February 2, 2022

SENT VIA EMAIL

The Honorable Ron DeSantis
Governor of Florida
400 S. Monroe St.
Tallahassee, FL 32399

Dear Governor DeSantis:

Over 90 percent of businesses operating in Florida do not pay any state corporate income tax (CIT). Yet, Florida has slashed its CIT rate to anemic levels over the past three years. This has resulted in our state losing out on more than $1.8 billion in critical general revenue.

Fortunately, as of this year, Florida’s CIT has returned to its standard rate of 5.5 percent, a level it was at for 35 years before lawmakers reduced it in 2018. We urge you to accept this reset, veto any bill that spends millions more on corporate tax refunds, stop the final $624 million corporate tax giveaway scheduled for this May, and then invest these reclaimed recurring dollars into Florida workers and families.

If Florida were an independent country, it would be the 15th largest economy globally. Florida boasts a large and diverse workforce and global connections with tremendous economic promise. Unfortunately, while Florida’s GDP grows, families and workers struggle to afford basic necessities. Beyond top-level signs of state financial success, nationally, the Sunshine State has the worst renter cost burden, is ranked fifth worst for its uninsured rate, and has one of the most unfair tax systems. We live in a state with one of the biggest economies in the country and world, yet the benefits are not widespread.

Floridians need good-paying jobs, good schools, safe and affordable housing, reliable transportation infrastructure, clean water and energy, and a robust safety net. The truth is that we can raise the money to provide these services if we rewrite the rules so that everyone contributes what they rightly owe, not just small businesses or families with low to moderate incomes.
As previously stated, Florida’s CIT rate has reset to 5.5 percent — a change that is estimated to
generate $1.2 billion in recurring general revenue. The rate reset is an opportunity to ensure
Floridians have the food they need to eat, a safe place to live, and access to health care when they
need it. Additionally, research shows that local businesses receive 55 to 77 cents worth of state and
local benefits for every $1 of business tax. Therefore, the reset is also an opportunity to attract more
businesses by investing general revenue into the high-quality public services and workforce
development they need to thrive.

Over 90 percent of Americans agree that everyone’s civic duty is to pay what they rightly owe in taxes. However, in the Sunshine State, workers of modest means contribute the most, as a percentage of
their income, while multi-million-dollar corporations pay nothing. In fact, in 2019, 466 corporations
that made over $50 million paid zero state CIT.

Our state budget is a balancing act. We cannot afford further CIT cuts and corporate giveaways.
Lawmakers have only two options to make up for such a revenue loss: (1) raise taxes on working
Floridians, who already shoulder the tax burden, or (2) underfund crucial programs and services. The
CIT rate reset is an opportunity to avoid these harmful decisions.

Even before the pandemic, millions of Floridians faced unsustainable rising housing costs and had
trouble putting food on the table. Now is the time for smart investments in public services, not
continued tax breaks and CIT cuts for corporations. We strongly encourage you and your fellow
lawmakers to leave the CIT reset alone, stop this year’s payout, and reject any legislation, like Senate
Bill 1090, that, as recently amended, upholds the May $624 million corporate payout and creates more
corporate tax breaks.

Sincerely,

Florida Policy Institute
Alianza for Progress
Allegany Franciscan Ministries
Bend the Arc South Florida
Broward for Progress
Catalyst Miami
Central Florida Jobs with Justice
Comprehensive Recovery Solutions
Daystar Life Center, Inc.
Dream Defenders
Emgage Action
Faith in Florida
FL NOW, Greater Orlando NOW
Florida Alliance for Retired Americans

www.floridapolicy.org
Florida Center for Fiscal and Economic Policy
Florida Conservation Voters
Florida Health Justice Project
Florida Immigrant Coalition
Florida Impact to End Hunger
Florida Rising
Florida Voices for Health
Haitian Neighborhood Center, Sant La Inc.
HOPE Community Center
Indivisible FL13
National Association of Social Workers - Florida Chapter
Opportunity For All Floridians
Power U Center For Social Change
SEIU Florida
SEIU Florida Public Services Union
State Voices Florida
The Common Ground Project

CC:
House Speaker Chris Sprowls
Senate President Wilton Simpson
Senator Ana Maria Rodriguez, Finance and Tax Committee Chair
Senator Janet Cruz, Finance and Tax Committee Vice Chair
Representative Bobby Payne, Ways and Means Committee Chair
Representative Ardian Zika, Ways and Means Committee Vice Chair
Representative Anna Eskamani, Ways and Means Committee Democratic Ranking Member


3 Joint Center for Housing Studies of Harvard University, Renter Cost Burdens, States, https://www.jchs.harvard.edu/ARH_2017_cost_burdens_by_state_total.

4 Kaiser Family Foundation, “Health Insurance Coverage of the Total Population (CPS),” 2020, https://www.kff.org/other/state-indicator/health-insurance-coverage-of-the-total-population-cps/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D.


6 Derived from the 2021 Florida Tax Handbook’s estimate of the fiscal impact of raising the Corporate Income Tax (CIT) rate.


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