tenants for the 2019 tax year, the property appraiser sent Notices of Disapproval for each disputed property.¹⁴ The Aviation Authority then petitioned the VAB, challenging the denials of exemption. Representatives from the companies that were losing their exemptions appeared at the Value Adjustment Board hearing and expressed “shock” and feeling “betrayed.” One tenant providing essential maintenance and repair services to airliners saw its taxes increase over \$400,000 a year when the property appraiser revoked its

¹¹ Affidavit of HCPA General Counsel, William D. Shepherd dated December 18, 2018.

¹² Richard Danielson, Tampa Bay Times, “Millions at stake in tax fight involving Tampa port and airport tenants,” September 26, 2019.

¹³ The airlines, the value of the property they lease, and the amount of taxes saved from the exemption are difficult to determine. Unlike other government leaseholds at the airport, we could not easily find on the HCPA’s website a folio number for the airline leases. We would encourage the HCPA’s office to make this information readily available on its website.

¹⁴ The property appraiser later amended some of the Notices of Disapproval, in effect providing partial exemptions for some of the parcels.

long-held exemption. The companies also had the support of the airport and Hillsborough County economic development officials. The VAB determined that the parcels in question were exempt from property taxation. The Hillsborough County Property Appraiser then filed suit.

The arguments made by the Aviation Authority were basically the same as in the Gulf Marine case: the tenants qualified for the exemption provided under sections 196.199(2)(a) and 196.023(6), Florida Statutes due to their aviation and airport functions; the property appraiser acted improperly in denying the exemptions; and once granted, exemptions should remain in effect for the duration of the lease, unless the use of the property changes.

As it did in the Gulf Marine case, on November 19, 2020, the Circuit Court ruled in favor of the property appraiser on all counts. The Aviation Authority has, like Gulf Marine, appealed to the 2nd District Court of Appeals.¹⁵ If upheld, the ruling will add more than \$39 million worth of aviation authority property to the tax rolls, requiring the companies to pay approximately \$800,000 a year in property taxes.

Questions Raised by the Law

Clarity of the Law

It is vital that taxpayers can easily understand their tax obligations under the law, and the current statutory law on governmental leaseholds does not provide that clarity. In reviewing old case law and other writings on the issue, it is striking how often the convoluted and confusing evolution of the law is mentioned. The two cases in Hillsborough County and the property appraiser's revocation of exemptions previously approved by the appraiser and the VAB further highlight the need for clearer statutory law governing the taxation of governmental leaseholds.

On the Florida Department of Revenue webpage that provides taxpayers information about the governmental leasehold intangibles tax and how to file and pay it, the explanation of the governmental purpose exemption is followed by this note: "This statutory definition is often the subject of litigation, so some parts may not be valid."¹⁶

In addition, with the exception of the exemption provisions, the intangibles taxation of governmental leaseholds is administered by statutes that no longer exist in the current Florida Statutes. Instead, the current statute reads "All applicable collection, administration, and enforcement provisions of chapter 199, Florida Statutes 2005, shall apply to taxation of such leaseholds."¹⁷ This is because the recurring part of the intangibles tax was repealed on January 1, 2007.¹⁸ The two-mill, one-time intangibles tax imposed on obligations for the payment of money secured by liens on Florida real estate, such as mortgages, remains. The recurring intangibles tax on stocks, bonds, notes, etc. was repealed and the tax on governmental leaseholds is the only recurring intangibles tax that remains.

Which Tax Applies?

Much of the non-clarity of the law is due to there being two taxes in play here—local property taxes and state intangibles taxes. While some of the statutes appear to relate to both taxes, the courts have said they do not.

Section 196.199(2)(b) provides that non-exempt governmental leaseholds (as defined by s. 199.023(1)(d), Florida Statutes 2005) shall be taxed only as intangible personal property if rental payments are due. If no rental payments are due, the leasehold or other interest shall be taxed as real property.

¹⁵ Jay Cridin, Tampa Bay Times, "Hillsborough property appraiser wins tax lawsuit against Aviation Authority," November 19, 2020.

¹⁶ Florida Department of Revenue, Governmental Leasehold Intangible Personal Property Tax, https://floridarevenue.com/taxes/taxesfees/Pages/govt_leasehold.aspx

¹⁷ Section 196.199(2)(b), Florida Statutes.

