



THE **INFLUENCER** SERIES

Florida's next governor should leave corporate tax rate alone, influencers say

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The Florida Influencers Series

This election year, the Miami Herald, the Bradenton Herald and El Nuevo Herald are driving a conversation on the important issues facing our state. We've assembled a panel of 50 influential Floridians to offer their views.

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Andrew Gillum wants to raise the corporate tax rate. Ron DeSantis wants to lower it. But a panel of the Florida's most prominent voices thinks it should remain the same.

A new survey of the Florida Influencers, comprised of 50 of the state's leading political and policy figures, found that more than half of respondents (54 percent) believe the next governor should not alter the state's current corporate tax rate of 5.5 percent. Meanwhile, 25 percent said the rate should be raised to provide more funding for education, and 21 percent said it should be lowered to spur greater business development.

"I don't believe a change in the corporate tax rate, either up or down, is warranted at this time," said Brian Keeley, the president and CEO of Baptist Health South Florida. "The Florida economy, in general, is currently doing just fine."

Of the 44 states that impose a corporate tax, Florida's rate is the eighth lowest in the country. Several of the Influencers said the relatively low rate makes Florida an attractive place for businesses but also limits the state's ability to properly fund education and health care programs.

As an alternative, Maria Alonso, the president and CEO of United Way of Miami-Dade, suggested Florida use a sliding scale rather than a single flat rate for all corporations, as well as end loopholes that allow larger corporations to take advantage of tax breaks meant for smaller businesses.

"Determining the appropriate corporate tax rate for Florida is a difficult balancing act," Alonso said. "There is no easy solution."

Ahead of the the November elections, the Florida Influencers are sharing their ideas on how to address policy concerns facing the state and responding to questions from readers of the Miami Herald, Bradenton Herald and el Nuevo Herald.

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Gillum, the Democratic nominee for governor, has proposed raising the corporate tax rate to 7.75 percent to generate an additional \$1 billion in education funding. (The tax is expected to generate \$2.5 billion for Florida in 2018.) That money would be go toward raising the minimum teacher salary to \$50,000, as well as early childhood education and vocational training programs.

The Influencers who supported this idea said the investment would pay dividends down the road for Florida.

“Increasing our corporate tax rate and investing that money in an educated and skilled workforce is not only a smart decision but one that is necessary to secure the financial growth of our residents and our state,” said Eduardo Padron, the president of Miami Dade College.

“If applied correctly, these additional funds can support initiatives that put Floridians to work and ultimately put more money in their pockets.”

Some of the Influencers agreed that the next governor needed to provide more funding for education, but did not support Gillum’s approach.

“Increasing the corporate tax rate will diminish our ability to attract high paying corporations that are looking to move from [New York] and other high tax areas,” said Jorge Perez, the chairman and CEO of the Related Group. “While I think it is imperative that we increase our spending in education, we need to find other sources.”

Republican gubernatorial nominee DeSantis supports decreasing the corporate tax rate, but hasn’t specified to what level.

Ken Lawson, the president and CEO of Visit Florida, argued that lowering the rate and establishing policies to encourage capital investment would help stimulate the state’s economy. “But, both pieces must be in place,” he added.

Readers who participated in this week’s conversation about Florida’s economy using the “Your Voice” online tool posed the following question: “How can Florida move forward beyond a tourism and services state in order to build a stronger and more inclusive economy?”

Many of the Influencers said that diversifying the economy starts with greater investments in areas such as education, infrastructure and technology.

“Tourism will always be a powerful driver of the Florida economy based on the characteristics and DNA of our state,” said Jessica Goldman Srebnick, the CEO of Goldman Properties. “In order to enhance and build other industries we must be a state that leads with a pro-business mentality.”

Mike Fernandez, the chairman, of MBF Healthcare Partners, said this goal was a “pipe dream” without more education funding.

“As long as we underfund education, we will have difficulty in the expansion of tax producing industries,” Fernandez said. “High quality educational results equate to a solid workforce.”

And Bill Talbert, the president and CEO of the Greater Miami Convention and Visitors Bureau, said the tourism industry would continue to help Florida’s economy grow by providing employment and tax revenue.

“While diversifying our state’s industries makes sense, tourism is the solid foundation on which to continue to build our state’s economy,” Talbert said.

With one week to go until the midterms, the Influencers were asked how well they think candidates running for office are focusing on policy solutions. Here’s how they responded:

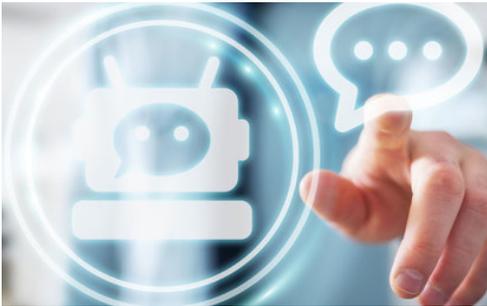
- Very well: 0 percent
- Fairly well: 34 percent
- Somewhat well: 59 percent
- Slightly well: 7 percent
- Not at all well: 0 percent
- Too early to say: 0 percent

This is the 14th of a series of surveys the Miami Herald will conduct with 50 Influencers through the November elections to help focus media and candidate discussion around the policy issues of most importance to Floridians. Look for the next report on Nov. 5. Share your thoughts and questions about the state’s important policy challenges and solutions here.

For more reaction from our Influencers on the economy, look for their quotes on Tuesday's Opinion page.

George Haj contributed reporting.

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