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STATE OF FLORIDA
DEPARTMENT OF REVENUE

PUBLIC MEETING

COMMUNICATIONS SERVICES TAX WORKING GROUP

The above entitled meeting convened at 2450
Shumard Oak Boulevard, Room 1220, Building One,
Tallahassee, Florida, on the 18th day of January, 2013,
commencing at 1:30 p.m.

Reported by:
JEFFREY R. BABCOCK
Court Reporter

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

J011813 DOR Pub Meeting

2 MARSHALL STRANBURG
ANDREA MORELAND

3 TELEPHONIC ATTENDEES:

4 CHARLIE DUDLEY
5 SHARON FOX
KATHLEEN KITTRICK
6 GARY LINDSEY
GARY RESNICK
7 ALAN ROSENZWEIG
DAVIN SUGGS
8 BRIAN SMITH

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1 P R O C E E D I N G S

2 MR. STRANBURG: Good afternoon everyone, I

3 think we're going to go ahead and get started.

4 I'd like to convene the seventh meeting of the
Page 2

J011813 DOR Pub Meeting

5 Communication Services Tax Working Group, my name
6 is Marshall Stranburg and I am the Interim
7 Executive Director for the Department of Revenue,
8 I will be chairing the meeting. At this time, I'd
9 like Andrea to call the roll, please.

10 MS. MORELAND: Charlie Dudley?

11 MR. DUDLEY: Here.

12 MS. MORELAND: Sharon Fox?

13 MS. FOX: Here.

14 MS. MORELAND: Kathleen Kitting?

15 MS. KITTING: Here.

16 MS. MORELAND: Gary Lindsey? Gary Lindsey?

17 MR. LINDSEY: Oh, I was on mute. Here.

18 MS. MORELAND: Okay. Mayor Resnick? Mayor
19 Resnick? Alan Rosenzweig?

20 MR. ROSENZWEIG: Here.

21 MS. MORELAND: Brian Smith?

22 MR. SMITH: Here.

23 MS. MORELAND: Davin Suggs?

24 MR. SUGGS: Here.

25 MS. MORELAND: Marshal Stranburg?

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1 MR. STRANBURG: Here. Before we get started,
2 I'd like to address some of the administrative or
3 housekeeping matters. This is a non-rule public
4 meeting, it is held under Section 120.525, Florida
5 Statutes. A notice of the meeting was published
6 in the Florida Administrative Weekly on
7 January 3rd, 2013, in Volume 39, Number 2. A

J011813 DOR Pub Meeting

8 corrected notice was published on January 10th,
9 2013, in Volume 39, Number 7.

10 The corrected notice provided the meeting
11 room location for those members of the public who
12 wish to participate in the telephone conference at
13 the Department of Revenue.

14 The meeting agenda and materials are posted
15 on the Department's website. We have a court
16 reporter who is creating a transcript of the
17 meeting today. The transcript will be posted on
18 the working group's web page.

19 For those of you on the telephone, I please
20 ask that you identify yourself before speaking so
21 that the court reporter can be sure to capture who
22 is talking; and if you are representing someone,
23 if you would like to identify who you represent.
24 You could also make a public comment by sending an
25 email to cstworkinggroup@dor.state.fl.us. Again,

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1 that is [cstworkinggroup](mailto:cstworkinggroup@dor.state.fl.us), all one word,
2 [@dor.state.fl.us](mailto:cstworkinggroup@dor.state.fl.us). In the subject line, please use
3 CST Working Group. Please keep your comments
4 brief. Your email will be printed and read into
5 the record.

6 We have created a web page on the Department
7 of Revenue's website for the working group.
8 Agendas, meeting materials, transcripts, and other
9 information relevant to the working group will be
10 posted to the website.

J011813 DOR Pub Meeting

11 For those of you present in Tallahassee, we
12 ask that you please turn off your cell phone or
13 place them on vibrate. The meeting is scheduled
14 today until 4:30 p.m. Does anyone have any
15 questions before we get started?

16 Okay, our second agenda item is a notation
17 that in your meeting materials, there are minutes
18 of the October 31st and December 7th meetings.
19 Does anyone now have any comments or suggested
20 changes to the minutes for those two meetings? If
21 no one has any comments, we'll consider the
22 minutes to be adopted.

23 In your materials you will find information
24 that was provided by Mayor Resnick on federal
25 legislation relating to the taxation of digital

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1 goods and services; in addition, Tracfone provided
2 written comments for the working group's
3 consideration; and the materials also include an
4 analysis from Scott Mackey of KSE Partners on the
5 impact of the holistic option on the average
6 taxpayer.

7 As you will recall, Alan requested such
8 information and Kathleen offered to reach out to
9 Mr. Mackey. The analysis prepared by Mr. Mackey
10 is reflected in the draft report that we have
11 prepared for discussion today. Does anyone have
12 any questions or want to make any comments about
13 these materials?

17 Page 1 of the revised draft and work through the
18 report to discuss each member's proposed changes,
19 to be sure that everybody is comfortable with
20 them; and in one instance, we have had two members
21 submit some draft language with respect to a
22 particular paragraph and see if we can come to
23 some type of consensus on what we want to do
24 with respect to that one particular paragraph. So
25 unless anybody has any questions, we'll go ahead

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1 and get started.

2 Okay, at the bottom of Page 1, carrying over
3 to Page 2. We had a couple of items that Alan had
4 suggested we include in our general description of
5 the holistic replacement option. Does anybody
6 have any concerns or comments about those
7 suggested revisions?

8 MS. FOX: Mr. Chairman, this is Sharon.
9 Before we get to that, because Mayor Resnick is
10 not quite on the line yet --

11 MR. RESNICK: Sharon, I actually am on, I'm
12 sorry.

13 MS. FOX: Oh. Well, I wanted to add your
14 comment in Line 54 and 55 regarding an increase of
15 state sales and use tax under Chapter 212.

16 MR. RESNICK: All right. Thank you.

17 MR. STRANBURG: So Sharon is what you're
18 saying is that we should add some language in that
19 line, along that nature?

20 MS. FOX: That's correct. One of the major
21 points that the Mayor made was that we're not
22 consistent all the way through the report that
23 we're talking about an increased, state-wide sales
24 and use tax, as opposed to just a sales and use
25 tax that is applicable to telecommunication

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1 services only. And I think that's a really valid
2 point, and in order to keep people from being
3 confused, I think we should be consistent all the
4 way through.

5 MR. LINDSEY: (unintelligible.)

6 MR. RESNICK: I'm sorry, you're breaking up.
7 I'm hearing about every other word. Sorry about
8 that.

9 MR. LINDSEY: Oh, let me try again. Can
10 ya'll hear me? I was going to suggest could we
11 just add something in those lines below there,
12 like be (inaudible) six where we have, you know,
13 items 1, 2, 3, 4, 5, we could add an additional
14 item regarding the sales tax.

15 MS. KITTRICK: I think we can actually do it
16 in Line 54, like Sharon suggests, and just say
17 "under an increased sales and use tax," or
18 something to that effect.

19 MR. RESNICK: Right, that would be my
20 suggestion as well. This is Gary Resnick, by the
21 way, Marshall. I'm sorry, I think I missed your
22 call to order.

23 MR. STRANBURG: Thank you, Mayor, we got that
24 you're here, and I just want to ask the other
25 members, please if you could, the first couple of

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 times you make a comment, state who you are so
2 that the court reporter can pick up who you are,
3 identify who you are. Maybe at some point he'll
4 get a little familiar with your voice so that you
5 won't have to do that, but please try to remember
6 to identify yourselves so we can be sure to
7 capture the comments in the record.

8 MS. KITTRICK: I apologize for that. This is
9 Kathleen Kittrick speaking.

10 MR. LINDSEY: And this is Gary Lindsey, that
11 sounds fine to me. I had originally said, you
12 know, add another item below that, but that's fine
13 with me to incorporate it into the sentence in
14 Line 54.

15 MR. STRANBURG: Okay, we will work on putting
16 some language into that line along that general
17 topic.

18 MR. RESNICK: Marshall, related to Line 54 --
19 this is Gary Resnick again -- I have a question
20 really for you but -- or the staff, but when we
21 say repeal the Communication Services Tax, does
22 that automatically include the gross receipts tax
23 on communications services, or do we need to
24 mention that separately?

25 MR. STRANBURG: I think we've gone ahead and
Page 9

1 mentioned that a little bit later in the report of
2 what the logistics would have to be to do that.

3 I guess you're technically not repealing it,
4 per se, but since it is part of the component of
5 the rate that is charged at the state portion of
6 the tax, you know, it's pretty clear that the
7 revenues that you're looking to capture by the
8 sales tax adjustments, the increase in the sales
9 tax, would have to cover both the gross receipts
10 portion, the state portion, as well as the local
11 portion. So --

12 MR. RESNICK: Right. Well then we -- you
13 know, since this is the executive summary, you
14 know, for the interest of transparency and to be
15 accurate and thorough, we may want to just state
16 up front that the group's approach includes the
17 repeal of the Communications Service Tax, and if
18 you want to say elimination of the gross receipts
19 portion of the tax on communications services, and
20 then to have an increase -- and to replace these
21 revenue items with an increase to the sales and
22 use tax. I think that would be actually more
23 accurate, as far as the summary.

24 MR. STRANBURG: Okay. We will take a look at
25 that. We just need to be careful, though, because

1 Let's not forget the gross receipts tax has a
2 component of it that is a tax on other utility
3 services, electricity charges, for example.

4 MR. RESNICK: Right.

5 MR. STRANBURG: So we can't just say that we
6 are repealing the gross receipts tax. We have to
7 make it clear that it's only that portion that's
8 applicable to Communications Services Tax.

9 We will consult with the folks on our legal
10 staff to make sure that we are characterizing it
11 the right way and not causing any confusion or any
12 problems in how we note that.

13 MR. RESNICK: Okay, thank you.

14 MR. STRANBURG: Okay --

15 MS. FOX: This is Sharon. Along the first
16 question that you asked, I have no problems with
17 Mr. Rosenzweig's additions.

