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Senator George S. LeMieux
Chairman of the Board of Trustees

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April 15, 2021

The Honorable Ron DeSantis
Governor
State of Florida
The Capitol
400 S. Monroe St.
Tallahassee, FL 32399-0001

Dear Governor DeSantis,

On behalf of the members, staff, and distinguished volunteer leadership of Florida TaxWatch, led by our Chairman, U.S. Senator George S. LeMieux, I strongly encourage you to sign Senate Bill 50 – The Randy Miller Act – known by most as the 2021 E-Fairness bill or the taxpayer penalty relief endeavor.

SB 50 is one of the most significant pieces of tax legislation in Florida’s history and goes further than most previous initiatives in ensuring taxpayer fairness, reducing the risks and burdens Floridians are exposed to, and providing a more competitive landscape for Florida businesses. **The final bill contains four provisions Florida TaxWatch has championed.**

First, thanks to the E-Fairness provisions, this bill levels the playing field for Florida businesses by requiring out-of-state sellers doing business in Florida to collect and remit the required Florida sales taxes due, just like every law-abiding Florida business currently does today. Out-of-state sellers have been flaunting existing law and shifting their responsibility to unsuspecting Floridians, forcing Florida consumers to calculate and remit their own taxes and subjecting them to audits and penalties that could result in penalties as high as 50% of the taxes due.

In 2018, the US Supreme Court opened the door to ending this unfair practice with its *South Dakota v. Wayfair* decision. **When you sign this bill, you will shift the burden back to the out-of-state seller and remove the liability Floridians have been forced to endure, truly making this a taxpayer penalty relief endeavor.** Your signature will keep out-of-state sellers from taking advantage of Florida consumers.

As has been outlined in a number of Florida TaxWatch reports over the past two decades, including the final report of the 2020 [COVID-19 Taxpayer Task Force](#) and standalone reports such as [In the Wake of Wayfair, Florida Must Act to Remedy an Old Problem: The Collection of Taxes on Remote Sales](#), this tax is legally due today, the same as it would be if you walked into any retail store in the state. Currently, out-of-state sellers have ignored their responsibility to remit the tax and shifted the responsibility to the buyer. While there are Floridians who voluntarily remit this tax, most consumers are unaware of this requirement, and are therefore inadvertently breaking the law. The bill shifts the burden of collection and remittance to the sellers, where it belongs.

In addition to taking advantage of Florida's consumers, out-of-state sellers have had an unfair advantage over Florida businesses. As you know, Florida companies are already required to collect sales taxes for consumers in other states, but our own state does not require out-of-state companies to expend the same effort on behalf of Florida taxpayers, making competing in a 21st century marketplace more difficult for our home-grown entrepreneurs and small businesses.

Florida businesses have been at a competitive disadvantage without this legislation, and the *Wayfair* decision has made this situation worse. **Your signature today rights this wrong.**

E-Fairness alone makes this bill good for Florida consumers and businesses alike, but there is more you can do to help our state grow stronger when you sign this bill. **Once you sign this bill, out-of-state sellers will start remitting lost revenue, estimated at more than \$1.3 billion annually**, according to the Impact Estimating Conference held on February 12, 2021. Thanks to provisions championed by Senate President Simpson and Speaker of the House Sprowls, these dollars will immediately be applied to replenish the reemployment fund that was decimated by last year's pandemic economy.

This smart provision prevents a sudden and significant rise in taxes Florida employers would have to pay to refill the fund. For many this might be the difference between keeping their doors open and their staff employed. It should be noted that every dollar added back to the Unemployment Compensation Trust Fund from this recovered revenue is a dollar saved by a Florida business that would have been paid in increased taxes. And every dollar saved by a business is a dollar that can be passed along in savings to Florida consumers.

President Simpson and Speaker Sprowls stated in a press release on the plan to use this bill's revenue to replenish the Unemployment Compensation Trust Fund that over four years, some Florida businesses would face a 700% increase in unemployment taxes. **Approving this bill will avoid this immense tax increase.** By keeping Florida employers from having to immediately absorb the deep shock of higher taxes to replenish the fund, **you are saving jobs and keeping costs down for Florida businesses.**

After the reemployment fund is stabilized, this bill provides another significant tax reduction by lowering the commercial lease tax, a sales tax on the amount a business pays each month for space it leases. As it stands, **Florida is the only state in the nation that charges such a tax**, a burden which currently raises the cost of doing business by up to 7% every month, depending on the location within the state.

This tax needs to be eliminated, and this bill is a strong first step towards accomplishing that goal. The Florida TaxWatch report, [*Now is the Time to Eliminate the Business Rent Tax*](#), details the burden this tax places on Florida businesses, and thereby on consumers, noting that when the cost of doing business goes up, those increased costs are passed onto consumers. **Approving this bill will save businesses more than \$800 million annually and keep the costs of goods and services down for Floridians.**

Finally, this bill modernizes sales tax calculations by calling for a rounding system, rather than a bracketing process, and simplifies the collection of sales taxes for Florida businesses and reduce the taxes Florida consumers might pay. Replacing the antiquated bracket system will make the collection of sales taxes a much less burdensome process for Florida's businesses. **Your signature will make Florida's tax system a more modern, accurate and fair system that avoids overcharging consumers to the tune of tens of millions of dollars annually.**

Thanks to many of your leadership decisions over the last year, our economy is leading the country in recovery. This additional action will help us supplement those efforts and help Florida recover and better prepare for the future.

Your signature on this legislation is vital to the continued recovery of Florida's economy and to the protection of its taxpayers. **Voters agree, as well.** Last month, Florida TaxWatch and Mason-Dixon Polling released the results of a February poll which indicated that 63% of Floridians support E-Fairness legislation, including 67% of Republicans surveyed. This survey indicating strong support was conducted before all the additional provisions were added. It would no doubt be higher now.

Your signature on this bill will:

- recapture more than \$1 Billion that out-of-state sellers have kept from our coffers;
- shift the burden from Floridians back to out-of-state sellers, where it belongs;
- return fair competition;
- replenish the unemployment compensation fund, avoiding significant tax increases for Florida employers;
- reduce the burden imposed by the commercial lease tax; and
- finally modernize the tax collection system, for the benefit of Florida taxpayers.

I hope you agree that standing by Florida taxpayers and authorizing each of these provisions will have significant and lasting positive benefits on Florida's fiscal landscape, leading to a more prosperous future for all Floridians, and can be a highlight of your first term as Governor.

I strongly encourage your signature on SB 50, for the good of Florida and all of its taxpayers.

Your partner in building a better Florida,



Dominic M. Calabro
President & Chief Executive Officer

Cc:

The Honorable Wilton Simpson, Florida Senate President
 The Honorable Chris Sprowls, Speaker of the Florida House of Representatives
 The Honorable Kathleen Passidomo, Florida Senate President-Designate
 The Honorable Paul Renner, Speaker-Designate of the Florida House of Representatives
 The Honorable Joe Gruters, Florida Senate
 The Honorable Chuck Clemons, Florida House of Representatives
 Florida TaxWatch Chairman U.S. Senator George LeMieux
 Florida TaxWatch Executive Committee Members