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FLORIDA'S STATE AND LOCAL TAX STRUCTURE

C. H. DONOVAN*

The tax bill to support state and local governments in Florida is approaching one billion dollars. Between 1942 and 1959 there was an increase of \$722.2 million, or 624%. This compares with a nation-wide increase of less than 300% during the same period. Moreover, during every part of this seventeen-year period, as shown in Table I, a greater rate of increase in Florida has been maintained. Table I also indicates that both state and local components have increased sharply in Florida. State tax collections increased 688% and local taxes 556%. In the country as a whole, state taxes quadrupled, while local ones increased by $3\frac{1}{2}$ times.

In 1942 state taxes in Florida were already slightly over half the combined total; the state's share had climbed to 56% of total collections by 1959. The breakdown for all states shows that local collections were still slightly over half (51%) in 1959 as compared to 54% in 1942—actually the states' shares rose to more than half during the intervening years. The relatively greater concentration of the tax collecting function at the state level in Florida is somewhat surprising in view of the fact that certain taxes, such as those on incomes, that are better suited to state administration, are entirely lacking in Florida.

Closer examination of the tax collection figures in Table I reveals that all types of taxes have yielded steadily increasing amounts. The sharpest rate of increase in Florida was in municipal non-property taxes, which increased over 1000% and at the end of the period constituted 8.7% of the total combined tax revenue. In the all-states average this group of taxes increased fivefold. The pressure on cities to develop new sources of revenue to support rapidly expanding municipal functions has been particularly acute in Florida because of the exemption of homesteads from the property tax base. At the same time, the increase in property values associated with the rapid growth of Florida's cities has brought about a fivefold increase in local property taxes as compared to a two-and-one-half-fold increase in these taxes over the entire country.

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Since taxation of real property has been abandoned by practically all state governments, including Florida, this tax no longer figures prominently in total state collections. The fact that a few states still retain it, and by contrast the fact that Florida collects a substantial tax on intangible property, makes any comparison among the rates of increase in property taxes between the sections of Table I less significant. Thus the contrast between the 600% increase in Florida state property tax collections and the slightly over 100% increase in total state property taxes is meaningless.

Comparison of rates of change in other major components of Florida's and all states' tax systems between 1942 and 1959 is also difficult because of the changing composition of the respective systems. The constitutional prohibition of a state income tax in Florida prevents any comparison, but it should be pointed out that income taxes account for 8.5% of state and local tax revenues in other states. Likewise, the fact that the general sales tax was not adopted in Florida until 1949 prevents any comparison for the period as a whole. From 1953 to 1959, however, the yield of this tax increased 137% as compared to slightly over 50% for the states as a whole. Of course, as noted later, the base of this tax has been considerably broadened in Florida since its inception.

Motor fuel and motor vehicle taxes have been more comparable throughout this period than any other major segments of the states' tax systems. In Florida motor fuel taxes increased 318% as compared to some 225% in all states. Corresponding rates for motor vehicle and operators' licenses were 393% in Florida and 222% in all states. The faster rate of increase in these taxes in Florida is more significant, since rate increases played no part in Florida, whereas there were substantial increases in fuel taxes in many states.

Comparison of per capita tax receipts in Florida with those of all states is more revealing because per capita figures take into account the much faster rate of population growth in Florida during the past two decades. Examination of this section of Table I reveals that tax collections per capita at the state level have been consistently higher for sales and gross receipts taxes as a group, including general sales and motor fuel. Other sales taxes, property taxes, and other taxes in general have brought in more revenue per capita to the states as a whole than in Florida. Of course the absence of any income tax in Florida has meant that practically the whole cost of state functions has been supported out of sales and license taxes. Again, since the tourist industry constitutes such an important segment of the state's

