

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: SB 58

INTRODUCER: Senator Stewart

SUBJECT: Sales Tax Holiday for Micromobility Vehicles and Related Personal Safety Equipment

DATE: January 22, 2024

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Renner	McKay	CM	Pre-meeting
2.	_____	_____	FT	_____
3.	_____	_____	AP	_____

I. Summary:

SB 58 exempts from the sales and use tax the retail sale of micromobility vehicles and related personal safety equipment for a six-month period between July 1, 2024 and January 1, 2025.

The Revenue Estimating Conference has not reviewed the bill.

The bill takes effect upon becoming a law.

II. Present Situation:

Florida Sales and Use Tax

Florida levies a 6 percent sales and use tax on the sale or rental of most tangible personal property,¹ admissions,² transient rentals,³ and a limited number of services, and a 5.5 percent sales and use tax on the rental of commercial real estate.⁴ Chapter 212, F.S., contains provisions authorizing the levy and collection of Florida’s sale and use tax, as well as the exemptions and credits applicable to certain items or uses under specified circumstances. Sales tax is added to the price of the taxable good or service and collected from the purchaser at the time of sale.⁵

Counties are authorized to impose local discretionary sales surtaxes in addition to the state sales tax.⁶ A surtax applies to “all transactions occurring in the county which transactions are subject to the state tax imposed on sales, use, services, rentals, admissions, and other transactions by [ch.

¹ Section 212.05(1)(a)1.a., F.S.

² Section 212.04(1)(b), F.S.

³ Section 212.03(1)(a), F.S.

⁴ Section 212.031, F.S.

⁵ Section 212.07(2), F.S.

⁶ Section 212.055, F.S.

212, F.S.], and communications services as defined in ch. 202.”⁷ The discretionary sales surtax is based on the tax rate imposed by the county where the taxable goods or services are sold or delivered. Discretionary sales surtax rates currently levied vary by county in a range of 0.0 to 1.5 percent.⁸

Human-powered or electric-powered bicycles and scooters, helmets, knee pads, and elbow pads are subject to Florida sales tax. The sale of bicycle helmets marketed for use by youth are exempt from the sales and use tax.⁹

Micromobility Vehicles

Micromobility is a relatively new and emerging mobility option and, therefore, has various definitions in use of what constitutes micromobility. The Federal Highway Administration under the U.S. Department of Transportation broadly defines micromobility as “any small, low-speed, human or electric-powered transportation device, including bicycles, scooters, electric-assist bicycles (e-bikes), electric scooters (e-scooters), and other small, lightweight, wheeled conveyances.”¹⁰ Additionally, micromobility vehicles must have a top speed of less than 30 mph and weight less than 500 pounds.¹¹

In Florida, a micromobility device is defined as “any motorized transportation device made available for private use by reservation through an online application, website, or software for point-to-point trips and which is not capable of traveling at a speed greater than 20 mph on level ground. The term includes motorized scooters and bicycles.”¹²

Micromobility vehicles can be personally owned or maintained by a city or private organization and operated on a shared, charge-per-trip basis.¹³ Over the years micromobility has become a popular transportation option, especially for those who live in cities.¹⁴ They also offer an alternative mode of transportation for people who would otherwise be prevented from using more traditional modes of transportation.¹⁵

III. Effect of Proposed Changes:

The bill exempts from the sales and use tax the retail sale of microbility vehicles and related personal safety equipment during a six-month period between July 1, 2024 and January 1, 2025.

⁷ Section 212.054(2)(a), F.S.

⁸ Florida Department of Revenue, *Discretionary Sales Surtax Information for Calendar Year 2024*, https://floridarevenue.com/Forms_library/current/dr15dss_24.pdf (last visited Jan. 22, 2024).

⁹ Section 212.08(7)(III), F.S.

¹⁰ U.S. Department of Transportation, Federal Highway Administration, *Micromobility Fact Sheet*, https://www.fhwa.dot.gov/livability/fact_sheets/mm_fact_sheet.cfm (last visited Jan. 22, 2024).

¹¹ *Id.*

¹² Section 316.003(41), F.S. *See also* s. 316.003(4), F.S., for the definition of “bicycle” and s. 316.003(48), F.S., for the definition of “motorized scooter.”

¹³ U.S. Department of Transportation, Federal Highway Administration, *Public Roads- 2021*, <https://highways.dot.gov/public-roads/spring-2021/02#:~:text=Other%20definitions%20of%20micromobility%20focus,%5B1%20meter%5D%20wide>. (last visited Jan. 22, 2024).

¹⁴ *Id.*

¹⁵ *Id.*

The bill defines a “micromobility vehicle” as a human- or electric-powered transportation device including a bicycle, a scooter, an electric-assist bicycle, an electric scooter, or other small lightweight, wheeled conveyance that weighs less than 500 pounds, is less than 3 feet wide, and is designed for a maximum speed of less than 35 mph.

The bill defines “related personal safety equipment” as helmets, knee pads, elbow pads, and other personal safety equipment used for the operation of a micromobility vehicle.

The Department of Revenue is authorized to adopt emergency rules.

The bill takes effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18 of the Florida Constitution governs laws that require counties and municipalities to spend funds, limit the ability of counties and municipalities to raise revenue, or reduce the percentage of state tax shared with counties and municipalities.

Subsection (b) of Art. VII, s. 18 of the Florida Constitution provides that except upon approval of each house of the Legislature by two-thirds vote of the membership, the legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandates requirements do not apply to laws having an insignificant impact,^{16,17} which is \$2.3 million or less for Fiscal Year 2024-2025.¹⁸

The Revenue Estimating Conference has not reviewed the bill.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

¹⁶ FLA. CONST. art. VII, s. 18(d).

¹⁷ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year multiplied by \$0.10. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (September 2011), <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Jan. 22, 2024).

¹⁸ Based on the Demographic Estimating Conference’s estimated population adopted on July 11, 2023, <http://edr.state.fl.us/Content/conferences/population/archives/230711demographic.pdf> (last visited Jan. 22, 2024).

D. State Tax or Fee Increases:

Section 19 of Article VII, Florida Constitution requires increased taxes or fees to be passed in a separate bill and by two-thirds vote of the membership of each house of the Legislature. This bill does not increase any taxes or fees; therefore, the increased tax or fee requirements do not apply.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The Revenue Estimating Conference has not reviewed this bill.

B. Private Sector Impact:

The private sector will experience reduced costs associated with the purchase of micromobility vehicles and related personal safety equipment due to the sales and use tax exemption provided in this legislation.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill provides that “other small, lightweight, wheeled conveyances” would be exempt from the sales and use tax. It is unclear what would be considered an “other small, lightweight, wheeled conveyance” beyond the devices identified by name. The bill also lists “other personal safety equipment used for the operation of a micromobility vehicle” as being exempt from the sales and use tax. It is unclear what would be considered “other personal safety equipment used for the operation of a micromobility vehicle.” Additionally, the sale of a bicycle helmet marketed for use by youth is already exempt from the sales and use tax.

VIII. Statutes Affected:

None.

IX. Additional Information:

- A. **Committee Substitute – Statement of Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

- B. **Amendments:**

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
