

2023 Legislative Agenda

Florida Policy Institute (FPI) supports measures that help make the state a place where families can build a healthy future and where workers and businesses can thrive — a state where historical barriers to economic mobility have been removed so that everyone can share in widespread prosperity. FPI's policy roadmap is a guide to achieving this vision through four central pillars:

- Fostering community well-being by investing in education and health
- Spurring sustainable growth by promoting equitable economic development, investing in smart infrastructure, and improving climate resilience
- Advancing shared prosperity by nurturing inclusive communities and building a strong safety net
- Cleaning up and modernizing the tax code for a stronger future

These priorities are achievable through common-sense legislation. FPI's legislative agenda for 2023, which is centered on the goals set forth in the roadmap, outlines the organization's priorities for the upcoming session and indicates the policies that FPI supports or opposes.

Florida lawmakers can help grow an economy that generates broadly shared benefits across the state and in every community by undertaking the policy recommendations below.

Healthy Communities

Fostering community well-being by investing in education and health

Key 2023 FPI Priority

SUPPORT: Expanding Medicaid to adults ages 19-64 with low income

Florida is one of only 11 states that have opted not to expand their Medicaid programs under the Affordable Care Act to adults ages 19-64 with income under 138 percent of the federal poverty level. Medicaid expansion would help nearly 800,000 uninsured Floridians access coverage and help narrow existing disparities by race and ethnicity in access to health care.

Expanding Medicaid would also bring \$14.3 billion in new federal dollars to Florida over a five-year period. Researchers project state general revenue savings in the range of \$198.9 million annually to \$385 million over a five year period. In addition, under the American Rescue Plan Act of 2021, if Florida chose to expand Medicaid it could access another \$3.5 billion in federal dollars over the next two years. The additional federal funding would be one of the most rapid, proven-effective ways to deliver fiscal relief to Florida's economy during this economic downturn.

FPI supports expanding the state's Medicaid program.

Key 2023 FPI Priority

SUPPORT: Adequate funding to aid state agencies in their efforts to ensure that no eligible child or family loses health coverage during the Medicaid eligibility redetermination process

In January 2020, the Secretary of Health and Human Services declared a COVID-19 public health emergency (PHE). Floridians enrolled in Medicaid and the Children’s Health Insurance Program (CHIP) were able to keep their coverage without having to re-enroll, a rule referred to as “continuous coverage.” However, this provision [expires](#) on March 31, 2023. Florida has the unprecedented task of redetermining Medicaid eligibility for [over 5.6 million people](#), including roughly [3 million](#) kids.

While the Florida Department of Children and Families (DCF) [has released a plan](#) to prepare for the unwinding of the PHE, it is unclear if these plans are enough to ensure that eligible Floridians do not lose coverage. FPI and partners remain concerned that DCF has identified over 850,000 Medicaid recipients that have not responded to requests for updated information, and it is unclear how many of those who remain eligible will lose coverage if they are not reached by DCF or are unable to understand the department’s communications. Furthermore, individuals who require help will need to access call centers that have adequate staffing.

DCF should also have adequate staffing to complete the large number of redeterminations. Lawmakers should properly fund the department to eliminate potentially bureaucratic issues that could lead to the loss of coverage for eligible Floridians. Right now, 65.7 percent of Florida children are covered by Medicaid, and many could be at risk for losing coverage once the federal protection expires. FPI further supports fully funding these plans to ensure that those who no longer qualify for Medicaid are given proper resources to access alternate health insurance coverage.

Key 2023 FPI Priority

SUPPORT: Allowing the state and local entities to draw down millions in additional federal funding for mental health mobile response teams

FPI supports — through either legislation or regulatory reforms — requiring the Agency for Health Care Administration to apply for five-year funding for mental health mobile response teams (MRTs) as outlined in the American Rescue Plan Act (ARPA). Currently, Florida is losing out on hundreds of millions of dollars for mental health MRTs, dollars that would help ensure a more robust behavioral health care infrastructure.

Specifically, ARPA, enacted on March 11, 2021, established a new option for states to cover MRT services through their Medicaid programs for a five-year period beginning in April 2022. It also provides an enhanced federal match, which covers 85 percent of the cost of these services for the first three years.