TABLE I
TAX REVENUE OF STATE AND LOCAL GOVERNMENTS

	Amount (in thousands of dollars)				
	1942	1953	1957	1959	
FLORIDA					
State Taxes	59,897*	252,485	375,661	471,700	(1)
Property	2,116	6,203	7,426	14,794	(2)
Sales and gross receipts	39,372	193,563	285,504	356,501	(3)
General	—0—	62,517	100,880	148,148	(4)
Motor fuel	27,299	69,566	101,072	114,128	(5)
Other	12,073	61,480	83,552	94,225	(6)
Income	—0—	—0—	—0—	—0—	(7)
Motor vehicle and operators' licenses	10,915	30,324	45,832	53,785	(8)
Other	7,494	22,395	36,899	46,620	(9)
Local Taxes	55,827	188,538	291,119	366,200	(10)
Property	49,618	146,727	228,797	293,606	(11)
Other	6,209	41,811	62,322	72,594	(12)
Total Taxes	115,724	441,023	666,780	837,900	(13)
ALL STATES					
State Taxes	3,903,000	10,553,000	14,531,000	15,848,500	(14)
Property	264,000	365,000	479,000	566,000	(15)
Sales and gross receipts	2,218,000	6,210,000	8,436,000	9,287,000	(16)
General	633,000	2,433,000	3,373,000	3,697,000	(17)
Motor fuel	940,000	2,019,000	2,828,000	3,058,000	(18)
Other	645,000	1,758,000	2,235,000	2,532,000	(19)
Income	518,000	1,779,000	2,547,000	2,764,000	(20)
Motor vehicle and operators' licenses	431,000	1,012,000	1,368,000	1,390,000	(21)
Other	472,000	1,187,000	1,701,000	1,841,500	(22)
Local Taxes	4,625,000	10,355,000	14,286,000	16,530,400	(23)
Property	4,273,000	9,010,000	12,385,000	14,416,700	(24)
Other	352,000	1,345,000	1,901,000	2,113,700	(25)
Total Taxes	8,528,000	20,908,000	28,817,000	32,378,900	(26)

*Bold face figures represent totals

TAX STRUCTURE

521

TABLE I (Continued)

	Per Capita Amount				Amount per \$1,000 of Personal Income				Per Cent of Total			
	1942	1953	1957	1959	1942	1953	1957	1959	1942	1953	1957	1959
(1)	27.85	76.77	89.25	99.08	35.55	50.09	48.58	50.87	51.8	57.2	56.3	56.3
(2)	.98	1.89	1.76	3.11	1.26	1.23	.96	1.59	1.8	1.4	1.1	1.8
(3)	18.30	58.85	67.83	74.88	23.36	38.40	36.92	38.45	34.0	43.9	42.8	42.5
(4)	—0—	19.01	23.97	31.12	—0—	12.40	13.05	15.98	—0—	14.2	15.1	17.7
(5)	12.69	21.15	24.01	23.97	16.20	13.80	13.07	12.31	23.6	15.8	15.2	13.6
(6)	5.61	18.69	19.85	19.79	7.16	12.20	10.80	10.16	10.4	13.9	12.5	11.2
(7)	—0—	—0—	—0—	—0—	—0—	—0—	—0—	—0—	—0—	—0—	—0—	—0—
(8)	5.08	9.22	10.89	11.30	6.48	6.02	5.93	5.80	9.4	6.9	6.9	6.4
(9)	3.49	6.81	8.77	9.79	4.45	4.44	4.77	5.03	6.6	5.0	5.5	5.6
(10)	25.95	57.32	69.17	76.92	33.13	37.40	37.65	39.49	48.2	42.8	43.7	43.7
(11)	23.07	44.61	54.36	61.67	29.45	29.11	29.59	31.66	42.9	33.3	34.3	35.0
(12)	2.88	12.71	14.81	15.25	3.68	8.29	8.06	7.83	5.3	9.5	9.4	8.7
(13)	53.80	134.09	158.42	176.00	68.68	87.49	86.23	90.36	100.0	100.0	100.0	100.0
(14)	29.15	66.66	85.33	89.86	31.89	37.27	41.77	41.57	45.8	50.5	50.4	48.9
(15)	1.97	2.31	2.81	3.20	2.16	1.29	1.38	1.48	3.1	1.7	1.7	1.7
(16)	16.56	39.22	49.54	52.66	18.12	21.93	24.25	24.36	26.0	29.7	29.3	28.7
(17)	4.72	15.37	19.81	20.96	5.17	8.59	9.70	9.70	7.4	11.6	11.7	11.4
(18)	7.02	12.75	16.61	17.34	7.68	7.13	8.13	8.02	11.0	9.7	9.8	9.4
(19)	4.82	11.10	13.12	14.36	5.27	6.21	6.42	6.64	7.6	8.4	7.8	7.9
(20)	3.87	11.24	14.96	15.67	4.23	6.28	7.32	7.25	6.1	8.5	8.8	8.5
(21)	3.22	6.39	8.03	7.88	3.52	3.58	3.93	3.65	5.1	4.8	4.7	4.3
(22)	3.53	7.50	9.99	10.45	3.86	4.19	4.89	4.83	5.5	5.8	5.9	5.7
(23)	34.53	65.41	83.89	93.73	37.78	36.57	41.06	43.36	54.2	49.5	49.6	51.1
(24)	31.91	56.91	72.73	81.74	34.91	31.82	35.60	37.82	50.1	43.1	43.0	44.5
(25)	2.62	8.50	11.16	11.99	2.87	4.75	5.46	5.54	4.1	6.4	6.6	6.6
(26)	63.68	132.07	169.22	183.59	69.67	73.84	82.83	84.93	100.0	100.0	100.0	100.0

economy, the yield of such taxes as sales and motor fuel shows a great increase when measured against the state's permanent population.

