

Florida's Business Tax Climate

Florida ranks 5th in the Tax Foundation's 2008 Tax Foundation's State Business Tax Climate Index which measures the impact on business of five major elements of the tax system; the percentage of income taken by all taxes, the individual income tax rates, the corporate income taxes, the sales tax rate, and the complexity of the tax system.

Florida's State / Local Tax Burden Among the Nation's Lowest

Over the past 14 years, Florida's tax burden has had one of the nation's lowest tax burdens. Since 1994, the burden has fallen significantly as individual incomes have risen faster than state/local taxes collections. Estimated now at 8.8% of income, Florida's state/local tax burden percentage is ranked 45th nationally, well below the national average of 10.0%.

Florida Levies No Individual Income Tax

Florida is among six other states in the country that collect no individual income taxes. Since most small businesses are either S Corporations or partnerships or sole proprietorships, they pay their business taxes at the rates for individuals. This makes the tax environment for small businesses in Florida very competitive compared to other states.

Florida's Corporate Income Tax System

Florida's corporate tax structure consists of a flat rate of 5.5% on all corporate income, which ranks 8th lowest among states that tax corporate income.

Florida Levies Sales Tax; Gasoline Tax among Lowest in the Nation

Florida levies a 6% general sales or use tax on consumers, above the national median of 5%. In 2003, sales tax collections were \$879 per person (ranked 6th nationally). Florida's gasoline tax stands at 13.9 cents per gallon (ranked 48th nationally), while its cigarette tax stands at 33.9 cents per pack of twenty (ranked 31st nationally). Neither of these measures is indexed for inflation.

Florida Property Taxes: Middle of the Pack

Florida is one of the 38 states that collect property taxes as both the state and local levels. As in most states, local governments collect far more. Florida's localities collected \$13,335,837,000 in property taxes in fiscal year 2000, the latest year for which the Census Bureau has published state-by-state data. That amounts to \$838 per capita in taxes, or if measured as a percentage of income, \$30 per \$1,000 of income.

- NO corporate income tax on limited partnerships
- NO corporate income tax on subchapter S-corporations
- NO state personal income tax guaranteed by constitutional provision
- NO corporate franchise tax on capital stock
- NO state-level property tax assessed
- NO property tax on business inventories
- NO property tax on goods-in-transit for up to 180 days
- NO sales and use tax on goods manufactured or produced in Florida for export outside the state
- NO sales tax on purchases of raw materials incorporated in a final product for resale, including non-reusable containers or packaging
- NO sales/use tax on co-generation of electricity

State Business Tax Climate Index 2008

State	Overall Rank	Corporate Income Tax Index Rank	Individual Income Tax Index Rank	Sales & Gross receipts Tax Index Rank	Unemployment Insurance Tax Index Rank	Wealth Tax Index Rank
Wyoming	1	1	1	9	34	30
South Dakota	2	1	1	38	33	11
Nevada	3	1	1	43	41	13
Alaska	4	26	1	5	47	22
Florida	5	14	1	19	2	18
Montana	6	16	20	3	21	8
New Hampshire	7	50	9	1	38	36
Texas	8	47	7	28	14	27
Delaware	9	48	32	2	7	7
Oregon	10	20	35	4	32	14

Source: Tax Foundation, [2008 State Business Tax Climate Index](#) (Fifth Edition)

Note: Rankings do not average across to total. States without a given tax rank equally as number 1.