



NEWS

FOR IMMEDIATE RELEASE:
March 26, 2009

CONTACT: Robert Weissert
Director of Communications
& External Relations
850-222-5052, ext. 20
850-321-5052 (cell)
robert@floridataxwatch.org

Legislature Should Modernize Corporate Income Tax Allocation Formula to Boost State's Economy

TALLAHASSEE — Florida should adopt a corporate income tax based on a one-hundred percent sales factor apportionment formula in order to bolster the state's competitiveness and spur long-term economic growth, concludes a Florida TaxWatch report released today. According to the report, *Transforming Florida's Corporate Income Tax to Encourage Capital Formation and Job Creation*, Florida currently faces a rising competitive *disadvantage* compared to an expanding number of states that have adopted the single sales factor apportionment formula corporate income tax in recent years – including states with which it most directly competes. Moreover, economic theory and empirical research increasingly point toward considerable gains in job formation, capital investment, and long-term economic growth from corporate income tax apportionment formulas that place greater weight on sales and less or no weight on property (capital) or payroll (jobs) in the state.

“During these difficult fiscal and economic times, we must do everything that we can to ensure that Florida is economically competitive,” explained **Dominic M. Calabro**, President and CEO of Florida TaxWatch. “Changing the allocation formula for the corporate income tax will encourage capital formation and job creation and significantly benefit the state in the short and long run. A number of other states have gotten ahead of Florida on this issue, and it is crucial that we modernize our tax policy to encourage, not discourage, investment and employment in Florida for the benefit of all citizens and taxpayers.”

Access the full report by clicking [here](#) or at www.FloridaTaxWatch.org/research.

###

Florida TaxWatch is a statewide, non-profit, non-partisan research institute that over its 30 year history has become widely recognized as the watchdog of citizens' hard-earned tax dollars. Its mission is to provide the citizens of Florida and public officials with high quality, independent research and education on government revenues, expenditures, taxation, public policies and programs and to increase the productivity and accountability of Florida state and local government. Its support comes from homeowners and retirees, small and large businesses, philanthropic foundations, and professional associations. On the web at www.FloridaTaxWatch.org.