

THE FLORIDA SENATE
2025 SUMMARY OF LEGISLATION PASSED
Committee on Finance and Tax

HB 7031 — Taxation

by Ways & Means Committee and Rep. Duggan and others

The bill contains provisions for tax relief and changes to tax policy.

Sales Tax

The bill:

- Repeals the “business rent tax” beginning October 1, 2025.
- Creates a permanent Back-to-School Sales Tax Holiday each year for the entire month of August.
- Permanently exempts the following items:
 - o AA-cell, AAA-cell, C-cell, D-cell, 6-volt, or 9-volt batteries.
 - o Fire extinguishers, smoke detectors or smoke alarms, and carbon monoxide detectors.
 - o Certain portable generators.
 - o Waterproof tarpaulins and other flexible waterproof sheeting 1,000 square feet or less.
 - o Ground anchor systems and tie-down kits.
 - o Five gallon or less gas or diesel fuel cans.
 - o All bicycle helmets (currently only youth helmets are exempt).
 - o Sunscreen, insect repellent, and life jackets.
 - o Admission to Florida State Parks.
- Provides a sales tax holiday for hunting, fishing, and camping equipment from September 8, 2025, through December 31, 2025.
- Exempts all sales of gold, silver, and platinum bullion regardless of the sales price (currently sales with a price below \$500 are taxable).
- Exempts NASCAR Championship Race tickets from the tax on admissions.
- Extends the deadline to receive the data center sales tax exemption certificate from June 30, 2027, to June 30, 2037, and increases the megawatts (MW) required to qualify for the certificate from 15 MW to 100 MW.
- Clarifies that a forwarding agent already registered as a sales tax dealer with the Department of Revenue is not required to resubmit a dealer application when applying for or renewing a forwarding agent certificate. It also prohibits dealers from charging sales tax on tangible personal property shipped to a forwarding agent.

Property Tax

The bill:

- Directs the Office of Economic and Demographic Research (EDR) to study the state’s property tax system and submit a report that provides policy options to the Legislature by November 1, 2025. The bill appropriates \$1 million of nonrecurring funds from the General Revenue Fund to EDR to complete the study.

- Appropriates \$500,000 from the General Revenue Fund to the Department of Revenue to reimburse fiscally constrained counties for refunds made to owners of damaged and uninhabitable residential properties in 2024.
- Includes the following expansions or creations of new exemptions for affordable housing, which apply beginning with the 2026 tax rolls:
 - o The exemption for land leased by a nonprofit for affordable housing for at least 99 years is expanded to include property leased from a local housing finance authority and land leased and assigned or subleased from a nonprofit to certain persons or families.
 - o The exemption for multifamily affordable housing that requires a land use restriction agreement lasting at least 99 years is expanded to include property leased from a local housing finance authority.
 - o An exemption is created for recently constructed multifamily affordable housing of at least 70 units which is on government property that is leased for at least 30 years.
 - o An exemption is created for new multifamily affordable housing of at least 70 units which is on state-owned property that is leased for at least 60 years. This exemption expires December 31, 2061.
 - o Eligibility to receive a property tax exemption for multifamily affordable housing constructed or rehabilitated within 5 years from the date of first application is expanded to allow successive owners of the property to apply for the exemption.
- Beginning January 1, 2026, provides that flight simulators shall be deemed owned by a governmental unit and not a lessee if the simulator reverts to the governmental unit upon expiration of a lease.
- Expands the educational property tax exemption to include gold seal certified childcare facilities if the gold seal facility is responsible for the payment of property taxes under the terms of the facility's lease.
- Beginning January 1, 2026, allows a petitioner to a value adjustment board to appear telephonically, by video conference, or other electronic means, unless a county with a population of less than 75,000 opts out.
- Beginning January 1, 2026, allows a taxpayer to file an appeal within 30 days of the tax roll's recertification if the tax roll has been extended.
- Beginning September 1, 2025, requires property appraisers to provide evidence to taxpayers at least 15 days before a value adjustment board hearing.
- Authorizes the value adjustment board to adopt a filing fee of up to \$50, instead of \$15.
- Provides for citrus packinghouse and processor equipment to be assessed at salvage value for the 2025 tangible personal property tax roll if the property owner applies for such assessment by August 1, 2025, and the property is no longer used in the operations due to citrus greening.
- Extends the agricultural classification for agricultural properties affected by citrus greening or other state or federal quarantine programs from 5 years to 10 years after execution of an agreement with the Department of Agriculture and Consumer Services or federal agency, as applicable.