When the per capita yield of local taxes in Florida as compared to the country as a whole is examined, a reverse situation is found. Per capita yields of total local government taxes and the property tax segment have been consistently higher in the country as a whole than in Florida. Of course this reflects the fact that the local governments' share of the combined tax bill has been consistently higher for all states than in Florida. The impact of the homestead exemption adopted in Florida in the middle 1930's has been particularly felt by local governments. Removal of 20% to 30% of the real property tax base by this means, plus widespread acceptance of the practice of assessing at less than full cash value, has seriously curtailed the potential yield of local taxes on real property. Another result of this policy has been an increasing pressure on local governments, especially municipalities, to develop other revenue sources. This has been accomplished through local license, utility, cigarette, and a variety of other taxes, as well as service charges not included in Table I. As a result, per capita yields of local taxes other than property have been consistently higher in Florida than in other states. This has been especially true since World War II.

The ratio of taxes paid per \$1,000 of personal income during the year provides a measure of the effort made in making tax payments. An examination of this segment of Table I indicates that Florida taxpayers generally have put forth greater efforts. In terms of total taxes paid the ratio was slightly lower (\$.99) in Florida than in the states as a whole in 1942. In the years shown in Table I since World War II the tax bill for Floridians per \$1,000 of personal income has been consistently higher, although no trend is discernible; the extra amounts paid in Florida were \$13.65 in 1953, \$3.40 in 1957, and \$5.43 in 1959.

When this measure is applied to individual taxes, the same differences between the comparative state and local tax loads that were evident in the per capita figures appear again. The ratio of individual state taxes to personal incomes was higher in Florida than in states as a whole for all taxes, except for income, property, sales taxes other than general and motor fuel, and miscellaneous taxes. In the sales and gross receipts group as a whole the payments in Florida per \$1,000 of personal income were considerably higher. In this case the differential cannot be accounted for by the tourist trade,

since this contributes to personal incomes of Floridians, as it does to taxes paid.

Local property taxes paid per \$1,000 of personal income in Florida have been less than the corresponding ratio for the states as a whole in every year covered in Table I. On the other hand, local non-property taxes have taken a greater percentage in Florida than elsewhere. The surge in these taxes in the early fifties brought the total local tax bill in comparison to incomes to a higher point in Florida in 1953.

FLORIDA'S STATE TAX SYSTEM

As previously noted, the most rapidly growing segment of the state's tax system during the last two decades was sales and gross receipts taxes. These taxes accounted for slightly over three fourths of the state's total tax revenue. A recent study of Florida's tax system¹ indicates that this is a larger proportion than in the southeastern states or in any other region of the United States.

General Sales Tax. The biggest single contribution to the growth of sales and gross receipts taxes was made by the general sales tax. This tax was inaugurated on a limited basis in 1949 to meet a crisis in the state's finances. The rate was set at 3% on sale, lease, or rental of tangible personal property, use or storage of tangible personal property, transient lodging rentals, and admission to amusements other than race tracks. In the beginning the law granted exemptions to groceries; medicine; clothing purchases up to \$10.00; motor vehicles; items already separately taxed, such as gasoline, alcoholic beverages, and cigarettes; and several classes of property transactions. Many of these exemptions have since been removed to bring in more revenue.

In 1960 this tax accounted for almost a third of the state's tax revenue; it was the largest single source. Even with the exemption of groceries still in effect, the food and beverage components of the sales tax amounted to 6.3% of total tax revenues. The yield of this part of the tax has increased not only because of the growth of the state but also because of the extension of the sales tax to alcoholic beverages by the 1957 and 1959 legislatures.

General merchandise sales accounted for slightly less than 6% of the state tax revenue, while lumber and builders' supplies accounted for 5.5%. The latter segment of the sales tax has proved

¹Qualls & Kilpatrick, *FACT BOOK OF TAXATION IN FLORIDA* 33 (1957).

