



Florida Constitution Revision Commission **PROPOSAL 72** Florida Chamber of Commerce **STAFF ANALYSIS**

Proposal 72: Supermajority Vote

Proposal 72 has been filed by Commissioner Fred Karlinsky for consideration by the Constitution Revision Commission. Proposal 72, if passed by the voters, would require a two-thirds vote of the legislature to increase any taxes or fees, or remove or reduce any tax credits or tax exemptions. Additionally, the consideration of any tax or fee increase or reduction of any tax credit or tax exemption must be contained in a single bill that contains no other subjects. This proposal is identical to legislation that has passed the Florida House of Representatives.

The proposal creates additional oversight before increasing any taxes or fees.

While the proposal doesn't prevent the increase of taxes or fees, it does require a larger consensus to be able to do so. The relevant portion of the proposal is as follows: "No new state tax or fee may be imposed or authorized by the legislature except through legislation approved by two-thirds of the membership of each house of the legislature and presented to the Governor for approval pursuant to Article III, Section 8... No state tax or fee may be raised by the legislature except through legislation approved by two-thirds of the membership of each house of the legislature and presented to the Governor for approval pursuant to Article III, Section 8."

The Florida Chamber of Commerce supports Proposal 72 because the proposal:

- 1. Creates parity between tax increases in statute and tax increases in the constitution.** The Florida Constitution requires not less than a two-thirds vote by the voters voting in the election to amend the constitution to add a new tax or fee to the constitution. Similarly, this proposal requires a two-thirds vote for the legislature to increase taxes or fees, or eliminate an existing tax credit or tax exemption. This proposal would mean that any new tax or fee would be subject to a two-thirds vote, regardless of whether it is in the constitution or done by the legislature. The proposal also requires each tax increase to be considered in a separate bill, increasing the transparency of each vote.
- 2. Doesn't completely eliminate tax increases, but requires a larger consensus to increase taxes or fees.** During the Great Recession, the legislature largely relied on reducing spending to meet the state's balanced budget requirements. However, in 2009, the legislature did increase drivers' license fees and the per-pack cigarette tax to increase revenue during the extended recession. Increasing taxes and fees will still be an available option to the legislature during a recession or to meet another pressing demand, but additional consideration should be required before turning to the public to raise additional revenue.
- 3. Protects Florida families and small businesses from unnecessary tax increases.** This in turn will allow Floridians to reinvest back into the economy, back into their businesses, or invest in others. Having additional oversight also helps ensure that any new tax or fee will be fully vetted prior to adoption.

"Proposal 72 will protect families and small businesses from burdensome tax increases, and allow Floridians to reinvest back into the economy, their business and employees."

MARK WILSON, President and CEO
Florida Chamber of Commerce