¹⁸ The recommendations of the Florida TaxWatch Intangibles Tax Task Force were instrumental in the phase-out and eventual repeal of the annual intangibles tax. For more information: <https://floridataxwatch.org/Research/Full-Library/ArtMID/34407/ArticleID/16287/Final-Report-of-the-2nd-Intangibles-Tax-Task-Force>

The Florida Department of Revenue's webpage that explains the Governmental Leasehold Intangible Personal Property Tax also states leaseholds or other possessory interest in government owned lands "are taxed as intangible personal property if the leased property is undeveloped or predominately used for a residential or commercial purpose, and rental payments are due in consideration of the leasehold estate or possessory interest. If rental payments are not due under the agreement creating a leasehold estate, the leasehold estate is taxed as real property, not as intangible property."¹⁹

Reading the statute or DOR's instructions, a taxpayer could surmise that if they pay rent on property leased from a government, they are subject to only the intangibles tax. This is what the Legislature intended in 1980 when it replaced the real property taxation of governmental leaseholds with the lower rate intangibles tax.²⁰ It should be noted that while other intangibles tax proceeds are state general revenue, the revenue from the intangibles tax on leaseholds was returned to the school board where the tax was collected, in order to replace some of the lost property tax revenue.²¹

However, in 1992, the Florida Supreme Court (*Capital City Country Club vs. Tucker*) ruled that both the intangibles tax and the real property tax can be applied to the same property unless the lessee serves a governmental function. It boils down to the difference in "leasehold interest and fee interest." Intangible personal property is defined as "personal property which is not in itself intrinsically valuable, but which derives its chief value from that which it represents."²² The intangibles tax is levied on the "leasehold interest" or the value of the rights afforded the lessee. The tax on real property is levied on the "fee interest" or the value of the real property.

In addition, Section 196.199(5), F.S. states that the VAB makes the decision on exemption applications and if granted, remain valid for the duration of the lease unless the lessee changes its use. However, both Hillsborough County cases (*Gulf Marine* and *Aviation Authority*) state that since the exemption denied is for the tax on the fee interest, not the leasehold interest, section 196.199(5) is not applicable. The courts concluded this means the property appraiser did not act improperly in revoking the exemptions and the requirement that an exemption approved by the VAB must remain in effect throughout the term of the lease does not apply to real property taxes.

Exemption

Section 196.193 (2)(a) states that if a lessee serves or performs a governmental, municipal, or public purpose or function **it is exempt from both ad valorem taxation and the intangible tax** and in all such cases, all **other interests in the leased property shall also be exempt from ad valorem taxation**. Section 196.012(6) defines "governmental, municipal, or public purpose or function" to include **any activity** of a lessee which is permitted under its lease of government property **at a public airport or deepwater port** that is deemed to perform **an aviation, airport, aerospace, maritime, or port purpose or operation**.

This seems clear that it was the Legislature's intention that any governmental property lessee that qualifies under s. 196.012(6) should be exempt from both the intangibles tax on the leasehold interest and the real property tax on the fee interest. Still, some courts have ruled (including the recent Hillsborough cases) the Legislature has no constitutional basis for doing so. Instead, in order to be exempt from property taxes, the function provided by lessee must be "governmental-governmental" (the administration of some phase of government) not simply "governmental-proprietary" (uses that are merely beneficial to the public, provided for profit-making purposes).

It could certainly be argued that aviation and maritime activities on government owned ports and airports—functions that help make them ports and airports—serve a public function, even if they are more government-proprietary than government-government. Florida has determined a robust system of ports and airports promotes economic development

¹⁹ Florida Department of Revenue, Governmental Leasehold Intangible Personal Property Tax, https://floridarevenue.com/taxes/taxesfees/Pages/govt_leasehold.aspx

²⁰ Chapter 80-368, Laws of Florida 1980.

²¹ Section 199.292, Florida Statutes. Language added in 1980, still remains.

²² Section 199.023(1), Florida Statutes (2005), since repealed. However, current Section 196.199 cites the 2005 statutes as governing the intangibles taxation of governmental leaseholds.

in the state and has undertaken numerous efforts to promote them, as well as aviation and maritime activities. These include the Florida Ports Financing Commission²³ and hundreds of millions of dollars in annual state appropriations for seaport and aviation development grants. The Legislature has also enacted numerous sales tax exemptions for aviation and boating activities, including boat and plane repair.