Local Taxes

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The bill:

- Extends the current freeze on rate increases for local communications services tax (CST) from January 1, 2026, to January 1, 2031.
- Requires local governments to prioritize the use of local CST revenue for the timely review, processing, and approval of permit applications for the use of rights-of-way by providers.
- Allows fiscally constrained counties adjacent to the Gulf of America or the Atlantic Ocean to use tourist development tax (TDT) revenues for public facilities.
- Allows all counties adjacent to the Gulf of America or the Atlantic Ocean to use TDT revenues for beach lifeguards.
- Allows counties and school boards to reduce or repeal certain local discretionary sales surtaxes in effect by a two-thirds vote.
- Extends the timeframe for local incentive program benefits in enterprise zones to continue from December 31, 2025, to December 31, 2035, for multi-phase projects that vested on or before December 31, 2021.

Corporate Income Tax

The bill:

- Excludes charitable trusts from the definition of “corporation” for purposes of the state’s corporate income tax.
- Adopts the Internal Revenue Code in effect on January 1, 2025, to maintain conformity with federal provisions.

Fuel Taxes

The bill:

- Repeals the aviation fuel tax beginning January 1, 2026.
- Delays the imposition of the tax on natural gas fuel from January 1, 2026, to January 1, 2030.

Multiple Taxes

The bill:

- Creates the Home Away from Home Tax Credit program to provide \$13 million in annual tax credits to Florida businesses that contribute to charitable organizations that house families of critically ill children at little or no cost to the family while traveling so the child can receive care. Credits can be applied to corporate income, insurance premium, or beverage taxes. The bill appropriates \$155,282 of nonrecurring funds from the General Revenue Fund to the Department of Revenue to implement the tax credit.
- Creates the Rural Communities Investment Program to allow investors to earn a total of \$7 million in annual tax credits against the corporate income or insurance premium tax by investing in a rural fund. The program is capped at \$35 million over five years.

- Amends the Strong Families Tax Credit program to clarify that the charitable organization only must submit an IRS Form 990 if it was required to file the form with the IRS.

Pari-mutuel Taxes

The bill:

- Clarifies the live racing requirements for the 0.5 percent applicable tax rate on handle for intertrack wagering.
- Eliminates the slot machine licensing fee for thoroughbred permitholders.
- Reduces the cardroom tax rate from 10 percent to 8 percent.

Miscellaneous

The bill:

- Increases the amount of beverage tax distributions made to the University of Miami Sylvester Comprehensive Cancer Center (\$10 million to \$20 million total); Mayo Clinic Comprehensive Cancer Center (\$10 million to \$20 million total); University of Florida Health Shands Cancer Center Brain Tumor Immunotherapy Program (\$5 million to \$10 million total); and University of Florida Norman Fixel Institute for Neurological Diseases (\$5 million to \$10 million total).
- Amends the Department of Revenue's pre-audit preparation process and clarifies administration of overpayment of taxes.
- Redirects the \$5 million distribution from the Florida Thoroughbred Breeders' Association, Inc. (FTBA) to Tampa Bay Downs, Inc. (\$500,000 to \$1.5 million total) and Gulfstream Park Racing Association, Inc. (\$2 million to \$6 million total) for purses or purse-supplements and repeals references to the association.
- Revises distributions from documentary stamp tax revenues to:
 - o Eliminate the distribution for the New Starts Transit Program and the Florida Rail Enterprise.
 - o Eliminate the \$150 million distribution to the State Housing Trust Fund created in the Live Local Act beginning July 1, 2025, rather than expiring July 1, 2033. Other housing trust fund distributions are unaffected.
 - o Reapply the general revenue service charge to all taxes collected beginning July 1, 2025, rather than July 1, 2033.
- Adds the data center sales tax exemption certificate and the Rural Communities Investment Program to the reporting cycles for economic development programs evaluation of the Office of Economic and Demographic Research and the Office of Program Policy Analysis and Government Accountability.
- Makes other technical and conforming changes.

If approved by the Governor, or allowed to become law without the Governor's signature, these provisions take effect July 1, 2025, except as otherwise provided.

Vote: Senate 32-2; House 93-7

