

Florida's Regional Manufacturing Associations' Legislative Priorities For 2020 Session

Tangible Personal Property Tax

The ad valorem taxation of tangible personal property (TPP) in Florida raises billions for counties, cities, schools and special districts. The tax is costly for Florida businesses to comply with and for government to administer. It is an annual tax on manufacturing production equipment. The Department of Revenue uses "Market Value" to value the equipment. Even though a manufacturer has depreciated the equipment to zero using IRS Depreciation Schedules- the DOR assigns a value and imposes a tax. This Tax is in the Florida Constitution which would have to be amended. A quicker Legislative fix would mandate the DOR to use IRS values for tax purposes. This Tax is a "Deal Killer" in attracting modern, capital equipment intensive manufactures to Florida. They do not have to be in Florida to serve the Florida market- thus another state or country reaps the economic benefits.

Eliminate the Sales Tax on Commercial Rent for Manufacturers

Florida is one of the few states that imposes a tax on commercial rent. The Legislature has lowered the tax on rent by fractions of a percent. However, since most of Florida's manufacturers are small companies that lease rather than own their facilities, the elimination of the rent tax would be a critical step in improving their competitiveness.

Fund FloridaMakes

Florida has neglected to fully fund its Manufacturing Extension Partnership for five years consecutively. Federal matching funds that could be helping Florida manufacturers are instead being relinquished to other states to the benefit of their manufacturing communities. Florida should fund its MEP thereby obtaining the highest possible match in Federal funds to help Florida manufacturers.

Reform Workers' Compensation

Manufacturers are subject to some of the highest workers' compensation rates among all industries. Higher rates make Florida manufacturers less competitive. The Florida Legislature should fix Florida's workers' compensation system before increases put Florida manufactures at an even greater disadvantage.

Support Vocational Education

The workforce shortage in manufacturing is critical. Florida's manufacturers are deeply concerned that public education policies and funding fully address vocational education beginning in grade school. Florida's education programs must link education to the skills manufacturers need.

Increase Training Funds for Manufacturing

The skills gap among Florida's workforce is especially challenging for manufacturers. Support is needed to train Florida's burgeoning manufacturing workforce. Programs and funds should be targeted to new entrants in the field of manufacturing as a priority.

Water

States with adequate water supply are the most competitive locations for manufacturing. Florida, too, must provide ample water resources to sustain and fuel the growth of industry. We recommend supporting policies that improve Florida's water resources that are based on economically and technically sound science-based principles. Emphasis should be given to initiatives aimed at increasing alternative water supply projects as an especially effective means of meeting future water demands.

Regulations

Many of Florida's manufacturers operate at a disadvantage to out-of-state competitors due to burdensome regulations at both the state and local levels. While efforts have been made to streamline or eliminated regulations over the last several years, Florida has ample room to improve the regulatory environment on behalf of its manufacturers.