Unequal Application of the Law

In its complaint, Gulf Marine attached a list of more than a hundred non-governmental lessees of government-owned property it claims are “similarly situated” for purposes of entitlement to a governmental use exemption under Section 196.012(6), Florida Statutes, and that – unlike Gulf Marine – were granted an exemption by the Property Appraiser.²⁴

Gulf Marine also claims its research indicates all tenants of the Jacksonville Aviation Authority and Jacksonville Port Authority appear to be exempt from property taxes. These include aircraft maintenance and service companies, cargo/freight companies, aircraft component manufacturers, rental car companies, container shipping companies, vehicle processor/distributors, construction material suppliers, towing companies, and even vendors in the terminal.

Statements made by several people attending the VAB hearing in the Aviation Authority case indicated this interpretation of the law is not being uniformly applied across Florida.²⁵ Representatives for UPS and Sheltair²⁶ said their companies have operations at other Florida airports, and they do not pay property taxes at any of those. In another distinction that may not make apparent sense, Sheltair received only a partial exemption, with the property appraiser ruling that its aircraft storage hangars are exempt, but its aircraft maintenance hangars are taxable.

The assistant general counsel for the Hillsborough County Aviation Authority said, “these denials are contrary to decades of past practices.” The senior vice president of business development for the Tampa Hillsborough Economic Development Corp. added “[W]ithin Florida, if this is the only place where this interpretation of the tax law has taken place, it will certainly put us at a competitive disadvantage while we’re trying to recruit jobs and capital investment.”

The inequities created by the changes in the governmental leasehold law in Florida have been raised for many years. Way back in 1978, when governmental leaseholds were taxed only as real property, the Constitutional Revision Commission (CRC), hoping to address what it perceived as inequities in the taxing scheme, brought a proposed constitutional amendment to the ballot.²⁷ The Commission first adopted a proposal to exempt all existing governmental leaseholds from taxation. It was later revised and the version that went to the ballot was more restrictive. It would exempt all leaseholds that were already exempted as well as property leased for use in connection with air, ground or water transportation, or leased for use in connection with providing services to the public engaged in air, ground, or water transportation.²⁸ This proposal was buried in an eight-page, multi-provision tax amendment that, along with all other seven CRC proposals, was defeated by the voters.

The Florida Taxation and Budget Reform Commission (TBRC)²⁹ also tried (twice) to address this issue and were also unsuccessful. During its initial iteration in 1992, the TBRC passed a proposal to place a proposed constitutional amendment on the ballot to subject all government leaseholds entered into after 1968 to ad valorem taxation. Those entered into before 1968 would be taxed as intangible personal property. This amendment, which would have subjected was removed from the ballot by the Florida Supreme Court due to its misleading and ambiguous ballot summary.³⁰ The

²³ A program to issue bonds for approved seaport projects, paid with state tax revenue.

²⁴ From the Order Granting Partial Summary Judgment in Favor of Hillsborough County Property Appraiser and Against Gulf Marine Repair Corporation, July 22, 2020.

²⁵ Richard Danielson, Tampa Bay Times, “Millions at stake in tax fight involving Tampa port and airport tenants,” September 26, 2019.

²⁶ Sheltair is a for-profit company offering hangars for corporate aircraft, and aircraft maintenance hangar, aircraft charter service and aviation fuel storage.

²⁷ Bonnie Roberts, Ad Valorem Taxation of Leasehold Interests in Governmentally Owned Property, Florida State University Law Review (1978). <https://ir.law.fsu.edu/lr/vol6/iss3/21>

²⁸ The ballot summary and text of the proposed amendment is available at <https://dos.elections.myflorida.com/initiatives/fulltext/pdf/11-17.pdf>

²⁹ <https://fall.fsulawrc.com/databases/FTBRC/index.html>

³⁰ Smith v. American Airlines, Inc., 606 So. 2d 618 (1992)

second edition of the TBRC in 2007 also considered a proposal to make property owned by a municipality and leased to a for-profit entity exempt from taxation and also permit the Legislature to exempt all other property owned by a municipality or special district.³¹ This proposal was passed out of committee but was not part of the TBRC's final recommendations.