In July 2022, the Substance Abuse and Mental Health Services Administration rolled out a national 988 hotline [“to improve access to crisis services in a way that meets our country’s growing suicide and mental health related crisis care needs.”](#) MRTs, which provide 24/7, on-demand crisis intervention services in homes, schools, emergency departments, and other settings, are a critical piece of behavioral health crisis care. These services will be crucial as Florida callers are routed to local centers for help. FPI urges state leaders to take swift action to access millions of federal Medicaid dollars available for the behavioral health crisis care.

Key 2023 FPI Priority

OPPOSE: Expanding Florida's voucher program

In 2021, state lawmakers approved a massive expansion of the Family Empowerment Scholarship (FES) voucher program; as a result, 10 percent of state school aid — \$1.4 billion — is being rerouted from public schools to private education in the 2022-23 school year.

FPI opposes legislation ([HB 1](#) and [SB 202](#)) that would remove the income eligibility cap for voucher scholarships. These measures would open the FES program to all K-12 families in the state, including two new groups: wealthy students who already attend private schools and home-school families. There would be no requirement that these students were ever enrolled in public schools. With the proposed expansion, FPI estimates the FES program could cost \$4 billion in 2024.

FPI opposes HB 1, SB 202, and any other measure that would expand Florida's voucher program.

SUPPORT: Fully investing in K-12 public education and increasing teacher pay

Florida recently received an “F” for per-pupil funding level — Florida's is roughly \$4,000 below the national average — in a [national ranking](#) of school funding fairness. Florida also [received](#) an “F” for its funding distribution, with high poverty districts in the state getting an average of \$840 less per pupil.

Fully investing in state funding for education provides the foundation for students to compete in an ever-changing economy, and it helps to attract highly qualified [teachers](#) and maintain the equity and fairness of Florida's education system. Although much-needed increases in teacher pay were included in the past two budgets, Florida still ranks 48th in the nation for its average teacher pay of \$51,009.

FPI supports fully investing in K-12 education and boosting pay for new and veteran teachers.

OPPOSE: Cutting and/or restricting access to Medicaid

FPI will oppose policies that seek to undermine, cut, and restrict access to Medicaid, including:

- ▶ *Benefits and eligibility cuts.* Medicaid is a frequent target for cuts. In past years there have been proposals to cut benefits, such as adult hearing and vision services and to cut eligibility, and elimination of coverage for young adults.
- ▶ *Medicaid “work” requirements.* [FPI opposes adding overly onerous “work” requirements](#) — also known as paperwork requirements — to Medicaid. Proposed in 2019, these policies create arbitrary barriers that are often impossible to overcome for many people on Medicaid. More than 80 percent of Florida Medicaid enrollees are children, seniors, and people with disabilities. The remainder are mostly very low-income parents/caretaker relatives of minor children and young adults, including those aging out of foster care. Fifty-six percent of adult Florida Medicaid enrollees are [already working](#). Those who don't work are primarily people with illnesses or disabilities, students, or caretakers for a family member.

- *Block granting Medicaid.* The idea of a federal block grant for Medicaid has been floated for many years as a cost containment strategy. However, block granting Medicaid would significantly curtail the federal funds Florida receives in the future — a harmful prospect considering the state’s growing population. FPI will continue to oppose and push back against [block granting Medicaid](#).

SUPPORT: Updating Medicaid coverage for comprehensive adult dental services

It has been roughly two decades since the Florida Legislature adopted changes to the current, very restricted Medicaid adult dental benefit. The current benefit is limited to coverage of dentures and emergency services. This falls far short of meeting beneficiaries' needs. A substantial body of research shows that oral health is essential to overall health. Poor oral health can worsen chronic conditions, such as diabetes and heart disease, lead to pregnancy complications, and contribute to increased emergency department visits. Medicaid already covers comprehensive dental benefits for children and youth. It is time to update Florida law to provide this coverage for adults as well.

FPI supports legislation that will provide Medicaid coverage for comprehensive dental benefits for adults.

