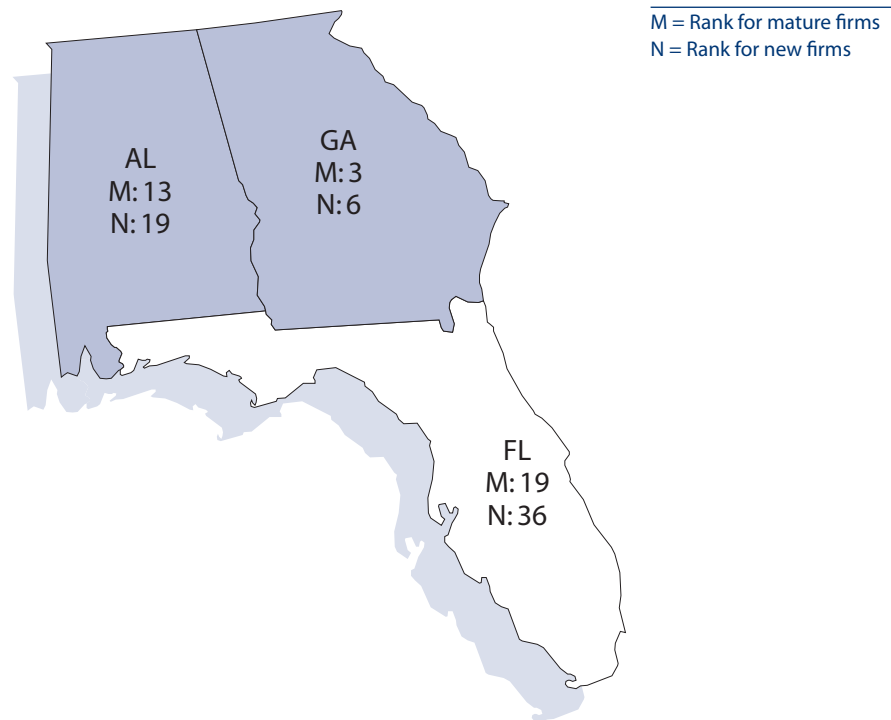


## Florida



Florida ranks 19th overall for mature operations, but 36th overall for newly established operations. Specifically:

- Florida ranks eighth for mature call centers with a total effective tax rate (TETR) of 16 percent, roughly 24 percent below the national average. Contributing to the low tax costs for this operation is a low unemployment insurance (UI) tax burden. Also, the firm has a low income tax burden because of the state's sourcing rules for service income, which allow that income be sourced where the benefit of the service is received. This is a benefit to firms such as call centers, which sell much of their services outside of their home state.
- For similar reasons, Florida ranks 15th for the mature corporate headquarters, which has a TETR of 13.5 percent, some 14 percent below the national average.
- The state ranks 34th for the newly established labor-intensive manufacturing firm, despite the fact that Florida has the second-most generous investment tax credit in the nation. For this firm type, property tax levels are often the dominant factor, which nationally average about 60 percent of the operation's total tax burden. In Florida, this firm pays twice the national average in property taxes (the state does not offer property tax abatements for newly established firms).
- Similarly, Florida ranks 44th for the new capital-intensive manufacturing firm despite offering the most generous investment tax credit – roughly 10 times the average nationally. Negating the firm's low income tax burden is a property tax burden that is two and one-half times the national average for new manufacturing firms and a high sales tax burden.

# Florida

## Corporate income tax

Main tax rate	5.500%
Applies to income over	\$5,000
Specific adjustments:	
- s.199 deduction allowed	

Apportionment	Property	Payroll	Sales
Standard factors	25.0%	25.0%	50.0%
Optional alternative	n/a	n/a	n/a
Throwback applies to tangible property sales			No
Interstate services income apportionment			Market

## Sales and property tax

Metro areas examined		Sales tax	Property tax			
			Main rate <sup>a</sup>	Land	Buildings	Equipment
Tier 1	Miami	7.000%	2.421%	2.421%	2.421%	-
Tier 2	Gainesville	6.630%	2.103%	2.103%	2.103%	-

a. Manufacturing machinery is exempt from sales tax only for new/expanded facilities

## Other taxes

Unemployment insurance		State capital tax		Gross receipts tax			Local income tax
Rate	Max. pay			Mfg.	Services	Retail	
2.70%	\$7,000	n/a	Tier 1	n/a	n/a	n/a	n/a
			Tier 2	n/a	n/a	n/a	n/a

## Incentives for newly established operations

Type	Incentive value	MC	ML	CC	DC	CO	RD	RT
Investment	5% of eligible capital investment x 20 years Sales tax exemption for mfg. machinery for new firms	✓	✓					
Job creation	Varies from \$3,000-\$4,000 per new job over 4 years	✓	✓			✓	✓	
Withholdings	n/a							
R&D	n/a							
Property tax	n/a							

MC= Capital-Intensive Manufacturing Operation, ML= Labor-Intensive Manufacturing Operation, CC= Call Center, DC= Distribution Center, CO= Corporate Headquarters, RD= Research and Development (R&D) Facility, RT= Retail Store

## Results

	Newly established operations								Mature operations									
	Tier 2 operations				Tier 1 operations				AVG	Tier 2 operations				Tier 1 operations				AVG
	MC	ML	CC	DC	CO	RD	RT	MC		ML	CC	DC	CO	RD	RT			
TETR	20.1%	12.7%	26.1%	43.6%	17.4%	19.6%	35.5%		12.9%	9.8%	16.0%	27.9%	13.5%	13.0%	15.9%			
Index	176.0	108.3	104.9	120.6	107.9	132.6	109.2	<b>122.8</b>	101.5	83.9	76.4	91.1	86.0	100.9	94.1	<b>90.6</b>		
Rank	44	34	23	35	32	38	34	<b>36</b>	27	20	8	22	15	25	24	<b>19</b>		

MC= Capital-Intensive Manufacturing Operation, ML= Labor-Intensive Manufacturing Operation, CC= Call Center, DC= Distribution Center, CO= Corporate Headquarters, RD= Research and Development (R&D) Facility, RT= Retail Store