



# NEWS

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## **PERSONAL INCOME OUTPACING TAXES IN FLORIDA** *Taxpayers' Independence Coming Earlier in the Year*

**TALLAHASSEE** — For the first time in three years, Floridians personal income is growing faster than the taxes they pay, bringing Florida Taxpayer Independence Day one day earlier this year, to April 29. This symbolic date, measured by Florida TaxWatch, assumes that every dollar earned since January 1 goes to pay federal, state, and local taxes. Having met the burden, Florida taxpayers are earning money for themselves, not the tax collector, after tomorrow.

“Although tax independence has come a day earlier this year, the total taxes Floridians pay are increasing significantly again this year,” said Dominic M. Calabro, President of Florida TaxWatch. “State and local governments are taking in a lot more tax money from rising property values, more construction, hurricane rebuilding efforts, and increases in consumer spending,” said Calabro.

The average Floridian works 2 hours and 35 minutes every day of the year just to pay the tax collector.

Total taxes paid by Floridians are up 31% in the past three years, including a 6.8% increase in 2006. However, the growth in personal income this year of 7.5% has been larger, offsetting the tax burden, helping taxpayers satisfy their tax obligations one day earlier this year.

Floridians Effective Buying Power – the amount of income left after taxes and inflation – rose 2.7% in 2006, the biggest increase in five years. This means the average Florida household will have about \$1,500 more to spend in 2006 than it had in 2005.

Local governments are the fastest growing level of government tax collections, rising 42% in just three years, fueled by escalating property values. Local tax collections have more than tripled since 1990. Yet, the average total millage rate in Florida has fallen for the seventh year straight.

The government watchdog group's report also notes that after five straight years of federal tax cuts and an unprecedented three-year period in which total federal taxes actually decreased, Floridians' tax payments to Uncle Sam are back on the upswing.

Taxpayer Independence Day is a symbolic date that presumes every dollar earned since January 1 goes to pay federal, state, and local taxes. In an average eight-hour day, Floridians will work 2 hours and 35

minutes in 2006 to pay their taxes. Federal taxes alone take up 1 hour and 41 minutes. That means in an average 9:00 to 5:00 workday, Floridians start working for themselves at 11:35 a.m. daily. Taxes are the largest single expenses for the average family. By contrast, housing and utility costs take 1 hour and 22 minutes, medical care takes 1 hour and 9 minutes and food requires 40 minutes (see accompanying chart).

"In slow economic times as well as times of increased growth such as today, Florida's tax system has continued to perform well," said Calabro.

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**MEDIA NOTE:** Taxpayer Independence Day is tomorrow, a terrific weekend story. [Click Here to Read Full Report](#)

Attached to this email please find a graphic "report card" for your use with media.

***The Report's author, Kurt Wenner, will be available for media interviews today. Please make your request through Harvey Bennett at the number at the top of this news release.***

Florida TaxWatch is a private, non-profit, non-partisan research institute that over its 25 year history has become widely recognized as the watchdog of citizens' hard-earned tax dollars. Our 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 Government. On the web at [www.floridatxwatch.org](http://www.floridatxwatch.org)