18 MR. ROSENZWEIG: You can call me Alan, that's
19 okay.

20 MS. FOX: Thank you.

21 MR. STRANBURG: And just so we kind of keep
22 this process going, I think what we'll do, too, is
23 unless somebody has a problem with a particular
24 change, or we ask for specific approval on
25 something, when we ask for comments, if nobody has

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 a comment, we'll just consider the members to have
2 no issue with the proposed change, and we'll just

3 move forward with it, rather than waiting for all
4 the members to say they agree with the proposed
5 change.

6 Okay, the next change then is on Page 2,
7 Line 71 and 72. Again, some language that was
8 added by Alan. Does anybody have any comments
9 concerning that proposed revision?

10 MS. FOX: This is Sharon. I propose that on
11 Line 72, we replace the word "the," t-h-e, with
12 the word "each." Which also makes the word
13 "entities" singular.

14 MR. DUDLEY: And this is Charlie Dudley. I
15 disagree with that, because I don't think that's
16 the charge. I view the revenue neutrality in the
17 aggregate, not in the individual.

18 MS. FOX: Well, the bondholders would
19 disagree with that mightily.

20 MR. RESNICK: I would support Sharon's
21 comment on that. This is Gary Resnick again. I
22 also think that we had a lot of discussion about
23 that in prior meetings, so I'm kind of surprised
24 to hear the opposition to that now.

25 MR. STRANBURG: Charlie, could you maybe give

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 us little more -- give me a little more
2 understanding of your particular concern with the
3 language that we're talking about having it in the
4 plural -- in the singular, rather than the plural.

5 MR. DUDLEY: Well, I mean, I think the way

6 the staff captured it in the original report is
7 accurate; and that is that what we're talking
8 about is whether or not you would be
9 revenue-neutral, and as it relates to local
10 governments in the whole, not necessarily each of
11 the 482 government entities.

12 MS. FOX: This is Sharon Fox, I think we
13 spent a good deal of time talking about how the
14 diminution of funding has caused problems with
15 bonded revenues, and the municipalities in this
16 state do not have one bond that they share in the
17 aggregate.

18 In each individual municipality, they have
19 their own bonds, and their own rules that go along
20 with those bonds. So there is no way that the
21 bondholders would be happy or satisfied at any
22 level if it was only at the aggregate, given the
23 fact that that would imperil bonds in each
24 individual municipality.

25 MR. STRANBURG: Could I maybe make a

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 suggestion that instead of the way this revision
2 is phrased, maybe we say something along the lines
3 of, "with the intent to maintain revenue
4 neutrality;" that we are generally saying that
5 it's revenue neutrality and I think that -- that
6 might get us off whether it's one way or the
7 other.

8 It's revenue neutrality, and I don't -- I

9 would think that's going to have to be something
10 that's going to have to be looked at. If there's
11 any legislation that goes forward on this as to
12 how to craft that revenue neutrality.

13 MR. DUDLEY: Marshall, this is Charlie. I'd
14 be happy with the language in (4)(f) of the actual
15 charge to this committee that the legislature
16 passed that talks about without unduly reducing
17 revenues to local governments. That's exactly
18 what's in the legislative bill that passed. And
19 that's in Section 4 -- or Subsection (4)(f), I
20 guess, of the charge to the working group.

21 MS. KITTRICK: I think that's fair. This is
22 Kathleen Kittrick.

23 MR. RESNICK: I'm just going to go on the
24 record as being -- I'm going to oppose the report,
25 if we're not going to state that each jurisdiction

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 that collects tax from each county, each city, as
2 well as the state, must be revenue -- harmless --

3 MR. LINDSEY: And I'm going to object to a
4 report that goes outside of what the legislature
5 told us in their words, not mine.

6 MS. FOX: Well, frankly -- this is Sharon
7 again -- I think we're just kicking the can down
8 the road, but --

9 MR. RESNICK: This is the executive summary,
10 right.

11 MR. STRANBURG: All right, well let's --

12 MR. RESNICK: I just think, Marshall, then
13 the Department's going to need to rework this,
14 because it's not going to be the consensus of the
15 working group, it's going to be consensus of a few
16 members of the working group.

17 MR. STRANBURG: Yeah. And that's what I was
18 going to say, Mayor. I think we're kind of
19 catching the two positions here and we'll take a
20 look at giving a shot to try to come up with some
21 other way of characterizing this that would be
22 acceptable to both, and maybe as we work further
23 through this, we might come across some other
24 issues that help clear this one up and take care
25 of it. So I think we see what's going on here.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 We'll work on something, see if we can find
2 something to satisfy both sides.

3 Okay, Mayor Resnick, you had some additional
4 comments concerning the executive summary. Is
5 there anything that we have not talked about
6 already --

7 MR. RESNICK: It's just minor matters, but in
8 Line 65 and Line 66, now, I would suggest taking
9 out the words "much" and "small," because my
10 experience is those are very relative terms and
11 you can get into big arguments as to what somebody
12 considers a much higher rate or a small increase
13 because what might be much higher to some people
14 might be not that high or vice versa. It might

15 not be considered a small increase to other
16 people. So I would just suggest taking out those
17 characterizations.

18 MS. KITTRICK: You know, I think we could
19 very clearly say that the tax rate for the CSTs is
20 double that of the sales tax. So I would oppose
21 that, taking out the "much higher." I think much
22 higher is actually more favorable than saying
23 "double."

24 MR. RESNICK: Well, it depends on the
25 jurisdiction, doesn't it? And the tax. I mean,

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 if it's, you know, in non-charter counties,
2 wouldn't the CST be relatively close to the sales
3 tax, or -- and in those cities that don't charge
4 any CST at all, it may be -- could possibly be
5 lower than the sales tax. I'm assuming.

6 MR. DUDLEY: I think most non-charter
7 counties -- this is Charlie -- are somewhere
8 around -- well, the cap is 2 percent, but I think
9 most are close to that, if not around that; which
10 means their aggregate rate is, what, twelve --
11 it's 9.17, I guess it's 11 to 12 percent in most
12 of those non-charter jurisdiction, which is twice
13 the sales tax.

14 MS. KITTRICK: So if we want to say, you
15 know, double the sales tax, I'm fine with that;
16 otherwise, I'd like to leave it as it is.

17 MR. LINDSEY: Well, if we eliminate the word

18 "much," and we say they're taxed at a higher rate
19 than goods and services under the sales and use
20 tax, and then say "an increase," instead of a
21 small increase, I wouldn't have a problem with
22 that.

23 MR. STRANBURG: And Kathleen, we do reference
24 in the previous sentence that while the tax rate
25 for communication services varies, it is generally

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 more than twice the current sales and use tax
2 rates. So I think we're capturing your point.
3 And if, as Gary proposes, if we take out those, I
4 think we've got the point across that the
5 communication services rate is, you know, is
6 higher and, as you say double -- in a great many
7 instances, double the rate of the current sales
8 tax rate.

9 MS. KITTRICK: Okay, Marshall, thank you.

10 MR. STRANBURG: Okay. Okay, and Mayor, did
11 you have something else you wanted to talk about?
12 I think maybe on the last paragraph of the
13 executive summary.

14 MR. RESNICK: Yeah, I didn't necessarily
15 agree with the characterization, at least with
16 respect to my position, where you mentioned the
17 two members representing municipalities.

18 In my mind, the requirements for recommending
19 this change as an option are part and parcel of
20 repealing the CST and the gross receipts tax on

21 communication services, and replacing those
22 revenue sources with an increase in the sales tax.

23 So you can't separate them, it's not that
24 these are minor conditions to consider as part of
25 this change, they're part and parcel in my -- my

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 position is that if we're not going to make sure
2 that each jurisdiction is held neutral with
3 respect to its revenue, that I'm not recommending
4 this change. So if you want to characterize my
5 position, I'll be happy to give you language for
6 that, but the way you've characterized it is not
7 accurate.

8 MR. STRANBURG: No, I -- we would appreciate
9 it if you got some language you could provide us
10 so that we're accurately capturing your position.

11 MR. RESNICK: All right, I'll do that. And
12 then the final matter, just from the executive
13 summary which really, you know, mirrors some of my
14 changes in the substance of the report.

15 There's no reference at all to a discussion
16 about charges for use of the rights of way and
17 permit fees, and -- which goes along with comments
18 I'm going to have later with respect to the
19 substance of the report. So we might want to hold
20 off on the discussion of that and cover that down
21 the road.

22 MR. STRANBURG: Okay.

23 MR. RESNICK: The other -- you know, I put it

24 out in my comments, and I -- and Davin can correct
25 me if I'm wrong, but I thought he indicated that

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 when the association of counties recommended this
2 holistic approach, it was also the requirement
3 that each county would receive at least the same
4 revenue that it was currently receiving under the
5 CST, so I thought that was also the position of
6 the Association of Counties.

7 MR. SUGGS: This is Davin, that would be
8 correct.

9 MR. LINDSEY: This is Gary Lindsey, I thought
10 that we did discuss in the meeting, you know, that
11 we did not want to significantly impair the
12 revenues of any jurisdiction, and we understood
13 the importance of the revenues for bonding
14 purposes.

15 So I'm not sure -- it seems like we're having
16 a little bit of a disconnect here, but I thought
17 that we were all in agreement as to the, you know,
18 the word, "revenue neutral." And I know there is
19 the words "significantly impact," in the
20 legislation, but I think that -- I thought that we
21 had really, you know, acknowledged that concern
22 about bonding, and that we did intend for no
23 individual jurisdiction to be significantly
24 impaired or to have their bond -- any of their
25 existing bonds, you know, brought into question.

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1 And again we may discuss this subsequent, you
 2 know, further along, and get the language
 3 clarified, but I just wanted to make that point
 4 from my perspective.

5 MR. SUGGS: And Gary, this is Davin, I
 6 thought the same thing, because I think this
 7 whole -- this holistic option was based on the
 8 analysis I think that Bob brought back. I think
 9 that 6.34 percent -- the increase from 6 to 6.34,
 10 that new number took into account producing enough
 11 revenue so that it was neutral for everybody, for
 12 state and local governments.

