

THE FLORIDA SENATE
2024 SUMMARY OF LEGISLATION PASSED
Committee on Finance and Tax

CS/HB 7073 — Taxation

by Appropriations Committee; Ways & Means Committee; and Rep. McClain and others (CS/SB 7074 by Appropriations Committee and Finance and Tax Committee)

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

Property Tax

The bill:

- Provides an assessment limitation for eligible biogas equipment.
- Delays the date on which tangible personal property of an electric utility is placed on the tax roll.
- Extends the time from 3 years to 5 years for an owner to begin rebuilding his or her homestead property after a disaster and continue to retain homestead tax benefits.
- Requires property appraisers to include additional information in a notice of tax lien sent to a delinquent taxpayer.
- Makes administrative changes to the property tax exemptions created in the Live Local Act. For Monroe County, it reduces the number of units that must be set aside as affordable. It also clarifies what is considered a part of a unit's value that relates to the property tax benefits created by the Live Local Act.
- Provides to taxing authorities an option to “opt-out” of the Live Local Act's property tax exemption for affordable housing units where the income of the person renting is between 80 and 120 percent adjusted gross income, when certain data shows a surplus of such units and the taxing authority takes certain actions.
- Provides for relief from back taxes imposed on homestead property when a clerical mistake or omission results in an error in the assessment of the property, if the property owner voluntarily discloses that she or he is not entitled to the benefit. Otherwise, back taxes may be due for up to 5 years (instead of 10 years).
- Provides for a new property tax exemption for developments that dedicate at least 70 units for affordable housing. The project must be subject to an agreement with the Florida Housing Finance Corporation and agree to a land use restriction for 99 years and to be subject to penalty if the property no longer serves the income limited people as originally agreed to.
- Updates obsolete terminology by replacing the term “property assessor” with “property appraiser.”

Sales Tax

The bill:

- Provides for a 14-day back-to-school sales tax holiday from July 29, 2024, through August 11, 2024.

- Provides for two 14-day disaster preparedness sales tax holidays from June 1, 2024, through June 14, 2024, and from August 24, 2024, through September 6, 2024.
- Provides for a 7-day skilled-worker sales tax holiday for certain tools from September 1, 2024, through September 7, 2024.
- Provides for a 1-month sales tax holiday for recreational items and certain admissions purchased from July 1, 2024, through July 31, 2024, known as Freedom Month.
- Makes permanent the annual distribution of \$27.5 million per year from sales tax revenue to the Department of Agriculture and Consumer Services for the purpose of thoroughbred breeding and racing in the state.
- Allows motor vehicle lessors the option to pay sales tax when the vehicle is purchased rather than collect sales tax on each lease payment.
- Increases from 75 percent to 100 percent the amount of sales tax revenue that the Tax Collection Diversion program deposits into the special reserve account of the Florida Association of Centers for Independent Living when the program successfully collects delinquent taxes.

Documentary Stamp Tax

The bill:

- Reduces the amount of a reverse mortgage's value that is subject to tax.
- Provides a documentary stamp tax exemption for 3 years on notes and obligations used to purchase an alarm system. The note or obligation may be no greater than \$3,500 in value.

Corporate Income Tax

The bill:

- Adopts the Internal Revenue Code as it existed on January 1, 2024.
- Creates a time-limited tax credit for corporations who employ persons with unique abilities.
- Makes administrative changes to the credit provided for certain expenditures made by operators of short line railroads.

Local Taxes

The bill:

- Authorizes Jacksonville-Duval to levy the Indigent Trauma Care surtax.
- Requires the Indigent Trauma Care surtax to be levied by referendum only.
- Provides a procedure to follow that allows for the temporary suspension of surtaxes in a county where a levied surtax is found to be unconstitutional by the Florida Supreme Court.
- Provides that an ordinance to levy the Local Option Food and Beverage tax in Miami-Dade County requires approval from a majority of the voters voting on the referendum.

Various Taxes

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The bill:

- Provides \$5 million in annual child care tax credits for 3 years for certain child care expenses incurred on behalf of employees.
- Amends provisions in the Strong Families Tax Credit program, which includes increasing the program cap from \$20 million per year to \$40 million per year. It also establishes the date and time at which a taxpayer may first submit an application to the Department of Revenue.
- Provides for a 1-year reduction in the tax rates that will be imposed on natural gas fuel which are set to be levied beginning on January 1, 2026. The first-year rates are reduced by 50 percent.
- Provides for an automatic due date extension for corporate income tax and sales tax during a federally declared disaster or a state of emergency.
- Allows the Department of Revenue to reopen assessments if the taxpayer failed to respond to a request as result of certain circumstances.
- Allows the Department of Revenue to include in a garnishment notice and levy additional costs and fees, which are authorized today but may not be included in such notice or levy.
- Provides that the sale of a boat and trailer count as a single item when purchased together and it clarifies which county's surtax must be collected.
- Deletes the requirement that a nonresident purchaser of a boat or aircraft who will remove the vehicle from Florida read the entire statute.
- Removes obsolete language regarding the registration fee for importers of pollutants.
- Creates a distribution for certain cancer centers and a neurological center in the amount of \$30 million per year for 30 years.
- Provides an appropriation in the amount of \$408,604 in nonrecurring general revenue funds to the Department of Revenue to implement the bill.
- Provides an appropriation in the amount of \$200,000 in nonrecurring general revenue funds to fiscally constrained counties to assist with reductions in property tax revenue resulting from Hurricane Idalia.

Insurance Premium Tax and Assessments

The bill provides to policyholders a 1-year deduction on residential policies with effective dates between October 1, 2024, through September 30, 2024, equal to the amount of the Insurance Premium tax and State Fire Marshal assessment. Policyholders of flood insurance will receive a deduction in their insurance premium tax for policies effective October 1, 2024, through September 30, 2024. Insurance providers will be able to take a credit against their insurance premium tax liability in an amount equal to the deduction. Any unused credits will be refunded by the Department of Revenue from the General Revenue Fund.

If approved by the Governor, or allowed to become law without the Governor's signature, these provisions take effect July 1, 2024, except as otherwise provided.

Vote: Senate 38-0; House 110-0