TABLE II
FLORIDA STATE TAX COLLECTIONS

	Amounts (in thousands of dollars)		Per Cent	
	1959	1960	1959	1960
SALES AND GROSS RECEIPTS	356,501*	394,114	75.58	75.54
General sales and gross receipts	148,148	171,335	31.41	32.84
Lumber and builders' and contractors' supplies	25,830	28,596	5.48	5.48
General merchandise	27,291	30,588	5.79	5.86
Food and beverages	23,953	32,640	5.08	6.26
Furniture and appliances	12,741	14,474	2.70	2.77
Hotels, apartment houses, etc.	10,956	11,924	2.32	2.28
Automotive	17,663	19,799	3.74	3.80
Apparel	9,457	10,134	2.00	1.94
Other	20,257	23,180	4.30	4.45
Selective sales and gross receipts	208,353	222,779	44.17	42.70
Motor fuels	114,128	121,655	24.20	23.33
Refunds	-1,216	-1,316	0.26	0.25
Gasoline	112,550	119,639	23.87	22.94
Use fuel	2,794	3,332	0.59	0.64
Alcoholic beverages	43,288	45,614	9.18	8.74
Liquor	19,151	20,102	4.06	3.85
Beer and wine	24,137	25,512	5.12	4.89
Tobacco products	7,917	9,252	1.68	1.77
Insurance	10,683	11,730	2.26	2.25
General	8,957	9,673	1.90	1.86
Workmen's compensation	1,608	1,989	0.34	0.38
Special disability	67	2	0.01	-0-
Non-admitted carriers	51	66	0.01	0.01
Public utilities	6,963	7,640	1.47	1.46
Pari mutuels	24,491	25,973	5.19	4.98
Horse racing	13,580	14,361	2.87	2.75
Dog racing	9,563	10,115	2.03	1.94
Jai alai	1,348	1,497	0.29	0.29
Amusements — admissions	876	907	0.19	0.17
Horse tracks	387	396	0.08	0.08
Dog tracks	357	370	0.08	0.07
Jai alai	132	141	0.03	0.02
Other	7	8	-0-	-0-
LICENSES	78,445	84,182	16.61	16.14
Motor vehicles	50,548	53,828	10.74	10.32
General	47,888	50,862	10.18	9.75

*Bold face figures represent totals

TABLE II (Continued)

	Amounts (in thousands of dollars)		Per Cent	
	1959	1960	1959	1960
Auto theft	1,752	1,884	0.37	0.36
Auto transportation	908	1,082	0.19	0.21
Motor vehicle operators	3,237	3,435	0.70	0.66
Corporations	1,869	2,027	0.41	0.39
Franchise	1,109	1,202	0.25	0.24
Charter	551	593	0.12	0.11
Filing and limited partnerships	209	232	0.04	0.04
Public utilities	116	116	0.02	0.02
Alcoholic beverages	1,483	1,516	0.32	0.29
Liquor	1,264	1,284	0.27	0.25
Beer and wine	219	226	0.05	0.04
Amusements	5	6	—0—	—0—
Occupations and businesses not classified elsewhere	19,303	21,062	4.02	4.04
Citrus advertising	5,788	6,303	—0—	1.21
Citrus inspection	1,662	2,230	—0—	0.43
Gas and oil inspection	2,190	2,370	—0—	0.45
Fruit and vegetable inspection	1,044	854	—0—	0.16
Insurance agents	477	498	—0—	0.10
Feed inspection	293	323	—0—	0.06
Hotels and restaurants	657	667	—0—	0.13
Chain stores	348	643	—0—	0.12
Real estate agents and brokers	438	568	—0—	0.11
Egg and poultry inspection	469	468	—0—	0.09
Fertilizer inspection	373	398	—0—	0.08
Other	5,564	5,740	—0—	1.10
Hunting and fishing	1,884	1,914	0.40	0.37
Other	—0—	278	—0—	0.05
PROPERTY	14,794	18,629	3.14	3.57
General — delinquent	91	44	0.02	0.01
Intangibles, classes A, B, D	14,703	18,585	3.12	3.56
DEATH AND GIFT	3,969	5,488	0.85	1.05
SEVERANCE	49	43	0.01	0.01
DOCUMENTARY AND STOCK TRANSFERS	17,962	19,226	3.81	3.69
Documentary stamps	12,421	13,288	2.64	2.55
Intangibles, class C	5,541	5,938	1.17	1.14
Totals	471,720	521,682	100.00	100.00

to be quite sensitive to fluctuating business conditions. Reports in the current fiscal year indicate that the yield from this source is falling behind expectations as a result of the recession. The yield from furniture and appliance sales also appears to have leveled off at about 2.7% of total taxes paid.