13 MR. RESNICK: Right, but except we need
 14 to ensure that whatever distribution mechanism is
 15 going to be ultimately adopted ensures that it's
 16 going to be revenue-neutral. So I want to -- I
 17 mean, the devil is going to be in the details, so
 18 we need to make sure that that's going to be part
 19 of it.

20 MR. STRANBURG: Any other the comments about
 21 the executive summary? Okay, let's move on to
 22 then Page 3. I think Mayor Resnick you had
 23 mentioned a couple minutes ago the rights of way
 24 issue, and this was one place where you had some
 25 comments about that?

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 MR. RESNICK: Just a minor comment on page --
 Page 20

2 rather on Line 93, it's not just the traveling
3 public, it's other uses of the rights of way,
4 including other utilities.

5 MR. STRANBURG: So if we just said "and other
6 users" after "traveling public," is that what
7 you're saying?

8 MR. RESNICK: Yeah, that's fine. I would
9 say, "including utilities."

10 MR. STRANBURG: Okay, then the next comment
11 we received was some language that starts at Line
12 95 and runs through Line 100 that Charlie Dudley
13 submitted. Are there any comments about that?
14 Okay, seeing none, we'll move on.

15 Now we'll go over to Page 3 -- excuse me Page
16 4 and lines 111 through 113, and another comment
17 submitted by Charlie.

18 MS. FOX: This is Sharon Fox, and frankly, I
19 think this comment is kind of a departure in tone
20 from being factual and talked about and discussed
21 in the meetings to (inaudible) argumentative and a
22 little bit less than -- frankly, I thought it
23 sounded just like it didn't belong, and I'd prefer
24 that it not be in here.

25 MR. RESNICK: Yeah, it sounds more like a

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 lobbying statement, as opposed to a task-force
2 statement.

3 MR. DUDLEY: I'll withdraw it, I just heard
4 testimony from Bob McKee and others that there had

J011813 DOR Pub Meeting

8 Kathleen stated it most cleanly, and I vote for
9 her language.

10 MR. DUDLEY: And I'm fine with her language,
11 this is Charlie.

12 MR. STRANBURG: Okay, if I don't hear anybody
13 else that has a problem with it, we'll go ahead
14 and we will place in Kathleen's suggested language
15 in that area. Okay, then we move down to Lines
16 154 and 155. Some language submitted by Kathleen
17 clarifying how many jurisdictions and different
18 rates.

19 MS. FOX: Again, this is Sharon, and this is
20 just a typo type of thing: On Line 155, after the
21 first mention of the CST, there's a "the" that I
22 think needs to be removed.

23 MR. STRANBURG: Okay, yes, I see that. Thank
24 you, Sharon, yes.

25 MS. FOX: And also, you can probably get rid

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 of the word "tax," because CST is Communications
2 Services Tax, so it's kind of redundant.

3 MR. STRANBURG: Will do. We'll do that also,
4 thank you. Okay, I believe the next thing, then,
5 where we received some comments will be over on
6 Page 8, starting on Line 220, we have a few lines
7 there that Sharon submitted some suggested
8 language. Anybody have any comments on that
9 language?

10 MS. FOX: Mr. Chairman, this is Sharon again,
Page 23

11 there is, at the bottom of that page, a sentence
12 that Charlie contributed. And I think that that
13 sentence might be best inserted in Line 206 after
14 the first sentence, and removed from the local
15 portion.

16 MR. DUDLEY: That's fine with me. I agree.

17 MR. STRANBURG: Okay, so we will take --

18 MS. FOX: I think -- I'm sorry. I think it
19 needs to be reworded a little bit so that it
20 flows, but something to the effect that the
21 average Florida customer pays an overall tax rate
22 of 14.21 percent on communications services
23 between these two components, or -- I mean, I'm
24 sure ya'll can word it. But because of where it's
25 placed, it doesn't quite exactly flow in his exact

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 words, but I have no problem with his thought, I
2 just think it belongs in the introduction under
3 tax rates as opposed to part of the local portion.

4 MR. STRANBURG: Okay, we will go ahead and
5 move that, if that's okay with you, Charlie.

6 MR. DUDLEY: Yes, it's fine.

7 MR. STRANBURG: Okay. And then some language
8 on Line 229 through 231. Okay, and then Mayor
9 Resnick, I think you had some comments with
10 respect to --

11 MR. RESNICK: Kathleen's comments addressed
12 mine in that section.

13 MR. STRANBURG: Okay. So we're good on --

J011813 DOR Pub Meeting

14 through line 231 then, okay. All right, our next
15 comment we had is over on Page 10, Lines 258
16 through 260. Any comments on that suggestion?
17 Okay, and then again, Mayor Resnick, I think there
18 was something with respect to this section that
19 you included in your comments.

20 MR. RESNICK: Just to add, if it would go
21 here -- or under exemptions, I'm not sure which
22 section -- but to mention that digital goods are
23 not subject to the tax pursuant to the 2012 --

24 MR. DUDLEY: I'm not sure I understand that,
25 Gary.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 MR. RESNICK: It's my understanding that in
2 2012, the Legislature also provided that digital
3 goods are not subject to the Communication
4 Services Tax.

5 MR. DUDLEY: I don't think that was in the
6 final bill that passed, but let me -- I'll pull it
7 up and look.

8 MR. RESNICK: I thought it was, but I'm not
9 quite sure also.

10 MR. DUDLEY: There was a digital goods in the
11 bill that was filed, I don't think that provision
12 was in the final bill that passed, but I can be
13 corrected by DOR or anyone else on the call.

14 MR. RESNICK: Yeah, if DOR knows the --

15 MR. DUDLEY: I think originally, there was a
16 definition filed to change digital good or provide

17 a definition of digital good, and I believe that
18 provision was not adopted by the legislature in
19 the final bill that passed.

20 MR. STRANBURG: Yeah, I -- that's my
21 recollection, too, Charlie, but I'm looking
22 through some of my stuff right now just to
23 double-check that. But I think you're right about
24 it being in the original bill or a committee
25 substitute version at one time, but then it did

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 get eliminated from the final language.

2 MR. RESNICK: So are digital goods -- as far
3 as the DOR is aware, are digital goods currently
4 subject to the CST? We can -- I mean, we have one
5 more meeting after today's call right, we have
6 another meeting on the 28th, so we can provide a
7 response to that before our next meeting.

8 MR. STRANBURG: Yeah, let us do that, Mayor,
9 because it's a little -- there's not an easy
10 answer to that, and I think I would want to be
11 sure I'm characterizing it correctly before I
12 off-the-cuff try to say what DOR's position is
13 concerning where digital goods may fall in Chapter
14 202.

15 MR. RESNICK: All right, so if you could get
16 us information on that, because it relates to my
17 discussion further and my comments about how the
18 federal government is looking at creating the
19 nexus for states to tax those goods if --

20 MS. KITTRICK: Yeah, and I wanted to just
21 clarify that, Mayor, this is Kathleen. The
22 federal framework sets up a number of things, it
23 doesn't allow states to tax digital goods, because
24 you know, states can do that now. But it sets up
25 a federal framework so that if states do choose to

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 tax digital goods, they have a sourcing regime so
2 you know how to source the transactions, and it's
3 similar to the sourcing in the streamlined sales
4 tax agreement. It also sets up uniform
5 definitions and things like that.

6 So it's not necessarily a nexus issue, you
7 know, it doesn't solve nexus; and to the extent
8 that you have out-of-state, you know, vendors of
9 digital goods, you're still going to have the
10 nexus issue until main-street fairness passes.
11 But it sets up the framework for sourcing most
12 importantly.

13 MR. RESNICK: Well, that would be fine, I
14 would, you know, welcome your comments to that if
15 it's something that we need to add; if such goods
16 are dealt with under Florida law so that Florida
17 currently would exempt digital services from the
18 tax.

19 MS. KITTRICK: I don't particularly think it
20 needs to be addressed right now, but --

21 MR. RESNICK: Well, let DOR come back with
22 respect to, you know, what the current state of

23 the law is with respect to that under the Florida
24 tax, and then we can discuss that if we need to at
25 our final meeting.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 MR. STRANBURG: Okay, yeah, we will do that,
2 Mayor, we will go ahead and take a look at that
3 and how that is going to be characterized. We'll
4 also look and see if it's applicable to plug in
5 the discussion about the federal proposed
6 legislation.

7 All right, the next comment I believe we have
8 is over on Page 11 with respect to the Paragraph
9 Numbered 7. I believe, Mayor, you had a comment
10 with respect to collection allowance and --

11 MR. RESNICK: Right, just that we may want to
12 include a discussion or just a sentence about the
13 Department's -- I think you get an administrative
14 fee on the tax, or -- I'm not sure exactly what
15 it's entitled, you administrative fee or some type
16 of fee, but you -- the Department get's a
17 percentage of the revenue or some of the revenue.

18 MR. STRANBURG: Right. Essentially, that is
19 compensation for our costs in administering,
20 distributing, et cetera, that which is what we
21 have in a number of other areas where we are
22 making distributions of tax amounts to local
23 governments.

24 MR. RESNICK: Right. Yeah, I didn't mean
25 to -- I'm not characterizing it one way or the

1 other in terms of good or bad or indifferent, I
2 just wanted to -- just for purposes of being
3 accurate, you may want to just add a sentence
4 there that the Department receives whatever you
5 want to call it, administrative fee. And if it's
6 a percentage or something, maybe you could say
7 what that is.

8 MR. STRANBURG: Okay, and --

9 MS. FOX: And just for the record -- this is
10 Sharon -- it's worth every penny, thank you very
11 much.

12 MR. STRANBURG: Well, thank you, Sharon. And
13 Mayor, what we may do is we may look and see if
14 there's a better place to put it than in the
15 collection allowance discussion, but we'll look at
16 adding something along that lines in a place that
17 seems to make sense.

18 MR. RESNICK: Then I can guess I can go --
19 because I suggested also adding a new section,
20 A-8, to deal with the current law with respect to
21 rights of way and permit fees, because it's not
22 otherwise covered in the report. But I pretty
23 much outline the language.

24 MR. MAGNUSON: And Mayor, I'll be honest with
25 you, I'd almost feel a little more comfortable if

1 you've got some particular language you would like
2 to have included, if you wouldn't mind drafting it
3 and sending to us so we can plug it in rather than
4 our taking a shot at this and maybe missing
5 something that you'd like to have included in that
6 language.

