



RICK SCOTT

GOVERNOR

October 1, 2015

Dear Florida Manufacturer:

Today marks the beginning of Manufacturing Month where America's manufacturing industry highlights the jobs and economic benefits that manufacturing companies provide to communities across the country. As you know in 2013 we pushed to eliminate the sales tax on manufacturing machinery and equipment. While this tax cut provided a huge benefit to growing manufacturing in Florida, the tax cut was not made permanent by the Legislature.

Therefore on April 30, 2017, without us taking immediate action, a six percent tax will be levied on the sale of manufacturing equipment and machinery. Because of this tax, your cost of doing business and replacing equipment will rise.

The good news, however, is that we have the ability to change the law to ensure your taxes don't go up. The bad news is that it's an uphill battle, and there's only the 2016 legislative session left before the tax increase goes into effect.

Permanently eliminating your tax on equipment will be a top priority for me during the upcoming legislative session. This means this is your last chance to get engaged and tell your Legislators not to raise this tax on the purchase of your equipment.

Here are three facts to remember when talking to legislative members:

1. This tax will disproportionately target Florida manufacturers. The fact is, most states don't have a sales tax on manufacturing equipment - and the ones that don't are the same manufacturing hubs we're competing against. Simply put, Florida manufacturers will be put at a competitive disadvantage.
2. Manufacturing jobs are the kind of jobs we need in Florida. Florida's economy is tied to agriculture, construction, and tourism. These are great industries, but in bad economic times - these jobs are often the first affected. To strengthen Florida's economy, boost exports, and provide well-paying,

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stable jobs to Florida communities - we need to produce more goods - and that's what Florida manufacturers do.

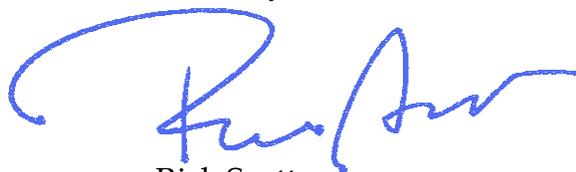
3. Manufacturing equipment is very expensive, and the more it's taxed, the harder it is for manufacturers to make a living. A six percent sales tax levied on a \$500,000 piece of manufacturing equipment is \$30,000. That's a huge sum of money, and it's not fair to you or your business; especially when state government is collecting record tax revenue.

Creating jobs for Florida families is my top priority, and I believe this tax will kill jobs. Your focus should be on making quality products and creating jobs - not on the happenings of Tallahassee. But if you don't get engaged now, nobody will do it for you.

To support this effort, I want to offer the assistance of my office to you and your employees. If you need help talking to, or meeting with, a legislative member please contact the Governor's Legislative Affairs Office at (850) 488-5000.

The 2016 legislative session, our last chance to stop the tax on your purchase of manufacturing equipment, begins in January so I encourage you to reach out to your legislators and express your support immediately.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rick Scott", with a large, sweeping flourish at the beginning.

Rick Scott
Governor