



NEWS

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TAX REFORM BATTLE GOES TO THE COURTS

Florida TaxWatch suit seeks to block proposed Constitutional Amendment

TALLAHASSEE – Florida TaxWatch is filing suit today in 2nd Judicial Circuit seeking to keep a proposed constitutional tax amendment off the ballot in November. Florida TaxWatch and fellow plaintiffs are opposing the proposed Constitutional amendment approved by the legislature which authorizes a small fraction (as little as five percent or seven out of 160 lawmakers) to review and raise sales and use taxes on billions of dollars of transactions that are currently exempt or excluded from the tax. While TaxWatch is a long-time champion of a modernizing and properly reforming Florida's state tax system, the watchdog group takes exception with the manner in which this proposed amendment attempts to accomplish that objective.

“Our role as a government watchdog requires us to take responsible and appropriate action to ensure necessary checks and balances are protected,” said Dominic M. Calabro, President of Florida TaxWatch. “The amendment is fundamentally flawed and represents a radical departure from our democratic-republic form of governing. We believe that the ballot title and summary do not accurately advise the voter about the changes in the structure of the government. We believe the amendment is misleading and potentially deceptive because it removes a number of constitutional protections without telling voters they are voting to remove those protections.”

According to TaxWatch, the ballot language misleads and is confusing to voters who would not understand the ramifications of their votes. The specific problems outlined in their challenge include:

- The title of the amendment implies review of, rather than repeal of, exemptions and exclusions from the tax on sales, use and other transactions
- The proposed Constitutional amendment itself fails to accurately inform the voters that the Governor is effectively removed from any role in the process
- Without the Governor, there would be no single statewide elected official responsible for these tax increases
- The ballot language takes away the policy-making authority of Florida's duly-elected Legislature and puts their constitutional law-making authority in the hands of 12 members of the legislature
- Constitutional revenue limit during the time the commission is in effect and does not inform voters of this important alteration in their constitution

- This amendment was approved in the dark of night without a single committee hearing in either house or any opportunity for public comment

“By delegating the authority to increase taxes to seven Florida legislators and by blocking the Governor from having any role in the process it inordinately concentrates the power to raise sales taxes in the hands of a very select few,” Calabro said. “In the words of Lord Acton, ‘power tends to corrupt, and absolute power corrupts absolutely.’”

Some journalists have derisively described this as the “joint legislative extortion committee.”

“Florida law and the judiciary have the responsibility to ensure that all proposed constitutional amendments including those presented by the Florida legislature accurately represent the changes in the form, functions and protections that are being altered by those proposed amendments,” Calabro said. “While the Supreme Court has generally given deference in reviewing constitutional amendments proposed by the legislature and constitutional commissions, that deference and latitude is not boundless.”

The suit is being filed on behalf of Florida TaxWatch by former Florida Supreme Court Chief Justice Stephen Grimes, one of the most respected jurists in constitutional law. TaxWatch argues that now matter how a proposed constitutional amendment gets on the ballot, Florida law requires that the proposed amendment clearly advise voters of the changes they would be making to the organic document.

Florida TaxWatch has a long history of supporting and recommending meaningful tax reform and has even recommended tax increases from time to time. However, TaxWatch views this amendment as an obstruction to meaningful and honest tax reform.

As promised earlier this year, Florida TaxWatch has commissioned an independent review and comprehensive analysis of Florida’s tax system by its Center for a Competitive Florida. Leading civic, business and professional men and women from across the state that have the most to gain or lose in the development of meaningful and effective reform being meeting this month. The group is charged with the duty of providing responsible, research-based recommendations for modernizing Florida’s tax system.

“The difference between our challenge and others is that we are not only pointing out what is wrong with this amendment, we are actively engaged in providing a constructive and meaningful solution,” Calabro said.

Florida TaxWatch is a non-partisan, non-profit research institution supported by homeowners, small businesses, corporations, labor unions, individuals and philanthropic foundations. The organization is dedicated to improving taxpayer value, government accountability and citizen understanding and participation in their state and local government fiscal policies.

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