The application of the sales tax to transient rentals of less than six months duration in the 1949 Florida sales tax was an innovation in state sales taxation. Since then several other states have followed this plan. The yield has grown steadily and now accounts for 2.3% of total taxes. Under the original 1949 act inexpensive clothing purchases were exempt from the tax, partly for political reasons. This feature of the law gave rise to some administrative problems, and in 1957 the exemption was removed. At present apparel sales account for about 2% of total tax revenue. At the same session of the legislature the sales tax was extended for the first time to new automobiles, although at the reduced rate of 1%. Other automotive sales and accessories were subject to the full 3% rate from the beginning. In 1960 this segment accounted for 3.8% of total taxes. A legislative subcommittee on taxation received estimates in the fall of 1960 that raising the tax rate on automobile sales to 3% and including labor charges in the tax base as well as materials used in repair of motor vehicles, radio, and other appliances would raise an additional \$70 million a year.²

Motor Fuels. Prior to adoption of the general sales tax, the tax on motor fuels was the largest single source of revenue to the state. Even now it accounts for nearly one fourth of the total tax yield. The tax has remained at 7¢ per gallon on gasoline since 1931, with other motor fuels bearing the same rate since 1939. All of the proceeds of this tax are earmarked for road purposes at the state or county level, including county road bond service. Since the gasoline tax is used solely for highway purposes, it was argued for years that there should be a provision for refunding the tax paid on fuel consumed other than on the highways. In 1951 the legislature instituted a refund plan that has resulted in the return to farmers and other non-highway consumers of slightly over 1% of the taxes collected.

Alcoholic Beverages. Alcoholic beverages have provided a steadily increasing source of state revenue for the general revenue fund since

²See Florida Times-Union, Oct. 22, 1960, p. 22.

the repeal of prohibition in 1933. Tax rates of \$.24 per gallon on beer, \$1.00 to \$2.00 per gallon on wines, and \$2.17 per gallon on 96-proof distilled spirits are among the highest in the various states. The combined yield, including beverage licenses, was 9% of total state taxes in 1960. As noted above, these beverages are now subject to the retail sales tax also.

Cigarettes. The state tax on cigarettes was first levied as an emergency war-time measure in 1943. In 1949 the rate was raised to \$.05 per standard pack, and provision was made to rebate all revenues collected within the limits of incorporated municipalities, plus half of that collected in the two counties without cities, to those units after deduction of administrative costs. The result of this sharing formula left the state with \$9.25 million for the general revenue fund in 1960, or 1.8% of the total state tax revenue. Slightly more than 70% of all cigarette taxes collected were returned to the localities under the formula; this represented the first substantial state aid to Florida cities.

Insurance. Since 1913 the insurance business has been subject to a premium tax of 2% (1% on annuities), plus a nominal license charge to companies and agents. In 1960 the combined yield amounted to 2% of total taxes. Since 1949 domestic companies have been exempt from the premium tax. Since 1953 other companies maintaining regional home offices in Florida are given credits against the premium tax up to 80% of the amount due for property taxes on their buildings. These features materially reduce the potential yield of these taxes. In addition to the aforementioned payments to the general revenue fund, fire insurance companies pay 3/8ths% to the state fire marshal fund. All these taxes are administered by the state treasurer. The workmen's compensation tax of 3% listed in Table II under insurance is earmarked for this use and is administered by the Florida Industrial Commission.

Public Utilities. Public utilities are taxed at the rate of \$1.50 per \$100 of gross receipts—a rate set in the original act of 1931. Municipally owned utilities are subject to this tax, along with private electric, gas, telephone, and telegraph companies. Express companies, however, pay 2% on gross receipts, while railroads are exempt. This tax, together with a license tax on these utilities, accounted for 1.5% of total tax revenues in 1960.

Pari Mutuels. Pari-mutuel taxes on horse and dog racing, plus jai alai, amounted to slightly over 5% of the state's tax revenue. The present rate structure (8% on betting pools at the horse tracks, 7% on those at the dog tracks, and 5% on jai alai) is the result of a series of changes since betting was legalized in 1931. Varying proportions of the tax collected ($\frac{3}{8}$ ths from horse tracks, $\frac{5}{7}$ ths from dog tracks, $\frac{3}{5}$ ths from frontons) are returned to the counties in equal amounts. The remainder going to the state general fund amounts to about 55% of the amount collected.

