

Name \_\_\_\_\_

## Understanding Florida's Tax Structure

### Short Answer Key

1. A "no income tax" state means that there is no state income tax on individuals' earnings. This benefits Florida residents as they get to keep all their earned income without deductions for state income tax.
2. Local sales taxes are additional taxes imposed by counties and municipalities on top of the state sales tax. They can increase the total sales tax rate, which varies depending on the location within Florida.
3. Local governments in Florida, such as counties and municipalities, have the authority to set property tax rates. These rates can vary across the state based on the local government's budgetary needs and priorities.
4. The documentary stamp tax is imposed on documents related to real estate transactions, such as deeds, mortgages, and promissory notes. The rate for this tax is typically based on the transaction's value.
5. Despite the absence of a state income tax, Florida residents may still face property taxes, sales taxes, and other fees, which can vary by location. Additionally, the reliance on sales taxes can lead to revenue fluctuations based on economic conditions.