SUPPORT: [Authorizing “dental therapists”](#)

A new category of oral health practitioner — “[dental therapists](#)” — has been established in Minnesota, Maine, Vermont, Oregon, and Washington, while multiple other states are considering adding them to the oral health workforce.

A report from the [James Madison Institute](#) found numerous benefits to authorizing dental therapists: increased access to care and improved oral health outcomes for underserved populations, reductions in wait and travel time, and additional revenue injected into local economies.

FPI supports legislation that would authorize dental therapists as a new occupation.

SUPPORT: Increased, recurring, transparent mental health funding in the state budget

[Mental Health of America](#) recently ranked Florida 48th out of all the states on access to mental health care. It specifically noted that 503,000 Florida adults with mental illness and 116,000 youth with major depression had unmet treatment needs. People of color, who have faced long-standing, systemic barriers to accessing affordable health and mental health care services, have been disproportionately impacted by Florida’s increasing rate of mental illness.

Florida is over-reliant on time-limited, uncertain funding to support core services, and an extraordinarily fragmented administrative structure for distribution of and accountability for these dollars.

FPI supports increased, recurring, and more transparent state funding for mental health services.

SUPPORT: Raising KidCare Income Eligibility Cap

When children are uninsured, they are [more likely to have unmet health needs](#) and lack a usual source of care, diminishing their chances to grow into healthy and productive adults. One way to provide families better access to KidCare benefits is to increase income eligibility for KidCare premium subsidies. Currently, families with income above 215 percent of the poverty level (\$47,214 for three-person household) are ineligible. Most

states have a higher income eligibility limit with a median level of 255 percent of the poverty level (\$55,998 for a three-person household).

FPI supports legislation that would raise family income eligibility limits for subsidized KidCare coverage.

SUPPORT: Increased funding for child care programs

Child care is one of the largest expenses that Florida families face — the average cost of child care for a 4-year-old in Florida is \$7,282 annually, [according to the Economic Policy Institute](#). The average annual cost of infant care is \$9,238. Florida’s School Readiness program provides subsidies for child care for low-income families; however, historically, less than half of eligible families in the state receive subsidies. Additionally, a labor shortage for child care teachers threatens the viability of Florida’s child care operations.

FPI supports boosting funding and expanding eligibility for both School Readiness and the Voluntary Pre-K program in order to better serve more families.

SUPPORT: Native language assessments

Florida is one of only a handful of states — and the state with the largest immigrant population — that forces students to take tests in English, even if the subject is unrelated (like math). For example, Texas, another Southern state with a large immigrant population, has mandated [statewide Spanish-language assessments](#) since the late 1990s. Not following suit here in Florida leads many students to be held back unnecessarily.

FPI supports proposals that would offer exams to students in their native language so they can fully contribute to society.

Key 2023 FPI Priority

OPPOSE: Repeal of in-state tuition for Florida resident students without documented status

In 2014, Florida’s then-Gov. Rick Scott signed a bill into law allowing students who are undocumented to pay in-state tuition rates if they graduated from a Florida high school and spent at least three consecutive years in Florida schools immediately prior to graduating. While out-of-state tuition waivers only comprise a small amount of the State University System’s annual tuition and fee waiver [expenditures](#) (6 percent, on average, over the 2017-2022 fiscal years), they make a tremendous difference to the 2,000+ immigrant students who receive them. Many of these families cannot afford out-of-state tuition, which in Florida is by-and-large more than triple in-state tuition. Without the option to pay in-state tuition, these Floridians would have few alternatives and many might not attend college or university at all.

FPI opposes repealing the 2014 law that allows Florida residents without documented immigration status (sometimes called DREAMers) to pay in-state tuition rates at Florida’s state colleges and universities.

SUPPORT: [State financial aid for college students without a documented immigration status](#)

Students who are undocumented [are](#) eligible for out-of-state tuition waivers in Florida; however, they remain ineligible for all state (and federal) need- and merit-based aid (e.g., Bright Futures and Jose Martí scholarships, Florida Fund for Minority Teachers). At least 14 other states (e.g., Texas, New Mexico) extend [state financial aid to select students](#), regardless of immigration status.

