



NEWS

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FLORIDIANS TAX BURDEN GROWING

TALLAHASSEE — Driven by increased spending and growing property values, Floridians state tax burden has risen to its highest level in 18 years. That's the finding of "**How Florida Compares**", the Florida TaxWatch annual comparison of state and local taxes in Florida and the nation. The report also notes that Florida's top gas tax rate remains the highest in the nation.

The increased tax burden is not from new or increased taxes, but rather an increase in tax collections that have grown faster than most other states. The report notes that a stronger economy has produced robust tax growth.

"Our tax burden is greater, despite the fact that there have been no state tax increases and even some tax cuts," said Dominic M. Calabro, President and CEO of the non-profit state government watchdog group. "Greater consumer spending and increased real estate values have generated more tax dollars than ever before in Florida, outpacing the nation, and thus placing a greater tax burden proportionally on Floridians," said Calabro.

In 2004, the latest figures available for the TaxWatch report, Florida's tax collections grew 12%, compared to 8% nationally. From 2000-2004, state tax collections grew 24%, the third largest growth in the nation, compared to national growth for the period of 10%.

Florida's state tax burden per person is 35th in the nation, up five spots from the year before, and the highest since 1988. Adding local taxes, the state and local tax burden rose three spots to 32nd highest in the nation.

But because the tax growth has been coupled with increasing income, Florida's state tax burden expressed as a percentage of personal income is 38th in the nation, up four spots from the year before. Adding local taxes from 2003 estimates, the combined state and local tax burden ranking was 44th, up one spot. The report notes that ranking would likely be higher, if more recent local data were available.

While Florida does not have a personal income tax, it relies heavily on transaction taxes, and Florida's sales tax burden is 3rd highest now in the country, up three spots from the year before. Also some counties in Florida have the highest combined state and local gas tax rate in the nation.

Florida's housing sector has also produced a lot of revenue for the state. Documentary stamp and real estate transfer taxes per person, already the nation's highest, rose another 28% in 2004, due mostly to increased loans for home purchases, according to the TaxWatch report.

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The report also notes that businesses pay 48% of all state and local taxes in Florida, the 13th highest percentage in the nation, and higher than the national average of 43%.

What's Next?

While the Florida Legislature has been holding the line on taxes and has even cut taxes in recent years, local tax collections have been growing rapidly. Fueled by skyrocketing property values, property tax collections have risen 46% from 2001 to 2005, including double-digit growth the last two years. Without data from other states it is hard to make comparisons, but it is likely that Florida's local and combined state and local rankings for 2004 would be higher than what is in this report. Coupled with estimated state general revenue growth of 9.2% in 2004, 14.4% in 2005 and 5.8% in 2006, it appears that Florida's tax ranking climb is not quite over.

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MEDIA AVAILABILITY: Dominic Calabro and Florida TaxWatch Senior Research Analyst Kurt Wenner, author of *How Florida Compares* are available today to answer questions. Please contact Harvey Bennett at the number above to arrange an interview.

[Click Here to View How Florida Compares report](#)

Florida TaxWatch is a private, non-profit, non-partisan research institute that over its 26 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.floridataxwatch.org