

THE FLORIDA SENATE
2021 SUMMARY OF LEGISLATION PASSED
Committee on Finance and Tax

HB 7059 — Corporate Income Tax

by Ways and Means Committee; and Rep Payne (CS/SB 7082 by Finance and Tax Committee and Appropriations Committee)

The bill adopts provisions of the Internal Revenue Code in effect on January 1, 2021, for purposes of Florida's corporate income tax. The bill does not adopt specified provisions related to:

- The temporary increase in the deduction of business interest expense.
- The temporary increase in expensing available to film and entertainment productions.
- The temporary increase in the deduction for business meals.
- The depreciation of Qualified Improvement Property.

If approved by the Governor, these provisions take effect upon becoming law.

Vote: Senate 37-1; House 107-5

THE FLORIDA SENATE
2021 SUMMARY OF LEGISLATION PASSED
Committee on Finance and Tax

HB 7061 — Taxation

by Ways and Means Committee; and Rep Payne (CS/SB 7068 by Finance and Tax Committee and Appropriations Committee)

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

Sales Tax

- The bill provides a 10-day “back-to-school” tax holiday from July 31, 2021, through August 9, 2021, for certain clothing, school supplies, and personal computers.
- The bill provides a 10-day “disaster preparedness” tax holiday from May 28, 2021, through June 6, 2021, for specified disaster items.
- The bill provides a 7-day “recreation” tax holiday from July 1, 2021, through July 7, 2021, for admissions to certain events and purchases of sports equipment, outdoor supplies and items, boating and water activities supplies, camping supplies, and fishing supplies.
- The bill creates a sales tax exemption for independent living items, exempting grab bars, bed transfer handles, bed rails, and shower seats.
- The bill allows businesses to pay sales tax on behalf of their customers.
- The bill extends the date from 2022 to 2027 in which a data center may qualify to receive an exemption certificate that allows the owner or tenants of a data center to purchase certain personal property or electricity exempt from sales tax.

Ad Valorem Tax

- The bill increases the discount for multi-unit property used for affordable housing from 50 percent to 100 percent.
- The bill clarifies the property tax treatment of property damaged by calamity or disaster.
- The bill provides two situations when title to homestead property may change without the property being reassessed at just value.
- The bill provides property tax exemptions for certain property used for educational purposes.
- The bill clarifies the tax treatment of property that is partially exempt.
- The bill implements HJR 1377 (SJR 1182) related to flood mitigation by providing an assessment limitation for properties that are voluntarily elevated. These provisions become effective if HJR 1377 is approved by the electors at the general election in November of 2022.
- The bill repeals charitable hospital reporting requirements.

Corporate Income Tax

- The bill creates a corporate tax credit program for businesses that hire student interns. The program is only for Fiscal Years 2021-2022 and 2022-2023 and is capped at \$2.5 million for each fiscal year.

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- The bill increases the credits available to corporations that clean contaminated property in Florida by \$17.5 million for Fiscal Year 21-22.

Documentary Stamp Tax

- The bill provides a documentary stamp tax exemption for documents that must be updated with a new interest rate index.

Various Taxes

- The bill creates a tax credit program for businesses contributing to charities that provide counseling for families. The program is capped at \$5.0 million per fiscal year.
- The bill repeals the Sports Development Program.
- The bill increases the distribution of cigarette tax revenues to the H. Lee Moffitt Cancer Center and Research Institute from 4.04 percent to 7 percent beginning July 1, 2021. Beginning July 1, 2024, the distribution increases to 10 percent.

Tax Administration

- The bill requires the Department of Revenue to use the prior year's tax rate on titanium dioxide in the event the index upon which the tax rate is calculated is unavailable.
- The bill removes penalties for persons who choose to pay their property taxes in installments, but fail to pay the first installment timely.
- The bill provides a process for freight forwarding companies to document exempt sales for export.
- The bill allows collection periods to be aggregated when determining the severity of offense committed by a person who fails to remit taxes.
- The bill requires dealers who maintain their records in an electronic format to provide them electronically when under audit.

If approved by the Governor, these provisions take effect July 1, 2021, except as otherwise provided in the act.

Vote: Senate 40-0; House 117-1