FPI supports following other states' lead and opening eligibility to both merit- and need-based financial aid for all undocumented students who are currently eligible for in-state tuition. This includes DACA (Deferred Action for Childhood Arrivals) Program recipients and those here on Temporary Protected Status (TPS). Doing so would help boost college admission and completion rates and the skills and wages of the state workforce.

SUPPORT: In-state tuition for select graduate students without a documented immigration status

In 2014, the Florida Legislature passed [out-of-state tuition waivers](#) for select resident Floridians, regardless of immigration status. However, the Board of Governors [prevents graduate students](#) from qualifying under this law.

As such, Florida's undocumented students are disincentivized to attend graduate school in Florida, as even in-state tuition is unaffordable for many, let alone out-of-state tuition. [Forty-four percent](#) of undocumented Florida households have income under the poverty level (less than \$32,000 per year for a three-person household), yet the average cost of in-state attendance for just two undergraduate semesters at Florida's public universities is [\\$23,000](#). It is even higher for in-state graduate students and up to four times higher with [out-of-state tuition](#). FPI supports amending the 2014 law so that graduate students, including undocumented students, are not excluded from out-of-state tuition waiver eligibility.

A Thriving & Resilient Economy

Spurring sustainable growth by promoting equitable economic development, investing in smart infrastructure, and improving climate resilience

SUPPORT: [Full funding of Florida Forever](#)

Florida Forever is a critical program that allows the state to acquire and preserve ecologically important land and prevent future environmental problems. [Florida Forever](#) officially began in 2000 from a voter amendment to build on its predecessor program's success (Preservation 2000). This authorized \$300 million in bonds for 10 years to support land acquisition, ultimately leading to 1 million acres being preserved. The Florida Forever program was passed to appropriate another \$300 million over 10 years; the Legislature appropriated it in full until 2008, when funding was then significantly reduced or eliminated.

In response, Florida voters approved a 2014 constitutional amendment designating new funding from the documentary stamp tax and expanding the duration of Florida Forever's bonds through 2040. So far, these efforts have allowed Florida Forever to manage 870,000 acres of conservation land. However, [the Florida Legislature continues to underfund Florida Forever, diverting funds](#) intended for the program to pay for other state operating expenses. In recent years, appropriations have risen to over \$100 million, which is a step in the right direction, but a far cry from the \$300 million in annual funding originally intended for the program.

FPI supports full funding of this crucial conservation fund at \$300 million per year through at least 2040, as voters intended.

Key 2023 FPI Priority

SUPPORT: Creating a domestic workers bill of rights

A [recent FPI report](#) found that immigrants are over-represented in domestic work, especially in Florida. Three in five domestic workers in the state (60 percent) are immigrants, while immigrants comprise just 26 percent of other workers in Florida. This is more pronounced than on the national level, where a little over a third (35 percent) of the nation's domestic workers are immigrants.

FPI urges Florida lawmakers to enact a state domestic workers bill of rights, as other states and cities have done, to provide domestic workers with much-needed protections under state law. Specifically, the provisions in the bill of rights should:

- explicitly empower domestic workers by stating their organizing and bargaining rights at the state level;
- use inclusive definitions of “domestic work” and “domestic worker” – ones that minimize carve-outs and exemptions, like the current federal ones that let small-firms skirt discrimination laws;
- require that all employment agreements be in writing (English, Haitian Creole, and Spanish);
- set a minimum domestic worker wage above the statewide minimum wage and in line with a living wage throughout Florida;
- protect against wage theft by stating that all domestic workers (including live-in) are legally entitled to at least time and a half pay for hours worked over 40 hours per week, matching federal overtime protections that other employees receive;
- specify a minimum number of paid days off per year that employers of both full- and part-time domestic workers must provide; and
- stipulate that employers cannot hold onto workers' personal documents (i.e. passports, birth certificates), threaten a worker based on immigration status, or in other ways violate workers' privacy.

