



FUBA
FLORIDA UNITED BUSINESSES ASSOCIATION

ISSUES

OUR BUSINESS IS SMALL BUSINESS

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WORKERS' COMPENSATION RATES WILL LIKELY INCREASE THIS FALL

Florida businesses will probably see their workers' compensation rates increase this fall, due to two recent decisions from the Florida Supreme Court. The Court threw out the statutory limits on attorney fees in the Castellanos decision and increased benefits for certain injured workers in the Westphal decision, triggering a probable double-digit rate increase for Florida employers.

We will know more after the Florida Insurance Commissioner holds a public hearing to discuss these 2 cases and its impact on Florida workers' comp rates, but we do expect a rate increase anywhere from 15% to 20% sometime this fall (perhaps September). Please look for updates from us in upcoming editions of this newsletter or in your email inbox if you are signed up to receive electronic notifications.

ATTENTION LICENSED CONTRACTORS: NEW WORDING REQUIRED IN CONTRACTS FOR RESIDENTIAL WORK

A new Florida law requires licensed contractors to include a notice about the Florida Homeowner Construction Recovery Fund Notice in all residential contracts. The Recovery Fund provides compensation for homeowners who suffer a

financial loss from a licensed contractor. Starting July 1, 2016, all contracts for repair, restoration, improvement, or construction to residential property must contain the following written statement explaining the homeowner's rights under the Recovery Fund:

FLORIDA HOMEOWNERS' CONSTRUCTION RECOVERY FUND

Payment, up to a limited amount, may be available from the Florida Homeowners' Construction Recovery Fund if you lose money on a project performed under contract, where the loss results from specified violations of Florida law by a licensed contractor. For information about the Recovery Fund and filing a claim, contact the Florida Construction Industry Licensing Board at the following telephone number and address:

Construction Industry Licensing Board
2601 Blirstone Rd
Tallahassee, FL 32399-1039
850-487-1395

Please note: This notice is required for all contractors who hold a license from the Florida Department of Business & Professional Regulation (DBPR). For more information, please contact the Construction Industry Licensing Board at 850-487-1395.

BACK-TO-SCHOOL SALES TAX HOLIDAY **IS AUGUST 5th – AUGUST 7th**

If your business sells clothes, footwear, certain accessories, or school supplies, the upcoming Back-to-School Sales Tax Holiday will affect your business. For 3 days in August, these items will be exempt from the state sales tax if they meet certain price restrictions.

Here are some details about this year's tax-free shopping days:

- The tax-free days will run from 12:01 a.m. on Friday, August 5th through midnight on Sunday, August 7th.
- The tax-free days are only 3 days this year instead of 10 days like last year.
- Items that will be tax-free are:
 - Clothing, footwear, and accessories like wallets and purses that sell for \$60 or less (instead of \$100 like last year)
 - School supplies that sell for \$15 or less per item
- Books and computers are not included in this year's tax-free days.

Retailers are not required to keep additional or special records for the tax-free days. Sales of eligible items that are sold tax-free from August 5th through August 7th should be reported as exempt sales on your sales tax return for that period.

Businesses that sell only a small number of items covered by the sales tax holiday are allowed to opt out of participating in the holiday. To opt out, a business must:

- have less than 5% of its gross sales attributable to items included in the sales tax holiday,
- notify the Department of Revenue by August 1st, and
- post a notice where customers can see it that the business has opted out of the sales tax holiday.

The Florida Department of Revenue has mailed a detailed Tax Information Publication to all active

registered sales tax dealers explaining:

- A detailed list of items that are tax-free and which ones are taxable during the holiday
- What to do when a product contains both exempt and taxable items
- How to deal with gift certificates
- How to handle exchanges of tax exempt purchases after the tax-free days are over
- How to do refunds during/after the tax-free days

If you would like a copy of the Taxpayer Information Publication on the Back-to-School Sales Tax Holiday or a list of all items that will be tax-exempt during the holiday, please visit the FUBA website at **FUBA.org** and look under the *Small Business Alert* section on the left-hand side.

If you are a retail business and have questions about the Back-to-School Sales Tax Holiday, you can call the Department of Revenue's toll-free Taxpayer Services line at 800-352-3671 or visit their website at **myflorida.com/dor**.

CITY OF MIAMI BEACH ESTABLISHES **ITS OWN MINIMUM WAGE**

If your business is located in the city of Miami Beach, you need to be aware that the City Commission has just approved a local minimum wage of \$10.31 per hour starting January 1, 2018. It will increase by a dollar per hour each year until the minimum wage reaches \$13.31 per hour on January 1, 2021. After that, the City Commission can vote to increase the minimum wage in an amount equal to the Consumer Price Index. [The current Florida minimum wage is \$8.05 an hour.]

FUBA has joined with other business groups to challenge this ordinance and also to try and prevent other local governments from enacting their own local minimum wage which is higher than the statewide minimum wage. If you have questions, please call the FUBA offices and ask for Karen or Lance.