Conclusions and Recommendations

Florida's taxation of government-owned property when it is leased by a non-government entity falls well short of the goals for good tax policy, including fairness, simplicity, transparency, and ease of administration. It has been shaped more by the courts than the Legislature.

The current system of taxation raises numerous questions/issues that need to be addressed, including unequal application, what should be exempt/taxable, and which tax should apply (or even if both taxes are necessary.)

Litigation continues, and two recent cases in Hillsborough County show that a reading of the statutes do not give taxpayers a clear understanding of the law governing this taxation. Further, the evolving legal interpretation may not match legislative intent.

In addition, the taxation of governmental leaseholds at the Port of Tampa and the Tampa International Airport that will result from the court rulings is not consistent with other areas of the state. The rulings could open the door for more revocations of exemptions for companies that have been receiving--and are even depending on.

The Hillsborough County property appraiser said the new tax money could make a difference. "A few million in the giant scheme of the tax roll is not necessarily a lot," he said. "But at a time when budgets are so tight, it could make a difference."³² The property appraiser is right, but it must be remembered that the magnitude of the impact of those dollars on impacted businesses and employees is even greater. It is vital that taxpayers can easily understand their tax obligations under the law, and the current statutory law on governmental leaseholds does not provide this important safeguard.

Florida TaxWatch recommends the Legislature should undertake a comprehensive overhaul of the law governing the taxation of governmental leaseholds with a special focus on what should be exempt, making sure the law clearly represents its intent (whatever that may be). If both the real property tax and the intangibles tax are necessary, the two taxes should be separate, and the law should clearly delineate how and if the two taxes should apply.

³¹ Florida Taxation and Budget Reform Commission, Staff Analysis and Economic Impact Statement, measure CP 33, February 5, 2008. <https://fall.fsulawrc.com/databases/FTBRC/pdf/CP33preGPSCMeeting.pdf>

³² Jay Cridin, Tampa Bay Times, "Hillsborough property appraiser wins tax lawsuit against Aviation Authority," November 19, 2020.

ABOUT FLORIDA TAXWATCH

As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the citizens of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

Florida TaxWatch is supported by voluntary, tax-deductible donations and private grants, and does not accept government funding. Donations provide a solid, lasting foundation that has enabled Florida TaxWatch to bring about a more effective, responsive government that is accountable to the citizens it serves since 1979.

FLORIDA TAXWATCH RESEARCH LEADERSHIP

Dominic M. Calabro	<i>President & CEO</i>
Tony Carvajal	<i>Executive Vice President</i>
Robert G. Nave	<i>Sr. VP of Research</i>
Kurt Wenner	<i>Sr. VP of Research</i>
Steve Evans	<i>Senior Advisor</i>

FLORIDA TAXWATCH VOLUNTEER LEADERSHIP

U.S. Senator George LeMieux	<i>Chairman</i>
Piyush Patel	<i>Chairman-Elect</i>
James Repp	<i>Treasurer</i>
Marva Brown Johnson	<i>Secretary</i>
Senator Pat Neal	<i>Imm. Past Chairman</i>

RESEARCH PROJECT TEAM


Tony Carvajal	Executive Vice President	
Kurt Wenner	Sr. Vice President for Research	<i>Principal Author</i>
Chris Barry	Vice President of Communications & External Affairs	<i>Design, Layout, Publication</i>


All Florida TaxWatch research done under the direction of Dominic M. Calabro, President, CEO, Publisher & Editor.



Stay Informed

 floridatxwatch.org

 [@floridatxwatch](https://www.facebook.com/floridatxwatch)

 [@floridatxwatch](https://twitter.com/floridatxwatch)

 [@fltaxwatch](https://www.youtube.com/fltaxwatch)

Florida TaxWatch
106 N. Bronough St.
Tallahassee, FL 32301

o: 850.222.5052
f: 850.222.7476

Copyright © April 2021
Florida TaxWatch
Research Institute, Inc.
All Rights Reserved

The findings in this Report are based on the data and sources referenced. Florida TaxWatch research is conducted with every reasonable attempt to verify the accuracy and reliability of the data, and the calculations and assumptions made herein. Please feel free to contact us if you feel that this paper is factually inaccurate.

The research findings and recommendations of Florida TaxWatch do not necessarily reflect the view of its members, staff, Executive Committee, or Board of Trustees; and are not influenced by the individuals or organizations who may have sponsored the research.