Shared Prosperity

Advancing shared prosperity by nurturing inclusive communities and building a strong safety net

Key 2023 FPI Priority

SUPPORT: [Reducing occupational licensing barriers for returning citizens](#)

Florida law prohibits people with certain criminal offenses in their background from obtaining occupational licenses, and occupational licensing boards can broadly factor criminal backgrounds into licensing decisions through “good character” provisions. This creates an arbitrary barrier for returning citizens to gaining access to dozens of occupations, increasing both financial insecurity and recidivism. FPI supports legislative changes that would reduce barriers for returning citizens to obtain occupational licenses.

Key 2023 FPI Priority

SUPPORT: Lifting the ban against certain returning citizens from receiving SNAP and TANF

People who are reentering their communities after being incarcerated face enormous barriers to fiscal stability. Yet, despite an overwhelming need for basic support to assist with rehabilitation, Floridians who have been convicted of drug trafficking are prohibited by state law from ever participating in the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF). This short-sighted lifetime ban impacts their ability to meet critical needs, such as food and housing, and increases their likelihood to re-offend and return to prison. FPI supports legislation to repeal this policy.

SUPPORT: Modifying the state's 85 percent rules for certain offenses

Florida's laws mandate that those convicted of crimes are incarcerated to serve 85 percent of their sentences, even for nonviolent offenses. This law has had various negative impacts on the state's prison system. Although crime rates and prison admissions are down, Florida's incarcerated population has been increasing. This is mostly due to the fact people are required to spend more time in prisons because of the limit on how much time off they can earn for good behavior. Consequently, the state ends up spending substantially more in incarceration even though crime rates have been steadily declining.

FPI supports lowering the 85 percent rule to 65 percent for certain offenses.

SUPPORT: Eliminating driver's license suspensions for non-payment of fines and fees

Florida courts' over-reliance on driver's license suspension as a punishment for nonpayment of court fines and fees is counterintuitive: it leaves many Floridians without a valid driver license, which makes it harder for them to get to work and greatly harms those who do not have the ability to pay. FPI supports legislative changes that would prohibit the suspension of driver's licenses for nonpayment of court fines and fees.

OPPOSE: Policies that undermine TANF and SNAP

In 2018, the Florida Legislature conducted a [study](#) of TANF (Temporary Assistance to Needy Families) Employment & Training (E&T) requirements and found that TANF recipients subject to work requirements face many barriers to compliance that result in sanctions. Those barriers include lack of transportation, no child care, and health problems. FPI opposes legislation that would lengthen the sanction period for people unable to comply with work requirements in the TANF E&T program.

FPI also opposes efforts to gut SNAP Broad Based Categorical Eligibility, which would reduce the SNAP eligibility income limit from 200 percent to 130 percent of the federal poverty level, ending food assistance for 325,000 Floridians. FPI will oppose any policy that undermines the impact, effectiveness, and/or intent of the SNAP and TANF programs.

FPI opposes efforts to restrict food choice for SNAP participants. SNAP participants understand nutrition and want to serve healthy meals. However, many are hindered by inadequate benefit allotments, a lack of fresh produce in their neighborhoods, and family members who have food allergies or are picky eaters. To ensure that households are able to maintain a healthy diet, better strategies include allowing participants to buy hot and prepared foods, increasing how much money people can use in SNAP for healthy foods and beverages, and increasing benefit allotments for food and beverages, regardless of the nutritional value.

FPI supports efforts to eliminate federal barriers that limit the ability of students to access SNAP if they are enrolled more than half time in institutions of higher learning (i.e., college). [Research](#) suggests that hunger, which hinders long-term success, is prevalent among college students, particularly students of color, parents who are in school, and students with low income.

SUPPORT: [Reforming Florida’s broken unemployment insurance system](#)

Florida’s unemployment insurance system, the Reemployment Assistance (RA) program, has been broken for years, and existing problems were only exacerbated during the COVID-19 pandemic.

[FPI supports](#) reforms including (but not limited to): increasing the maximum weekly benefit rate, which is only \$275/week, and reforming the formula used to restrict the amount of assistance that a worker can receive; increasing the minimum duration of benefits from 12 to 26 weeks; increasing program reach and impact; and fully funding the RA system.