7 MR. RESNICK: No problem.

8 MR. STRANBURG: All right, thank you very
9 much, appreciate that. I just want to be sure
10 we're accurately characterizing what you want to
11 have in that particular paragraph and then we can
12 look at that and see how the others feel about
13 that once you get that language to us.

14 All right, the next set of comments we've got
15 are over on Page 13, Lines 343 through 348. All
16 right, no one has any problems with that, and I
17 think, Mayor, you had some similar comments, I
18 believe with respect --

19 MR. RESNICK: Yeah, just instead of
20 "one-to-one" we might want to put in quotes,
21 "apples-to-apples." I mean, it's the same
22 concept.

23 MR. STRANBURG: Okay. So you're comfortable
24 with that language, you just might like it tweaked
25 just a little bit; instead of that "one-to-one,"

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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34

1 something expressing that same concept.

2 MR. RESNICK: It's in there already, I mean,

3 I'm fine with what Sharon wrote. That's fine.

4 MR. STRANBURG: Okay. If you're fine with
5 what she's got, unless anybody else has an issue
6 with it, we'll plug that in.

7 MR. RESNICK: Well, I would add, though, the
8 other language that I did include which would
9 go -- would flow right after Sharon's additions;
10 that we attempted to determine the amount of such
11 charges in other states, but we were unable to do
12 so. And best estimates from -- best estimates are
13 that other local governments charge cable
14 television providers a 5-percent of franchise fee,
15 which is the maximum allowed under federal law for
16 use of the rights of way, and percentages vary for
17 other communications providers, and that these
18 fees are passed through to consumers on their
19 bills. I would add that language, and those are
20 in my comments in Roman Numeral VI.

21 MS. KITTRICK: This is Kathleen. I still
22 don't understand why we're having this debate
23 about franchise fees and right-of-way fees when, I
24 mean, very clearly, the revenue that was gained
25 from that was baked into the CST rate. And you

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 know wireless had never paid those fees because we
2 never operated in the right of way, but you know
3 we've been paying it since the inception of the
4 CST. So I just -- I can't believe we're having
5 this discussion again, frankly.

6 MR. LINDSEY: This is Gary Lindsey, I don't
7 have a real problem with the language that's in
8 there in 343 through 348, because it just kind of
9 gives the caveat that, you know, we didn't --
10 everything was not precise. This was based on
11 responses, you know, from the questionnaire that
12 went out.

13 I would not be comfortable with having
14 additional comments in there again, because I kind
15 of agree with Kathleen I think the -- I mean, it
16 seems like the right of way and the franchise-fee
17 issues, those were covered back in the CST days,
18 and I'm not sure why we are continuing to revisit
19 them, necessarily.

20 I don't mind some comments in there about it,
21 but -- and I know we had plenty of discussion
22 about it, but if we're looking at ensuring a way
23 to go forward that is revenue-neutral, and again
24 that kind of goes back to our original discussion,
25 I don't see that we really need to go into that

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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36

1 too much.

2 MR. RESNICK: I mean, I'm fine with that if
3 we all agree -- I think what you said before, too,
4 is that you've agreed that the revenue neutrality
5 has to be basically for each jurisdiction that's
6 currently collecting Communications Services Tax
7 revenue, so I'm fine with that.

8 I just didn't want to leave the impression

9 that Florida's taxes on these services is somehow
10 much higher than what consumers pay in other
11 states, because that's not necessarily the case.

12 And I think that's the conclusion of this
13 section in the report, so I just -- if we maybe
14 just add that sentence that Florida's taxes on
15 these services, if you add all total taxes and
16 fees, is not necessarily higher than such taxes
17 and fees in other states.

18 MR. LINDSEY: And you know, in reference to
19 the other -- you know the comment at the
20 beginning, yeah, I agree. I agree. And I think
21 Davin kind of seconded my thoughts about that,
22 too.

23 MR. RESNICK: All right. I appreciate it,
24 Gary. But Marshall, for purposes of going
25 forward, I'm okay with Sharon's comments with

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 this.

2 MR. STRANBURG: Okay. All right. Thank you,
3 we'll plug on then, because I know, Mayor, you've
4 got a short timeframe that you can be with us
5 today, so we want to make sure --

6 MR. RESNICK: Actually I rearranged the
7 schedule, so you've got me until 4:30, if needed.

8 MR. STRANBURG: Super, we appreciate that.
9 Thank you very much. Okay, the next item is with
10 respect to the discussion that starts on Page 15
11 that's titled State Government. I think, Mayor,

12 you had a couple of comments with respect to that
13 particular discussion.

14 MR. RESNICK: Just at the end, I mean, we
15 had -- it was a great discussion about gross
16 receipts tax, and the importance of the state. I
17 didn't know if you wanted to add some type of
18 conclusory (inaudible) that I would support adding
19 that, you know, and I think you just talked about
20 it, that repeal or altering the gross receipts tax
21 on communications is us to ensure that the state
22 is held harmless, because of the bonding and
23 constitutional issues.

24 MR. STRANBURG: The only thing about that,
25 Mayor, that -- I understand your comment is this

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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38

1 was just essentially a restatement of the
2 presentation that was done by Amy Baker, and I
3 don't think she -- she made those kinds of
4 conclusions; maybe that's something that's more
5 appropriate to put later back in the report where
6 we start talking about some of the conclusions
7 reached by the working group, rather than putting
8 it in as a recap of what her presentation happened
9 to be.

10 MR. RESNICK: Okay, all right.

11 MR. STRANBURG: So let's -- hang on to that
12 thought, and when we get a little further in,
13 there might be a place where it's appropriate to
14 plug that in as part of the report.

15

MR. RESNICK: Okay.

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MR. STRANBURG: All right, then down on Lines 426 and 427 on Page 17, we have a couple of suggestions submitted by Sharon. Any problems with those comments? Okay. Seeing none, then I believe, Mayor, you then had another comment that was related to this particular section about local governments, I believe.

MR. RESNICK: The same idea with respect to the gross receipts tax for state, that it's similar -- we might want to make a similar

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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conclusion that any repeal or alteration of the CST must ensure that each local jurisdiction is held harmless --

MR. STRANBURG: Okay, and again, I want you to hang on to that comment, because again, this is a summary of the presentation by Amber Hughes with the League of Cities. You know, I think, again, it's going to be more appropriate to put it back a little bit later where we start talking about the working group's thoughts about this; but again I don't recall that her presentation came to those kinds of conclusions, so let's hang on to that and see where we can plug it in a little bit later.

MR. RESNICK: Okay.

MR. STRANBURG: All right, then down on Line 478, 479. We had a comment, or excuse me, a revision suggested by Charlie. Does anybody have

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a problem with that?

19

MR. RESNICK: I don't know if that was

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actually part of the presentation. You know, it's

21

fine, but I don't think that was some -- was that

22

part of Bob's presentation?

23

MR. STRANBURG: I seem to recall it was. We

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will double and triple-check that, Mayor, to be

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sure that it was, but my recollection is he did

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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talk about that point. But we'll go back to the

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transcript and verify it another time to be sure

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that that was part of his presentation. But our

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quick check of that after we got the comment in

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from Charlie, we did find some reflection of that

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in his presentation.

7

Okay, and then Mayor you also had a comment

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about that particular paragraph on Page 19, the

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D-1, the potential estimate of the repeal of the

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residential exemption.

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MR. RESNICK: It wasn't so much I relate it

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to that, but I think I was just saying that

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generally we didn't talk about the clarity of the

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CST to the public, which is actually -- we did

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discuss it in our meetings, but we didn't

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reference it in our report.

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So we should probably include a couple lines

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that says what we talked about in our meetings

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with respect to that, which is outlined in my

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comments that we didn't have a presentation by

21 organizations representing consumers, but we
22 discussed that there's a lot of the confusion now
23 among consumers as to what tax -- what services
24 are subject to the CST and the amounts of such
25 tax, particularly in the situation of bundled

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

41

1 services.

2 And we also discussed that however Florida
3 law there's no government entity that has the
4 ability to regulate consumer billing with respect
5 to these matters; which was -- I thought I'd just
6 like to see those few sentences added.

7 MR. STRANBURG: Let us take a look and see if
8 there's an appropriate place to plug that in,
9 Mayor, and if we have a problem with that, we
10 might reach out to you and ask you to give us some
11 suggested language to put in a particular place in
12 the report. If you see there's -- if this place
13 or there's another place that's most appropriate
14 spot to put those type -- put those comments.

15 MR. RESNICK: Okay.

16 MR. STRANBURG: Okay, I believe the next
17 thing we've got is over on Page 23. The
18 discussion in Lines 582 through 588, I think,
19 Mayor, you had a comment about that.

20 MR. RESNICK: This 586 to 588, I just wanted
21 to eliminate the last sentence. I don't think
22 that we ever got into that.

23 MR. STRANBURG: Yeah, and we went back and

24 pulled the transcript of that meeting and Warren
25 Townsend's presentation, and that's almost an

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

42

1 exact, direct quote from his presentation.

2 MR. RESNICK: You broke up, Marshall, I'm
3 sorry. I didn't hear you.

4 MR. STRANBURG: I'm sorry, Mayor. We went
5 back to the August 21st meeting where Warren
6 Townsend from Wal-Mart made this presentation, or
7 gave this input, and those two sentences are
8 practically a verbatim lift from his testimony.

9 MR. RESNICK: All right. Can I maybe
10 clarify, because it almost looks like it's
11 actually a statement by the group, so maybe just
12 clarify that Mr. Townsend continued, you know,
13 just so that it's clear that it's part of his
14 presentation and not the working group report.

15 MR. STRANBURG: Okay, no, we'll be glad to do
16 that. All right, the next thing we've got is over
17 on Page 25, Line 616 through 618 that Sharon
18 submitted some language. Okay, seeing no
19 comments, we'll move on. The next place is on
20 Page 27, Lines 671 through 676, some language that
21 Charlie had suggested we add. Any comments on
22 that language?