Licenses. License taxes as a whole account for slightly over 16% of the state tax revenue. Motor vehicles, including small amounts from title insurance, a mileage tax on carriers, and operators' licenses, account for nearly $\frac{3}{4}$ ths of the license taxes. Under a constitutional amendment adopted in 1952 to bolster the sale of school bonds,³ a first claim on license tag revenue is an allocation to the minimum foundation school program to cover this new series of school bonds. At present about 16% of the tag revenue goes for this purpose. The remainder, plus the subsidiary revenues, except for part of the mileage tax, goes to the general fund.

Franchise and charter fees on corporations and limited partnerships, administered by the secretary of state, amount to less than half of one per cent of total tax revenues. The same is true of the general occupational license taxes administered by the comptroller. Of even less importance are the licenses required of retail stores, hotels, and restaurants. All of these revenues accrue to the general fund. The other minor license tax revenues listed in Table II accrue either to the general inspection fund under the commissioner of agriculture's office, or to separate agencies that administer them. Examples of the latter are the Citrus Commission, the Real Estate Commission, and the Game and Fresh Water Fish Commission.

Estate Tax. The estate tax averages about 1% of Florida's state tax revenue, although this varies sharply from year to year. The rates of this tax are tied directly to the provisions of the federal law, which grants a credit against federal estate taxes for similar state taxes. Florida opposed this provision vigorously in the federal courts but lost. The present state rate structure is tied directly to this federal credit and will lapse automatically if Congress repeals that provision.

³FLA. CONST. art. XII, §18.

Severance Tax. An insignificant part of the tax structure is the severance tax. Limited in Florida to 5% of the value of the petroleum output, it has a potentially much greater significance for the future. It has frequently been suggested that this tax be extended to other resources extracted from the land, but bills for this purpose have been regularly killed in the legislature.

Documentary Stamps. A somewhat unusual feature of Florida's tax system is the documentary stamp tax on deeds, transfers of shares, stock certificates, bonds, certificates of indebtedness, promissory notes, assignments of wages, powers of attorney, and certain stockholder proxies. Rates are from 10¢ per item to 10¢ per \$100 or fraction thereof. The tax accounts for over 2.5% of the state's tax revenue. Only in New York and Pennsylvania are such taxes more important.

Intangibles. The only form of property tax used by the State of Florida since 1940 is the intangibles tax. Although admittedly not easy to enforce, this tax may have more justification in the absence of a state income tax. Rates are limited by the constitution to a maximum of two mills on stocks, bonds, and other forms. In 1957 the rates on various classes of intangibles were doubled. In subsequent years the yield of the tax has increased until it amounted to 4.7% of total state taxes in 1960. There is, however, strong opposition to these higher rates, and efforts to cut them back to 1957 levels are likely to be made.

Real Property. Since 1940 the field of real property taxation in Florida has been left entirely to local governments. Of course the relative importance of this source of revenue varies sharply from one community to another, depending upon need, administration of the law, and other revenue sources. In the state as a whole in 1959 approximately 80% of total local taxes came from the property tax as compared to 88% for the 49 states. Since several other articles in this symposium analyze various aspects of the property tax in Florida, no detailed examination is presented here.

CONCLUSION

On the basis of this examination of the Florida tax structure, certain conclusions can be drawn. Most impressive is the rapid increase

in the over-all state and local tax bill. Even when compared to the growth of the state's population and income, or the simultaneous growth over the country as a whole, the comparatively faster rates of increase in Florida are impressive. There has of course been a vast increase in the scope and variety of public functions financed by these increases. Furthermore, the period under review has seen a shift of tax collection responsibilities from local governments to the state. The shift has been more marked in Florida than in the states as a whole.

The impact of the Florida constitutional restrictions is evident. The prohibition of income taxes and the \$5,000 homestead exemption have distorted the pattern of Florida's state-local taxes as compared to the country as a whole. Cities have been forced to exploit a variety of tax and non-tax sources of revenue to a marked extent. Increased demands on the state for aid to local governments, added to the growth of the state itself, have placed still greater pressure on state sales and gross receipts taxes. These taxes are well suited to an economy built on the service trades, particularly those centering around tourism. As the state's economic structure changes, it may well be that a different "mix" will be called for in the tax structure.