SUPPORT: Increasing the maximum monthly TANF benefit

The TANF program provides temporary cash assistance to families with very low income to help parents take care of their children during an upheaval in their lives. In Florida, almost 95 percent of all TANF recipients are children.

Florida’s [maximum TANF benefit](#) for a three-person family is \$303 a month, which is only [about 17 percent of the poverty level](#) and 27 percent of fair market rent. Although one-third of states have increased TANF benefits in recent years, Florida has not provided any increase to cash assistance since 1992.

SUPPORT: Allowing applications for SNAP benefits to be submitted via phone

Federal law gives the Florida Department of Children and Families flexibility to allow phone applications for all SNAP applicants. FPI supports allowing for phone applications across the board for families who want to apply by phone.

SUPPORT: Eliminating juvenile fines and fees

Fines and fees in the juvenile justice system trap children and their families in a cycle of debt. Youth who are justice-involved are more likely to re-offend and stay longer on probation. Furthermore, the assessed fees adversely impact the quality of life and future for youth, such as an inability to get a driver’s license and participate in job corps programs.

FPI supports ending court costs and fees on youth and providing additional support to young adults who remain in the care of the child welfare system.

SUPPORT: Ending direct file of juveniles into the adult court system

Florida’s prosecutors transfer juveniles into adult courts at a higher rate than any other state. There is momentum to end what is called “[direct file](#),” a statutory provision that allows prosecutors to decide whether a case will be tried in juvenile or adult court. The decision cannot be appealed or reviewed by a judge. In 2019,

Florida lawmakers passed a moderate reform of the direct filing system; however, there is still work to be done.

FPI supports completely ending direct file so that judges have influence over whether a juvenile is tried in adult court.

SUPPORT: Removing proof of citizenship as requirement for obtaining driver's licenses

Eighteen [states and D.C.](#) already allow immigrants without a documented status to obtain driver's licenses, which can help people commute to better jobs, make the roads safer, and modestly reduce insurance premiums. Not only would the fees from new driver's licenses [generate millions in much-needed state revenue](#), but when working people have better-paying jobs, they spend more, further boosting Florida's economy. FPI also supports community or municipal ID programs that local governments have begun to implement in the absence of such a statewide law.

SUPPORT: Implementing “heat stress” protections for workers

People employed as [farmworkers and construction workers](#) are at particular risk for heat-related illness, despite being major drivers of the state economy. Heat stress is especially dangerous in Florida's hot, subtropical climate and can be deadly. Florida should follow the lead of states like California and enact legislation mandating that employers in outdoor industries provide paid cooldown breaks/recovery periods, shade, and water for workers to help [reduce incidents of heat stroke](#). Currently, there are no federal laws in place that mandate workers be granted these basic workplace protections.

An Equitable Tax Code

Cleaning Up and Modernizing the Tax Code for a Stronger Future

Key 2023 FPI Priority

SUPPORT: Implementing greater oversight of tax expenditures

Florida is spending \$24 billion in FY 2022-2023 on tax expenditures. Unlike spending through the budget, which is subject to annual review, debate, and reauthorization, spending through the tax code is not routinely evaluated to ensure it is delivering on objectives that support the state's families, communities, and economy. Once enacted, these expenditures tend to remain in law without an expiration date or regular review.

FPI supports requiring policymakers to: (1) include in every future tax expenditure legislation a clear outline of the public policy goal and who it is meant to benefit; and (2) specify an expiration and re-evaluation date. Tax expenditure reform should also require the Office of Economic and Demographic Research (EDR) and the Office of Program Policy Analysis and Government Accountability (OPPAGA) to regularly evaluate tax expenditures to determine how successful they have been in achieving their objectives and include recommendations to be considered upon re-evaluation. These recommendations should be included in the annual budget presentation for the governor, House, and Senate.

Key 2023 FPI Priority

SUPPORT: Implementing a Working Floridians Tax Rebate (state EITC)

The federal Earned Income Tax Credit is already one of the nation's most effective tools for reducing poverty and countering income inequality. In [2021](#), more than 2.6 million Floridians received \$5.5 billion through the federal EITC, with the average credit amount totaling \$2,088. The federal EITC is a common-sense tax break that helps people with low income make ends meet, which benefits their families, communities, and [local economies](#).