23 MS. FOX: Yes, this is Sharon. I don't think
24 that the point that Charlie was trying to make --
25 and forgive me, Charlie, I'm sure you'll correct

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1 me if I'm wrong -- but was actually made in the
2 words that are on the paper there, but I think
3 that you were trying to say is that half of the
4 hours that are spent on audits did not produce
5 half of the revenue that came in through the
6 audits.

7 And if I'm mistaken, then so be it, but
8 this -- the math that you have here does not
9 compute. And I went back to the transcript and I
10 think it -- it doesn't exactly say what you said.
11 The numbers that you pulled from the presentation
12 are correct, but the wording doesn't get across
13 the thought that I think you were trying to
14 convey.

15 Additionally, this talks about new revenue
16 but it leaves out the amount of money that the
17 audits redistributed. Which is important to the
18 jurisdictions that are getting the money, and to
19 the jurisdictions that had it taken away from
20 them. It's one of the primary reasons why so much
21 time is taken in the audits on situsing, because
22 of the local jurisdiction's need for the money
23 that's collected in their jurisdiction. And
24 that's caused by -- to a great extent by industry
25 reporting situsing errors. So what do you suggest

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 that we do with regard to restating this?

2 MR. DUDLEY: Well, I -- the last part of your
3 comment, we've actually found a lot of times that
4 our -- in the end of the day, our number -- our
5 database was far better than the state's and what
6 the locals had submitted to the states, Sharon. I
7 mean, that's one of the reasons that we'd like to
8 figure out a way of moving away from, you know,
9 individual local rates.

10 I'm trying to make the point that the
11 Department spends a lot of time and hours on these
12 situsing audits, and there's not a whole lot of
13 new revenue to gain. I do defer back to you or
14 others on how much has been shifted, because I
15 don't know that we're always familiar with that;
16 and obviously that is very important that we keep
17 in mind that, you know, if the audits resulted in
18 significant shifting of revenue, that's important
19 to note because that's important money for each
20 local government that was supposed to collect a
21 certain amount.

22 So I'm open to revising this, I was just
23 trying to capture some of the tone as well as the
24 content of the presentation that Peter gave us.

25 MR. SMITH: This is Brian. I think what

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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45

1 would help to do that would be if you go up to the
2 sentence prior to Charlie's comment, and after it
3 says "The Department has conducted 1374 audits,"
4 and then put the dollar amount that the audits

5 covered, because then you see clearly if you
6 looked at the dollar value that was audited, that
7 it resulted in collections of 129 million. And
8 that was in the presentation materials.

9 MS. FOX: Right, but that's got -- it's got
10 to do with new money, and I agree with that. I
11 don't have a problem with that. What I have a
12 problem with is the characterization or the
13 breakdown of the 60,000 hours which is 50 percent
14 of the 121 thousand that the Department spent.

15 It doesn't say that those -- that half of
16 those hours went to situsing issues. And I think
17 the point he's trying to make is that it took --
18 half of the hours went to situsing issues, but not
19 half of the money was -- that not half of the new
20 money that was recovered was from situsing issues.

21 And if you go to the transcript, I think it
22 starts around 130 -- Page 130, and goes through --
23 I don't know how long it goes through, frankly,
24 but on Page 136, Peter is asked if that \$129
25 million dollars of new money covers redistributed

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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46

1 funding, and he said no, it's new money. The
2 redistribution would be a much larger number, a
3 much larger number.

4 We might have a situation where a taxpayer
5 received an assessment maybe for a couple million
6 dollars, but the redistribution calls for \$30 or
7 \$40 million dollars in redistribution. So that's

8 one element that was left out of this
9 conversation, and the first half of it was just --
10 I think it could be stated more clearly, because I
11 don't think that the point that Charlie was trying
12 to make, being that it takes a lot of man hours
13 and there are a great deal associated with the
14 situsing problem; and 50 percent of the audit
15 hours that it cost did not generate 50 percent of
16 the new monies that came in.

17 MS. KITTRICK: Marshall, it's Kathleen, is it
18 possible to, you know, have an estimate on the
19 amount of redistribution so that we could add a
20 sentence to Charlie's paragraph? Because I
21 think -- I mean, when I read it, I was very clear
22 on where he was going with this, but I agree with
23 Sharon that maybe we do also need a sentence that
24 talks about the fact that, you know, the situsing
25 is so complicated that it required, you know, "X"

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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47

1 amount of money to be redistributed.

2 MR. STRANBURG: Kathleen, I'll be honest with
3 you, I don't know if we capture that information.
4 I'll have to check and see, because a number of
5 times, we capture audit information based upon
6 what the, essentially the outcome of the audit is,
7 not necessarily what money might have been moved
8 around within an audit where there may or may not
9 have been any new money brought in as a result of
10 that audit.

11 So I don't know if we have that information.
12 We'll check and see if we do have that
13 information; and if we do, we'll try to add some
14 description of it, the magnitude of it; but if we
15 don't, we'll see what we have and see if there's
16 some other way of characterizing that idea in the
17 report.

18 MS. KITTRICK: Okay.

19 MR. RESNICK: So why won't we just defer this
20 until our next meeting, does that work?

21 MS. FOX: Yeah, but I would have one
22 suggestion that might change the meaning to where
23 I think you meant. If you switched the word
24 "additional" and "collection" in your first
25 sentence, "The Department audits over the last

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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48

1 twelve years have resulted in the collection of
2 additional revenues that represent less than 1
3 percent of the total CST collections while costing
4 the Department auditors over 60 thousand hours" --
5 because I really -- the point is the audits cost
6 the Department 121 thousand hours.

7 MR. RESNICK: I think you're right, Sharon.

8 MS. FOX: I think you're trying to point that
9 60 thousand to the additional money, because the
10 audits cost 121 thousand hours. So saying then
11 that they cost 60 thousand doesn't make sense.

12 MR. DUDLEY: Yeah, I think that RLS would
13 support sort of the department taking a look at

14 this whole section -- or this whole paragraph in
15 reworking that first paragraph, because they also
16 talked about what percentage of returns that
17 they're able to audit, so I'd like that to be
18 entered as well.

19 MR. RESNICK: That's fine.

20 MR. LINDSEY: This is Gary Lindsey, I think
21 also -- I remember in the transcript or in the
22 presentation that Mr. Steffens talked about just
23 the extreme complexity of all the issues we talked
24 through. This describes a lot of the issues, but
25 I think, you know, the gist of it was it's very

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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49

1 complicated, the issues are complex, the sutises
2 is complex, et cetera, so maybe that would be good
3 to add some emphasis to that, too. I remember him
4 saying "complex" or "complexity" more than once.

5 MR. STRANBURG: Okay, any other comments
6 about the audit section of the report for us to
7 take a look at?

8 MR. RESNICK: Marshall just -- it's Gary
9 again -- just the one comment I made in my
10 comments that we should have a introductory
11 sentence that prior to the CST, audits were
12 performed by cities and counties. Now after the
13 CST (inaudible) in limited situations, only the
14 Department may conduct audits. Just the
15 historical background for that.

16 MR. STRANBURG: Okay, we've got that. Okay,
Page 44

17 the next comments we had were on Page 29 -- wait,
18 excuse me, I missed one on 28, there was a typo
19 that Sharon caught on Page 28, which I assume
20 everybody is okay with. And then over on Page 29,
21 Mayor, I believe you had a comment about the -- I
22 believe it's the language that's in the paragraph
23 that's line 735 through 739.

24 MR. RESNICK: Yeah, instead of -- let's see.
25 Again, in the last sentence, instead of bringing

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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1 all communications services under the sales and
2 use tax, it has to stay under an increased sales
3 and use tax.

4 And we should further state expressly,
5 because this is the options of the working group,
6 that we would not support bringing such services
7 under the existing sales and use tax.

8 MS. FOX: This is Sharon, I think that Gary
9 makes a good point with regard to having the
10 criteria that the municipalities want to be
11 incorporated into the new system, the holistic
12 approach enumerated. And I think that that could
13 just be lifted from the Mayor's letter or from my
14 original comment --

15 MR. RESNICK: I'd actually --

16 MS. FOX: -- Line 743.

17 MR. RESNICK: Right, I was going to raise
18 that further down. I was just dealing with the
19 739 line. But those are in my comments that we

20 should include those. They're not conditions or
21 principles, as I said, they're part of our
22 recommended -- of the option that we wanted to be
23 considered.

24 MR. STRANBURG: Okay. Yeah, and Sharon, just
25 so you're aware, we had tried to capture those

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

‡

51

1 over at -- starting on the bottom of Page 32 over
2 on to Page 33. We may have summarized them a
3 little bit, cut them down a little bit, but we
4 thought we had those basic principles in those
5 bullet points that you see over those two pages.

6 MS. FOX: Yes, I agree that they're nicely
7 summarized; but they're pretty cryptic, given all
8 the information that's in the verbiage. So I
9 think it would be helpful to have them enumerated
10 in the body of the report, and so that somebody
11 doesn't have to go paging back to different
12 appendices looking for them when the discussions
13 come underway. And it seems to fit nicely
14 under -- after Line 743.

15 And you introduced them quite well in the
16 summary at the beginning, as well, by saying that
17 they existed, so I think people are going to want
18 to see what exactly was said.

19 MR. STRANBURG: Okay, anybody else have any
20 other comments about inserting that language into
21 the report? Everybody comfortable with that?

22 UNIDENTIFIED SPEAKER: Yes.
Page 46

23 MR. RESNICK: I think silence means yes;
24 right?

25 MR. STRANBURG: Um-hmm. Okay, we will plug

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

52

1 those in.

2 MS. FOX: Thank you.

3 MR. STRANBURG: Okay, the next thing is over
4 on Page 30. I believe, Mayor Resnick, you had
5 something with respect to the paragraph that's
6 Line 759 to Line 765?

7 MR. RESNICK: Yeah, I just have to -- yeah,
8 again, it's not under the sales and use tax, it's
9 under an increased sales and use tax, at Line 760.

10 MR. STRANBURG: Okay.

11 MR. RESNICK: And again, should we say -- I
12 mean, we keep talking about repealing the CST,
13 should we say "and eliminating the gross receipts
14 tax on communications services," as well? Because
15 I don't think that's included -- unless that's
16 included in the repeal of the CST.

