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Florida governor's 'Freedom First' budget proposes taxpayer savings

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(The Center Square) — Florida's commitment to liberty, conservative governance, economic opportunity, and a focus on "facts and not fear," has helped it emerge as one of the fastest recovering states in the nation, Gov. Ron DeSantis, a Republican often at odds with the Biden administration, says.

While other states are struggling with higher unemployment, supply chain interruptions, and economic decline, Gov. DeSantis said his new budget puts "freedom first."

"In Florida, we have put Freedom First – protecting Floridians' freedom to earn a living, to operate businesses and to choose educational options tailored for their children," Gov. DeSantis said when announcing the budget. "As a result of our commitment to freedom, Florida's economy continues to thrive, and Floridians are better able to provide for their families. This budget puts Floridians and their freedoms first, keeps taxes low, and addresses key priorities — all while maintaining record budget reserves."

"Despite dire projections two years ago, the Florida economy has flourished," the budget summary states. State revenues exceeded pre-pandemic estimates by more than \$3 billion over fiscal years 2020-21 and 2021-22, and its AAA stable bond rating has also remained the same.

The governor's proposed Fiscal Year 2022-23 budget totals \$99.7 billion, with the General Revenue portion totaling \$37 billion and the state's total reserves totaling \$15.3 billion.

The budget includes four tax holidays and proposes eliminating the \$25 fee the state charges to obtain a Florida ID card.

Over the last few years especially, Florida remains a top destination for Americans relocating from higher-taxed blue states. Its per capita state tax collection of \$2,086, the lowest among all states, and no personal income tax remain key factors for those relocating.

The \$1.172 billion tax cut package includes four tax holidays: a fuel tax holiday, a seven-day Freedom Week sales tax holiday, a 10-day back-to-school sales tax holiday and a 10-day Disaster Preparedness sales tax holiday.

The proposed fuel tax holiday is expected to save Florida families \$1 billion by reducing the tax on motor fuel by 25 cents a gallon in an effort to offset rising gas prices.

The proposed seven-day Freedom Week sales tax holiday is expected to save Florida families \$57.4 million, according to the proposal. During the tax holiday, Floridians wouldn't have to pay taxes on tickets for events, museums, the arts and certain outdoor recreational purchases up to a certain amount under the plan.

The proposed 10-day Back-to-School sales tax holiday is projected to save Florida families \$72.9 million, according to the proposal. The tax holiday covers clothing up to \$60, school supplies up to \$15, and the first \$1,000 of personal computers and related accessories.

The proposed 10-day Disaster Preparedness sales tax holiday also will save Florida families \$11 million, the budget summary states. It covers disaster-related items like generators costing \$1,000 or less.

The budget also proposes permanently eliminating the \$25 fee the state charges to obtain a Florida ID Card, which is expected to save Florida families \$14.7 million. The budget maintains local tax collector revenue by redistributing a portion of the Class E driver license fees, according to the plan.

Democratic Florida Reps. Angie Nixon, Michele Rayner, Carlos Guillermo Smith and Anna V. Eskamani argued that the budget doesn't go far enough to fund public education, affordable housing, social services and other priorities, The Floridian reported.

“The Governor’s budget proposes a few long-standing Democratic demands, but it’s not enough,” Ms. Nixon said, according to the publication.

However, according to a recent CATO Institute “Freedom in the 50 States” report, Florida leads the U.S. with the best overall fiscal policy and is the most economically free state.

Florida ranks first in the nation for its fiscal policy due to its low tax burden, low government debt, a higher ratio of private employment to government employment, and fiscal decentralization related to taxation policies.

While residents in other states are suffering from ongoing lockdowns and restrictions, “Floridians are back to work, back to school, and back to living life with their loved ones,” the governor’s office says. Pointing to last month’s job growth rate, which was six times faster than the nation’s, Gov. DeSantis argues his policies are working and benefiting Floridians.

“Our job growth rate is six times faster than the rest of the nation because we’ve worked hard to keep Florida open and protect the jobs of individual Floridians,” Gov. DeSantis said when announcing November workforce data published by the Florida Department of Economic Opportunity. “Because we have protected their livelihoods, Floridians are confident in finding work and operating their own businesses. We will continue to focus on our state’s foundation of freedom to ensure that Florida remains a leader in economic growth and Floridians are able to succeed.”

In total, Florida has gained 1,162,700 private sector jobs since April 2020, the department reports, representing “93.5% of jobs lost during the pandemic that have been recovered.”

“Florida continues to see significant increases in (its) labor force, growing by 607,000 over the year as more Floridians are confident in returning to the labor force,” the agency adds.