In [2022](#), [28 states](#), the District of Columbia, Puerto Rico, and localities such as [New York City](#) and [Montgomery County, Maryland](#), had their own versions of the EITC to further build on the success of the federal EITC.

FPI supports legislation that would provide a state-level EITC set at 20 percent of the federal credit.

SUPPORT: Permanent tax exemption for diapers and incontinence products

Florida has the third-most regressive tax code in the country. This is due to a history of decisions that have shifted and solidified an outsized tax responsibility onto households with low to moderate income. Legislators should reassess the state's tax code to make it fairer. Consequently, FPI supports sales tax exemptions that help families and individuals with low to moderate income offset their sales tax bill.

While FPI supports permanent tax exemptions for diapers, incontinence undergarments, incontinence pads, or incontinence liners, baby and toddler necessities, and cribs and strollers, policymakers should also identify more targeted strategies to ensure those families and individuals who are struggling the most receive the bulk of the benefit.

SUPPORT: Reforming internet sales tax earmarks

A U.S. Supreme Court ruling in 2018 allows states to actively collect sales tax for online sales in their state, even if the seller has no physical location within the state.

In 2021, Gov. Ron DeSantis signed into law [a bill](#) to modernize the collection of online sales taxes — a measure expected to generate about \$1 billion annually. Unfortunately, the legislation devotes the new revenue to replenishing the Unemployment Compensation Trust Fund and reducing the tax on commercial rentals from 5.5 percent to 2 percent. In effect, the bill cancels out any revenue gains from modernizing online sales tax collection. Instead of giving businesses a tax break, policymakers should direct new revenue into the General Revenue Fund.

FPI supports legislation to stop earmarking online sales tax revenue (about \$1 billion) to offset tax breaks for businesses and instead using the funds to invest in public services.

SUPPORT: Combined reporting

Currently, corporations can avoid paying Florida's Corporate Income Tax (CIT) by shifting profits off to other entities in tax havens such as Delaware, Ireland, or the Cayman Islands (e.g., via the [trademark income-](#)

[shifting loophole](#)). Florida should follow the lead of 28 states and the District of Columbia and require these corporations to add together profits of all subsidiaries, regardless of their location, into one [combined report](#). This measure, known as combined reporting, [would generate over \\$477 million annually](#). In 2021, Rep. Fred Hawkins [introduced a bill](#) that would institute combined reporting; however, it stipulated that the revenue had to be used to reduce taxes on commercial rental property. The bill ultimately died in committee.

FPI supports legislation to enact combined reporting *without* conditions to offset other taxes.

OPPOSE: Revenue-restricting bills

Legislation introduced in 2019 initially included language that would have made it difficult for local governments to raise revenue through referenda for schools, transportation, and other initiatives in the wake of continued state underfunding. Although this provision was ultimately removed from the bill prior to passage, similar legislation may emerge in 2023.

Unlike the state government, local governments rely on ad valorem (property) taxes and fees to raise revenue. By further restricting revenue at the local level, policymakers make it difficult for localities to meet their residents' unique needs.

FPI will oppose all measures that prevent state and local governments from raising much-needed revenue.

OPPOSE: New cuts in the FY 2023-24 tax bill

Every year, policymakers prepare a tax bill that includes numerous provisions designed to provide tax changes for both families and businesses. However, these changes typically involve tax reductions and credits, many of which hamper the state's ability to invest in public services. Policymakers are required by law to keep a balanced state budget, which means that they must make up any forgone revenue either through spending cuts or future tax increases. The [2022-23](#) tax cut package totaled \$1.1 billion. That is \$1.1 billion that the state cannot invest in other programs. Also, for tax year 2022-23, nearly 40 percent of forgone revenue (about \$412 million) was due to sales tax holidays, [which are costly and ineffective tools](#) to help Floridians. If policymakers are serious about making changes to the tax code, they must do so without sacrificing public investments.

FPI opposes future tax bills that lead to forgone revenue and, in effect, put investments in Florida's future at risk.