17 MR. STRANBURG: And I tend to think it
18 probably is, unless somebody else sees it a little
19 bit differently. But I think when you're talking
20 about eliminating the CST, the gross-receipts
21 portion of the CST goes away, when the entire tax
22 goes way.

23 MR. RESNICK: All right, if that's your
24 understanding of it, that's fine. I just didn't
25 want it to be not clear as to what the group was

1 talking about.

2 MR. STRANBURG: Okay. We'll look at it
3 again, and if we think it's unclear and if there's
4 something we can do to clarify it, we will; but I
5 think everybody understands that will be the
6 result if the Communications Services Tax is
7 repealed.

8 MR. RESNICK: Okay. Then I'll leave out my
9 comments with respect to digital goods for our
10 other discussion on that that we'll have down the
11 road.

12 MR. STRANBURG: Okay. Line 768 on Page 30,
13 Charlie had a submission there, which then I think
14 also ties into over on Page 31, Line 770 through
15 773. Okay, seeing no comments on that, we'll keep
16 plowing on. And I believe, Mayor, your comments
17 about that next paragraph, Line 774 through 779,
18 you know, deal again with the digital goods issue;
19 correct? I want to make sure --

20 MR. RESNICK: We can -- no, we can hold that
21 until our -- until you find out some more
22 information on that.

23 MR. STRANBURG: Okay.

24 MR. RESNICK: Nothing further.

25 MS. FOX: However, there is a place in there

1 to -- wherever it says replacing the CST, and it
2 does on Line 77 --

3 MR. RESNICK: Oh, okay.

4 MS. FOX: -- with an increase in the state
5 sales and use tax.

6 MR. RESNICK: Right, Marshall, actually
7 what -- maybe it would be just easier for the
8 Department to do a global search of every time
9 sales and use tax is mentioned, and make sure
10 that, if appropriate, we characterize it as an
11 increased sales and use tax.

12 MR. STRANBURG: All right, we'll take a look
13 at running that and making sure we conform that
14 throughout the report. All right, then a little
15 bit lower on Page 31, Sharon picked up, and I
16 think a few others also picked up we had a little
17 typo there, we repeated a line that we are
18 deleting.

19 And then, Mayor, did you have something else
20 to say in this particular part of the report? Our
21 notes indicate that you might have something else.
22 I don't know if we've covered everything or not.

23 MR. RESNICK: I did, but -- I object
24 generally to including the discussion of this
25 report in our report of the KSE Partner's

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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55

1 submission. You know, they stated that one member
2 of the committee asked them to do this, which is

3 fine, and I guess, you know, that member can
4 indicate if they want it included, but you know, I
5 think if the working group is going to come up
6 with a recommended option, you know, certainly the
7 state has economists that are in a good position
8 to evaluate what the effect of this option would
9 be to all the stakeholders, not just residents and
10 small businesses.

11 I mean, there's obviously more and more
12 stakeholders that pay these fees and taxes then
13 just small businesses and residents. And so I
14 don't want to convey the impression that we agree
15 wholeheartedly with this report. I read the
16 three-page report, I have no idea what they based
17 their information on. If it -- I don't even know
18 if economists would agree that it's accurate, so
19 I'd rather just see the state, if they're
20 interested in pursuing this option, have the
21 state's economist handle this evaluation.

22 MS. KITTRICK: Mayor, this is Kathleen. I
23 can tell you that the information came from
24 industry associations and industry statistics on
25 sort of average revenue per user for wireless, and

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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56

1 average land-line telephone bills, and average
2 cable bills.

3 You know, I don't know that it was just a
4 one-member discussion. We all talked about the
5 need for demonstrating that this would actually

6 benefit consumers, and as you noted earlier in
7 some of your documents that we really didn't have
8 the consumer discussions and impact discussions
9 during any of our meetings, and this just sort of,
10 you know, adds some of that consumer flavor to the
11 report.

12 MR. RESNICK: Well, maybe we should point
13 that out a little bit, just add some comments
14 to -- you know, because it's almost taken like a
15 gospel that this, you know, organization -- I'm
16 not familiar with KSE Partners, LLP, I have no
17 idea who they are, what they do, what their
18 experience is, et cetera.

19 You know, so I just don't want it sort of
20 perceived that we're taking their report for
21 gospel and not asking the state to do its own
22 studies as to what the effect of this option would
23 be on all the stakeholders.

24 I mean, tourism is an important industry in
25 Florida, I'd want to know what the effect of this

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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57

1 is going to be on tourism as well. Certainly if I
2 were the legislature, I would.

3 MR. SUGGS: This is Davin, and Mayor, the
4 only problem I think -- and we discussed this as a
5 group at one of the last meetings -- the state or
6 EDR or RAC, they're not going to evaluate anything
7 until there's actual legislation. That's when
8 they get involved in terms of that.

9 But I thought we said it was pretty
10 important. One of the reasons why we thought this
11 was a good idea was because of -- and I mean this
12 is an example, sure I know people can question it,
13 people can run numbers a million different ways,
14 but we thought it was important to at least
15 capture somebody's attention that there's more
16 than one reason why we think the holistic option
17 is a good idea; and this is one of the reasons.

18 And I think people had -- at the last work
19 group meeting -- they had the opportunity if they
20 had resources to volunteer those resources, and I
21 think these are the people that stepped up and
22 volunteered. I think at one point, we even asked
23 could DOR do it. We have that -- we asked
24 Marshall, and I believe we discussed that his
25 resources were limited in that factor, and so

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

♀

58

1 someone else volunteered to put forth resources to
2 do some type of analysis to include in the report.

3 MR. RESNICK: All right, so maybe let's just
4 characterize it then as that's exactly what this
5 is: That it wasn't prepared at the request of the
6 working group, it was prepared at the request of
7 one member of the working group, and KSE
8 volunteered to provide an estimate so --

9 MR. SUGGS: I think that would be wrong. I
10 think several members on the working group -- we
11 discussed it as a whole. I mean --

12 MR. RESNICK: Well, they indicated in their
13 report that they prepared it at the request of one
14 member of the working group; that language is
15 specifically in their report, so -- I certainly
16 didn't request it but --

17 MR. LINDSEY: This is Gary Lindsey, I think
18 that, you know, when that was -- I recall when
19 that was discussed at the last meeting, I think
20 perhaps Kathleen may have said, "Well, I can get
21 in touch with Scott Mackey," but that was at the
22 request of several members of the group.

23 So maybe we can reword it and qualify it and
24 say, you know, that the group wanted to seek some
25 information or see if there was any information to

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

♀

59

1 this effect, and that we -- that this particular
2 economist was asked and this is the information
3 that was provided; and you know, qualify it in
4 that respect. Because I agree, others will want
5 to look at this and other economists may want to
6 look at it, and this is one economist that was
7 able to provide some information to the group.

8 MS. KITTRICK: And you know, in all fairness,
9 I mean, Scott Mackey is an industry economist, but
10 you know, neither -- I mean, Gary and I couldn't
11 both call him together to ask him to do this
12 because of Sunshine rules, so we -- you know, I
13 volunteered. I mean, that's where I think he
14 wrote the one person asked him to do it. It

15 was --

16 MR. RESNICK: All right, I'm fine with the
17 way that Gary suggested qualifying it further, and
18 maybe we add a statement saying certainly if the
19 state wants to go forward with this, we recommend
20 that it study the effects of this further on all
21 stakeholders. Just something to that effect, I
22 don't want to this to be the -- to become the
23 bible with respect to the effect of this option.

24 MR. LINDSEY: Yeah.

25 MR. STRANBURG: And Davin, I just wanted to

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

†

60

1 take the opportunity to clarify, I think -- we
2 didn't say we didn't have the resources, I think
3 we don't have this kind of information, our folks
4 don't have this kind of consumer information that
5 we would have been able to have pulled and done
6 such a study that -- again, since it's a lack of
7 information, not a lack of resources that would
8 prevent us from doing it.

9 MR. SUGGS: Yeah, Marshall, I -- I included
10 data and that type of thing when I use the word
11 "resources," but no, I agree with -- I concur with
12 what you just said.

13 MR. STRANBURG: Okay.

14 MR. RESNICK: So you'll -- so Marshall,
15 you'll just add some general language along the
16 lines that Gary mentioned earlier about qualifying
17 how the report came to be prepared; and that we

18 would recommend that if the state or the
19 legislature decides to move further with this,
20 that it -- a further study's performed as to the
21 impact. Which I guess they would have to do
22 anyhow, right, another --

23 MS. KITTRICK: Yeah, that's what they would
24 do.

25 MR. STRANBURG: That's correct. So we've

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

61

1 captured that, that thought, and we will work on
2 some revision to this paragraph to reflect those
3 comments.

4 MR. RESNICK: Okay.

5 MR. STRANBURG: Okay. Over to Page 32, I
6 believe, Mayor, you had a comment that is
7 reflective around Line 818.

8 MR. RESNICK: Again, I think it's just the
9 same concept that it's a significant part of local
10 and state-government funding.

11 MR. STRANBURG: Okay.

12 MR. RESNICK: And the next line on 819, we're
13 to ensure that replacing the CST with an increased
14 sales and use tax will not have a negative impact
15 on local and state government revenues.

16 MR. STRANBURG: Okay. Okay, and let me just
17 also -- I think there's some language here on
18 lines 812 and 813 that are similar to what we
19 talked about in the executive summary where we
20 talk about much higher rate and a small increase,

21 and I think we'll just conform that language to
22 the language that's in the executive summary as
23 well.

24 MR. RESNICK: Okay.

25 MR. STRANBURG: Okay, then on Line 824,

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

†

62

1 Charlie felt that that line was a bit redundant
2 with the idea that is captured in Line 823.

3 MS. FOX: Well, based on what he said earlier
4 in the meeting, he really doesn't equate them as
5 equal because this one talks about individual
6 jurisdiction.

7 MR. STRANBURG: Yeah, and Sharon --

8 MR. DUDLEY: I'm fine with wordsmithing back
9 to what's in the bill that passed that talks about
10 without unduly reducing revenue to local
11 governments. And I'd be happy to add and "without
12 impairing bonds."

