



Local Business Tax Preservation

Policy Position Statement:

The Florida League of Cities SUPPORTS legislation that preserves general revenues collected from the local business tax. These revenues are used to fund essential municipal services such as public safety, and constructing and maintaining roads and bridges, public parks and open spaces. Maintaining a diversified revenue base also strengthens the fiscal stability of municipalities and improves their respective ability to serve citizens and businesses.

Background:

Currently, a municipality may impose a local business tax for the privilege of engaging in or managing a business, profession or occupation within its jurisdiction. The amount of the tax, as well as the occupations and businesses on which the tax is imposed, are determined by the local government. Local business tax revenues collected by municipalities assist funding of services critical to business, such as zoning, permitting, code enforcement, and police and fire.

Local governments may also use business tax revenues to help fund other vital services, such as economic development programs that directly benefit businesses through the marketing of local areas. These revenues may be used for any public purpose, including pledging the revenues to secure bonds. Collections for municipal local business tax revenues are approximately \$163 million annually. Reducing this vital source of general revenue would require municipalities to increase taxes, fees and millage or cut services to make up for this financial loss.