13 MR. SUGGS: Charlie -- this is Davin --
14 Charlie, the only problem with that, this whole
15 holistic option, I mean, if you look at it,
16 technically goes beyond what -- what was in the
17 legislation. So I mean (inaudible) positive, I
18 mean, we could delete the whole holistic option.

19 I think part of the holistic option was
20 something that worked for everybody, but I mean,
21 like we said before, we -- part of it is that it
22 worked competition-wise, it eased administrative
23 burden, and it produced revenue neutrality for --

24 for all the jurisdictions. When we talked about
25 it -- that potential -- this option provides that

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

♀

63

1 potential. So yes, we --

2 MR. DUDLEY: My only point is, Davin, that I
3 think it's -- I'm looking at the language the
4 legislature passed, I understand the holistic
5 option wasn't in there, I think it's all very
6 relative.

7 Does it violate the bond covenants of Fort
8 Lauderdale if they get 2 percent less next year,
9 but Wilton Manors gets 2 percent more? I don't
10 know where that line is. I know if you ask the
11 bond councils that make their money representing
12 cities and counties, they'll tell you if there's a
13 dollar less, the bonds are impaired. But we all
14 know the legislature gives plusses and minuses to
15 local governments every year -- whether that's
16 good or bad policy, I'm not elected -- and it
17 doesn't impair the bonds every time they do it.

18 So there's some, you know, percentage or
19 collar, if you will, that is within, you know,
20 some risk factor that's already undertaken. And
21 so I'm just opposed to the dollar-for-dollar test.
22 I think that what we need to rely on is what the
23 legislature said, which is the unduly reducing
24 revenue to local governments. I think that's what
25 the test is.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

1 MR. SUGGS: And Charlie, I understand what
 2 you're saying, but I don't think -- "neutral" is
 3 not a strong word. I think neutral gives you, I
 4 mean, indications, and I know in the examples
 5 you're giving, I understand. I think neutral
 6 still gives you some play. I mean, if it's a
 7 dollar off or ten dollars off, I know it's all
 8 relative. I think that's still -- I mean, to me,
 9 falls in sort of the term and the realm of the
 10 word neutral.

11 MR. DUDLEY: Right.

12 MR. SUGGS: Okay.

13 MR. DUDLEY: I'm happy to try and wordsmith
 14 this, that's --

15 MR. RESNICK: I thought we already had the
 16 consensus of the work group, though, when we
 17 decided to pursue the holistic option. And I -- I
 18 thought we already had this consensus from all
 19 eight members that we would only pursue this if
 20 each jurisdiction was held harmless. That was,
 21 you know --

22 MR. DUDLEY: I was working under the
 23 assumption of the language that we were charged
 24 with, Gary; that we're not unduly reducing --
 25 whatever that word "unduly" is. It's ten dollars

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

1 less, you may think it's unduly. I may not think
 Page 58

2 it's unduly.

3 MR. RESNICK: Well, it's a big difference,
4 obviously, you know, to -- I mean, you could then
5 make Fort Lauderdale's revenue zero and give it
6 all to Tallahassee or something, or the state, as
7 long as they're pocketed the same, that's a huge
8 difference. I mean, the holistic option --

9 MR. DUDLEY: I'm not following that. I think
10 the test is the local governments. I'm just
11 saying I don't think it's the same
12 dollar-for-dollar to all 481 local governments.
13 And I'm fine with saying that you should not
14 impair bonds, because I think, you know, that's
15 very important. I'm not trying to do that.

16 MR. LINDSEY: This is Gary, Gary Lindsey, I
17 think, you know, the fact that we seized upon the
18 holistic option we characterized it as kind of a
19 win/win/win; a win for the deputized tax
20 collectors, and win for the consumer, and a win
21 for the state and local governments.

22 And I don't have any problem with using the
23 word "hold harmless" or "safe harbor," I think
24 that's characteristic that we've had in other
25 states where we've -- you know, when we're trying

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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66

1 to be very careful about protecting the interest
2 of the other stakeholders, including the
3 tax-collection agencies and the local
4 jurisdictions.

5 So as far as -- and I think to Davin's point,
6 "hold harmless," that's got -- you know, if you
7 want to interpret that one way or another, hold
8 harmless could be interpreted differently, but I
9 think it's terminology that I would agree to, and
10 I think maybe that we could come to agreement on.
11 I (inaudible) and I think it did take it a step
12 beyond the not-significantly impair, I think we --
13 you know, we said we would intend for it not to --
14 for there to be a safe harbor, a hold-harmless
15 provision for the locals.

16 MS. KITTRICK: And this is Kathleen, I agree
17 with that. I mean, I don't think that -- I don't
18 think that the numbers that Bob McKee put forward
19 are -- you know, I thought that they would make
20 sure that everybody was sort of held harmless.

21 MR. RESNICK: You know, otherwise, you pick
22 winners and losers based on, you know, things that
23 have nothing to do with policy. You know, for
24 example, Wilton Manors will win because we bonded
25 our CST; but you know, a city next door to us will

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

‡

67

1 lose because they didn't bond their CST. I mean,
2 that's really not the goal of this, either.

3 MR. LINDSEY: What if we say without -- we
4 just add "without unduly reducing revenue" after
5 "hold harmless"?

6 MS. FOX: Well, those are two different
7 thoughts.

8 MR. SUGGS: And Charlie, remember, part --
9 you got all counties and cities at the table in
10 this holistic option, giving up what both -- both
11 of us hold home rule close and dear and near. But
12 I mean, the sacrifice of that, which has created
13 the 122 different rates, the sacrifice of that --
14 I mean, numerous words, from neutral to hold
15 harmless, to make sure that's clear, I mean that's
16 going to be important to every jurisdiction. I
17 mean -- and I mean, that's -- it goes back to like
18 what Gary said that this -- we thought it was a
19 win/win/win/win, and --

20 MR. LINDSEY: I think it is a
21 win/win/win/win.

22 MR. SUGGS: And so I mean, I don't think
23 anybody's going to argue over 50 cents or a
24 dollar, but I mean, you still got to be careful.

25 MR. LINDSEY: I'll withdraw my suggestion.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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68

1 Does that work?

2 MS. FOX: Thank you.

3 MR. RESNICK: Yeah, silence means we --

4 UNIDENTIFIED SPEAKER: Appreciate you.

5 MR. RESNICK: -- thank you, yeah, it says
6 "Thanks, Charlie."

7 MR. STRANBURG: All right, thanks again,
8 Charlie, and we'll -- the next revision was on
9 Line 826. Any comments on that one? Hearing
10 none, then down lines 828, 829.

J011813 DOR Pub Meeting

11 MS. FOX: This is Sharon, this changes the
12 characterization of the sentence of --

13 MR. DUDLEY: You know, Sharon, this is
14 Charlie, I'll withdraw it. I read this wrong. I
15 mean, I was just trying to clarify that the reason
16 you all, I thought, wanted it unrestricted was for
17 bond financing; but now in thinking about it, you
18 want to be able to use this money if you want to
19 bond it, if you want to fix roads, if you want to
20 hire firemen, so I'll --

21 MS. FOX: Exactly.

22 MR. LINDSEY: -- so I'll withdraw it.

23 MS. FOX: Thank you.

24 MR. LINDSEY: I'll withdraw it.

25 MR. STRANBURG: All right, and then the next

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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69

1 comment was over on Page 33, Lines 831 through
2 832.

3 MR. LINDSEY: I was just pointing out that we
4 already do this for the DBS tax, whether I --

5 MS. FOX: Yeah, but you don't -- it's really
6 different than what we're suggesting here, because
7 the distribution for DBS is through revenue
8 sharing, and that's not what we're suggesting at
9 all; because revenue sharing is just a pot of
10 money, it's not directed toward each jurisdiction
11 based on how much money they had collected or need
12 so --

13 MR. LINDSEY: I'll withdraw it. I -- again,
Page 62

J011813 DOR Pub Meeting

14 I thought I was trying to be helpful, so --

15 MS. FOX: Thank you.

16 MR. LINDSEY: -- guess I don't understand how
17 you envision distribution under the holistic
18 approach. Because I guess I'm not following how
19 that would work. I don't know that we need to
20 have -- be that detailed anyway, but -- as I
21 recall, the way we did it under CST was once we
22 set up the DirectTV mechanism, the two local
23 government groups sat down with, I guess, DOR from
24 a technical perspective and worked on language
25 that worked out how the 4 percent would be

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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70

1 distributed to cities and counties.

2 MS. FOX: And it just goes into revenue
3 sharing.

4 MR. LINDSEY: Okay, well, I'll be happy to
5 withdraw, I wasn't trying to create a problem.

6 MS. FOX: Thank you.

7 MR. STRANBURG: Okay, and then I think,
8 Mayor, you had some additional comments with
9 respect to the last couple parts of this
10 particular discussion.

11 MR. RESNICK: Right. Which I -- I understand
12 that the entire group doesn't support a discussion
13 or my ideas with respect to rights of way and
14 permit fees, so if you want to just characterize
15 it that one member of the working group supports
16 the reinstatement of direct rights of way fees and

17 permit fees, as indicated in my comments, that's
18 fine.

19 MR. STRANBURG: Okay, we've got that; thank
20 you, Mayor. And then over on Page 35, we've got
21 Lines 881 through 885 that Sharon had plugged in.
22 Okay, hearing nothing there, I think then -- and
23 Mayor, I think you had one discussion -- one point
24 you wanted to have discussed under then the
25 Subsection (f), the fix the communication services

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

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71

1 tax.

2 MR. RESNICK: Right. And this is really --
3 you know, I'll throw this out there for the group.
4 I mean, if -- if we do want to mention, you know
5 that we understand this -- the entire repeal of
6 the CST and replacing it with an increase to the
7 sales tax is going to take a lot of work, it's
8 something that's not going to get done, hopefully,
9 this session, because they probably wouldn't be
10 able to do the work that quickly; but do we want
11 to suggest some short-term fixes, for example
12 repealing the exemption -- the residential
13 exemption that we talked about?

14 And also, I think we should say that, you
15 know, we talked a little bit about prepaid
16 services and the various options with respect to
17 that. Do we want to talk about considering
18 repealing the CST on prepaid services, and
19 replacing it with a flat-fee surcharge, along

20 with the sales and use tax that we discussed?

21 MR. STRANBURG: And then just to let you
22 know, Mayor, why we did what we did, it's my
23 recollection of the discussion that the group had
24 was to say they wanted the report to focus more on
25 the holistic, and have that as the primary focus,

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

‡

72

1 rather than putting some other things that had
2 significant discussion in the report that might
3 divert the legislature and the policymaker's
4 attention from the benefits of the holistic
5 approach, and not have them maybe focus on some of
6 these other short-term or interim fixes, however
7 you want to characterize them, so that they
8 wouldn't get distracted by that, and maybe do
9 enact those, think they've got the problem solved,
10 and not bother to look at the holistic option as
11 the best way to proceed.

12 Again, I'm not -- maybe we did not capture
13 what the group's thinking was, but that's what at
14 least our impression was of where the group wanted
15 us to go with this, which is why we didn't have
16 that kind of discussion in the body of the report
17 that they --

18 MR. RESNICK: I agree with you, Marshall,
19 that we wanted the approach to be -- at least from
20 the working group -- to be this holistic
21 replacement, with an increase to the sales and use
22 tax; but in the interim, before that's done, there

23 might be something else that is considered by the
24 legislature. And you know at least at a minimum,
25 we should say that we would not support just

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

73

1 merely removing or repealing portions of the CST
2 on any particular services, and just substituting
3 the sales and use tax for those services. I'd
4 want that at least added as a minimum.

5 MS. KITTRICK: Marshall, I think you had said
6 it well with your statement on why we did what we
7 did in this report, and you know, I frankly -- I'd
8 like to leave it as it is.

9 MR. RESNICK: Kathleen, you don't favor the
10 concept, though, that we would not -- that the
11 working group doesn't support eliminating the CST
12 on any particular services and using the existing
13 sales and use tax?

14 MS. KITTRICK: No, I don't. I don't
15 (inaudible) working group to take that decision.

16 MR. LINDSEY: This is Gary, I also concur
17 with how Marshall characterized it. And I think
18 at this point in time, the scope of trying to come
19 up with anything else that the group may be able
20 to agree on might kind of be outside the scope of
21 kind of where we decided to go in our December
22 meeting.

23 I'm not sure, unless it was something just
24 very, very general, that really doesn't say much,
25 that we want to add much more to the other two

1 options at this point. I think we've spent a lot
2 of very good quality time focusing on the holistic
3 approach, and we really don't have the time to
4 work on any other parts of it.

5 MR. RESNICK: Marshall, I would then ask that
6 you add at least a comment, and you can reflect
7 that it's not the consensus of everybody on the
8 working group that, you know, you can characterize
9 it at some members or one member of the working
10 group would add that they would not support either
11 a temporary or piecemeal fix by eliminating the
12 CST on any particular service and replacing it
13 with the existing sales and use tax.

14 MR. STRANBURG: And Mayor --

15 MS. FOX: I actually will go along with that
16 statement.

17 MR. STRANBURG: Okay. And Mayor, would you
18 mind zipping us some language on that just to make
19 sure we're accurately characterizing that, because
20 I don't want to misstate it, and I would feel much
21 more comfortable if you could give us what
22 precisely you'd like for us to plug in there.

23 MR. RESNICK: That's at that
24 cstworki nggroup@dor.state.fl.us email?

25 MR. STRANBURG: Yes, that would be fine.

J011813 DOR Pub Meeting

1 MR. RESNICK: All right, I'm going to just
2 call it additional language for Line --

3 MR. LINDSEY: So --

4 MR. RESNICK: -- 895.

5 MR. LINDSEY: Sorry.

6 MR. STRANBURG: Okay, so just get that to us,
7 and we'll put it in there for the next draft that
8 we send out to the members.

9 MR. LINDSEY: This is Gary, I have a
10 question. So for -- well, for Gary -- for Mayor
11 Resnick -- so are we now -- you're in agreement,
12 can we say that we now have agreement on the
13 holistic approach, and then we've got the other
14 comment that you reflected for the, you know, that
15 last remark that you made about wanting to -- you
16 know, the additional verbiage that you're going to
17 furnish, but you're in agreement with everything
18 on the holistic approach at this point?

19 MR. RESNICK: Yes, with the understanding of
20 the working group that, as part of this holistic
21 approach, that each jurisdiction is held harmless.
22 I mean, we've had a lot of debate on that, and I
23 think Charlie withdrew his comments on that so I'm
24 fine with that.

25 MR. LINDSEY: Okay, great. Thanks.

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76

1 MR. RESNICK: Thank you.

2 MR. STRANBURG: Okay, that takes us through

3 the draft and the comments we've received. Is
4 there anything else with respect to the draft
5 report that any of the members have in the way of
6 any comments or suggestions?

7 MS. FOX: This is Sharon, I want to commend
8 you on the record. I think that you did a really
9 great job, and I know how difficult it was,
10 because trying to compile all the different
11 presentations and all the different thoughts and
12 discussions and put them in a relatively-concise
13 report was a very difficult job, and I think you
14 did a great one.

15 MR. STRANBURG: Well, thank you, Sharon. And
16 again, I have to go back and say a lot of that
17 credit goes to Andrea; she did a lot on this; Lynn
18 did a lot, Lynn Moller did a lot on summarizing
19 the presentations; Debbie Thomas did a lot in the
20 drafting, too.

21 And as I said, we had a handful of other
22 people who kind of looked at this, gave
23 suggestions in the Department, and you know,
24 again, I -- if I tried to name all of them, I know
25 I would leave some out. But again, I owe a

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77

1 tremendous debt to the folks I've mentioned for
2 all the work that they did in putting the draft
3 together.

4 MR. LINDSEY: And this is Gary, I suppose
5 our -- under the previous agreement, our silence

6 would have indicated our concurrence, but I also
7 wanted to say that I agree and appreciate all the
8 work of the Department and of you, and of all the
9 other parties on this call.

10 MS. KITTRICK: Hear, hear.

11 MR. RESNICK: And actually, I know -- not to
12 reiterate, but I did put as the initial comments
13 in my written comments that I submitted that I
14 wanted to comment the Department and all the
15 staff; that this was not an easy task by any
16 stretch of the imagination, and you managed to put
17 together a very good work product; so thanks for
18 all your diligence and all the work of all the
19 staff. We certainly appreciate it.

20 MR. STRANBURG: And let me express my thanks
21 to all of you who've expressed thanks, and also
22 thank all of you who submitted comments for the
23 time you took in putting your comments together,
24 getting them to us, and working with us. And then
25 for spending your time today and working with us

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78

1 to go through them.

2 I think we're on to now the point where I
3 think we will go back and we will work on some
4 revisions based upon the things we discussed
5 today. We tentatively set a meeting for
6 January 28th where we will go over the next draft
7 we have and then hopefully get an approval from
8 ya'll for us to submit the report by December

9 1st -- excuse me, February 1st, oh, boy. I've had
10 a long week, I apologize. I'm starting to run out
11 of gas here, folks.

12 We will -- let's see, today is the 18th. I'm
13 just trying to think when we will be able to get
14 something to you all. We will have something to
15 you no later than the 25th, and we need to have
16 something in your hands by the 25th so we can talk
17 about it on the 28th.

18 So for those of you who are going to be
19 making submissions to us on some draft language,
20 we'd probably ask that you get it to us by noon on
21 the 23rd, that's next Wednesday. I think that
22 will work for us.

23 If -- again, I think, Mayor, you're going to
24 submit some language, and I know there are a
25 couple of other people who said they would, so

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79

1 we'd appreciate it if you could get those
2 suggestions to us by noon on the 23rd. Then we
3 can plug those in along with the revisions we'll
4 be making, and then we will shoot that out to you
5 no later than the 25th so that you'll have a
6 chance to look at it before we get together on the
7 28th.

8 MR. RESNICK: Marshall, I'm assuming you guys
9 are off on Monday; right?

10 MR. STRANBURG: Yes, we are; that's correct.

11 MR. RESNICK: All right. Well, listen

12 everyone, thanks I already sent you some language
13 for the line at the end. I'll get you the other
14 language either the end of today or over the
15 weekend so you'll have it in advance of your
16 re-work on the draft.

17 MR. STRANBURG: Great, thank you, Mayor. We
18 appreciate that. Does anybody else have any other
19 either language, suggestions, or any other
20 business we need to accomplish today?

21 MS. FOX: Have we set a time for the next
22 meeting?

23 MR. STRANBURG: Yes, we have. We set the
24 same timeframe that we had today at 1:30 scheduled
25 through 4:30.

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1 MS. FOX: Thank you.

2 MR. STRANBURG: Okay. And what we will do --
3 I don't know if we will have the transcript of
4 today's meeting done and actual notes done. We'll
5 do some draft notes for this meeting, and then
6 what we will probably do also for our next meeting
7 is we will do a draft of notes and indicate those
8 as part of the submission of our materials; that
9 these are draft minutes of the meeting; that
10 unfortunately we weren't able to get the group to
11 approve, and were not approved by the members
12 since we kind of run out of time and needed to
13 submit the items.

14 So unless anybody has a problem with that,

15 that's what we will do with respect to meeting
16 minutes, and then we will get the follow-up of the
17 transcript of this meeting and the next meeting as
18 soon as the court reporter is able to get those
19 prepared.

20 All right, anybody else have any other
21 questions or any other business for today?
22 Hearing none, I want to thank you all for you
23 participation, and appreciate your working
24 with us, and we will talk with you again on the
25 28th. Thank you.

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81

1 MR. RESNICK: Thank you, Marshall.
2 (Whereupon, the proceedings were concluded at
3 3:20 p.m.)
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CERTIFICATE OF REPORTER

I, JEFFREY R. BABCOCK, do hereby certify that I was authorized to and did report the foregoing proceedings, and that the transcript, pages 1 through 81, is a true and correct record of my stenographic notes.

Dated this 11th day of February, 2013 at Tallahassee, Leon County, Florida.

JEFFREY BABCOCK
Court Reporter

J011813 DOR Pub Meeting

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